



Instrument Transformer Equipment Corporation

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TERMS AND CONDITIONS OF SALE

GENERAL

No order or quotation is binding on the Seller and no contract is formed until Seller's formal acknowledgement of the order on Seller's own form is sent to Buyer.

All orders are accepted by seller subject to these terms and conditions. Acceptance of Buyer's order is limited to the express terms contained on the face and on the back hereof. Additional or different terms in Buyer's Purchase Order or any attempt by Buyer to vary in any degree any of the terms of this acceptance shall be deemed material and are objected to and rejected. Any special terms and conditions noted on the face of Seller's quotation on which this order is based are incorporated herein by reference, and made a part hereof as though specifically set forth herein.

Buyer shall not assign this order or any interest herein or any right hereunder without Seller's prior written consent.

These terms and conditions will not be amended, modified or rescinded by except by written agreement signed by an authorized official of each party expressly referring hereto.

Seller reserves the right to correct clerical and stenographic errors appearing on its quotation, acknowledgements, etc.

Quotations are valid for only 30 days unless otherwise requested and noted on the face of Seller's Quotation.

PAYMENT

Terms of payment are net thirty (30) days from date of invoice. Late charges of 1 ½% per month will be assessed beyond this date.

PRICES

Prices are subject to change without notice. Prices will be adjusted to those in effect at time of shipment unless otherwise noted on the face hereof.

TAXES

Sellers prices do not include any federal, state, or local sales, use, excise or similar taxes. Consequently in addition to the price specified herein, the amount of any present or future sales, use, exercise, or other similar tax applicable to the sale of the goods hereunder, or to the use of such goods by Seller or by Buyer, shall be paid by Buyer, or in lieu thereof Buyer shall provide to Seller with a tax exemption certificate acceptable to the tax authorities.

MINIMUM ORDERS

To cover the cost of invoicing small orders, a net minimum charge of \$200 is required.

DELIVERY

Unless otherwise stated on the face hereof, all goods are delivered F.O.B. Monroe, NC with freight collector prepaid by Seller and invoiced to Buyer for reimbursement. In all cases, selection of the carrier and the routing of the shipment will be determined by Seller unless otherwise agreed between the

parties in writing. If Buyer specifies a manner or routing of shipment different from that determined by the seller, all additional expenses will also be paid by the Buyer. In any event, risk of loss shall pass to Buyer upon Seller's delivery to the carrier.

Shipping dates are approximate and estimated, and are based upon prompt receipt of all necessary information from Buyer.

Seller shall not be liable for loss, damage, or delay in delivery, or failure to manufacture due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of Buyer, restrictions of the U.S. Government, or any department or branch or representative thereof, including priorities, fires, strikes, floods, epidemics, quarantine restrictions, war riots, wrecks, delays in transportation, car shortage, embargoes, etc., or failure due to causes beyond reasonable control to obtain necessary labor, material, or manufacturing.

WARRANTY

Seller expressly warrants for eighteen (18) months from date of shipment or twelve (12) months from date of installation, whichever is less, that the goods sold under this contract will be free from defects in material and workmanship under proper and normal use and service. THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Seller's obligation under this warranty shall be limited to the repair of, or at its option, the replacement of any defective goods, or parts thereof. Shipment of the defective goods must be made to Seller, or some pre designated location as authorized by Seller, freight prepaid. SELLER SHALL NOT BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, NOR FOR ANY EXPENSE OR EXPENSES BEYOND THE ACTUAL COST OF REPAIR OR REPLACEMENT OF GOODS UNDER THE WARRANTY.

Warranty is void if product is handled, stored, or installed without appropriate mechanical and electrical protection i.e. a circuit which allows nameplate rating of Seller's product to be exceeded, or improper mechanical installation, or product subjected to mechanical abuse.

CANCELLATIONS

An order may be cancelled by Buyer only upon written request, and written authorization by Seller, and upon payment of a reasonable cancellation fee. The reasonable cancellation fee will be determined by Seller and will reflect, among other factors, the expenses already incurred and commitments made by Seller.

RETURNED PRODUCTS

No goods sold under this order may be returned without Seller's prior written authorization including a Seller's return product authorization number (RPA) RPA number must appear on all correspondence and shipping label. Only standard catalogue products regularly carried in Seller's active warehouse stock are eligible for return and credit. Where Seller authorized Buyer to return unused products a charge of 25% of the net selling price will be charged as a restocking charge. Credit will be issued only for those goods that pass the prequalification test. Authorized returns should be shipped, freight prepaid at the Buyer's risk, to Seller in their original packaging.

PATENTS

Seller shall defend and save harmless Buyer from any judgment for damages and/or costs which may be rendered against Buyer in any suit brought against Buyer on account of the infringement of any United States patent by any goods, per se, supplied by Seller hereunder, provided that Buyer promptly notifies Seller of the commencement of any such suit and authorizes Seller to settle or defend such suit as Seller may see fit, and provided further that Buyer renders every reasonable assistance which Seller may require in defending any such suit.

The foregoing states the entire liability of Seller for patent infringement. In no event shall Seller be liable if the infringement is based on the use of the goods for a purpose other than that for which they were sold by the Seller, or based on a combination of goods sold hereunder are to be prepared for manufacture according to Buyer's specifications. If the goods sold hereunder are to be prepared for manufacture according to Buyer's specifications. If the goods sold hereunder are to be prepared for manufacture according to Buyer's specifications. Buyer shall indemnify Seller against any claims or liability for patent or trademark infringement on account of such preparation or manufacture.

CARRIER LIABILITY

Carriers are responsible for goods lost or damaged in transit. In case of loss or damage to goods in transit, Buyer shall immediately notify the carrier or its agent in writing of such loss or damage and shall do all things necessary to assert and prosecute a claim against the carrier for such loss or damage.

GOVERNING LAW

This order shall be governed by and construed in accordance with the laws of the State of North Carolina.

The Smart Grid starts with these products from ITEC. American made from an American owned company. Instrument Transformer Equipment Corporation conforms to the requirements of ISO 9001.