

Schneider Electric Conditions of Sale

Proposal-based Projects

Note

The following Conditions of Sale are subject to change. All transactions for all products sold by Schneider Electric USA ("Schneider Electric"), including all Schneider Electric brand products, are subject to the latest published Conditions of Sale of Schneider Electric and to any Special Conditions of Sale which may be contained in applicable Schneider Electric quotations and acknowledgments.

Schneider Electric Standard conditions of Sale will apply in all transactions between customers and Schneider Electric, unless the Proposal-based Project Conditions of Sale, apply as defined in the following paragraph.

Proposal-based Projects Definitions

Transactions that exhibit some or all of the following attributes: Unique customer requirements that are typically negotiated and quoted, requires approval drawings and project management by Schneider Electric, and for which there is a specific direct-ship address.

Governing Provisions and Acceptance

All quotations are subject to these conditions of sale. Acceptance of an order by Schneider Electric shall be expressly conditioned on Purchaser's assent to these conditions. Purchaser's direction to proceed with engineering, manufacture or shipment by Schneider Electric shall be deemed evidence of this assent. No modified or other conditions will be applicable unless those conditions are so stated in Schneider Electric's proposal or are specifically agreed to in writing and signed by an authorized official of Schneider Electric. Failure to object to provisions contained in any Purchase Order or other communication from the Purchaser (including, without limitation, penalty clauses of any kind) shall not be construed as a waiver of these Conditions nor an acceptance of any other provisions. These terms are a complete statement of the parties' agreement and may only be modified in writing signed by both parties. These terms may not be modified by course of dealing, course of performance or usage of trade. These terms supersede all previous written or oral quotations, statements or agreements. Any contract for sale by and between the parties shall be governed by and construed according to the laws of the State of Illinois without regard to its rules on the conflict of laws. The Convention on the International Sale of Goods is expressly excluded.

Quotations

Quotations shall be valid for no more than thirty (30) days from the date quotation is communicated from seller to purchaser, unless otherwise stated in the quotation. All quotations are subject to change by Schneider Electric Company at any time upon notice to Purchaser. Quotations are made based on Schneider Electric's interpretation of the plans and specifications submitted to Schneider Electric by the Purchaser. It is Purchaser's obligation to review the quotation carefully and to immediately advise Schneider Electric of any differing interpretation Purchaser has so any necessary change can be made.

Order Entry

A complete, signed purchase order must be received before entry of an order into Schneider Electric's system. Considerable detail is involved in the manufacture of power equipment. To facilitate timely shipment, complete details and information, including Purchaser's requested on-site dates must be provided at the time of order entry. Shipment dates are approximate and are based upon timely receipt of all necessary information from the Purchaser. Lack of complete information may result in delays of drawings or manufacture. Such delays shall relieve Schneider Electric from compliance with the quoted delivery dates and may lead to price escalation. Failure to provide a complete signed purchase order within twenty (20) days of notification of award may result in renegotiation of price or shipment dates.

Approval Drawings

When required by a specific Purchase Order, drawings will be submitted for approval per agreed upon schedules, and price policy, below, to assure Schneider Electric has designed the equipment as described in Purchaser's specifications, as modified by Schneider Electric's quotation. If at time of drawing approval Schneider Electric has not designed the equipment to meet the specifications, as modified by Schneider Electric's quotation, Schneider Electric will make the appropriate changes at no charge to Purchaser. Where the Purchaser's specification is not definitive, Schneider Electric shall have the right to design the product in line with good commercial practice, without further obligation to Purchaser. If at drawing approval, Purchaser makes changes outside the design as stated in the specifications, such changes shall be treated as a change order as provided below.

Price Policy

Quoted prices are firm provided: A) The order is received with complete engineering details and is released for manufacture within sixty (60) calendar days from the originally anticipated release date. B) All required approval drawings are returned and equipment released by Purchaser no later than sixty (60) calendar days from the original date of issuance of approval drawings by Schneider Electric. The returned drawings must be released for manufacture for shipment on the agreed date. Drawing re-submittals which are required for any reason other than to correct Schneider Electric errors will not extend the sixty (60) day deadline. If the Purchaser causes delay of shipment in any way or returns approval drawings beyond the time stated above, Purchaser may be subject to charges which shall not exceed 2% of the purchase order price for each full month or fraction thereof that shipment is delayed, as compensation to Schneider Electric for expenses created by such delay and not as a penalty. In addition to the 2% charge per month, if shipment is delayed through the fault of Purchaser for more than 180 days from the original date of issuance of approval drawings, the price may be subject to revision.

Pricing-Purchaser Changes

All prices cover a bill of material as described in Schneider Electric specifications or quotations to be designed and manufactured to Schneider Electric standard designs, unless otherwise agreed in writing between the parties. Purchaser may make minor changes not affecting the time or cost of performance without charge prior to the start of manufacture. If any changes are requested by the Purchaser after submission of the original Purchase Order which affect the cost or time of performance, additional billing will be made with the amount of price adder dependent on the change and status of the order when the change is made. Changes may also result in an extension of time for shipment. All changes will be agreed to by the parties, in writing, prior to implementation. Purchaser's rescheduling shipment will be considered a change. All expenses incurred by Schneider Electric in connection with the storage of equipment, including demurrage, packing, storage charges, insurance and handling charges by Schneider Electric will be paid by the Purchaser upon submission of invoices by Schneider Electric. Schneider Electric will issue price changes for any change requested by the Purchaser that affects modification of equipment, changes the bills of material, engineering or drawings or delivery schedule as follows: A) If Purchaser makes a change to an order prior to being released to engineering, the net price will be adjusted by re-pricing the equipment with prices in effect at the time of the change. A commensurate delay in the shipping date will be based on the changes involved. B) For changes made after the order is released to engineering, the net price and ship date will be adjusted as described in paragraph A above. An additional charge based on Schneider Electric standard engineering billing charges and cost of parts (\$250 minimum) will be made to cover any extra engineering and drafting, scrap or rework of parts, or cost of modification. C) If during the drawing approval process, the Purchaser makes changes outside the design covered by the specifications, Schneider Electric will be reimbursed as described in paragraph A and B above, plus any additional charges for any extra cost incurred as a direct result of the changes and allowed a commensurate delay in shipping date based on the changes involved. Changes to the order can not be processed until a formal signed change order is received from the Purchaser.

Substitutions

Schneider Electric may furnish suitable substitutes for material unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers, provided such substitutions do not adversely affect the technical soundness of the equipment. Schneider Electric assumes no liability for deviation from published dimensions and descriptive information not essential to proper performance of the product.

Taxes

Any manufacturer's tax, retailer's tax, occupation tax, use tax, sales tax, excise tax, (except federal excise tax on vehicles), duty, customs, inspecting or testing fee, or other tax, fee or charge of any nature whatsoever, imposed by any governmental authority or measured by any transaction between Schneider Electric and Purchaser, shall be paid by the Purchaser in addition to the prices quoted or invoiced, and such charges will appear as a separate line item on the invoice. In the event Schneider Electric will be required to pay any such tax, fee, or charge, Purchaser shall reimburse Schneider Electric or, in lieu of such payment, Purchaser shall supply Schneider Electric at the time the order is submitted with an exemption certificate or other document acceptable to the tax authority. Purchase Orders must state the existence and amount of any such tax, fee or charge for which Purchaser claims an exemption.

Terms of Payment

Acceptance of all Purchase Orders is subject to Purchaser meeting Schneider Electric credit standards. Terms are subject to change for failure to meet such standards. Terms are net thirty (30) days from date of invoice of each shipment, unless otherwise stated in Schneider Electric's quotation. For an authorized distributor or authorized reseller order, applicable terms of payment are stated in the quotation or applicable discount schedule. Schneider Electric reserves the right at any time to demand full or partial payment before proceeding with a contract of sale if, in its sole judgment, as a result of changes in the financial condition of the Purchaser the terms of payment originally specified are no longer justified.

**Progress Payments/
Payment Term**

All proposal-based projects are Net 30 days from date of invoice of each shipment. On projects exceeding \$1,000,000 Net, progress payments are payable according to the following milestones:

- 30% Release to manufacturing
- 70% (balance) due at shipment

Payments

If delivery is delayed or deferred by the Purchaser beyond the scheduled date, payment shall be due in full when Schneider Electric is prepared to ship. The equipment may be stored at the risk and expense of the Purchaser. If the Purchaser defaults when any payment is due, then the whole contract price shall become due and payable upon demand, or Schneider Electric at its option, without prejudice to other lawful remedies, may defer delivery or cancel the contract for sale. If Purchaser become insolvent, or bankrupt or in the event any proceeding is brought against the Purchaser, voluntarily or involuntarily under the bankruptcy or any insolvency law, Schneider Electric may cancel any order then outstanding at any time and recover its proper cancellation charges from the Purchaser or the Purchaser's estate.

Delivery**F.O.B. Point of Shipment**

When the Schneider Electric quotation is based on delivery F.O.B. point of shipment, freight prepaid and allowed for delivery within the continental United States, Product is sold F.O.B. point of shipment, freight prepaid and allowed for orders over \$2000 net. Delivery by Schneider Electric to the point of shipment constitutes delivery to the Purchaser; and title and all risk of loss or damage in transit shall pass to the Purchaser at time of delivery at the F.O.B. point. Schneider Electric is not responsible for breakage or delays by carrier after having received "in good order" receipts from the carrier. Purchaser is responsible for pursuing any damage claims with the carrier. For orders under \$2000 net the above terms apply except freight is prepaid not allowed. No allowance will be made in lieu of transportation if the Purchaser accepts shipment at factory, warehouse or freight station or otherwise supplies its own transportation. Freight prepaid is defined as: a) Shipments to destinations within the continental United States to the accessible common carrier point nearest the first destination. b) Shipments to U.S. destinations outside the continental United States shall be to the common carrier free delivery point in the United States nearest the original port of embarkation. All charges associated with F.A.S., C.I.F., or other charges such as pier transfer, lift, ocean freight, and marine or war insurance shall be paid by the Purchaser, unless otherwise specifically agreed in a specific Purchase Order. In no event will Schneider Electric be responsible for demurrage or detention charges.

Delivery: F.O.B. Destination

When the Schneider Electric quotation is based on delivery F.O.B. Destination, for shipments for delivery within the continental United States, Schneider Electric will retain title and all risk of loss or damage in transit to the common carrier free delivery point in the United States nearest the first destination for a price addition of 2% of the net price. If the Purchaser elects this Option, Purchaser's obligations shall be as follows: a) Purchaser shall have the responsibility of inspecting the equipment for apparent loss or damage immediately upon its arrival at the free delivery point. b) In the event of apparent shipping loss or damage, Purchaser shall make written notation of the loss on the carrier's delivery receipt and, within 72 hours of delivery shall notify the Schneider Electric Customer Information Center. Purchaser shall not remove product from the point of examination and shall retain the shipping container and packing

material. Purchaser shall request the carrier to make an inspection and send Schneider Electric a copy of the carrier's inspection report. c) In the event of concealed damage which occurred during transit and is discovered by the Purchaser after delivery, Purchaser shall report such damage immediately, but in no event later than 15 days after delivery, to the delivering carrier, and within 72 hours of discovery, shall notify the local Schneider Electric field office. If such notification is not made, Schneider Electric shall not be liable for loss or damage in transit.

Shipment and Routing

Schneider Electric shall select the point of origin of shipment, the method of transportation and the routing of the shipment. Purchasers that request expedited or special modes of transportation or routing involving air, premium or any other non-standard Schneider Electric shipping shall be assessed additional charges for shipping, handling, freight and expediting. Any rebates, allowances, discounts, or incentives received by Schneider Electric from its carriers shall be retained by Schneider Electric. All prices include domestic packaging only. When other than domestic packaging is required, contact your local Schneider Electric field office. Purchaser specified packaging and marking may be subject to additional charges.

Shortages

Claims for shortages or errors must be submitted to Schneider Electric within 30 days after invoice date, and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by the Purchaser.

Installments

Schneider Electric reserves the right to make shipments in installments, unless otherwise expressly stipulated in a specific Purchase Order; and all such installments when separately invoiced shall be paid for when due per invoice without regard to subsequent shipments. Delay in shipment of any installment shall not relieve Purchaser of its obligation to accept remaining shipments.

Force Majeure

Schneider Electric shall not be liable for any damages as a result of any delays due to any causes beyond Schneider Electric's control, including, without limitation, an act of God; act of Purchaser or Schneider Electric supplier; embargo or other governmental act, regulation or request; fire; accident; strike; slowdown; flood; fuel or energy shortage; sabotage; war; riot; delay in transportation and inability to obtain necessary labor, materials or manufacturing facilities from usual sources. In the event of any such delay, the date of delivery shall be extended for a period of time reasonably necessary to overcome the effect of such delay.

Standard Warranty

Schneider Electric warrants equipment manufactured by it and sold through authorized sales channels to be free from defects in materials and workmanship for 12 months from the issuance of the customer provisional acceptance letter or 18 months from the invoice date of the last component of the order whichever occurs first. If within such period, any such equipment shall be proved to Schneider Electric's satisfaction to be non-conforming, such equipment shall be repaired or replaced at Schneider Electric's option. This warranty shall not apply (a) to equipment not manufactured by Schneider Electric, (b) to equipment that has been repaired or altered by other than Schneider Electric so as, in its judgment, to affect the same adversely, or (c) to equipment that has been subjected to negligence, accident, or damage by circumstances beyond Schneider Electric's control, or improper operation, maintenance or storage, or to other than normal use or service. With respect to equipment not manufactured by Schneider Electric, the warranty obligations of Schneider Electric shall in all respects conform and be limited to the warranty actually extended to Schneider Electric by its supplier. Non-conforming products must be returned at Schneider Electric's expense for evaluation unless this is waived in writing. Replacement products may be new or reconditioned. The foregoing warranties do not cover reimbursement for labor, transportation, removal, installation, temporary power, or any other expenses that may be incurred in connection with repair or replacement. Any part or component changed or repaired in the context of the contractual warranty will itself benefit of a 3 month warranty but shall not cause the warranty duration of the overall System / Solution to be extended. Warranty is voided on genuine Schneider Electric products if they are reconditioned. There is no warranty on counterfeit products.

Optional Warranties

(Only available on equipment to be located in the U.S.)

Option 1—Extended: 2 to 5 years from Shipment. If requested by the Purchaser, and specifically accepted in writing by Schneider Electric, the standard warranty will be extended to two (2) years from date of invoice for a price addition of 1% of the net face value of the Purchase Order, will be extended to three (3) years from date of invoice for a price addition of 3% of the net face value of the Purchase Order, will be extended to four (4) years from date of invoice for a price addition of 5% of the net face value of the Purchase Order, or will be extended to five (5) years from date of invoice for a price addition of 7% of the net face value of the Purchase Order.

Option 2—Special Warranty: If requested by the Purchaser, and specifically accepted in writing by Schneider Electric, the standard warranty will be extended, for a price addition of 3% of the net face value of the Purchase Order, to cover reimbursement of the direct costs of: a) Removal of non-conforming equipment or part thereof; b) Transporting equipment or parts to and from the place of repair; c) Off-loading of truck and reinstallation at the original site. Such special warranty, which may be chosen to cover a period not exceeding that of the standard or extended warranty (see above) selected, will not include the cost of providing temporary power or removing or replacing other apparatus or structures, or costs of transportation beyond a common carrier free delivery point in the continental United States. Further, the obligation of Schneider Electric for expenses and costs arising under this special warranty coverage will not exceed 50% of the net invoice price on the equipment being repaired. This warranty does not change or affect the allocation of risk or loss during shipment.

Option 3—Extended Warranty: Preventative Maintenance Agreements. If requested by the Purchaser, and specifically accepted by Schneider Electric, a Preventative Maintenance Agreement is available to provide preventative maintenance on equipment covered by the agreement. Terms of the preventative maintenance agreement shall be as defined in a separate Services Agreement agreed to by the parties.

Software

Any software or computer information, in whatever form, provided with equipment manufactured by Schneider Electric is licensed to Purchaser solely pursuant to standard licenses of Schneider Electric or its supplier of such software or computer information, which licenses are, hereby incorporated by reference. Schneider Electric does not warrant that such software or computer information will operate error free or without interruption, and warrants only that during the warranty period applicable to the equipment that the software will perform its essential functions. If such software or computer information fails to conform to such warranty, Schneider Electric will, at its option, provide an update to correct the non-conformance or replace the software or computer information with the latest available version containing a correction. Schneider Electric shall have no other obligation to provide updates or revisions.

Limitations

These disclaimers and limitations of remedies apply to all warranties offered to Purchaser and to all Purchase Orders. **The warranties set forth above are exclusive and in lieu of all other expressed or implied warranties (except warranties of title), including, but not limited to implied warranties of merchantability and fitness for a particular purpose.** Except as may be expressly provided in an authorized writing by Schneider Electric, Schneider Electric shall not be subject to any other obligations or liabilities whatsoever other than as stated above with respect to equipment sold or services rendered by Schneider Electric. Notwithstanding anything to the contrary herein contained **Schneider Electric Company, its contractors and suppliers of any tier, shall not be liable in contract, in tort (including negligence or strict liability) or otherwise for lost time, lost profits, or special, indirect, incidental or consequential damages of any kind whatsoever.** The remedies of the Purchaser are exclusive and the total cumulative liability of Schneider Electric, its contractors and suppliers of any tier, with respect to this contract or anything done in connection therewith, such as the use of any product covered by or furnished under the contract, whether in contract, in tort (including negligence or strict liability) or otherwise, shall not exceed the price of the product, part, or service on which such liability is based.

Intellectual Property

As to equipment proposed and furnished by Schneider Electric, Schneider Electric shall defend any suit or proceeding brought against Purchaser so far as based on a claim that such equipment constitutes an infringement of any copyright, trademark or patent of the United States.

This obligation shall be effective only if Purchaser shall have made all payments then due hereunder and if Schneider Electric is notified promptly in writing and given authority, information, and assistance at Schneider Electric's expense for the defense of the same. In the event the use of such equipment by Purchaser is enjoined in such a suit, Schneider Electric shall, at its expense, and at its sole option, either (a) procure for the Purchaser the right to continue using such equipment (b) modify such equipment to render it non-infringing (c) replace such equipment with non-infringing equipment, or (d) refund the purchase price (less depreciation) and the transportation and installation costs of such equipment. Schneider Electric will not be responsible for any compromise or settlement made without its written consent. The foregoing states the entire liability of Schneider Electric for patent, trademark or copyright infringement, and in no event shall Schneider Electric be liable if any infringement charge is based on the use of Schneider Electric equipment for a purpose other than that for which it was sold by Schneider Electric. As to any equipment furnished by Schneider Electric to Purchaser and manufactured in accordance with designs proposed by Purchaser, the Purchaser shall indemnify Schneider Electric against any award made against Schneider Electric for patent, trademark, or copyright infringements.

Witness of Tests and Factory Inspections

Normal production schedules do not provide the opportunity for Purchaser to witness routine factory tests on equipment or make factory inspections. Witnessing of tests or factory inspections by the Purchaser may result in delays of production for which Schneider Electric will not be responsible. Witness testing and factory inspections must be requested at time of quotation and confirmed at order entry. Standard Schneider Electric factory testing and inspection will apply. Schneider Electric will notify Purchaser fourteen (14) calendar days prior to scheduled witness testing or inspection. In the event Purchaser is unable to attend, the Parties may mutually agree on a rescheduled date. However, Schneider Electric, at its sole option, may consider the witness tests and/or inspection waived, and ship and invoice the Products. Purchaser will be responsible for paying for all scheduled witness testing, whether or not Purchaser attends.

Return of Equipment

No equipment may be returned without first obtaining Schneider Electric’s written permission and a returned material identification tag. Returned equipment must be of current manufacture, in the original packaging, unused, undamaged and in saleable condition, securely packed to reach Schneider Electric without damage and labeled with the return authorization number. Any cost incurred by Schneider Electric to put equipment in first class condition will be charged to the Purchaser. Returns will be credited at price invoiced by Schneider Electric less a restocking fee of 25% invoice price. Special Order and Custom equipment is not returnable. Schneider Electric shall bear the cost of returns resulting from Schneider Electric error, and method and route of return will be at the discretion of Schneider Electric. Costs incurred by failure to follow Schneider Electric direction will be borne by the Purchaser.

Nuclear Applications Terms and Conditions

Unless otherwise agreed in writing by a duly authorized representative of Schneider Electric, products sold hereunder are not intended for use in or in connection with any nuclear facility or activity. If so used, Schneider Electric disclaims all liability for any damage, injury or contamination; and Purchaser shall indemnify Schneider Electric against any such liability, whether arising as a result of breach of contract, warranty or tort (including negligence) or otherwise.

Patterns and Tools

Notice will be given if special patterns or tools are required to complete any order. Charges for such patterns or tools do not convey title thereto or the right to remove them from Schneider Electric’s plant. If patterns or tools are not used for a period of two years, Schneider Electric shall have the right to scrap them without notice.

Product Notices

Purchaser shall promptly supply the user (including its employees) of the product with all Schneider Electric supplied product notices, warnings, instructions, recommendations and similar materials.

Errors

Schneider Electric reserves the right to correct errors or omissions in quotations, acknowledgments, invoices, or other documents.

OSHA Compliance

Compliance with OSHA or similar federal, state or local laws during the operation or use of the product(s) is the sole responsibility of the Purchaser.

Termination

Any order may be terminated by the Purchaser only upon written notice to Schneider Electric will be subject the following cancellation schedule:

- 20% after issuance of approval drawings
- 50% at release to manufacturing
- 100% at start of fabrication

Cancellation

Schneider Electric shall have the right to cancel any order or contract at any time by written notice for any material breach of the contract by the Purchaser, including material delays in releasing equipment for manufacture or approval drawings and excessive changes to specifications or drawings.

Excusable Delay

Purchaser acknowledges that products sold hereunder and/or parts thereof may be produced in, or otherwise sourced from, or will be installed in areas already affected by, or that may be affected in the future by, the prevailing COVID-19 epidemics/pandemic and that the situation may trigger stoppage, hindrance or delays in the capacity of Schneider Electric (or its subcontractors) to produce, deliver, install or service the products, irrespective of whether such stoppage, hindrance or delays are due to measures imposed by authorities or deliberately implemented by Schneider Electric (or its subcontractors) as preventive or curative measures to avoid harmful contamination exposure of the employees of

Schneider Electric (or its subcontractors). Purchaser therefore recognizes that such circumstances shall be considered as a cause for excusable delay not exposing Schneider Electric to contractual sanctions including without limitation any delay penalties, liquidated or other damages or termination for default.

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