

Siemens Energy & Automation, Inc. ("Seller")

Standard Terms and Conditions of Sale (10/1/2004)

1. **WARRANTY** - (a) Seller warrants that on the date of shipment the goods are of the kind and quality described herein and are free of non-conformities in workmanship and material. This warranty does not apply to goods delivered by Seller but manufactured by others.

(b) Buyer's exclusive remedy for a nonconformity in any item of the goods shall be the repair or the replacement (at Seller's option) of the item and any affected part of the goods. Seller's obligation to repair or replace shall be in effect for a period of one (1) year from initial operation of the goods but not more than eighteen (18) months from Seller's shipment of the goods, provided Buyer has sent written notice within that period of time to Seller that the goods do not conform to the above warranty. Repaired and replacement parts shall be warranted for the remainder of the original period of notification set forth above, but in no event less than 12 months from repair or replacement. At its expense, Buyer shall remove and ship to Seller any such nonconforming items and shall reinstall the repaired or replaced parts. Buyer shall grant Seller access to the goods at all reasonable times in order for Seller to determine any nonconformity in the goods. Seller shall have the right of disposal of items replaced by it. If Seller is unable or unwilling to repair or replace, or if repair or replacement does not remedy the nonconformity, Seller and Buyer shall negotiate an equitable adjustment in the contract price, which may include a full refund of the contract price for the nonconforming goods.

(c) SELLER HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, EXCEPT THAT OF TITLE. SPECIFICALLY, IT DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, COURSE OF DEALING AND USAGE OF TRADE.

(d) Buyer and successors of Buyer are limited to the remedies specified in this article and shall have no others for a nonconformity in the goods. Buyer agrees that these remedies provide Buyer and its successors with a minimum adequate remedy and are their exclusive remedies, whether Buyer's or its successors' remedies are based on contract, warranty, tort (including negligence), strict liability, indemnity, or any other legal theory, and whether arising out of warranties, representations, instructions, installations, or non-conformities from any cause.

(e) Note: This article 1 does not apply to any software which may be furnished by Seller. In such cases, the attached Software License Addendum applies.

2. **PATENTS** - Seller shall pay costs and damages finally awarded in any suit against Buyer or its vendees to the extent based upon a finding that the design or construction of the goods as furnished infringes a United States patent (except infringement occurring as a result of incorporating a design or modification at Buyer's request), provided that Buyer promptly notifies Seller of any charge of infringement, and Seller is given the right at its expense to settle such charge and to defend or control the defense of any suit based upon such charge. Seller shall have no obligation hereunder with respect to claims, suits or proceedings, resulting from or related to, in whole or in part, (i) the use of software or software documentation, (ii) compliance with Buyer's specifications, (iii) the combination with, or modification of, the goods after delivery by Seller, or (iv) the use of the goods, or any part thereof, in the practice of a process. THIS ARTICLE SETS FORTH SELLER'S ENTIRE LIABILITY WITH RESPECT TO PATENTS.

3. **PERFORMANCE; DELAYS** - Timely performance by Seller is contingent upon Buyer's supplying to Seller, when needed, all required technical information and data, including drawing approvals, and all required commercial documentation. If Seller suffers delay in performance due to any cause beyond its reasonable control, the time of performance shall be extended a period of time equal to the period of the delay and its consequences. Seller will give to Buyer notice within a reasonable time after Seller becomes aware of any such delay.

4. **SHIPMENT, TITLE AND RISK OF LOSS** - Unless the delivery terms of this contract expressly provide for F.O.B. destination, shipping/delivery will be F.O.B. Seller's point of shipment with title to the goods and risk of loss or damage passing to Buyer at that point. Buyer will be responsible for shipment during transit and for filing any damage or loss claims directly with the carrier. Seller may make partial shipments.

5. **TAXES** - Any applicable duties or sales, use, excise, value-added or similar taxes will be added to the price and invoiced separately (unless an acceptable exemption certificate is furnished).

6. **TERMS OF PAYMENT** - (a) Unless otherwise stated, all payments shall be in United States dollars, and a pro rata payment shall become due as each shipment is made. If shipment is delayed by Buyer, date of notice of readiness for shipment shall be deemed to be date of shipment for payment purposes.

(b) On late payments, the contract price shall, without prejudice to Seller's right to immediate payment, be increased by 1 1/2% per month on the unpaid balance, but not to exceed the maximum permitted by law.

(c) If any time in Seller's judgment Buyer is unable or unwilling to meet the terms specified, Seller may require satisfactory assurance or full or partial payment as a

condition to commencing or continuing manufacture or making shipment, and may, if shipment has been made, recover the goods from the carrier, pending receipt of such assurances.

7. **NONCANCELLATION** - Buyer may not cancel or terminate for convenience, or direct suspension of manufacture, except with Seller's written consent and then only upon terms that will compensate Seller for its engineering, fabrication and purchasing charges and any other costs relating to such cancellation, termination or suspension, plus a reasonable amount for profit.

8. **NUCLEAR** - Buyer represents and warrants that the goods covered by this contract shall not be used in or in connection with a nuclear facility or application. If Buyer is unable to make such representation and warranty, then Buyer agrees to indemnify and hold harmless Seller and to waive and require its insurers to waive all right of recovery against Seller for any damage, loss, destruction, injury or death resulting from a "nuclear incident", as that term is defined in the Atomic Energy Act of 1954, as amended, whether or not due to Seller's negligence.

9. **LIMITATION OF LIABILITY** - NEITHER SELLER, NOR ITS SUPPLIERS SHALL BE LIABLE, WHETHER IN CONTRACT, WARRANTY, FAILURE OF A REMEDY TO ACHIEVE ITS INTENDED OR ESSENTIAL PURPOSES, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, INDEMNITY OR ANY OTHER LEGAL THEORY, FOR LOSS OF USE, REVENUE OR PROFIT, OR FOR COSTS OF CAPITAL OR OF SUBSTITUTE USE OR PERFORMANCE, OR FOR INDIRECT, SPECIAL, LIQUIDATED, INCIDENTAL OR CONSEQUENTIAL DAMAGES, OR FOR ANY OTHER LOSS OR COST OF A SIMILAR TYPE, OR FOR CLAIMS BY BUYER FOR DAMAGES OF BUYER'S CUSTOMERS. SELLER'S MAXIMUM LIABILITY UNDER THIS CONTRACT SHALL BE THE CONTRACT PRICE. BUYER AND SELLER AGREE THAT THE EXCLUSIONS AND LIMITATIONS SET FORTH IN THIS ARTICLE ARE SEPARATE AND INDEPENDENT FROM ANY REMEDIES WHICH BUYER MAY HAVE HEREUNDER AND SHALL BE GIVEN FULL FORCE AND EFFECT WHETHER OR NOT ANY OR ALL SUCH REMEDIES SHALL BE DEEMED TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE.

10. **GOVERNING LAW AND ASSIGNMENT** - The laws of the State of Georgia shall govern the validity, interpretation and enforcement of this contract, without regard to its conflicts of law principles. The application of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded. Assignment may be made only with written consent of both parties; provided, however, Seller may assign to its affiliate without Buyer's consent.

11. **ATTORNEY FEES** - Buyer shall be liable to Seller for any attorney fees and costs incurred by Seller in enforcing any of its rights hereunder.

12. **DISPUTES** - Either party may give the other party written notice of any dispute arising out of or relating to this contract and not resolved in the normal course of business. The parties shall attempt in good faith to resolve such dispute promptly by negotiations between executives who have authority to settle the dispute. If the matter has not been resolved within 60 days of the notice, either party may initiate non-binding mediation of the dispute.

13. **STATUTE OF LIMITATIONS** - To the extent permitted by applicable law, any lawsuit for breach of contract, including breach of warranty, arising out of the transactions covered by this contract, must be commenced not later than twelve (12) months from the date the cause of action accrued.

14. **PRICES** - In the event of a price increase or decrease, the price of goods on order will be adjusted to reflect such increase or decrease. This does not apply to a shipment held by request of Buyer. Goods already shipped are not subject to price increase or decrease. Orders on a bid or contract basis are not subject to this article. Seller's prices include the costs of standard domestic packing only. Any deviation from this standard packing (domestic or export), including U.S. Government sealed packing, will result in extra charges. To determine such extra charges, consult Seller's sales offices. Orders of less than \$400 will be charged a \$25 handling fee.

15. **ADDITIONAL TERMS OF PAYMENT** - Invoice payment terms are as shown on latest discount sheets as issued from time to time. Cash discounts are not applicable to notes or trade acceptances, to prepaid transportation charges when added to Seller's invoices or to discountable items if there are undisputed past due items on the account. Portions of an invoice in dispute should be deducted and the balance remitted with a detailed explanation of the deduction. Cash discounts will only be allowed on that portion of the invoice paid within the normal discount period.

16. **CHANGES IN LAWS AND REGULATIONS** - Seller's prices and timely performance are based on all applicable laws, rules, regulations, orders, codes, standards or requirements of governmental authorities effective on the date of Seller's proposal. Any change to any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Seller to an equitable adjustment in the prices and any time of performance.

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