

GENERAL: The standard conditions of sale contained herein and the special conditions of sale set forth in the applicable product-line specification bulletins, and any supplements or modifications thereto confirmed by the seller's acknowledgment, together with any written specifications or certifications signed by one of the seller's authorized executives●, shall constitute the complete and exclusive statement of the seller's conditions of sale.

In no event shall transactions be subject to any affirmation of fact or promise that relates to the application, performance, or description of the goods unless such affirmation or promise is in writing and signed by one of the seller's authorized executives● or is confirmed by the seller's acknowledgment. ANY TERMS, WHETHER IN A PURCHASE ORDER OR OTHER DOCUMENT OF THE IMMEDIATE PURCHASER, IRRESPECTIVE OF THEIR MATERIALITY, THAT ARE EITHER DIFFERENT FROM OR ADDITIONAL TO THE SELLER'S CONDITIONS OF SALE AS SET FORTH ABOVE ARE OBJECTED TO AND ARE EXCLUDED UNLESS EXPRESSLY AGREED TO IN THE SELLER'S ACKNOWLEDGMENT.

Acceptance of the goods shipped shall constitute assent to the seller's conditions of sale. In special transactions involving a formal invitation to bid and a formal award by purchase contract, the seller's conditions of sale apply only to the extent not inconsistent with the purchase contract.

NONASSIGNABLE SOFTWARE LICENSE: Certain software, computer programs, source code, object code, listings, and related materials, in machine-readable or printed form, including firmware and all types of media, and all updates and modifications thereto ("Software" hereafter), may be delivered by the seller to the immediate purchaser together with each product. Such Software is furnished to the immediate purchaser or, if the product is purchased by a third party for installation in third-party equipment, the end user of the equipment, under a nonexclusive license for use solely on a single product, and may not be copied, in whole or in part, nor may it be sub-licensed.

The immediate purchaser shall preserve any and all copyright notices included in the Software. Except as set forth herein, or as may be permitted in writing by the seller, the immediate purchaser shall not provide or otherwise make available the Software or any part of copies thereof to any third party. Title to, ownership of, and all applicable rights in patents, copyrights, and trade secrets in the Software shall not transfer to the immediate purchaser or end user. The immediate purchaser agrees to take appropriate action by instruction or agreement with its employees who are permitted access to the Software to fulfill its obligations hereunder.

LIMITED WARRANTY AND EXTENT OF LIABILITY:

(1) General: The seller warrants to the immediate purchaser for a period of two years from the date of shipment that the equipment delivered will be of the kind and quality specified in the contract description and will be free of defects of workmanship and material. Should any failure to conform to this warranty (or to any additional warranty contained in the special conditions of sale set forth in the applicable product-line specification bulletin) appear under proper and normal use within two years after the date of shipment the seller agrees, upon prompt notification thereof and confirmation that the equipment has been stored, installed, operated, and maintained in accordance with recommendations of the seller and standard industry practice, to correct the non-conformity either by repairing any damaged or defective parts of the equipment or (at the seller's option) by shipment of necessary replacement parts.

The seller's warranty does not apply to any equipment that has been disassembled, repaired, or altered by anyone other than the seller. This limited warranty is granted only to the immediate purchaser or, if the equipment is purchased by a third party for installation in third-party equipment, the end user of the equipment. The seller's duty to perform under any warranty may be delayed, at the seller's

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● Authorized executives are the chairman of the board, president, vice president of any rank, or any other executive expressly designated by S&C.



sole option, until the seller has been paid in full for all goods purchased by the immediate purchaser. No such delay shall extend the warranty period.

The seller further warrants to the immediate purchaser or end user that for a period of one year from the date of shipment the Software will perform substantially in accordance with the then-current release of specifications if properly used in accordance with the procedures described in the seller's instructions. The seller's liability regarding any of the Software is expressly limited to exercising its reasonable efforts in supplying or replacing any media found to be physically defective or in correcting defects in the Software during the warranty period. The seller does not warrant the use of the Software will be uninterrupted or error-free.

- (2) Limitation:** The warranty and/or obligations described in the foregoing paragraph, including any additional warranty contained in the special conditions of sale, are exclusive; and the remedies provided hereinabove for breach of these warranties shall constitute the immediate purchaser's or the end user's exclusive remedy and a fulfillment of all of the seller's liability. In no event shall the seller's liability to the immediate purchaser or end user exceed the price of the specific product that gives rise to the immediate purchaser's or end user's claim.

The seller's warranties do not apply to major components not of S&C manufacture, such as: surge arresters, current-limiting fuses, instrument transformers, relays and meters, low-voltage circuit breakers, remote terminal units, and terminators. However, the seller will assign to the immediate purchaser or end user all manufacturers' warranties that apply to such major components.

All other warranties, whether express or implied or arising by operation of law, course of dealing, usage of trade or otherwise, are excluded. The only warranties are those stated herein, and THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY EXPRESS WARRANTY OR OTHER OBLIGATION PROVIDED HEREIN IS GRANTED ONLY TO THE IMMEDIATE PURCHASER AND END USER, AS DEFINED HEREIN. OTHER THAN AN END USER, NO REMOTE PURCHASER MAY RELY ON ANY AFFIRMATION OF FACT OR PROMISE THAT RELATES TO THE GOODS DESCRIBED HEREIN, ANY DESCRIPTION THAT RELATES TO THE GOODS, OR ANY REMEDIAL PROMISE INCLUDED IN THESE STANDARD CONDITIONS OF SALE.

The seller shall not be liable, in contract, tort, or otherwise (including for negligence, breach of warranty, indemnity, and strict liability) for any penalty or for any special, consequential, indirect, or incidental damages, whether for personal injury or property damage, including specifically but without limitation, loss of profits or revenue, loss of other equipment, loss of full or partial use of any equipment or facility, down-time costs, business interruption, any claim arising out of loss of electrical power, cost of capital, loss of goodwill, claims of third parties, costs associated with the removal of equipment from service or reinstallation or disassembly or reassembly, or similar damages, arising out of or resulting from this order or transaction.

NUCLEAR: The immediate purchaser represents and warrants that goods covered hereunder shall not be used in or in connection with a nuclear facility or application.

WILDFIRE: For applications in Wildfire-Prone Regions, the immediate purchaser and/or end user shall have complete insurance protection against liability and property damage resulting from a Wildfire Incident and shall indemnify S&C, its affiliates, subcontractors, suppliers, and vendors against all claims resulting from a Wildfire Incident. As used in this document, Wildfire-Prone Regions means, without limitation, mountainous, forest-covered land; brushcovered land; grass-covered land; land covered with flammable material; and/or land designated by a federal, state, or local government or agency as a fire hazard zone. Wildfire Incident means an unplanned or unwanted wildland fire, including authorized human-caused fires, escaped wildland fire use events, escaped prescribed fire projects, and all other wildland fires where the objective is to extinguish the fire.

EXPORT COMPLIANCE:

The seller is required to comply with applicable export laws and regulations of the U.S. For any sale made under this contract, the purchaser shall not export, re-export, distribute, download, or supply any product, component, part, and/or Software other than to the ultimate country of destination specified in this contract, without obtaining prior, written authorization from the seller and the applicable U.S. Government agency. The seller reserves the right to suspend or cancel delivery of products, components, parts, and/or Software to the purchaser or cancel this contract in its entirety, without liability to the seller, if the seller has a good-faith basis for believing the purchaser has violated or intends to violate this paragraph.

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COMPLIANCE WITH ANTI-BRIBERY LAWS:

The U.S. Foreign Corrupt Practices Act (“FCPA”) and laws in other countries strictly prohibit the payment of bribes, kickbacks, or similar payments to influence business. The purchaser agrees not to take any action whatsoever to wrongfully influence any decisions in its or the seller’s favor relating to goods sold hereunder, either directly or indirectly.

TERMS OF DELIVERY:

- (1) **Risk of Loss.** Risk of loss of the products or any part thereof shall pass to the immediate purchaser upon delivery in accordance with the International Rules for the Interpretation of Trade Terms (Incoterms® 2010).
- (2) **General.** Prices are F.C.A. delivery point within The Lower 48 (the lower 48 states of the continental United States) in accordance with Incoterms 2010 unless otherwise expressly specified in writing by the seller.
- (3) **Surcharges.** The seller reserves the right in its sole discretion to add surcharge(s) to the quotation and/or invoice for increased costs related to, without limitation, freight, fuel, change in law, and/or tariffs.
- (4) **Method of Transportation and Routing within The Lower 48.** The seller will determine the method of transportation and the routing of the shipment. Where the immediate purchaser requires shipment by a method of transportation or routing other than that of the seller’s selection, any additional transportation and/or packing expense is to be borne by the immediate purchaser.
- (5) **Export Packing.** Where “export packing” is required an extra charge will be made not to exceed 5% of the net selling price.
- (6) **Forwarding Agent for Overseas Destinations.** Shipments will be made to the purchaser’s designated forwarding agent or representative. If the immediate purchaser has no designated forwarding agent or representative, shipments will be made to the port of destination, with the additional expense for ocean freight, insurance, and forwarding charges to be borne by the immediate purchaser.

TERMS OF PAYMENT:

- (1) **General. Cash (U.S. funds) in advance, or acceptable Letter of Credit.** Letters of Credit should be of the irrevocable type, confirmed by a prime United States bank. The expiration date of the Letter of Credit should be at least 60 days beyond the scheduled shipment date.
- (2) **Entry of Order.** Orders are not entered at the factory until payment terms are settled.
- (3) **Seller’s Security Interest.** The goods shall remain personal property and the seller retains a security interest therein until fully paid. If full payment is not made when due, the seller is entitled to recover possession of the goods and if they are in the immediate purchaser’s possession or control the immediate purchaser shall assemble them at a place to be designated by the seller. Repossession by the seller shall not exclude or modify any remedy provided by law.

With respect to any orders or items or quantities thereon then outstanding, the seller shall require full or partial payment in advance or cancel or defer any of such orders or items or quantities thereon and require immediate purchaser to pay any and all damages incurred in connection with such cancellation or deferment.
- (4) **Revision of Payment Terms.** The seller, in its sole discretion, may require revision of payment terms, including, but not limited to, a prepayment requirement, deposit, or progress/milestone payments, as set forth in the relevant quotation issued by the seller to the immediate purchaser, or if not specified in the quotation, as set forth herein. Further, the seller shall be entitled to cancel or defer any orders or items or quantities thereon then outstanding, without obligation by either the immediate purchaser or the seller with respect to unshipped Goods.
- (5) **Bankruptcy or Insolvency of Immediate Purchaser.** In the event any proceeding is brought by or against the immediate purchaser under any bankruptcy or insolvency laws, seller shall be entitled to cancel any orders or items or quantities thereon outstanding as of the date of such bankruptcy or insolvency without liability. The immediate purchaser shall not withhold payment of any amounts due and payable by reason of any setoff of any claim or dispute with seller, whether relating to seller’s alleged breach, bankruptcy or otherwise.

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HANDLING CHARGES:

(1) **Small Shipments.** When a single shipment of products, components, and/or parts to a single destination amounts to less than \$500.00 (based on the net invoice value), a handling charge of \$100.00 will apply.

(2) **Immediate Shipments.** When immediate shipment of products, components, and/or parts is required, premium freight methods will be employed to minimize transportation time. Because of the extra attention required by such orders, a handling charge of \$100.00 will apply, in addition to the extra charges for premium freight. The \$100.00 handling charge described under (1), above, will not apply to immediate shipments.

PRICE ADJUSTMENTS: Prices stated on the seller's acknowledgment for orders, or items or quantities thereon, are not subject to upward or downward adjustment unless specified in the quotation. Orders will be accepted only if shipment can be scheduled for completion within 12 months after date of order.

QUOTATIONS: Any price, quantity, or condition of sale stated in any quotation is effective for 60 days from date of quotation unless changed by notice. No quotation shall have any force or effect after 60 days from date of quotation unless effective period of such quotation is expressly extended in writing by the seller.

All orders, whether or not based on specific quotations, are subject to acceptance by the seller only at its general offices in Chicago, Illinois.

Subsequent to the issuance of quotations, the seller may, without notice, make design changes for product modernization or improvement. Catalog numbers may be supplemented with the letter "R" followed by a digit identifying the latest design revision.

If specified in the quotation, a materials surcharge may be applied to the net selling prices of products at the time of shipment, depending on the cost levels of purchased parts and materials in the preceding month.

TAXES, DUTIES, OR FEES: Where the seller is required to pay or collect taxes, duties, or fees, the amount will be added to the invoice as a separate item.

LOSS, DAMAGE, OR DELAY: Shipping dates are approximate and are based on prompt receipt of all necessary information. The seller is not liable for loss, damage, detention, or delay because of causes beyond its reasonable control such as, but not limited to: acts of God, acts of the immediate purchaser, acts of civil or military authority, priorities, fires, strikes, labor issues or difficulties, floods, earthquake, weather, epidemics, quarantine restrictions, war, riot, delays in transportation, government restrictions or embargoes, or difficulties in obtaining necessary labor, materials, and manufacturing facilities from usual sources because of such causes.

INTELLECTUAL PROPERTY: The seller shall defend any suit or proceeding brought against the immediate purchaser so far as based on a claim that any product, or any part thereof, sold hereunder constitutes an infringement or misappropriation of intellectual property rights of others if notified promptly in writing and given authority, information, and assistance (at the seller's expense) for the defense of same, and the seller shall pay all damages and costs awarded therein against the immediate purchaser, provided that this agreement shall not extend to any infringement based on the manufacture, use, or sale of said product or any part or parts thereof, in combination with apparatus or things not furnished by the seller.

In case the product, or any part thereof, furnished hereunder is in such suit held to constitute infringement and its use enjoined, the seller shall, at its own expense and at its option, either (1) procure for the immediate purchaser the right to continue using said product or part thereof; or (2) replace the same with a noninfringing product; or (3) modify it so that it becomes noninfringing; or (4) remove said product and refund the purchase price and the transportation and installation costs thereof. The foregoing states the entire liability of the seller with respect to infringement by said product or any part thereof.

The preceding paragraph shall not apply to any equipment or product, or any part thereof, manufactured to the immediate purchaser's design. As to such equipment or product, or any part thereof, the seller assumes no liability whatsoever for infringement or misappropriation.

CLERICAL ERRORS: The seller reserves the right to correct clerical errors or omissions in quotations, acknowledgments, invoices, or other documents.

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MODIFICATION, CANCELLATION, OR DEFERMENT BY IMMEDIATE PURCHASER: Except as otherwise set forth herein, orders or purchase contracts may be modified or cancelled, and scheduled shipments may be deferred, upon the immediate purchaser's prior written notice; provided, however, that the seller shall have sole discretion to modify, cancel or defer any such order, purchase contract or scheduled shipments by issuing a revised acknowledgement to immediate purchaser; provided, further, that, in the event of cancellation by the immediate purchaser, the immediate purchaser shall be liable to pay the seller a cancellation charge as set forth in the relevant quotation issued by the seller to the immediate purchaser, or if not specified in the quotation, in accordance with the following schedule: (i) 25% of the purchase price of the Goods if the Order has been accepted/acknowledged by the seller and the Goods have not been shipped; (ii) 50% of the purchase price of the Goods upon the seller's commencement of drawings, ordering of long lead time items, or general material requirements being driven (as applicable); or (iii) 100% of the purchase price of the Goods upon the seller's commencement of production of subassembly or final units, or if the Goods have shipped either in whole or in part.

In the event of cancellation by the immediate purchaser occurring at a time after (i) or (ii), but before (iii) above, and the impacted production space cannot be utilized, the seller reserves the right to charge a cancellation fee of 100% of the purchase price of the Goods. The immediate purchaser shall be liable to pay all damages and charges incurred by the seller as a result of the immediate purchaser's modification, cancellation or deferment of any Order, including without limitation, carriage, packing and insurance charges imposed on the seller by its suppliers, and any other costs resulting from cancellation of the order or purchase contract.

Additional catalog number items may be added to, and/or quantities of specified catalog numbers adjusted on, unshipped orders up to 10 business days from the order or purchase contract date upon the seller's written consent. Shipment schedules for additional items are dependent upon product availability; these items may not ship with the items originally specified on the order or purchase contract.

ILLINOIS LAW GOVERNS: The laws of Illinois shall govern the interpretation and effect of all contracts and the rights and remedies of the parties.

ARBITRATION: Any controversy or claim that cannot be settled amicably between immediate purchaser and the seller, relating to goods sold hereunder, shall be finally settled by arbitration conducted either outside the United States of America in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC) or in the United States of America in accordance with the Rules of the American Arbitration Association (AAA). If the parties fail to agree in writing on the place where the arbitration is to be conducted, a final and binding determination of this question shall be made by a joint committee consisting of three persons, one of whom shall be appointed by the ICC, one by the AAA, and one by agreement between the ICC and the AAA.

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POLICIES RELATING TO SALES

CHANGES TO PRICES AND CONDITIONS OF SALE: Prices and conditions of sale are subject to change without notice.

WITNESS OF TEST: Normal production procedures do not provide opportunity for the immediate purchaser to witness routine factory tests on their apparatus. Witness of such tests by the immediate purchaser requires special processing of the order and usually entails delays in production and additional charges, information on which can be furnished on request.

RETURNS: Products may not be returned by the immediate purchaser without first securing authorization and a return goods authorization number. Where the seller authorizes the immediate purchaser to return unused, recently received products, charges will be made to cover outgoing transportation paid by the seller plus the cost of restocking, repackaging, reinspection, repair, or disassembly as applicable. Only products manufactured within the past two years and still of current design will be eligible for return. In general, charges, over and above the transportation, will be based on the following schedule:

(1) 25% of the net selling price for standard catalog products regularly carried in the seller’s active warehouse stock and returnable directly to stock without reinspection, repackaging, repair, or modification;

- (2) 50% of the net selling price for standard catalog products not regularly carried in the seller’s active warehouse stock, but which are sufficiently active to warrant being placed in stock and that can be returned directly to stock without reinspection, repackaging, repair, or modification;
- (3) 75% of the net selling price for standard catalog products not sufficiently active to warrant being placed in stock and which therefore must be unpacked and disassembled;
- (4) 100% or more of the net selling price for products of a custom nature that must be unpacked and disassembled and from which only certain parts and sub-assemblies are salvageable.

Authorized returns, with the return goods authorization number identified on the material to be returned, should be shipped, freight prepaid and at the immediate purchaser’s risk, to S&C Electric Company, Repair Center. For product returns, contact the local S&C representative for proper return material authorization documentation.

Note: To report any ethics or compliance concerns, please contact, openly or anonymously, the S&C Helpline at sandc.ethicspoint.com.

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