

Terms & Conditions of Sale

Distribution Transformers



General. Unless otherwise specifically stated on the front side of the Quotation, Order Acknowledgement of invoice forms of the WEG Transformers USA LLC. (hereinafter called "Company"), or unless otherwise expressly agreed to by Company in writing, the following terms and conditions shall govern and control all sales by the Company. Any terms in a Purchaser's inquiries, purchase orders, other forms, letters or elsewhere, irrespective of their materiality, which are either different from or in addition to Company's conditions of sale recited herein (or Company's special conditions of sale set forth in the applicable product-line price sheet) are objected to and are excluded unless the Company expressly agrees in writing to such terms. Acceptance of the goods shipped shall constitute assent to Company's conditions of sale. No other terms or conditions in contradiction hereof shall be applicable, whether contained in Purchaser's inquiries, purchase orders, other forms, letters or elsewhere.

Quotations, Orders, Prices. Unless otherwise stated in writing, Company's quotations are subject to acceptance by the Purchaser within thirty (30) days. Orders will be billed at prices in effect at time of shipment, unless otherwise so stated in the quotation. Published prices and discounts are subject to change without notice. Possession of price or discount sheets in no way obligates Company to sell to the Purchaser possessing such price or discount sheets. Orders are subject to final approval and acceptance at Company's factory. Unless otherwise stated in writing, Company reserves the right to ship plus or minus ten (10%) per cent of specified quantity of items not cataloged. Unless otherwise stated on front side of Company's Quotation. Order Acknowledgement or Invoice, method of shipment by Company shall in all cases be F.O.B. Factories. For sales to clients outside the United States of America sale shall be concluded following the INCOTERMS named in the contract or, if it is not mentioned, according to EX WORKS (INCOTERMS).

Sales and Similar Taxes. The Company's prices do not include Federal, State or municipal sales, use, excise or similar taxes, consequently, in addition to the price specified herein, the amount of any present or future sales, use, excise or other similar tax applicable to the sale or use of the equipment hereunder, shall be paid by the Purchaser, or in lieu thereof the Purchaser shall provide the Company with a tax exemption acceptable to the taxing authorities.

Terms. Unless specified to the contrary in writing by WEG, payment terms are Net thirty (30) days from date of Company's invoice. Invoice subject to **SERVICE CHARGE** if not paid within terms.

Method of Delivery. For all sales within the United States of America, all prices on WEG Transformers USA price sheets are F.O.B. Factories with freight allowed via cheapest way to any domestic common carrier points (excluding Alaska and Hawaii) on shipments of net invoice value of \$2,000.00 or more. On less than \$2,000.00 net invoice value, the shipment will be made freight collect or prepaid and added to the invoice. When method of shipment is specified by purchaser, any additional expense will be borne by the purchaser. On F.O.B. Factory shipments and shipments less than \$2,000.00 net invoice value, the Company reserves the right to make partial shipments against orders which do not meet Company's freight allowance terms.

Minimum Charge. On orders for less than \$250.00, the amount billed will be \$250.00. Exceptions are for parts, which are not subject to the \$250.00 minimum order charge.

Cancellation or Delay By Purchaser. No order or contract may be cancelled or delayed by Purchaser except upon payment by Purchaser of cancellation or delay charges, based upon expenses already incurred and commitments made by Company. All cancellations are subject to acceptance by WEG Transformers USA.

Returned Goods. Specific written request and arrangements must be made in advance in order for Purchaser to obtain credit or replacement on material returned. Request for return of material must be made within one year of original shipping date. **If the material being returned is currently priced in a WEG Transformers USA price sheet, it can be replaced in like dollar amount of other priced items based on the list price of the items returned as well as those items replacing the returned items subject to the following adjustments.** Purchaser must reimburse the Company for outgoing shipping costs, prepay return shipment and pay a minimum handling charge of 10% or \$20.00, whichever is more, plus any charges necessary to rework and/or repackage to resalable condition.

All other Items approved for return, purchaser must reimburse Company for outgoing shipping costs, prepay return shipment and pay a minimum restocking charge of 20% or \$20.00, whichever is more, plus any charges necessary to rework and/or repackage goods to resalable condition.

Delays, Damage or Loss. Notwithstanding any conditions contained in Purchaser's purchase order (or other forms) to the contrary, Company is not and shall not be liable for details in shipment or delivery of materials, goods or equipment, detention thereof, loss or damage thereto, when due to acts of God, acts of the Purchaser, acts of civil or military authority, priorities, U.S. governmental restrictions or embargoes, war, riot, fires, strikes, flood, epidemics, quarantine restrictions, default or delay by supplier, breakdown in manufacturing facilities, machinery or equipment, delays in transportation or difficulties obtaining necessary materials, labor or manufacturing facilities due to such causes or any other cause beyond its reasonable control.

Warranty. Unless specified to the contrary in writing in the **specific WEG terms and conditions**, Company warrants to Purchaser that the equipment to be delivered to Purchaser will be free from defects in material and workmanship when used under proper and normal use for a period of 12 months after the equipment is put into service. Not to exceed 18 months from the date the equipment is delivered (whether by sale, lease or rental). Organic insulation materials are sold **with the express understanding** that their life and fitness for purpose are indeterminate and largely depend on application and operating circumstances and continuing maintenance. Should any failure to conform to the above (or to any additional warranty contained in the special conditions of sale set forth in the applicable product-line price sheet) appear within one (1) year after the date of shipment by Company, the Company agrees, upon prompt notification thereof and conformation that the equipment has been stored, installed, operated and maintained in accordance with recommendations of the Company and standard industry practice, to correct the nonconformity at Company's option either by repairing any defective part or parts or by making available at Company's plant a repaired or replacement part. The liability of Company to Purchaser arising out of the supplying of said equipment or its use, whether on warranty, contract or negligence, shall not in any event exceed the cost of correcting defects in the equipment as herein provided, and upon the expiration of said one (1) year, all such liability shall terminate. **The foregoing shall constitute the sole remedy of the Purchaser and the sole liability of Company.** The Warranty does not and shall not include reimbursement for the expenses which may be incurred by Purchaser. Before any material is returned, Purchaser must contact Company, as outlined under Returned Goods. No warranty is made with respect to equipment not manufactured by Company, such being subject only to warranties made by their respective manufacturers. Company shall in no event be responsible or liable for modifications, alterations, misapplication or repairs made to its products or equipment by Purchaser or others, or for damage caused thereto by negligence, accident, overloading or improper use by Purchaser or others.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL OR IMPLIED (INCLUDING ANY WARRANTY ON MERCHANTABILITY OR FITNESS FOR PURPOSE). THE ONLY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PURPOSE ARE THOSE EXPRESSED ABOVE AND THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PURPOSE.

WEG IS NOT RESPONSIBLE FOR ELECTRICAL TRANSIENTS OR OTHER GRID STABILITY ISSUES THAT MAY SURFACE AFTER THE TRANSFORMER IS INSTALLED.

Limitation Of Liability. Buyer expressly agrees that, notwithstanding any other provision of this contract, under no circumstances shall Seller's total aggregate liability resulting from:

- 1) The performance, failure to perform or breach of Seller's obligations herein, and
- 2) Any activity undertaken by Seller with regard to equipment and services covered by this contract, and
- 3) All actions based on negligence of any kind, strict liability or tort on the part of Seller or its suppliers, and
- 4) Otherwise exceed the price paid by Buyer for the product.

BUYER EXPRESSLY AGREES THAT SELLER WILL NOT BE LIABLE UNDER ANY THEORY OF LIABILITY FOR ANY PENALTY OR FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, THE LOSS OF USE, INCOME, PROFITS OR PRODUCTION, OR INCREASED COST OF OPERATION, OR DAMAGE TO MATERIAL, OR DOWN-TIME COSTS, OR COSTS ASSOCIATED WITH THE REMOVAL OF EQUIPMENT OR PRODUCTS FROM SERVICE OR REINSTALLATION, DISASSEMBLY OR REASSEMBLY, OR CLAIMS OF THIRD PARTIES AGAINST BUYER, ARISING IN CONNECTION WITH THE SALE, INSTALLATION, USE OF, INABILITY TO USE, OR THE REPAIR OR REPLACEMENT OF SELLER'S PRODUCTS. Buyer shall indemnify and hold Seller harmless for any liability to Buyer's employees, workers, contractors or any other persons beyond the limitation provided in this Section.

Limitation on Claims and Actions. Any claim by Buyer for breach of the foregoing warranty shall be deemed waived by Buyer unless submitted to Seller in writing within thirty days from the date Buyer discovered, or by reasonable inspection should have discovered the alleged breach. Any cause of action for breach of the foregoing warranty shall be brought within one year after the cause of action has accrued.

OSHA. Seller warrants that at time of shipment the equipment will conform to the applicable occupational safety and health standards promulgated pursuant to the Federal Occupational Safety and Health Act of 1970, and which are in effect on the date that Seller enters its acknowledgement of Buyer's order. The Buyer's exclusive remedy and Seller's liability for breach of this warranty is limited to replacement of nonconforming equipment.

Miscellaneous. Company will comply with all applicable Federal, State and local laws, and specifically represents that any goods to be delivered hereunder will be produced in compliance with the requirements of the Fair Labor Standards Act of 1938, as amended.