

# STANDARD TERMS AND CONDITIONS OF SALE FOR GOODS AND SERVICES

**1. General.** These Terms and Conditions of Sale for Goods and Services ("T&C") apply to all sales of goods and services by WEG Transformers USA LLC. ("Seller"). To the extent of any conflict between any quote, proposal, or other offer (collectively the "Offer") submitted by Seller and these T&C, the Offer shall control. These T&C are an essential part of the Offer, and together these T&C and the Offer constitute the "Contract." The Contract constitutes the entire agreement between Seller and Buyer and supersedes all prior communications, negotiations, and agreements between Buyer and Seller with respect to the transaction(s) related to the Offer. Seller hereby objects to any additional, supplemental, or conflicting terms or conditions contained in any purchase order or other document submitted by Buyer. The Offer is expressly intended as a legal offer to contract with Buyer, and Buyer may accept the Offer by issuing a purchase order or similar order document, by signing the Offer and returning it to Seller, or by manifesting acceptance by any other reasonable means. If the Offer is held by a court of competent jurisdiction to constitute not a legal offer to enter into a contract but as an acceptance of an offer from Buyer, then such acceptance is expressly conditioned on Buyer's assent to these T&C and no conduct by Seller is intended as recognition of the existence of a contract between Buyer and Seller under any terms except those stated in these T&C.

**2. Prices, Taxes, Customs Duties.**

a. Pricing shall be as set forth in the Offer. If the Offer does not state any pricing, then Seller's then-existing pricing shall apply.  
b. Stated pricing does not include any federal, state, or local property, license, privilege, sales, use, excise, gross receipts, or other like taxes which may now or hereafter be applicable to, measured by, or imposed upon or with respect to the transaction, the goods or their sale, value or use, or the services. Buyer agrees to pay or reimburse Seller for any such taxes which Seller or Seller's suppliers are required to pay or collect. If Buyer is exempt from the payment of any tax or holds a direct payment permit, Buyer shall provide to Seller, at the time of order placement, evidence thereof acceptable to the relevant governmental authorities.  
c. Pricing stated in the Offer does not include customs duties, tariffs, taxes, or other fees applicable to Seller's importation of the goods into the United States. Such amounts, if any, shall be invoiced to Buyer at the time of import of the goods into the United States and shall be paid by Buyer in accordance with these terms and conditions.

**3. Payment.**

a. Unless the Offer states otherwise, Buyer will pay each invoice in U.S. Dollars, without offset, thirty (30) days from date of invoice. If, in the reasonable judgment of Seller at any time prior to delivery, Buyer's financial condition does not justify the payment terms specified, Seller may require adequate assurances of payment, including payment in advance or payment security. If Buyer fails to provide such assurances promptly, Seller may cancel the order and Buyer will pay a cancellation charge as specified in the Offer (or, if no cancellation charge is set forth in the Offer, Buyer shall pay Seller's costs incurred prior to cancellation, plus 15% administrative fee). The cancellation fee is not intended as a penalty, but as a reasonable estimate of Seller's damages, which are difficult or impossible to ascertain at the time of order placement.  
b. Seller may, without liability or penalty, tender delivery in installments, and Buyer shall accept and pay for all goods tendered. Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of an order. Delays in delivery or non-conformities in any installments delivered shall not relieve Buyer of its obligation to accept and pay for remaining installments.  
c. If tender of delivery is delayed by Buyer, payment shall become due on the date Seller gives written notice of readiness to tender delivery.  
d. Buyer shall pay interest on the amount of any late payment(s) at a rate of 1.5% per month, and Buyer shall pay Seller's attorneys' fees and court costs incurred in connection with collection of any past due amounts.

**4. Changes.**

a. If Buyer requests any changes to the ordered scope of work or the goods, Seller will review the request and advise Buyer whether it agrees to make such changes and any adjustments to pricing, scheduled time for performance and/or delivery, and any other terms or conditions arising out of the requested change. Any agreed changes shall only become effective when set forth in writing and signed by both parties.  
b. Seller may, at its expense, make changes in the goods or services so long as such changes do not cause Seller to fail to meet the required contractual obligations.

**5. Delivery, Title and Risk of Loss.**

a. Unless the Offer states otherwise, tender of delivery for goods in the United States or Canada shall be DDP common carrier delivery point nearest to named destination (Incoterms 2020). If tender of delivery is delayed by Buyer for any reason, including force majeure or delivery to storage, then (i) tender of delivery will occur, and title to the goods and risk of loss shall pass to Buyer when Seller moves the goods into storage; and (ii) Buyer will reimburse Seller for the actual cost of storage and for transportation to and from the storage facility.  
b. Seller shall use commercially reasonable efforts to tender delivery on the date(s) set forth in the Contract, but such dates are for reference only and are not guaranteed. The time for tender of delivery is dependent upon Buyer's cooperation, timely approvals, and delivery of any documentation requested by Seller.

c. Notwithstanding any agreement with respect to delivery terms or payment of transportation charges, title and risk of loss or damage to the goods (excluding any software) shall pass to Buyer upon tender of delivery.

d. Buyer shall be responsible for providing free and clear access for delivery of goods and performance of any field assembly and/or required testing at the named destination. Clear access includes appropriate roads to safely transport the goods and cranes alongside the transformer pad with clearance to safely perform offloading, assembly, and testing, free from equipment, structures, energized lines, or other obstructions.

**6. Inspection, Testing and Acceptance.**

a. Any inspections by Buyer on Seller's premises shall be scheduled in advance and conducted during normal working hours without interfering with Seller's operations.  
b. Seller will conduct its standard factory acceptance testing and shall notify Buyer in advance of the date of factory acceptance testing. Unless Buyer provides written notice of specific objections within ten (10) days after the test, the goods shall be deemed acceptable for shipment.  
c. If on-site services are expressly included in the applicable purchase order, Seller will conduct its standard on-site acceptance tests to verify that the on-site services are complete and the goods are ready for energization by the Buyer. Unless Buyer provides written notice of specific objections within ten (10) days after the completion of on-site services, the goods shall be deemed finally accepted.  
d. If on-site services are not expressly included in the applicable purchase order, then Buyer shall inspect all goods within ten (10) days of delivery. Unless Buyer provides written notice of specific objections within ten (10) days after delivery, the goods shall be deemed finally accepted.  
e. If Buyer believes that the goods or services have one or more Defects then Buyer must notify Seller in writing of all Defects within such period as stated in (c) and (d) and the exclusive remedies set forth in § 7 shall apply.

**7. Warranty for Goods and Services.**

a. Scope. Subject to the exclusions set forth in this § 7, Seller warrants to Buyer that: (i) upon tender of delivery of the goods and/or completion of any services, the goods and/or services shall conform in all material respects to the specifications incorporated into the Offer, or, if none are so incorporated, to Seller's standard specifications (collectively, the "Specifications"); (ii) the goods shall be free from defects in material and workmanship during the applicable Warranty Period; (iii) the services shall be performed in a workmanlike manner; and (iv) the goods and/or services shall comply with all applicable laws as in effect at the time of order placement. The foregoing items are referred to collectively herein as the "Warranty," and any failure of the goods or services to conform to the Warranty shall be a "Defect."

b. Exclusions. The Warranty shall not apply to the extent that any Defect is caused by: (i) storage, installation, operation, maintenance, or repair in any manner other than according to Seller's instructions and/or standard industry practice; (ii) use of the goods other than for their designed purpose or their combination with, or incorporation into, other equipment for which they were not designed; (iii) accident, negligence, or other damage by Buyer or any party not under Seller's direction and control; (iv) operation under conditions more severe than, or otherwise exceeding, those set forth in the specifications for such goods; (v) modification or repair other than by Seller; (vi) any data, design, or engineering provided by Buyer or a third party not under Seller's direction and control; (vii) materials or components provided by Buyer or a third party designated by Buyer, or required by Buyer's design; (viii) normal wear and tear. Notwithstanding any provision to the contrary, goods sold by Seller, but not manufactured by Seller, shall carry only the warranty of the manufacturer of such goods. The goods and services are not "works made for hire" under applicable laws, and Seller does not convey any ownership interest or license to any intellectual property owned or developed by Seller except as may be expressly set forth in writing in each instance.

c. Warranty Period. Unless stated otherwise in the Offer, the Warranty Period (i) for goods shall continue for a period of twelve (12) months after energization, not to exceed eighteen (18) months after tender of delivery; and (ii) for services shall continue for a period of ninety (90) days from the date of performance of such services. Notwithstanding the foregoing, the Warranty Period (i) for spare parts manufactured by Seller shall continue for a period of twelve (12) months after tender of delivery; (ii) for goods replaced or repaired pursuant to Warranty, and for services re-performed pursuant to Warranty, shall be for the remainder of the original Warranty Period or thirty (30) days, whichever is longer; and (iii) for repaired or refurbished parts sold by WEG shall continue for a period of ninety (90) days after tender of delivery. The Warranty Period shall terminate automatically if Buyer defaults on any material obligation in the Contract.

d. Warranty Procedure. If Buyer discovers any suspected Defect, Buyer shall deliver written notice to Seller disclosing in full all known Defects within ten (10) days, but in no event later than the expiration of the applicable Warranty Period. If Buyer fails to deliver written notice of a Defect within such time, then any claims related to the Defect shall be waived, notwithstanding any other provision in the Contract. Buyer, at its own cost, shall promptly provide Seller with safe and clear working access to inspect and test the goods and/or the equipment affected by services alleged to have Defects,

and to perform any repairs. Buyer shall be responsible for de-energizing and re-energizing any equipment connected to the goods or affected by the services, and disassembly and reassembly of any equipment and structures. If the goods must be repaired at Seller's facilities, Buyer shall be responsible for providing transportation to and from the repair or factory facility.

e. Remedies. If Buyer delivers to Seller timely written notice of Defect(s) and such Defect(s) exist then Seller shall, at its option: (i) repair or replace the units of goods, or (ii) refund the purchase price of the units of goods. In the case of a Defect in services, Seller shall, at its option: (i) re-perform the services, or (ii) refund the price paid for such services. **THE FOREGOING REMEDIES SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY DEFECTS IN THE GOODS AND SERVICES**

**8. Software.** If the Contract requires Seller to provide any software, then upon receipt of full payment Seller shall grant Buyer a non-exclusive, non-sublicensable license to use the software solely for the purpose of operating the goods delivered to Buyer hereunder. Such license shall be non-transferable without Seller's prior written consent, and any permitted transferee shall be required to assume Buyer's obligations with respect to such software. Buyer shall not, nor shall it permit others to, reverse engineer, modify, disassemble, or create works derived from any software provided by Seller. Seller does not convey any title to or ownership in the software or any other intellectual property owned or developed by Seller or any third party, and such intellectual property and software shall not be "works made for hire" under applicable laws. In the event of termination of this license, or of the Contract pursuant to § 15.a, Buyer shall immediately cease using the software and remove the software from all of Buyer's systems.

a. **Warranty for Software.** If the Contract requires Seller to provide any software, then Seller's sole warranty with respect to such software is that, except as specified below, it will execute in accordance with the Specifications when properly installed and maintained according to Seller's instructions. The foregoing is referred to collectively herein as the "Software Warranty," and any failure of the software to conform to the Software Warranty shall be a "Software Defect." The Software Warranty shall not apply to Software Defects resulting from unauthorized modification, third-party software, or interfaces or equipment not expressly described in the Specifications. Seller does not guarantee that the software is free from errors in the nature of what is commonly categorized by the computer industry as "bugs". The Warranty Period for software shall be twelve (12) months from tender of delivery, provided that the Warranty Period shall terminate automatically if Buyer defaults on any material obligation in the Contract.

b. **Remedies.** If the Buyer discovers any suspected Software Defect, Buyer shall deliver written notice to Seller disclosing in full all known Software Defects within ten (10) days, but in no event later than the expiration of the Warranty Period, which written notice shall include a reasonable description of the Software Defect and the manner of its discovery. If Buyer delivers to Seller timely written notice of a Software Defect and such Software Defect exists then Seller shall, at Seller's option: (i) modify the software or provide Buyer instructions for such modification; (ii) provide corrected or replacement software; or (iii) refund the purchase price for the software. **THE FOREGOING REMEDIES SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY SOFTWARE DEFECTS.**

**9. THE WARRANTIES SET FORTH IN THESE T&C ARE EXCLUSIVE, AND IN LIEU OF ALL OTHER WARRANTIES OF EVERY KIND, WHETHER WRITTEN, ORAL, OR IMPLIED. SELLER EXPRESSLY DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AGAINST INFRINGEMENT, OR ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.** No employee or representative of Seller has authority to offer or agree to any warranty or remedy that is not expressly stated herein unless it is set forth in writing and signed by both a representative of Buyer and by Seller's Vice President or President.

**10. Inventions.** All right, title and interest in any intellectual property related to the goods or services, and to any inventions, developments, improvements, or modifications related to the goods and services, shall remain exclusively with Seller. Any design, manufacturing drawings, or other information created by Seller shall remain the exclusive property of Seller and shall be deemed Seller's Confidential Information. Any such information provided to Buyer shall be used solely for the operation or maintenance of the goods and not for any other purpose.

## **11. Confidentiality.**

a. **Definitions.** "Confidential Information" includes any and all ideas, knowledge, data, trade secrets, or other information, whether communicated orally, in writing, or in any other form whatsoever, that is received by a party ("Receiver") from the other party or its affiliates, or any of their representatives (collectively "Discloser"), or that is observed, ascertained, learned, or obtained by the Receiver regarding the Discloser or its business in the course of their dealings. The foregoing is intended to include, without limitation, the following information: pricing, costs, or other contract terms, technical data, know how, software code and functionality, processes, designs, drawings, specifications, samples, sources of material, services, or labor, and any analyses, summaries, or other derivations based on or created with reference to any of the foregoing.

b. **Obligations.** The Receiver will not use or disclose the Discloser's Confidential Information except as strictly necessary to perform its obligations under the Contract,

to enforce the Contract, to the extent required by law, or as approved in writing by Discloser in each instance. The Receiver will treat the Discloser's Confidential Information with at least the same degree of care it accords its own valuable Confidential Information, and in no event with less than reasonable care. All Confidential Information shall remain the exclusive property of the Discloser, and the Discloser makes no warranties of completeness or accuracy except as expressly stated in the Contract. Each party shall treat the Contract as Confidential Information of the other Party. The Receiver shall not, and shall not permit any other person to: (i) analyze or reverse engineer any sample or other goods provided by Discloser; (ii) give or sell to a third party all or any portion of any sample provided by Discloser; or (iii) file any patent, utility model, or design application based upon, including, or disclosing any of the Discloser's Confidential Information.

c. **Exceptions.** Notwithstanding the above, Receiver shall not have liability to Discloser with regard to any Confidential Information that Receiver demonstrates: (i) was in the public domain at the time it was disclosed or has entered the public domain through no fault of Receiver; (ii) was known to Receiver at the time of its receipt, disclosure, or observation by Receiver, as shown by files in existence at the time of receipt by Receiver, or becomes known to Receiver without restriction from a source other than Discloser or without breach of the Contract and otherwise not in violation of Discloser's rights; (iii) was independently developed by Receiver without any use of the Discloser's Confidential Information, as shown by files created at the time of such independent development; (iv) is disclosed generally to third parties by Discloser without use or disclosure restrictions; (v) is disclosed with the prior written approval of Discloser in each instance; or (vi) is disclosed to the minimum extent required pursuant to the order or requirement of a court, administrative agency, or other governmental body, so long as Receiver provided, if permitted by law, prompt notice of such court order or requirement to Discloser to enable Discloser to seek a protective order or otherwise prevent or restrict such disclosure, and that such Confidential Information shall otherwise remain subject to the terms of these T&C.

d. **Injunctive Relief.** Each of the parties agrees that any actual or threatened breach of its obligations with respect to the use or disclosure of Confidential Information would cause irreparable harm to the Discloser for which monetary damages would not provide an adequate remedy. Accordingly, in the event of such a breach or threatened breach, in addition to any other available remedies, the Discloser will be entitled to seek temporary and permanent injunctive relief in any jurisdiction restraining the Receiver from using or disclosing, any of the Discloser's Confidential Information, without posting any bond.

e. **Survival.** The parties' obligations with respect to Confidential Information will apply during the term of the Contract and will survive termination thereof for five (5) years thereafter; provided that such obligations as to any Confidential Information constituting a trade secret shall survive for so long as the Discloser treats it as a trade secret. The confidentiality obligations set forth in these T&C are in addition to any other agreement between Buyer and Seller regarding the use or disclosure of Confidential Information.

## **12. Indemnity.**

a. Seller shall indemnify and defend Buyer from all damages, claims, liabilities, losses, and other expenses (collectively "Losses") incurred by Buyer in connection with proceedings or lawsuits brought against it by unaffiliated third parties, to the extent that such lawsuits or proceedings result from: (i) Seller's gross negligence or willful misconduct (other than breach); (ii) Seller's violation of any applicable law, ordinance, rule, or regulation; and (iii) any allegation that the goods or services, as delivered, infringe any third-party intellectual property rights, but only when the goods and/or services are used as authorized by Seller and without alteration. With respect to infringement claims, Seller's indemnity obligations shall not apply to: (x) any equipment or processes provided by Seller that Buyer or others have modified or combined with other equipment or processes; (y) any patent issued after the date of the Offer; or (z) any infringement claim settled or otherwise terminated without the prior written consent of Seller.

b. Buyer shall indemnify and defend Seller from all Losses incurred by Seller in connection with proceedings or lawsuits brought against it by unaffiliated third parties, to the extent that such lawsuits or proceedings result from: (i) Buyer's gross negligence or willful misconduct; (ii) Buyer's violation of any applicable law, ordinance, rule, or regulation, including, without limitation, customs violations; (iii) any product liability claims related to Buyer's products or services; and (iv) any allegation that Buyer's goods or services infringe any third-party intellectual property rights. If any goods supplied by Seller are modified or combined with equipment or processes by Buyer, its customer, or a person under either of their direction or control, and by reason of said modification or combination an action is brought against Seller, Buyer agrees to indemnify, defend, and hold harmless Seller against all Losses incurred by Seller in connection therewith.

c. As conditions precedent to each party's indemnity obligations, the party seeking indemnification shall: (i) provide prompt written notice of any claim subject to indemnity; (ii) cooperate in all reasonable respects with the indemnifying party and its legal counsel in the defense of such claim; and (iii) not settle such claim. The indemnifying party shall have exclusive control over the defense of any indemnified matter, but the indemnifying party may not settle any claim hereunder without the

indemnified party's prior written consent if such settlement involves admission of liability by the indemnified party. The indemnified party may engage its own legal counsel at its own expense.

d. If the goods or services are held to infringe any third-party intellectual property rights when used as authorized by Seller, without alteration, then Seller shall, at its option and expense, either: (i) procure for Buyer the right to continue using said goods; (ii) modify or replace the goods with non-infringing goods; (iii) with Buyer's assistance, modify the process so that it becomes non-infringing; or (iv) accept return of the goods and refund the purchase price allocable to the infringing goods. **THE FOREGOING REMEDIES SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDIES FOR ANY CLAIM OF INFRINGEMENT.**

**13. Limitation of Liability.**

a. **IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS, LOST REVENUE, LOST BUSINESS OPPORTUNITIES, OR LOST USE OR PRODUCTION OR PRODUCTIVITY, WHETHER CHARACTERIZED AS DIRECT OR CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR OTHERWISE. NEITHER PARTY SHALL BE LIABLE FOR ANY OTHER CONSEQUENTIAL, INDIRECT, SPECIAL, INCIDENTAL, OR PUNITIVE DAMAGES, WHETHER SIMILAR TO OR DISSIMILAR TO THE DAMAGES REFERENCED ABOVE, ARISING FROM OR RELATING TO THE CONTRACT OR THE DEALINGS OF THE PARTIES TO THE CONTRACT, WHETHER SUCH LIABILITY IS BASED OR CLAIMED TO BE BASED UPON ANY NEGLIGENCE OR OTHER ACT OR OMISSION, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE) OR DEFAULT WHATSOEVER, AND WHETHER OR NOT SUCH DAMAGES ARE FORESEEABLE, AND WHETHER OR NOT THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS PARAGRAPH IS INTENDED TO BE INDEPENDENT FROM THE REMEDIES SET FORTH IN THIS AGREEMENT, AND IT SHALL SURVIVE ANY DETERMINATION THAT SUCH REMEDIES FAIL OF THEIR ESSENTIAL PURPOSE. THE LIMITATIONS IN THIS PARAGRAPH SHALL PREVAIL OVER ANY CONFLICTING TERMS IN THE CONTRACT.**

b. **NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, SELLER'S TOTAL LIABILITY FOR ALL CLAIMS OF ANY KIND, WHETHER BASED UPON CONTRACT, TORT (EXCEPT GROSS NEGLIGENCE OR INTENTIONALLY WRONGFUL ACTS OTHER THAN BREACH), OR OTHERWISE, FOR ANY LOSS OR DAMAGE ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM THE PERFORMANCE OR BREACH OF THE CONTRACT SHALL IN NO EVENT EXCEED 100% OF THE PURCHASE PRICE ALLOCABLE TO THE UNITS OF GOODS, OR TO THE SERVICES, WHICH GIVE RISE TO THE CLAIM. THE LIMITATIONS IN THIS PARAGRAPH SHALL PREVAIL OVER ANY CONFLICTING TERMS IN THE CONTRACT.**

c. In no event shall either party be entitled to bring any claim for breach of the Contract more than one (1) year after such cause of action accrues.

**14. Force Majeure.** Neither party shall be liable for any delay or non-performance caused by activities or factors beyond its reasonable control, including, without limitation: war; terrorism; severe weather; fires; acts of God; pandemics, epidemics, local disease outbreaks, public health emergencies; federal, state, or municipal action or regulation; strikes or other labor troubles; interruptions in transportation; power failures; damage to or destruction in whole or part of the goods or Seller's manufacturing facilities; inability to obtain raw materials, labor, fuel, or supplies from usual sources; or any other causes, contingencies, or activities, whether similar or dissimilar to any of the foregoing, which prevent or hinder party's performance, any of which shall excuse the affected party from the performance of the Contract without liability. The affected party shall notify the other party of such event promptly after determining that it will prevent or delay its performance under the Contract, and shall provide reasonable details about the nature and estimated duration of the suspension period. Buyer understands that Seller's manufacturing pipeline is carefully planned, and that any suspension of performance or any delay contemplated by this paragraph may result in more than a day-for-day extension of time for tender of delivery.

**15. Termination.**

a. Either party may terminate the Contract (or the portion affected) for cause, with immediate effect, if the other party (i) breaches § 11, 13, 16, 17, 18, or 19 of these T&C; (ii) fails to make any payment when due; (iii) commits a material breach of the Contract and fails, within fifteen (15) days after its receipt of reasonably detailed written notice of the breach, to commence and continue diligently to cure such breach; or (iv) becomes insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution, or liquidation laws. In the case of any late payment by Buyer, Seller may suspend its performance in lieu of terminating the Contract. In case of termination or suspension pursuant to this section, the terminating party reserves its rights to any other remedies available hereunder.

b. If Buyer terminates the Contract for any reason other than Seller's breach pursuant to Section 15a, Buyer shall pay Seller the cancellation charge as stated in the Offer. Such cancellation charge is not intended as a penalty, but to compensate Seller for its expenses and its foregone opportunity to allocate production and service capacity to other customers. Such amounts are impossible to determine at the time of order placement, and the parties desire to avoid the expense and burden of litigation that would otherwise result from cancellation by the Buyer. If no cancellation charge is

stated in the Offer, Buyer shall pay Seller: (i) for goods: the purchase price for all goods delivered or shipped before the effective date of termination, plus actual costs incurred for goods in production, plus expenses reasonably incurred by Seller in connection with the termination, plus 10% as overhead and profit; and (ii) for services: the amounts stated in the Offer for any milestones achieved prior to the effective date of termination according to the milestone payment schedule, plus payment at the rates set forth in the Offer for work toward milestones not yet achieved (provided that if no milestone payments are stated in the Offer then Buyer shall pay for all services performed at the rates set forth in the Offer, or if no rates are specified therein, at Seller's then-current standard rates). There is no warranty for any goods or services subject to cancellation pursuant to this section 15.b.

**16. Laws & Regulations.** Buyer has sole responsibility for compliance with all applicable federal, state, and local laws and regulations relating to the operation or use of the goods. If Buyer desires a modification to the order as a result of any change or revision to any law or regulation after the date of the Offer, such modification shall be treated as a change order. Seller shall not be responsible for obtaining any permits, licenses, or approvals from any agency in connection with the supply, erection, or operation of the goods unless such responsibility is expressly stated in the Contract.

**17. Anti-Corruption; Economic Sanctions.** Each party represents and warrants that all negotiations which lead to the Contract were executed through ethical and legal business practices and that it did not receive any unethical or illegal personal advantage. In the event either party becomes aware of an illegal or unethical personal advantage related to negotiation or creation of the Contract, even after the termination thereof, it shall notify the other party promptly and cooperate reasonably in the investigation thereof. Buyer represents and covenants that it: (i) complies and will comply with all applicable anticorruption and antibribery laws, and that it is not involved in any legal proceeding related to corruption acts; (ii) is not involved in, and will not engage in, any practice of money laundering, terrorism or human rights abuses; (iii) complies with all applicable embargo and sanctions laws and regulations ("Economic Sanctions"), and that it is not subject to any Economic Sanctions that would restrict the execution or performance of the Contract. Any breach by Buyer of the aforementioned representations and covenants shall be a material breach of the Contract, and Supplier shall be entitled to terminate the Contract with immediate effect, or, at its sole discretion, to suspend the Contract until such breach is cured.

**18. Export Control.** Goods exported from the United States by Buyer must be exported in accordance with all applicable laws, regulations, rules, and orders, including but not limited to the regulations of the Bureau of Export Administration, the Office of Foreign Assets Control, and the Office of Defense Trade Controls. Buyer agrees not to disclose, use, export or re-export, directly or indirectly, any information provided by Seller or the "direct product" thereof as defined in the Export Administration Regulations of the United States Department of Commerce, except in compliance with such regulations.

**19. Data Privacy.** If Seller discloses Personal Data to Buyer, Buyer shall comply with applicable data protection laws and regulations. Buyer shall apply appropriate physical, technical, and administrative measures to ensure a level of security appropriate to the respective risk and the ability to ensure the ongoing confidentiality, integrity, availability, and resilience of processing systems and services. Buyer will use reasonable efforts to deliver to its employees who will be involved in business hereunder the Seller's Privacy Notice (<https://www.weg.net/institutional/US/en/privacy-policy>). Buyer shall not withhold or delay its consent to any changes to this section which in Seller's reasonable opinion are required to comply with applicable laws and regulations and with guidelines from any regulatory authority, and shall implement such changes at no cost to Seller. Buyer acknowledges that the processing of Personal Data in accordance with this Contract may require execution of data processing or protection agreements with Seller. If such agreements are not executed as part of this Contract, Buyer agrees to enter promptly into any such agreement(s), as designated by Seller and as required by law or any data protection or other authority.

**20. Governing Law.** The Contract shall be governed by the laws of the U.S. State of Georgia, without giving effect to its conflicts of laws principles. The United Nations Convention on Contracts for the International Sale of Goods shall not apply. Buyer agrees that all causes of action under the Contract shall be brought in the state courts of the State of Georgia, or the U.S. District Court for the Northern District of Georgia, and hereby waives any challenges that Buyer may have to such courts' personal jurisdiction over Buyer. Notwithstanding the foregoing, either party may enforce the confidentiality obligations set forth in § 11 in any jurisdiction where the harm or threatened harm is alleged to occur.

**21. Severability.** If any provision hereof, partly or completely, shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision or portion hereof and such remaining terms shall be construed as if the invalid or unenforceable provision or portion thereof had never existed.

**22. Entire Agreement.** The Contract constitutes the entire agreement between the parties regarding the subjects contained herein, and there are no agreements, understandings, restrictions, warranties, or representations between Buyer and Seller other than those set forth or provided for herein.

**23. Amendments.** The Contract may not be modified, amended, or supplemented except by an agreement in writing signed by Buyer and Seller.

**24. Assignment.** Any assignment of the Contract or any rights or obligations hereunder by Buyer without prior written consent of Seller shall be void, and any attempt to do so shall be a material breach of the Contract.

**25. Notices.** Any notice shall be given by pre-paid certified or registered mail with return receipt requested, or via reputable overnight carrier with tracking enabled, to the address of the relevant party as stated in the Contract (or to such other address as such party may have provided by written notice). All notices sent to Seller shall require a copy to be sent to WEG Legal Department, 6655 Sugarloaf Parkway, Duluth, GA 30097, Attn: General Counsel.

**26. Headings.** Section headings in the Contract are to facilitate reference only, and will not in any way affect the interpretation hereof.

**27. Third Parties.** Except as expressly provided herein, nothing expressed or implied in the Contract is intended to confer upon or give to any person, entity, or enterprise, other than the Buyer or Seller, any rights, benefits, or remedies of any kind or character.