

**MTE CORPORATION  
TERMS AND CONDITIONS OF SALE**

**MTE CORPORATION'S ACCEPTANCE OF BUYER'S PURCHASE ORDER IS EXPRESSLY CONDITIONED ON BUYER'S ASSENT TO AND ACCEPTANCE OF THE FOLLOWING TERMS AND CONDITIONS (THE "AGREEMENT").**

The following are the terms and conditions on which MTE Corporation ("MTE") will sell its products to Buyer. Receipt of this Agreement by Buyer without prompt written objection thereto shall constitute acceptance of this Agreement by Buyer. This Agreement shall supersede all written or printed terms and conditions set forth in any purchase order issued by Buyer. This Agreement supersedes all prior written understandings, assurances, and offers. No reference herein to Buyer's purchase order shall in any way incorporate different or additional terms or conditions which are hereby objected to.

**1. PRICES AND PAYMENT:**

- (i) The prices specified herein or otherwise stated by MTE in writing are subject to change, without notice, to prices in effect at the time of each shipment. MTE shall submit invoices to Buyer stating amounts due. Payment terms are net 30 days, unless otherwise agreed to in writing by MTE. Payment shall be made in United States dollars. Payment by credit card will only be accepted when presented at time of order, with the Buyer's account being charged upon shipment. No credit card payments will be accepted after shipment.
- (ii) Any tax imposed by any governmental authority on the sale of products referred to in this Agreement shall be paid by Buyer, in addition to the selling price specified by MTE.
- (iii) MTE reserves the right to assess, at its discretion, a late payment charge equal to one and one-half percent (1.5%) per month on past due balances owed to MTE upon failure of Buyer to comply with this Agreement, *provided, however*, that if applicable governmental law sets a maximum rate for late payment fees which is less than one and a half percent (1.5%) per month, then the late payment charge assessed hereunder shall be set at the maximum rate permitted by law.

**2. QUOTATIONS:** Quotations are valid for thirty (30) days from date of issue, unless otherwise stated on the quotation. Prices are firm upon order acknowledgement. Shipments delayed by customers for ninety (90) days will be billed at prices in effect at time of shipment. Additions to outstanding orders will be billed at prices in effect at the time the change order is acknowledged. All published prices are subject to change without notice.

**3. ORDER ACCEPTANCE:** To the extent Buyer's Product order includes a reference to or otherwise incorporates FAR 52.223-99 (or DFAR 252.223-7999) "Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors (Oct 2021)," or any other clause requiring that MTE comply with the Safer Federal Workplace Task Force Guidelines, MTE agrees to comply with such clause(s) only to the extent applicable and required by law. Consistent with Executive Order 14042 and the flow down provisions of the applicable FAR or DFAR, because this Order is for products, such clauses are not applicable to this Order and are expressly rejected to the extent they impose obligations on MTE that are not required by law.

**4. INSPECTION, DELIVERY, SHIPPING, AND PACKING:**

- (i) Inspection of products shall be done by Buyer or its assigned representative at Buyer's facility. Inspection of products, including final inspection of completed products or in-process inspection of products, at MTE's facility is not permitted without MTE's prior written consent.
- (ii) Delivery schedules are based upon current production capacities, material or component availability, and inventory, and may be changed by MTE as conditions require.
- (iii) Where the Buyer is located in the United States, all products shall be sold "F.O.B. origin, MTE's factory." Where the Buyer is located outside of the United States, all products shall be sold "EXW (Incoterms 2010) MTE's factory." In either instance, title and risk of loss shall pass to Buyer upon delivery to the carrier at MTE's factory.
- (iv) All claims for loss or damage to products while in the care, custody, and/or control of a carrier shall be the responsibility of Buyer, who shall submit any claims to that carrier.
- (v) Shipments hereunder shall be at all times subject to the approval of MTE's credit department.
- (vi) MTE shall pack, mark, and ship the products according to its standard commercial procedures for shipment, unless the parties agree, in writing, that MTE shall comply with any special instructions provided by Buyer. Compliance with special instructions may result in an increased price. Buyers will be assessed a handling and storage fee of \$50 per day per line item for shipping delays resulting from Buyer controlled carriers.
- (vii) Preferred shipping method is "freight collect". All "Prepay and Add" shipments will be assessed a handling charge as follows: 15% of the freight bill, or a flat fee of \$20.00, whichever is greater.

**5. CANCELLATION, CHANGE, AND RESCHEDULED ORDERS:** No order accepted by MTE may be canceled or terminated by the customer except with the written consent of MTE, and then only upon payment of MTE's reasonable cancellation charges, including incurred expenses and commitments made by MTE. These charges will be negotiated per order. No order may be rescheduled within 30 days of the original delivery date and the schedule change must be less than 30 days from the original scheduled delivery date, without the prior written approval of MTE. Any change order, including without limitation any change in the specifications, design, materials or other processes, shall be subject to MTE's written approval and to Buyer's payment of any additional charges imposed by MTE, in MTE's discretion, with respect to such change order. Rescheduling delivery dates for shipments shall not be allowed within 30 days of the originally scheduled shipping dates without the prior written approval of MTE.

**6. APPROVAL OF DRAWINGS.** Any drawings or documents submitted by MTE to Buyer for Buyer's approval of design, specifications, materials, or other processes, shall remain the property of MTE, and Buyer will not copy such drawings or use such drawings

for any purpose other than confirming the design of materials to be supplied by MTE. Drawings, design information and third party approval fees, when invoiced, cover only part of the cost thereof to the MTE. The Buyer does not acquire any right, title, or interest in any drawing, design information or invention resulting therefrom. In addition, any drawings or documents submitted by Buyer to MTE setting forth plans, specifications, design, materials or other processes are available to the MTE for any use hereafter, including without limitation incorporation into the general processes of MTE.

**7. WARRANTY:**

- (i) MTE warrants that all products sold will be free from defects in materials and workmanship and in conformity with MTE specifications at the time of shipment and for the entire warranty period. Any obligation under the warranty is made to the original purchaser only and is limited to the repair or replacement of the defective product only. To be eligible for warranty repair or replacement, products must be used within their specified ratings, applied in accordance with standard engineering practices, proved by our quality assurance department to be defective and returned freight prepaid to MTE. The foregoing warranties are in lieu of all other express or implied warranties (except title) including without limitation warranties of merchantability and fitness for purpose.
- (ii) This warranty constitutes the fulfillment of our responsibility, and MTE is not liable for any expenses, special or consequential damages or any other obligation or liability whatsoever above and beyond the repair or replacement of our products. MTE's liability is limited to the repair or replacement of product defective in materials or workmanship, or that fail to conform to MTE's specifications during the warranty period. Excluded from this warranty are any products which have been subjected to misuse, neglect, accident, improper application or installation, or any material or product which has been altered or repaired outside our factory.
- (iii) The warranty period is defined as follows: Standard Three Phase Line/Load Reactors warranty period is five (5) years from the date of shipment. Matrix AP Harmonic Filters, Sine Wave Guardian Filters, and DV Sentry Filters warranty period is three (3) years from the date of shipment. Power Conditioning and Distribution product warranty period is two (2) years. All other products have a warranty period of one (1) year from date of shipment unless otherwise indicated in writing.
- (iv) All products to be returned for warranty consideration must have and include a Return Material Authorization (RMA) number.
- (v) NO OTHER WARRANTIES, EXPRESS OR IMPLIED, ARE MADE TO ANY RESPECT TO THE PRODUCTS INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

TECHNICAL ADVICE AND SPECIFICATIONS REGARDING THE GOODS SOLD HEREUNDER SOLICITED FROM MTE SHALL BE USED BY BUYER AT ITS OWN RISK. MTE DISCLAIMS ALL LIABILITY FOR DIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES SUFFERED AS A RESULT OF THE USE OF SUCH TECHNICAL ADVICE OR SPECIFICATIONS.

**8. RETURNS:** No product returns will be accepted without a Return Material Authorization (RMA) number. Contact factory for specific return policy.

- (i) An RMA number must be obtained from Customer Service prior to returning any product
- (ii) Once the RMA number has been obtained the customer has 30 days in which to return the product(s) before the RMA number becomes invalid
- (iii) The RMA number must be clearly marked on all paperwork and on the outside of all packaging, boxes or crates
- (iv) In transit damage occurring during the return of the product caused by insufficient or unsuitable packaging may result in a voided warranty or credit/repair being refused
- (v) MTE Corporation does not accept debit memos for product returns. Credit will be issued to customer when appropriate. Any debit memos taken will result in customer immediately being placed on stop ship status.
- (vi) For product under warranty MTE is responsible for paying shipping costs for returning the product to the customer. In all other instances, the customer is responsible for paying shipping costs for returning the product to MTE.
- (vii) Non-warranty repairs require a PO for analysis and repairs. Customer will be contacted with repair quote prior to starting any repair work.
- (viii) Only standard stocked open and NEMA 1 enclosed reactors are returnable for credit less a restocking fee
- (ix) Only those products which are factory stock items, current production models, in original unopened shipping carton and have a shipping date code of less than eighteen months old will be authorized for return.
- (x) Restocking fees are as follows:

Product	Manufacturing Date 6 Months or Less	Manufacturing Date over 6 Months and up to 18 Months	Manufacturing Date over 18 Months
Standard Open Type Reactors	25% Restock Fee	50% Restock Fee	Non-Returnable
Standard NEMA 1 Enclosed Reactors	35% Restock Fee	50% Restock Fee	Non-Returnable
All Other Products	Non-Returnable		

(xi) All other products not listed above are not returnable under any circumstance

(xii) Product returned to the factory for evaluation or testing will be assessed the basic charges as indicated below:

- Basic Evaluation Charge \$100.00 per unit
- Factory Repair Charge \$100.00 per hour plus materials
- Laboratory Evaluation Charge \$150.00 per hour

9. **BUYER'S REMEDIES:** The Buyer's exclusive and sole remedy on account of or in respect of the furnishing of products that do not conform to this Agreement shall be to secure replacement or repair of the products, at MTE's option, thereof. In no event shall the MTE's maximum liability exceed the selling price for the products claimed to be nonconforming.

10. **LIMITATION OF LIABILITY:** IN NO EVENT SHALL MTE BE LIABLE FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OF USE OF THE PRODUCTS OR OTHER EQUIPMENT, DOWNTIME COSTS OR CLAIMS OF BUYER'S CUSTOMERS, WHETHER BASED ON CONTRACT, TORT (INCLUDING STRICT LIABILITY OR NEGLIGENCE) OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

11. **INDEMNIFICATION:** Buyer Shall defend, indemnify, and hold harmless MTE and MTE's parent(s), subsidiaries, divisions, affiliated companies and their respective directors, officers, agents, insurers, employees and representatives (collectively referred to as the "MTE Group"), from and against any and all claims, suits, causes of action, liabilities, losses (including death, personal injury and property damage), judgments, obligations, fines, damages, penalties, expenses, attorneys fees, settlement funds, and consequential and incidental damages, of any kind or character regardless of theory (including, but not limited to, breach of contract, breach of warranty, tort (including negligence), strict liability, environmental laws, intellectual property rights or otherwise), arising out of or in any manner relating to or attributable to or allegedly arising out of or in any manner relating to or attributable to the Products.

BUYER MAY NOT BRING ANY ACTION ARISING OUT OF ANY CLAIMED BREACH BY MTE OF THIS AGREEMENT MORE THAN ONE (1) YEAR AFTER THE CAUSE OF ACTION HAS ARISEN.

12. **PATENT LIABILITY:** Except as to goods manufactured to designs or specifications of Buyer, MTE agrees to indemnify and hold Buyer harmless from liability for costs and damages awarded in a final, non-appealable judgment against Buyer in any civil action for infringement of any United States patent which allegedly covers the goods in the form in which they are furnished hereunder, provided that Buyer has given MTE notice of any suit for infringement brought against Buyer within ten (10) days of the date of service of complaint upon Buyer and has permitted MTE to control the defense of such suit. In no event shall MTE be liable for any infringement by Buyer resulting from the use or sale of the goods where such goods are suitable for substantial non-infringing use. Buyer agrees to hold MTE harmless from any liability of MTE for infringement of patents by reason of manufacture according to Buyer's design or incorporation of MTE's materials in a more comprehensive assembly than sold by MTE, provided MTE promptly notifies Buyer of any claim of litigation, and tenders the defense thereof to Buyer. MTE grants no license, express or implied, other than the right of Buyer to use the specified materials or part in the form delivered by MTE.

13. **FORCE MAJEURE:** Any delay or failure of MTE to perform its obligations hereunder shall be excused to the extent that it is caused by an event or occurrence beyond its control such as, by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), governmental laws and regulations not presently in effect, fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, accidents, labor problems (including lockouts, strikes, and slowdowns) at MTE's facility, its source plant or their suppliers, inability to obtain power, parts, materials, labor, equipment, or transportation, or court injunction or order.

14. **NO AGENCY:** This Agreement does not constitute either party the agent or legal representative of the other party. Neither party is authorized to create any obligation on behalf of the other party.

15. **INSOLVENCY:** In the event of the insolvency or bankruptcy of Buyer, or upon the appointment of a receiver for Buyer or its reorganization for the benefit of creditors, MTE may terminate this Agreement. In the event of termination in accordance with this paragraph, MTE shall not be obligated to deliver any products under this Agreement.

16. **ATTORNEY'S FEES:** In the event MTE should bring an action for enforcement of this Agreement, Buyer agrees that MTE shall be entitled to award of its attorney's fees, expenses and court costs associated with such enforcement proceedings.

17. **CUMULATIVE REMEDIES:** The rights and remedies herein reserved to MTE shall be cumulative and additional to any other or further rights and remedies provided at law or equity.

18. **EXPORT LAWS:** The Parties recognize that MTE may be subject to the export regulations of the United States of America regarding export and re-export of certain commodities, software, and technology from the United States. Buyer agrees that it will not export or re-export, either directly or indirectly, any information or data received from MTE in connection with the performance under this Purchase Order to any country in contravention of said export regulations, or which, if done by MTE, would violate the laws of the United States of America. Buyer represents that it is not or was not a sanctioned party under U.S. laws. To the extent any sale of products pursuant to this Agreement may require approval of the United States Government, MTE's obligations under this Agreement are conditioned upon the grant of such approval and upon compliance by Buyer with any restrictions imposed by the United States Government in connection with such approval.

19. **ANTI-BRIBERY:** Buyer shall comply fully at all times with applicable national and international antibribery rules, including, without limitation, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act 2010, and any other applicable EU, OECD and Council

Revised: November 15, 2021

of Europe anti-bribery rules. Buyer will not offer, make, promise to make, or authorize the making of any gift or payment of money or anything of value either directly or indirectly for purposes of (a) influencing any act or decision of any government official or political party (or candidate thereof) (collectively, "Officials"); (b) inducing an Official to do or omit to do any act in violation of the lawful duty of that Official; or (c) inducing an Official to use influence with a non-U.S. government or instrumentality.

20. **OFFICIAL TEXT:** The official text of this Agreement is in the English language. If this Agreement is translated into another language, the English text shall govern any question with respect to interpretation.

21. **GOVERNING LAW:** This Agreement and any disputes or controversies arising hereunder shall be governed by and construed according to the internal laws of the State of Wisconsin, United States of America, without regard to its conflict of law principles, and not including the United Nations Convention on Contracts for the International Sale of Goods.

22. **AMENDMENT; ASSIGNMENT:** No agreement or understanding varying or expanding this Agreement shall be binding upon either party hereto unless it is in writing and signed by a duly authorized representative thereof. This Agreement is not assignable by Buyer without MTE's prior written approval.

23. **SEVERABILITY:** If any provision of this Agreement shall be held to be invalid, illegal, or unenforceable under any statute, regulation, ordinance, executive order, or other rule of law, that provision shall be deemed severed to the extent necessary to comply with such statute, regulation, ordinance, order, or rule. In the event such provision is deemed severed, the parties shall negotiate in good faith to arrive at an alternative arrangement approximating the original business objective of the parties. The remaining terms and conditions of this Agreement shall remain in effect.

24. **NO IMPLIED WAIVER:** The failure of either party at any time to require performance by the other party of any provision of this Agreement shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this Agreement constitute a waiver of any succeeding breach of the same or any other provision.