



Terms & Conditions of Purchase (Goods & Services)

This Purchase Order ("PO") and any attachments are the sole agreement between Pennsylvania Transformer Technologies, LLC. ("PTT") and/or its subsidiaries or affiliates who are issuing a PO pursuant to these terms and conditions ("PTT") and the Seller identified on the face of this PO ("Seller") regarding the goods or services specified in this PO.

1. Acceptance of Terms

This PO is expressly conditioned on the Seller's acceptance of all the terms and conditions set forth herein. Pricing on the PO is deemed to be fixed and non-variable unless specifically agreed by PTT in writing. PTT expressly objects to any additions, deletions or differences in the terms or conditions contained in Seller's quotation, proposal, acknowledgment, or other document, whether or not such additions, deletions or differences materially alter this PO. This PO may be issued in addition to other duly signed PTT agreements, exhibits and schedules incorporated therein ("Agreement") made with respect to the subject matter of this PO. In the event of an inconsistency or conflict between the provisions of any Agreement and this PO, the inconsistency or conflict will be resolved by giving precedence in the following order: (a) the Agreement; (b) the provisions appearing on the front and reverse side of this PO or the then-current terms and conditions, and (c) other provisions when attached and agreed to in writing by PTT.

2. Performance

Time is of the essence in the performance of this PO and if the goods are not delivered or the services not provided in the manner and at the times specified, PTT reserves the right without liability and in addition to its other rights and remedies to take either or both of the following actions: (a) direct expedited delivery of the goods or performance of services, with any difference in cost caused by such change paid by Seller, and/or (b) purchase substitute goods and charge Seller with any loss or additional costs PTT incurs. Seller will promptly advise PTT of any delay in performance, including notice with regard to any goods placed under backorder. Seller's performance is not deemed completed until the goods or services have been accepted by PTT. All goods shipped under this PO are to be shipped to the specified PTT's facility.

3. Inspection

All goods and services purchased hereunder are subject to inspection by PTT at all reasonable times and places notwithstanding the terms of payment, and in any event, prior to final acceptance. No inspection made prior to final acceptance will relieve Seller from responsibility for failure to meet the requirements of this PO. In the event the goods or services do not meet the applicable specifications and instructions, Seller will promptly re-perform the nonconforming services or provide replacement goods satisfactory to PTT at Seller's sole expense. If Seller is unable to accomplish the foregoing, PTT may procure such goods or services from another source and charge to Seller's account all costs, expenses and damages associated therewith.

4. Payment

Invoices must contain the following information: PO number, part numbers, description of services, prices, extended totals and attach all supporting documentation, if any. To the extent applicable, all invoices must include any tax amounts, listed separately. Invoices submitted hereunder will be paid Net 45 days after receipt of a correct invoice or acceptance of goods or services by PTT, whichever



payment that would have been due had Seller completed or provided the goods or services. PTT will have no further payment obligation in connection with any termination.

9. Indemnification

Seller will indemnify, defend and hold PTT, its officers, directors, resellers, employees, agents and customers harmless from and against any and all losses, liabilities, costs, claims, damages and expenses (including attorneys' fees and costs) arising out of or related to this PO including but not limited to the provision of goods or services under this PO or Seller's breach of any term or provision of this PO, including any claims that any such goods or services infringe any patent, copyright, trademark, trade secret or any other proprietary right of any third party.

10. Limitation on Liability

TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL PTT'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS PO EXCEED THE TOTAL AMOUNT ACTUALLY PAID OR PAYABLE BY PTT TO SELLER FOR THE APPLICABLE GOODS OR SERVICES PROVIDED UNDER THIS PO NOR WILL PTT OR ITS RELATED LEGAL ENTITIES BE LIABLE FOR ANY LOST REVENUES, LOST PROFITS, INCIDENTAL, DIRECT, INDIRECT, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

11. Patents and Data

All records, software, files, data, reports, information, work product, notes, plans, strategies, intellectual property, and other information provided by PTT or prepared or developed by or for PTT pursuant to this PO ("Work Product") is the property of PTT and constitutes works made for hire under applicable law. Seller assigns all intellectual property rights in the Work Product to PTT and agrees to complete any documents requested by PTT to perfect its ownership in the Work Product. Seller waives all moral rights related to the Work Product. Seller grants to PTT an unlimited, nonexclusive license to use, copy, modify or create derivative works of any materials delivered to PTT which are developed prior to or outside of this PO. All materials, equipment and other information supplied to Seller by PTT will remain the property of PTT and be returned to PTT when no longer needed by Seller in the provision of services or goods and in any event upon the expiration or earlier termination of this PO.

12. Relationship of the Parties

Seller is an independent contractor, and nothing contained in this PO will be deemed or construed to create a partnership, joint venture, agency or other relationship other than that of supplier and customer. Seller is solely responsible for payment of all compensation owed to its employees as well as employment related taxes. Any agreements or commitments entered into by Seller are not binding on PTT and further PTT assumes no liability with respect to any agreements or commitments entered into by Seller with its employees, agents, suppliers and the like.

13. Subcontracts and Assignments

Seller agrees to obtain PTT's approval before subcontracting this PO or any portion thereof. This PO is not to be assigned or delegated by Seller without the prior written consent of PTT.



occurs later. Any adjustments in Seller's invoices due to late performance, rejections, or other failure to comply with the requirements of this PO may be made by PTT before payment. Payment does not constitute final acceptance. PTT may offset against any payment hereunder any amount owed to PTT by Seller or its affiliates.

5. Changes

PTT may, by written notice to Seller make changes to any one or more of the following: (a) specifications for services or goods, (b) quantity, and (c) place and/or time of performance. For any reason, PTT may also direct Seller to suspend in whole or in part the provision of goods or the performance of services hereunder permanently or for such period of time as may be determined by PTT to be necessary or desirable. If any such change or suspension causes an increase or decrease in the cost or time required for the performance of services or provision of goods hereunder, an adjustment may be made in the price or delivery schedule, or both, and the PO will be modified in accordance with Section 22. Any claim for adjustment by Seller will be deemed waived unless asserted in writing within ten (10) days from receipt by Seller of the notice of change.

6. Warranty

Seller expressly warrants that the goods or services provided under this PO will be performed in accordance with PTT's specifications and instructions. Seller further warrants that the goods and services will be merchantable, non-infringing, free from defects and fit and sufficient for the purpose intended. Further, the services will be performed with the highest degree of skill and judgment exercised by recognized professionals performing the same or similar services. These warranties are in addition to all other warranties, express, implied or statutory. Payment for, inspection of, or receipt of the goods or services does not constitute a waiver of any breach of foregoing warranties. In the event of any breach of the foregoing warranty, Seller will, at its own expense and at PTT's option either: (a) provide replacement goods satisfactory to PTT, (b) re-perform the nonconforming services to the satisfaction of PTT, or (c) refund to PTT the total amount paid for such goods or services. Seller will extend all warranties it receives from its suppliers to PTT and to PTT's customers.

7. Confidential Information

PTT and Seller acknowledge that in their course of dealings, Seller may acquire from PTT confidential and proprietary information about PTT, its business activities and operations, its employees, trade secrets or any other information which by its sense or nature should reasonably be considered confidential (the "Confidential Information"). The confidential information of PTT will only be disclosed to Seller's employees, agents or consultants with a need to know and who are under a written obligation to keep the information confidential. Seller will not disclose the Confidential Information to any third parties. Seller will use the same degree of care but no less than a reasonable degree of care that it uses with regard to its own confidential information to prevent the disclosure of PTT Confidential Information.

8. Termination For Convenience

PTT may terminate this PO in whole or in part at any time and without cause. Upon notice of termination, Seller will inform PTT of the extent to which it has completed its performance under this PO as of the date of the notice and collect and deliver to PTT any goods or Work Product, as defined in Section 11, which then exists. PTT will pay Seller for goods or services accepted and performed through the effective date of termination provided that PTT will not be obligated to pay more than the



14. Anti-Corruption

All Seller actions related directly or indirectly to the performance of this PO will comply with all applicable anti-corruption laws. Accordingly, Seller will not offer, promise, or provide any payments, loans, gifts of money, or anything of value to secure an improper advantage or for a corrupt purpose as described in applicable law.

15. Insurance

Seller will secure and maintain insurance providing sufficient coverage to comply with its obligations and duty to indemnify as required under this PO. Within five (5) days of receipt of a request from PTT, Seller agrees to provide PTT with a certificate of insurance evidencing Seller's insurance coverages.

For Freight, Rigging, Off-loading, Set-Up, Site & Factory Testing, Repairs, Maintenance and field services, the following requirements must be met.

- a. The General Liability Insurance of the carrier should be valid and on file with PTT prior to loading of cargo with limits of Insurance, including completed operations, of not less than \$1,000,000 each occurrence and \$2,000,000 Annual Aggregate.
- b. Business Auto Liability with limits of at least \$1,000,000 each accident for bodily injury and property damage. Business Auto coverage must include coverage for liability arising out of all owned, leased, hired and non-owned automobiles.
- c. PTT shall be named as additional insured on all insurance policies.
- d. Price is lump-sum and deemed to include all associated costs for hauling the cargo including all approvals, permits, road survey, bridge/road/tunnel modification and any associated incidental expenses.
- e. Vehicle should be road worthy and meet all DOT requirements.
- f. Driver's License of the driver should be valid, and a copy should be on file with PTT

16. Non-Waiver of Rights

The failure of PTT to insist upon strict performance of any of the terms and conditions in this PO or to exercise any rights or remedies hereunder will not be construed as a waiver of its rights to assert any of the same or any other terms and conditions under this PO.

17. Remedies

Any rights and remedies specified under this PO are cumulative, non-exclusive and in addition to any other rights and remedies available at law or in equity.

18. Severability

If any term contained in this PO is held or finally determined to be invalid, illegal or unenforceable in any respect, in whole or in part, such term will be severed from this PO, and the remaining terms contained herein will continue in full force and effect.



19. Interpretation

The captions and headings used in this PO are solely for the convenience of the parties and are not to be used in the interpretation of the text of this PO. Each party has read and agreed to the specific language of this PO; no conflict, ambiguity, or doubtful interpretation will be construed against the drafter.

20. Governing Law

This PO is governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflict of law provisions. Seller agrees that the state and federal courts in Pennsylvania will have the exclusive jurisdiction and venue over any claims arising out of or related to this PO.

21. Entire Agreement

This PO, including all documents incorporated herein by reference, constitutes the entire agreement and understanding between the parties and supersedes and replaces any and all prior or contemporaneous representations, agreements or understandings of any kind, whether written or oral, relating to the subject matter hereof. Except as specified in Section 1 or 5 above, no change, modification or revision of this PO is valid unless agreed to in writing by PTT.

22. Survival

Both parties agree that any term or condition of this PO which by its sense or nature should be deemed to survive the expiration or termination of this PO will so survive.

23. Child and Forced Labor

PTT will not tolerate the use of child or forced labor in any of its global operations and facilities. We will not tolerate the exploitation of children, their engagement in unacceptably hazardous work, and the physical punishment, abuse, or involuntary servitude of any worker. And we expect the suppliers and contractors with whom we do business to uphold the same standards. Should a pattern of violation of these Principles become known to us and not be corrected, we shall cancel this PO and discontinue the business relationship.