

SALES TERMS

SCHWEITZER ENGINEERING LABORATORIES, S.A. DE C.V.

- 1. General Terms.** These terms (“Terms”) shall govern all sales of Products and Services from Schweitzer Engineering Laboratories S.A. de C.V. (“SEL-Mexico”), its affiliates, parent company, subsidiaries, and/or divisions (collectively, “SEL”) to Buyer, unless otherwise agreed by SEL in writing. Buyer’s assent to these Terms shall be deemed given upon the occurrence of any of the following: (i) Buyer’s failure to object to these Terms in writing within three (3) days from the date of its receipt of them, (ii) Buyer’s issuance of a purchase order, or (iii) Buyer’s acceptance of delivery of Products or Services. SEL expressly objects to any additional or different terms proposed by Buyer, unless expressly agreed to in writing by SEL. For the purposes of these Terms and unless stated otherwise, “Products” shall mean the products manufactured by SEL, including SEL systems or control enclosure structures, specified on the SEL sales order acknowledgment, including without limitation any accessories, enclosed documentation and embedded software; and “Services” shall mean any SEL training, consulting, technical support and any other services specified on the SEL sales order acknowledgment, except for projects governed by an SEL Engineering Services Proposal. SEL may modify these terms at any time without prior notice provided that no such modification shall apply in respect of any order for products or services which has been accepted by Seller prior to the modification(s). The latest version of the Terms will be posted on SEL’s website at www.selinc.com/termsandconditions/mexico, and Buyer should review these Terms prior to purchasing any Products or Services. No contract will be deemed to be formed until the SEL Sales Order Acknowledgment has been sent to Buyer, and all orders are subject to SEL’s ability to obtain, on appropriate terms and within a reasonable amount of time, any export or import license or permit required by applicable law or regulation. SEL shall have the right to cancel any order at any time for failure of Buyer to agree to these Terms or for any material breach by Buyer of these Terms, including without limitation failure to pay any amounts due, derived from the then-current purchase order which execution has been cancelled, or from one or more previous orders, for violation of the then-current SEL Software License Agreement or noncompliance with the then-current SEL credit requirements.
- 2. Prices, Taxes and Payment Terms.** Prices shall be the prices in effect on the date of the SEL Sales Order Acknowledgment. Prices are subject to change without notice. Each quotation or proposal is valid for thirty 30 days from its date, unless other term is specified. Prices in the SEL Sales Order Acknowledgment do not include freight, insurance charges and any customs, sales, use, value-added, property or similar taxes, tariffs or duties applicable to the price, sale or delivery of Products. For Services performed on a time and expense basis, charges shall include actual time and expenses incurred in the previous calendar month. For Services performed on a fixed-price basis, charges shall include the price of major deliverables substantially completed in the previous calendar month. For Services, additional charges may result from additional or changed Services due to changes in budget or schedule, unusual conditions or any other reasons not evident in the proposal. Payment terms for Products and Services are 30 (thirty) days after invoice pursuant to the following milestones: (i) 50% of the price when SEL issues and sends the Sales Order Acknowledgment, and 50% of the price when SEL issues the notice of availability of shipment. Partial shipments will be invoiced and are payable as they occur in accordance with these Terms. All payments shall be made in the currency specified on the SEL Sales Order Acknowledgment and shall be made by electronic transfer with no prior request been necessary. Prior to the Sales Order Acknowledgment, Buyer must meet the then-current SEL credit requirements. If, in the judgment of SEL, the financial condition of Buyer at any time does not justify the payment and/or credit terms offered by SEL, SEL may require payment in advance or postpone or cancel any outstanding order, whereupon SEL shall be entitled to receive the payment of cancellation charges of 25% up to 75% of the purchase price, depending on the progress of the Products’ manufacture or the rendering of the Service. Delays in delivery or non-conformities in any installments shall not relieve Buyer of its obligation to pay any remaining installments. SEL is entitled to receive a monthly payment for late charges of 4%. Any payment made by Buyer shall be applied to late interests generated from any amounts due by Buyer up to the payment date and to amounts due before being applied to current orders, at SEL’s sole discretion. Notwithstanding the foregoing, Buyer’s failure to pay amounts due shall be deemed a material breach of these Terms, and any acceptance by SEL of late payments shall not be deemed a waiver of such breach. To the extent allowed by law, SEL shall recover all costs incurred in collection of amounts due from Buyer, including without limitation legal fees and the allocated cost of its lawyers.
- 3. Delivery, Documentation and Disclosure of Information.** Delivery dates in the Sales Order Acknowledgment are approximate, based upon prompt receipt of all necessary information from Buyer and do not constitute a contractual obligation. If drawing approval is required, drawings must be returned on schedule to maintain estimated shipping dates. SEL shall pack and ship Products according to its standard procedure, and all shipments shall be sent to Buyer using the SEL standard freight forwarder or carrier. Buyer shall pay for: (i) shipment costs, (ii) increased costs due to special packing, (iii) insurance requests, as well as for (iv) any detention charges. Seller reserves the right to make partial shipments of the Products and/or to ship Products early unless otherwise stipulated in Buyer’s purchase order. Unless otherwise stated in the SEL Sales Order Acknowledgment, the shipping terms are as stated herein: For Products

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shipped to addresses within Mexico, title and risk of loss or damage shall pass to Buyer upon delivery at the agreed place within Mexico. Buyer must unpack and examine Products immediately and, if damage is discovered, (i) maintain Products at the place of examination, (ii) retain the shipping container and packing material, (iii) notify the carrier of any apparent damage in writing on carrier's delivery receipt and request carrier to make an inspection, (iv) notify SEL within three (3) days of delivery and (v) send SEL a copy of carrier's inspection report. For Products shipped to addresses outside Mexico, title and risk of loss or damage shall pass to Buyer at the SEL factory upon delivery to the freight forwarder or carrier and Buyer shall have a reasonable time after receipt of Products to inspect and reject or accept Products. In any event, acceptance shall be deemed to have occurred no later than fifteen (15) days after the reception of the products. Buyer may not return any Product without prior written consent of SEL. When applicable, SEL shall provide Buyer with one (1) copy of instructions for each Product. Buyer may not reproduce such instructions. Buyer may order additional copies from SEL. All instructions and related documentation shall be in English. Although SEL or its representatives may from time to time provide translations of such instructions and documentation as a courtesy, the English version shall govern in the event of, and SEL shall not be liable for, any discrepancies. The English versions will be available at selinc.com. Any information, suggestions or ideas transmitted by Buyer to SEL in connection with performance hereunder shall not be regarded as proprietary or confidential, unless identified in writing by Buyer and acknowledged in writing by SEL.

- 4. Intellectual Property.** Buyer shall not challenge the validity of any SEL intellectual property, including without limitation any trademarks, service marks, trade dress, patents, copyrights, trade secrets or licenses. Buyer acknowledges that SEL intellectual property is the sole property of SEL. By sale of Products or Services to Buyer, SEL does not transfer any SEL intellectual property rights, (including without limitation designs or other work product). Buyer shall not remove or alter any trademarks, service marks or trade dress that identify SEL, nor use any trademarks, service marks, trade dress or any other intellectual property that, in the sole discretion of SEL, is confusingly similar to those of SEL. Any software (including firmware) included with Products is owned by SEL (or its licensors) and is licensed, not sold, to Buyer. Software shall be provided subject to the then-current SEL INC Software License Agreement. Buyer may use the software only with Products and only as intended by SEL. Buyer shall comply with the provisions of Title III, Chapter Unique of the Industrial Property Law, regarding industrial secrets.
- 5. Product Warranty and Services Commitment.** SEL warrants to Buyer that Products are free from defects in material and workmanship for ten (10) years after shipment for all SEL Products, including SEL-manufactured control enclosure structures and panels. These warranties are conditioned upon proper storage and, shall be void in their entirety if Buyer fails to implement required Product upgrades, modifies Products without prior written consent by SEL or uses Products for any applications that require product listing or qualification not specifically included in the SEL written quotation or proposal. If any Product fails to conform to these warranties, Buyer properly notifies SEL of such failure and Buyer returns the Product to the SEL factory for diagnosis (and pays all expenses for such return), SEL shall correct any such failure by, at its sole discretion, either repairing any defective or damaged Product part(s) or making available any necessary replacement part(s) or Products; freight will be prepaid by SEL (Carriage Paid To (CPT) customer's place of business). If SEL is unable or unwilling to repair or replace, SEL and Buyer shall negotiate an equitable resolution such as a prorated refund or credit to the Buyer's account. Any Product repair or upgrade shall be covered by this warranty for the longer of one (1) year from date of repair or the remainder of the original year warranty period. **TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE), EXCEPT WARRANTY OF TITLE AND AGAINST PATENT INFRINGEMENT.** SEL shall, whenever possible, pass the original manufacturer warranty to Buyer for non-SEL products. SEL does not warrant non-SEL products, including non-SEL control enclosure structures, and non-SEL products within SEL panels, control enclosure structures and systems, nor products or prototypes provided by SEL for testing or marketing purposes. SEL shall perform Services in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. SEL shall re-perform (or at SEL's discretion will hire a third party to re-perform) any defective Services (including Services performed in conjunction with SEL systems) at no cost upon receipt of notice detailing the defect(s) within one (1) year of performance of the original Services.
- 6. Limitation of Liability, Indemnity and Insurance.** In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall SEL be liable to Buyer or its insurers for any loss or damage for an amount exceeding the price of the specific Product or Service that gave rise to the claim, and

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any liability shall terminate, for Products, upon the expiration of the year warranty period. No claim, regardless of form, arising from these Terms may be brought by Buyer more than one (1) year from the date such claim accrues. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall SEL be liable for any special, consequential, incidental or punitive damages, including without limitation any loss of profit or revenues, loss of use of Products or associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime costs or claims of Buyer's customers for such damages. If SEL or its subcontractors or suppliers provide Buyer with advice or other assistance, including input of customer-provided or customer-requested settings and advice related thereto, concerning any Product or any system or equipment in which any such Product may be installed, the provision of such advice or assistance shall not subject SEL to any liability, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise. SEL shall not be liable for any claims or losses resulting from any unauthorized access to Products. Buyer confirms that it has read and understood the manuals and instructions for use of Products and declares its capacity to operate Products accordingly. Buyer shall indemnify, defend and hold harmless SEL and all related parties from and against any claims, demands, causes of action, losses, costs and expenses, including without limitation legal fees and other costs, arising directly or indirectly from, as a result of or in connection with the acts or omissions of Buyer, its officers, employees, agents or representatives, including without limitation (i) Buyer's modification or integration of any Product, (ii) Buyer's specifications, (iii) Buyer's relay settings, which may or may not be based on relay setting examples or guides from SEL, (iv) any changes made by Buyer or others related to design documents produced by SEL, (v) any unauthorized use or reuse of the designs, drawings, plans and specifications furnished by SEL, (vi) Buyer's failure to fully utilize the password protection available in any Product (including without limitation Buyer's failure to use passwords or to change default passwords to unique Buyer passwords) or (vii) any breach of these Terms by Buyer. Buyer shall maintain commercially reasonable insurance (including waiver of subrogation) against liability and property damage, including without limitation all standard commercial, environmental and, for any Products used in connection with any nuclear facility or activity, nuclear incident insurance.

- 7. Patent Indemnity.** SEL shall defend any action brought against Buyer based on a claim that any Product infringes any United States patent, and SEL shall pay any award or settlement recovered against Buyer in any such action and shall reimburse Buyer for reasonable costs incurred by Buyer in the defense of any such action, provided that Buyer gives SEL prompt notice of such action, reasonable assistance in the defense thereof and full opportunity to control all aspects thereof, including settlement, and does not take any position adverse to SEL in connection with such action. In the event such Product is held to constitute infringement and the use of Product is enjoined (or SEL foresees a risk of such event), SEL shall, at its sole discretion, exchange the Product with a non-infringing Product, acquire the right for Buyer to continue using it, modify it so that it becomes non-infringing or repurchase it from Buyer for a fair portion of the original price. SEL shall not be liable for damages that arise after SEL offers one of the foregoing remedies in good faith. SEL shall not be liable for patent infringement claims arising from custom Products, modifications of Products or integrations of Products with any non-SEL product, and Buyer shall fully indemnify, defend and hold harmless SEL and all related parties from and against any such patent infringement claim.
- 8. Transfer to End-User Other Than Buyer.** Prior to resale of any product, Buyer shall obtain written authorization from SEL. Buyer shall provide SEL, initially and on an ongoing basis, with complete and accurate end-user data for each Product. Buyer shall provide the end-user of each Product with all product notices, warnings, instructions, recommendations and similar materials provided directly or indirectly by SEL. In the event Buyer transfers to a third party any Product or any right or interest therein, Buyer shall indemnify, defend and hold harmless SEL and all related parties from and against any claims against SEL in excess of any SEL obligations under these Terms by such transferee or any other party. Any assignment or transfer of any Product without prior written authorization from SEL shall void the SEL warranty. Buyer may not assign or transfer any Product where such assignment or transfer would violate any applicable export laws, regulations or orders. The attempted assignment or transfer by Buyer of these Terms or any rights or duties hereunder without prior written consent of SEL shall not relieve Buyer of any obligations to SEL.
- 9. Contract Variations.** If Buyer requires approval of drawings, such approval must be received by SEL no later than ten (10) working days after submittal of drawings by SEL to Buyer. Buyer's failure to comply with this requirement may result in additional costs and delays, which shall be Buyer's sole responsibility. Where Buyer's specifications lack sufficient detail, SEL reserves the right to design Products in accordance with good commercial practice, as determined at the sole discretion of SEL. If at any time Buyer makes changes to its design specifications, the SEL sales order acknowledgment shall be subject to renegotiation of price terms and delivery to reasonably cover any resulting costs and delays. Any order may be terminated by Buyer only upon written notice and payment of a penalty fee from 25% up to 75% of the purchase price, depending on the progress of the Products' manufacture or the

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rendering of the Service, as cancellation fees. Any order delayed at Buyer's request shall be subject to the prices and Terms in effect at the time of release of such delay. Any such order delayed beyond a reasonable period (as determined in SEL's sole discretion) shall be treated as a Buyer termination, and Buyer shall be responsible for reasonable delay and pay the penalty fee. When Products are ready for shipment and shipment cannot be made due to Buyer's request, SEL shall submit an invoice for such Products payable upon receipt thereof and shall, previous written notification to Buyer, store such Products. In such event, risk of loss of Products shall pass to Buyer upon moving such Product to storage, and all expenses incurred by SEL in connection with such storage, including without limitation demurrage, cost of preparation for storage, storage charges, insurance (if SEL chooses, at its sole discretion, to purchase such insurance) and handling charges, shall be payable by Buyer upon submission of invoices by SEL.

- 10. Governing Law and Dispute Resolution.** The governing law of these Terms shall be the laws of the Federal District, Mexico, excluding conflicts of law principles. The parties reject any applicability of the United Nations Convention on Contracts for the International Sale of Goods. All disputes arising in connection with these Terms shall be finally settled by the Courts of the Federal District, Mexico, and the parties waive their rights to initiate a proceeding before any other Court. The prevailing party to any dispute shall be entitled to recover legal fees and other costs (including without limitation disbursements, collection costs and the allocated cost of in-house counsel).
- 11. Miscellaneous.** These Terms, including the SEL Software License Agreement and SEL Sales Order Acknowledgment, constitute the entire agreement between SEL and Buyer, and supersede any prior or contemporaneous, verbal or written, agreements, negotiations, commitments, representations or correspondence between the parties, including without limitation any terms on any purchase order form. SEL rejects any representation, express or implied warranty, course of performance or dealing, trade usage or any different or additional terms not set forth herein. SEL reserves the right to modify or revoke any quote or order to comply with applicable laws and market conditions. Any notice pursuant to these Terms shall be deemed given when sent by registered or certified mail (return receipt requested), overnight delivery or fax (receipt confirmed) to an authorized officer at the address or fax number listed on the SEL sales order acknowledgment or, if no such address or fax number is provided, at the registered headquarters of the other party. All rights and duties hereunder shall be for the sole and exclusive benefit of Buyer and SEL, and not for the benefit of any other party. No failure or delay by either party in exercising any right or remedy, or insisting upon strict compliance by the other party with any obligation in these Terms, shall constitute a waiver of any right thereafter to demand exact compliance with these Terms. The invalidity, in whole or part, of any provision in these Terms shall not affect the remainder of such provision or any other provision and, where possible, shall be replaced by a valid provision that effects as close as possible the intent of the invalid provision. Neither party shall be liable for failure to perform or delay in performance of any obligation under these Terms (except payment of amounts already due and owing) where such failure or delay results from any event beyond its reasonable control. Any modification of these Terms must be in writing and signed by an authorized SEL officer with the corresponding powers of attorney.