

**STOCK PRODUCTS
Motors, Inverters, and Gears**

TWMC-4500T, Rev. 7, 1/2/24

Terms and Conditions of Sale

TECO-Westinghouse Motor Company (TWMC) hereby gives notice of its objection to any different or additional terms and conditions. Unless different or additional terms are stated in TWMC's proposal, in which event:

1. Such different or additional terms shall be exclusive as to the subject covered,
2. The terms and conditions stated herein apply, and
3. Such Terms and Conditions supersede any prior or contemporaneous agreements or correspondence between the parties.

This sale is expressly conditional on the Purchaser's assent to the Terms and Conditions stated herein. The Purchaser's direction to proceed with any of the engineering, manufacture, or shipment of any product is conclusive as to such assent.

Dispatch of the Purchaser's purchase order (PO) will constitute an acceptance of the quotation, and an assent to the Terms and Conditions stated herein, if the purchase order agrees with the quotation in respect to all material terms.

Quotations

Each quotation is valid for thirty (30) days from the date of the quotation unless otherwise stated in the quotation.

Minimum Billing

The minimum billing per order shall be \$100.00, unless otherwise agreed upon by TWMC.

Taxes

With the exception of Harbor Maintenance Tax as stated in the following paragraph, TWMC will assume the payment of all taxes and fees assessed by any taxing authority in the United States with respect to this order. The Purchaser will assume the payment of all taxes, duties, fees and other charges assessed by any taxing authority in the Purchaser's country or country of ultimate destination with respect to this order.

Under FAS Incoterms it is the Purchaser's responsibility to clear the goods for export. Accordingly, should the Purchaser appoint a freight forwarder

or agent to affect export on the Purchaser's instruction, the Purchaser's freight forwarder is responsible for payment of the US Harbor Maintenance Tax on behalf of the Purchaser.

Terms of Payment**A. Net 30**

For contracts with a total price less than \$250,000 and with a shipment date less than twelve (12) months from the date of order, an invoice will be issued when each unit is shipped and the standard terms of payment are net within thirty (30) days from the date of invoice.

B. Progress Payments

For contracts with a total price greater than \$250,000 and/or with a shipment date greater than 12 months from the date of order, the following payment terms shall apply:

1. 10% of the contract price shall be invoiced when drawings for approval are issued by TWMC. If drawings for approval are not specified, an invoice will be mailed when construction drawings are issued, but in no event later than 120 days after the date of order.
2. 30% of the price of each unit shall be invoiced seven (7) months prior to the first day of the scheduled shipment month of that unit.
3. 30% of the price of each unit shall be invoiced four (4) months prior to the first day of the scheduled shipment month of that unit.
4. The final 30% of the price of each unit shall be invoiced upon complete shipment of each unit.

In each of the above instances, the terms of payment are net within 30 days from date of invoice.

5. A separate invoice will be issued concurrently with sections 1, 2, 3, and 4 for the escalation on that portion of the contract price. The escalation for the portion of the contract involved under 1, 2, 3, and 4 ceases on the date the invoice is issued.

C. Adequate Assurances of Payment

If, in the judgment of TWMC, the financial condition of the Purchaser does not justify the terms of payment specified, TWMC may, at its option,

require full or partial payment in advance.

Overdue Payments

If payments are not made in accordance with these terms, the quoted price shall, without prejudice to the right of TWMC to immediate payment, be increased by an amount equal to the lesser of 1.5 percent (%), or the highest legal rate of interest on the unpaid balance, plus all expenses of collection including but not limited to attorneys' fees and court costs.

Delivery

Delivery of each item of equipment shall be made FOB Point of Shipment with freight prepaid. Purchaser shall reimburse TWMC for freight charges in an amount equal to the lesser of TWMC's NEMA Frame Freight Policy in effect at the time of shipment or actual freight charges. Such amounts will be paid by the Purchaser upon presentation of invoice by TWMC.

Force Majeure

TWMC shall not be liable for failure to perform or for delay in performance resulting from any cause beyond TWMC's reasonable control or due to compliance with any regulations, orders, acts, instructions or priority requests of any federal, state, or municipal Government, or any department or agency thereof, civil or military authority, acts of God, acts or omissions of the Purchaser, fires, floods, weather, strikes, lockouts, factory shutdowns, faulty castings or forgings, embargoes, wars, hostilities, riots, delays or shortages in transportation or inability to obtain labor, manufacturing facilities, or material from TWMC's usual sources. In the event of delay in performance due to any such cause, the date of delivery or time for completion shall be extended by a period of time reasonably necessary to overcome the effect of such delay, and TWMC shall be reimbursed for any additional expense(s) resulting from such delay. The Purchaser's receipt of products shall constitute a waiver of any claims related to the delay.

Standard Warranty

TWMC warrants that the equipment furnished hereunder will be of the kind and quality described in its proposal or

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contract and will be free of defects in workmanship and material.

The warranty period for stock motors is thirty-six (36) months from the date of shipment. Motors of 20 horse power or less are covered under a "No Fault" warranty. This warranty claim is offered one time per end user, per application. If there is more than one failure, the standard warranty process will be followed.

All MAX-E2/841® motors have a 5-year warranty from date of shipment. TWMC shall correct such nonconformity by repairing or replacing the defective part or parts, FOB factory or its designated repair facility at TWMC's option.

The Purchaser shall not be required to deliver a defective part to the seller if:

1. The part was destroyed as a result of its defect or of any defect in any part covered in this warranty, and
2. The seller is reasonably satisfied that the part was defective at the time of sale. If both these conditions are met the seller shall replace the part in the same manner as if the Purchaser had delivered it into the seller's plant.

This warranty is conditioned upon the storage, installation, operation, and maintenance of the equipment in accordance with any TWMC recommendations and standard industry practice. The Gears shall be in use for two (2) daily work shifts (total of sixteen (16) hours/day) only. Other exceptions to the standard warranty where applicable will be specified on the product page in the price book where they apply.

In no event shall TWMC be responsible for:

1. Providing working access to the defect, including the removal, disassembly, replacement, or reinstallation of any equipment, materials, or structures to the extent necessary to permit TWMC to perform its warranty obligations,
2. Transportation costs to and from the TWMC factory or designated repair facility,
3. The conditions of any test shall be mutually agreed upon, and TWMC shall be notified of, and may be present at all tests that may be made,

4. Repairs performed without authorization by TWMC,
5. Removing a motor from the installed location, or
6. Reinstalling a motor on site.

Merger Clause

Any representation, warranty, course of dealing, or trade usage not contained or referenced herein shall not be binding on TWMC. This writing, along with any additional parol agreements favoring TWMC, constitutes the entire agreement of the parties on the subject matter hereof. No modification, amendment, rescission, waiver, or other change shall be binding on TWMC unless expressly assented to in writing by TWMC.

DISCLAIMER OF WARRANTIES: THE WARRANTIES SET FORTH IN THIS PROVISION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER STATUTORY, EXPRESS, OR IMPLIED (INCLUDING ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND ALL WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE EXCEPT OF TITLE AND AGAINST PATENT INFRINGEMENT.

The remedies provided above are the Purchaser's sole remedies for any failure of TWMC to comply with its obligations.

The repair or replacement of defective material or workmanship shall constitute complete fulfillment of all the liabilities of TWMC whether the claims of the Purchaser are based in contract, in tort (including negligence or strict liability) otherwise with respect to or arising out of the product furnished hereunder.

Limitation of Liability

TWMC, its subcontractors and suppliers of any tier, shall not be liable in contract, in tort (including negligence or strict liability) or otherwise for interruption of business, downtime costs, loss of profits or revenues, loss of use of equipment or power system, cost of capital, cost of purchased or replacement power or temporary equipment (including additional expenses incurred in using the existing facilities), claims of customers of Purchaser, or for any special, indirect,

incidental, or consequential damages whatsoever.

The remedies of the Purchaser set forth herein are exclusive and the total cumulative liability of TWMC with respect to any contract, or any action taken in connection therewith such as the performance or breach thereof, or from the manufacture, sale, delivery, resale, or use of any product covered by or furnished under the order, whether in contract, in tort (including negligence or strict liability) or otherwise shall not exceed the price of the product or part on which such liability is based.

Patents

Subject to the following provisions, TWMC shall, at its own expense, defend or at its option settle any claim, suit or proceeding brought against the Purchaser, and/or its customers, so far as based on an allegation that any product constitutes a direct or contributory infringement of any claim of any patent of the United States in force at the time of sale. This obligation shall be effective only if Purchaser shall have made all payments then due hereunder and if TWMC is notified promptly in writing and given authority, information, and assistance for the defense of said claim, suit, or proceeding.

TWMC shall pay all damages and costs awarded in such suit or proceeding so defended.

1. In case the use or sale of such product or parts is enjoined, TWMC shall, at its option and its own expense, perform one of the following actions:
 - a. Procure for the Purchaser the right to continue using said product or part thereof; or
 - b. Replace it with a non-infringing product; or
 - c. Modify it so it becomes noninfringing, or
 - d. As a last resort, refund the purchase price.
2. The foregoing indemnity does not apply to the following items:
 - a. Patented processes performed by the product, or any product produced thereby,

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- b. Products supplied according to a design other than that of TWMC's,
- c. Combinations of the product with another product not furnished hereunder unless TWMC is a contributory infringer,
- d. Any settlement of a suit or proceeding made without TWMC's written consent.

The foregoing states the entire liability of TWMC with respect to patent infringement by said product or any part thereof. If a suit or proceeding is brought against TWMC solely on account of activities enumerated in paragraph 2 a, b, c, above, the Purchaser agrees to indemnify TWMC in the manner and to the extent TWMC indemnified the Purchaser for products furnished.

Additional Conditions Applicable to Nuclear Applications

- 1. In the event that the Purchaser or third parties use product or any part thereof, in connection with any activity or

process involving nuclear fission or fusion or any use or handling of any source, special nuclear or byproduct material as those materials are defined in the US Atomic Energy Act of 1954 as amended, the Purchaser, at no expense to TWMC shall provide or arrange for insurance coverage, indemnities, waivers of liability, recourse and subrogation in such amounts and under such terms and conditions as may be acceptable to TWMC, to protect TWMC (and its subsidiaries, subcontractors or suppliers of any tier) against any and all loss, cost, damage or expense and claims and demands therefore, in contract, in tort or otherwise, including the cost of investigating, litigating and/or settling any such claims or demands, on account of bodily injury, sickness, disease or death to any person or the loss of, loss of use of, or damage to property whether located on or off the site of a nuclear installation, arising out of, or resulting from the radioactive, toxic, explosive or other hazardous properties of source,

special nuclear or byproduct materials, as those materials are defined in the US Atomic Energy Act of 1954 as amended.

- 2. In the event that the Purchaser resells, distributes or in any way relinquishes control of the product or services to a third party, the Purchaser shall require from such third party
 - a. Compliance with all requirements under Additional Conditions Applicable to Nuclear Applications Section 1 above and
 - b. Assurance that any subsequent Purchaser of the product or services complies with all requirements under Additional Conditions Applicable to Nuclear Applications Section 1 above.

Interpretation

All orders shall be interpreted in accordance with the laws of the State of Texas.