

TERMS AND CONDITIONS OF SALE

THE FOLLOWING TERMS AND CONDITIONS, TOGETHER WITH ANY OTHER TERMS AND CONDITIONS SPECIFICALLY AGREED TO IN WRITING BY SELLER, SHALL APPLY TO ALL ORDERS (“Order(s)”) FROM, AND SALES OF PRODUCTS (“Products”) OR SERVICES (“Services”) TO BUYER. ANY ACCEPTANCE OF ANY ORDER OF BUYER IS CONDITIONED UPON THESE TERMS AND CONDITIONS. ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS PROPOSED BY BUYER IN ANY DOCUMENT ARE OBJECTED TO AND SHALL NOT BE BINDING UPON SELLER. THE PROVISIONS OF THESE TERMS AND CONDITIONS MAY ONLY BE ALTERED BY A PERSON AUTHORIZED BY SELLER TO BIND SELLER TO ANY PROMISE OR UNDERSTANDING NOT EXPRESSED HEREIN.

Entire Agreement, Acceptance

All quotations, proposals and similar communications from Seller shall be considered an invitation to contract; all orders shall be considered offers, and Seller’s order acknowledgments shall be considered acceptances which, shall result in a binding sales agreement containing these terms and conditions. This sales agreement is limited to the provisions contained or expressly incorporated herein and supersedes all previous communications. Any additional or different terms contained in Buyer’s forms are hereby rejected. Buyer’s receipt of any portion of the Goods shall constitute Buyer’s assent to all terms and conditions contained herein.

Quotations and Delivery

Unless otherwise stated herein, Seller’s quotation for equipment/service is effective for thirty (30) days from its creation date. Herein quoted lead times for engineering and equipment delivery are estimates. Shipping dates will be established at the time Buyer’s order is accepted, consistent with Seller’s then current shipping commitments. Delivery dates are approximate and are dependent on prompt receipt by Seller of all necessary information. Seller may deliver all or any part of Products/Services as early as thirty (30) days in advance of agreed schedule.

Where Buyer notifies Seller that it cannot take timely delivery of the Products, Seller may place such Products in storage, at the risk of Buyer, and Buyer shall reimburse Seller for all expenses incurred in connection with such storage. Buyer will be required to accept title to the goods upon Seller placing the goods into storage.

Shipping dates do not include turnaround time for Buyer’s review and approval of drawings. Seller reserves the right to select the means of transportation and routing, but other details of shipment must be pursuant to Buyer’s instructions.

Prices/Taxes

Unless otherwise stipulated in the proposal, all prices are firm for thirty (30) days from the date of the quote. All prices are subject to change without notice in the event of any changes in cost of materials or labor, specifications, quantities, delivery schedules, customs duties, other factors beyond Seller’s control, or in the event of delays caused by instructions of the Buyer, or failure of the Buyer to give Seller adequate information. Further, prices payable by the Buyer shall be subject to immediate increase, should the Seller as a result of governmental action or regulation including, without limitation, those contemplated by an investigation under Section 232 of the Trade Expansion Act of 1962 (19 U.S.C. §1862), incur additional duties, tariffs or restrictions on products sold hereunder, or on the raw materials that are used in making such products. Once an order is received, Seller agrees to hold pricing for a period of one hundred eighty (180) days or through date of shipment, whichever occurs first. With a ship date beyond one hundred eighty (180) days, Seller reserves the right to adjust pricing as necessary.



In no event shall prices include any amounts imposed on the Buyer in connection with Buyer's purchases from Seller, such as taxes, including but not limited to Value Added Tax (VAT) or excise taxes, duties, tariffs, or any other costs assessed against the Buyer by a governmental authority. Buyer agrees to pay or to reimburse Seller for any such taxes. Buyer shall dispose of the packing materials for Products at its own expense, and shall defend, indemnify, and hold harmless Seller from any legal obligations in connection with such packing waste

Purchase Orders

All purchase orders should be addressed to:

**HDR Power Systems, LLC
dba/ AMETEK HDR Power Systems
530 Suite C, Lakeview Plaza Blvd.
Worthington, OH 43085 U.S.A.**

Payment

Payment in US dollars as outlined will be required:

a. Payment in US dollars as outlined will be required:

b. All orders ≤ \$100,000.00: (Net 30 Days)

c. All orders > \$ 100,000.00; ≤ \$300,000.00: Payment Terms as follows will be required:

Percentage Due of Purchase Price
30% Progress Payment – Net 0 Days

Milestone
Upon Submission of Approval Drawings, if no approvals, at receipt of order

70% Final Payment – NET 30 Days

At Time of Shipment

d. All orders > \$ 300,000 Payment Terms as follows will be required:

Percentage Due of Purchase Price
25% Progress Payment -NET 0 Days

Milestone
Upon Submission of Approval Drawings, if no approvals, at receipt of order

25% Progress Payment- NET 0 Days

Upon Release to Manufacturing

50% Final Payment -NET 30Days

At Time of Shipment

e. AMETEK does not accept cash retention. A standby Letter of Credit may be provided by the PNC Bank NA in lieu of cash retention.

f. If the financial condition of Buyer is unsatisfactory to Seller, Seller may require full or partial payment in advance, or satisfactory security, in the form of a letter of credit or otherwise. In the event of bankruptcy or insolvency of Buyer, Seller may immediately cancel any Order then outstanding and recover its appropriate termination charges from Buyer. Buyer grants Seller a purchase money security interest in Products located in the United States, or Services, as well as any proceeds, for the purpose of securing the obligations of Buyer hereunder. Buyer authorizes Seller to execute on Buyer's behalf and file such financing statements as Seller deems appropriate to perfect and notify Buyer's creditors of Seller's security interest.

g. AMETEK does not accept "Pay When Paid" payment terms. Any Purchase Order or Contract resulting from this proposal is a legally binding contract between AMETEK and the Buyer. Payments due from Buyer are not contingent upon Buyer's receipt of payment from any entities or affiliates.

h. Seller may charge late payment fees at the rate of 1.5% per month, or the highest rate permitted by law, whichever is less, accruing daily.



- i. There are no pre-conditions for the down payment or for any progress payment other than the milestones noted above. If the release to manufacturing occurs more than one-hundred and twenty (120) days after the award of the purchase order (either due to an extended delivery date or caused by delays which are no fault of the Seller) the 25% payment for release to manufacturing will be due at the 120-day point. Progress payment milestones will be self-certified by the Seller on the invoice.

Remit to Address

Wire transfers are payable to: **HDR Power Systems, LLC**
dba/AMETEK HDR Power Systems

Wire transfers shall be sent to:

*JP Morgan Chase Bank NA
1 Chase Manhattan Plaza
New York, NY 10081*

*Account #: 0304906603
ABA #: 021000021
Swift ID: Chas US 33*

International Orders require an irrevocable Letter of Credit (in U.S. dollars) advised through the Huntington National Bank in Columbus, OH 43260.

*Telex #: 245-475
S.W.I.F.T. #: #HUNTUS 33*

Payment shall be made upon presentation of the agreed upon documents to the advising bank by AMETEK HDR Power Systems.

INVOICE FRAUD PREVENTION

Given the increased risk of invoice fraud, Buyer should treat any notification to change details of Seller’s bank account with suspicion. Seller will not inform or instruct Buyer to make remittance or money transfers to any other beneficiary, address or bank account via email. Always verify a request to update records or change bank account information BEFORE implementing a change or completing the payment. Verify any requested changes by speaking to a known Seller representative.

Title and Risk of Loss

Unless otherwise provided for in our proposal and pricing, delivery (INCO) terms are FCA point of origin. Title to, and risk of loss for, the goods shall transfer to the Buyer at the FCA Delivery point (origin). All risk of loss or damage during transit shall pass to Buyer upon the goods being made available to the carrier, and Seller will not participate in the settlement of claims for loss or damage during shipment. If Buyer does not make timely payment(s), then Buyer will be responsible for all costs associated with perfecting Seller’s security interest in the Goods.

Warranties and Limitations on Warranties

Seller expressly warrants that the Goods manufactured by Seller, when delivered will (i) conform to the descriptions and specifications incorporated herein and (ii) be free of defects in material or workmanship for a period of 12 months from the date of operation, or 18 months after date of shipment, whichever occurs first.

There is an additional four (4) year warranty on Power Controllers. Ametek HDR will repair or replace at Ametek HDR’s option, any parts found defective during proper and normal use. This warranty covers power controllers that are purchased as individual controllers and not engineered or designed as part of a system manufactured by Ametek HDR. **THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, WHETHER**



ORAL, WRITTEN, EXPRESS, IMPLIED OR STATUTORY. NO IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE SHALL APPLY.

If Buyer notifies Seller in writing within the warranty period, that the Goods or any part thereof fail to comply with these warranties, then Seller will correct such nonconformity by repair or replacement, at Seller's option and that they Buyer returns the part to Ametek HDR. If repairs are completed at Buyer's site, then Seller will provide replacement parts at no charge, but Buyer shall pay all labor charges at Seller's standard per diem field service rates plus travel and living expenses (portal to portal) of Seller's service personnel except unless the equipment was purchased with an enhanced warranty that covers travel and living expenses within the 48 contiguous U.S. states. Buyer shall also pay such charges where a service call would not have been necessary if Buyer had followed Seller's written instructions accompanying the Goods. In no event shall Seller be responsible for gaining access to the Goods, or for disassembly or reassembly. Freight charges for warranty replacement items will be as provided in the original order. When the repair site is at Ametek HDR, the Buyer shall pay freight charges both to and from Ametek HDR for purposes of the repair. In lieu of repairing or replacing the non-conforming Goods or part, Seller shall have the right, at its sole option, to refund the purchase price.

In certain situations, Seller's warranty may extend to products supplied by, but not manufactured by Seller (e.g., transformers). In all other cases, as an accommodation, Seller will pass on to Buyer whatever warranty Seller receives from its supplier of such products, but only to the extent allowed by such supplier.

If Buyer or any other person, without the prior written consent of Seller, repairs or modifies all or part of the Goods, or if the Goods are not stored, installed or used in accordance with Seller's instructions or standard industry practices, this warranty shall be considered null and void. Seller's warranty obligations shall not apply to Products which (1) have been altered or repaired by someone other than Seller, or (2) have been subjected to misuse, neglect, or improper use or application, or (3) are normally consumed in operation, or (4) have a normal life inherently shorter than the warranty period stated therein.

Limitation of Liability

The total liability of Seller on any claim, whether in contract, tort (including negligence of any degree and strict liability) or otherwise arising out of, connected with, or resulting from the manufacture, sale, delivery, resale, repair, replacement or use of any Products/Services, shall not exceed the price allocable to the Products/Services or part thereof which gives rise to the claim. **IN NO EVENT, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT, (INCLUDING NEGLIGENCE OF ANY DEGREE, STRICT LIABILITY OR PATENT INFRINGEMENT) OR OTHERWISE, SHALL SELLER, ITS AFFILIATES, SUBCONTRACTORS, OR SUPPLIERS BE LIABLE FOR ANY LOSS OF PROFIT OR REVENUES, LOSS OF USE OF THE PRODUCTS OR SERVICES, OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES, SERVICES OR REPLACEMENT POWER, DOWNTIME COSTS OR CLAIMS OF BUYER'S CUSTOMERS FOR DAMAGES OR FOR ANY SPECIAL, PROXIMATE, CONSEQUENTIAL, INCIDENTAL, INDIRECT OR EXEMPLARY DAMAGES.** If Buyer transfers title to, or leases Products sold hereunder to, or otherwise permits or suffers use by, any third party, Buyer shall obtain from such third party a provision affording Seller and its subcontractors/suppliers the protection of the preceding sentence. Any action against Seller must be brought within 18 months after cause of action accrues

Indemnification

If this sale includes services to be performed on Buyer's premises, then Seller agrees to indemnify and save Buyer harmless against claims of third parties for physical damage to property and personal injury (including death) resulting directly and solely from the negligence of Seller's employees while providing services on Buyer's premises, but such indemnification shall not exceed the purchase price of the Goods. If requested by Buyer, Seller shall provide evidence of public liability and worker's compensation insurance coverage.

Patents

If Buyer receives a claim that any Goods or part thereof manufactured by Seller infringes a United States patent, then Buyer will notify Seller promptly in writing and give Seller all necessary information and assistance and the

exclusive authority to evaluate, defend and settle such claim. If buyer has made all payments due hereunder, Seller, at its own expense and option, will then (a) settle or defend against such claim, or (b) procure for Buyer the right to use such product, or (c) replace or modify the product to avoid infringement, or (d) remove it and refund the purchase price less reasonable amount for depreciation. Provided timely notice has been given by Buyer, should any court of competent jurisdiction hold such product to constitute infringement and, if the use of such product is enjoined, Seller will take, at its option, one or more of the actions described in (b), (c) or (d) above. With respect to any product or part thereof not manufactured by Seller, only the patent indemnity, if any, given by the manufacturer thereof will apply. The foregoing indemnity will not apply to any product made to the specification or design of Buyer. The rights and obligations of the parties with respect to patents are solely and exclusively as stated herein.

Excusable Delays

Seller shall not be liable for delays in delivery or failure to perform due directly or indirectly to causes beyond Seller's reasonable control including but not limited to: acts of God; war; terrorism; civil commotion; riots; embargoes; government regulations, orders, instructions or priorities; port congestion; acts of or failure to act on the part of Buyer or its agents/employees; fires; floods; sabotage; nuclear incidents; earthquakes; storms; pandemics, epidemics; strikes; lockouts or other labor difficulties; shortages of or inability to timely obtain proper labor, materials, components, shipping space or transportation, fuel, supplies or power at current prices; or due to limitations imposed by the extent of availability of Seller's normal manufacturing facilities.

If a delay excused per the above extends for more than 90 days and the parties have not agreed upon a revised basis for continuing providing Products/Services at the end of the delay, including adjustment of the price, then either party (except where delay is caused by Buyer, in which event only Seller) upon thirty (30) days' notice may terminate the Order with respect to the unexecuted portion of the Products/Services, whereupon Buyer shall promptly pay Seller its reasonable termination charges upon submission of Seller's invoices thereof.

Returns

Products may not be returned unless authorized in advance by Seller, and then only upon such conditions to which Seller may agree. Buyer must obtain a Return Material Authorization (RMA) number from Seller prior to any return shipment, and such RMA number must appear on the shipping label and packing slip along with complete product identification. Buyer shall be responsible for returned Products until such time as Seller receives the same at its facility, and for all charges for packing, inspection, shipping, transportation, or insurance associated with returned Products. A restocking charge may be imposed by Seller to place the returned Goods to a saleable condition.

Delay, Suspension and Termination

- a. If any Goods cannot be delivered when ready because of causes beyond Seller's control, then Seller may place the Goods in storage. In such event, (i) Seller's delivery obligation shall be deemed fulfilled and the risk of loss shall pass to Buyer; (ii) any amounts payable to Seller shall be payable upon presentation of Seller's invoice; and (iii) all expenses for preparation and placement in storage, demurrage, storage insurance (if placed) and handling shall be payable upon presentation of Seller's invoice.
- b. Any order held, delayed or rescheduled at Buyer's request may be subject to an equitable price increase. Unless agreed otherwise, the US Bureau of Labor's Producers Price Index (PPI Detailed Report online at <http://www.bls.gov/ppi>) for "All Other Miscellaneous Electrical Equipment and Component Manufacturing", NA-ICS 335999, shall be applied to 100% of the proposed prices (without segregation of labor or material). The date of the Purchase Order will be used to establish the applicable base date for calculating the upward adjustment in price. Shipments delayed more than ninety (90) days at one time or one-hundred and twenty (120) days in the aggregate may be considered as terminated for the convenience of the Buyer and the appropriate cancellation schedule may be applied.

At any time, Buyer may terminate this order, in whole or in part, for convenience upon written notice to Seller. In either such termination, Seller shall be entitled to termination charges in whole or in part as follows (percentage due of purchase price):

<u>Milestone</u>	<u>Percent Cancellation Charges</u>
Prior to Release of Engineering	20%
During and Upon Completion of Engineering	40%
Fabrication Process	65%
Final Assembly	85%
Testing	100%

- c. In the event the Buyer is unable to take delivery of the goods as scheduled, and so notifies the Seller less than sixty (60) days from the scheduled date of shipment or delivery, Seller will arrange in-transit storage at the Buyer's expense; however, passage of risk and title will occur when the goods are made available to the freight carrier under INCOTERMS 2020: FCA Origin.

General

- a. Seller's acceptance/order acknowledgment shall be made only at Seller's headquarters in Worthington, Ohio. Any Purchase Orders and Contracts shall be governed by the laws of the Commonwealth of Pennsylvania, U.S.A.
- b. The rights and obligations of the Buyer and Seller hereunder shall be governed in all respects by the law of the Commonwealth of Pennsylvania, U.S.A. The exclusive forum for adjudication of any disputes shall be the federal or state courts of the Commonwealth of Pennsylvania, and Buyer/Seller hereby consent to personal jurisdiction and venue in such courts in any proceeding. The United Nations Convention on the International Sale of Goods are hereby excluded from inclusion in any purchase order or contracts and shall not apply.
- c. These Terms and Conditions of Sale together with any other terms specifically agreed to in writing by Seller constitute the entire agreement between Buyer and Seller and supersede any prior or contemporaneous representations, agreements, proposals, warranties, or understandings, oral or written, express or implied. No waiver, modification, amendment, rescission or other change to these Terms and Conditions of Sale shall be binding unless specifically agreed to in writing by an authorized representative of Seller.
- d. The invalidity of any part hereof shall not affect the validity of the remainder. The failure of Seller to assert any right at any time hereunder shall not prevent Seller's subsequent assertion of the same or different rights.
- e. Buyer may not assign this contract without the prior written approval of the Seller.
- f. The drawing approval process assures that the Goods are designed in accordance with Buyer's specifications. It is incumbent on the Buyer to identify any errors or omissions at the time of initial drawing approval. If Buyer's specifications are silent or ambiguous, then Seller's design will be developed in accordance with good commercial and engineering practice. If Buyer changes its specifications after drawings have been prepared, then Seller will be reimbursed for reasonable charges and the shipping date may be adjusted to reflect such changes. Unless otherwise stated, if drawings have not been returned to Seller within thirty (30) days, then Seller may, at its discretion, proceed to manufacture the Goods in accordance with the drawings submitted to Buyer.
- g. Seller will provide a reasonable number of copies of drawings or other documents to Buyer for its use and for use by third parties required for the installation, operation, and maintenance of the Goods. If such documents bear Seller's legend that the data are proprietary, then no other disclosure, reproduction or other use shall be made without Seller's written permission.
- h. There shall be a minimum billing charge of \$250 plus transportation and taxes for any order.

Software / Technical / Proprietary Information

Buyer shall not acquire any rights to any software which may be delivered with Products, except as granted in Seller's standard software license. Any software license granted in connection with the Products shall be an interim license, which may be withdrawn, pending payment for Products in full. Seller warrants for a period of 1 year from the date of shipment that software or firmware, when used with Products, shall perform in accordance with Seller's published

specifications. Seller makes no warranty, express or implied, that the operations of the software or firmware shall be uninterrupted or error-free, or that functions contained therein shall meet or satisfy the Buyer's intended use/requirements.

The purchase of Products shall not include any right to supply of technical information such as drawings, design calculations, manuals or specifications.

Proprietary information, including drawings, documents, technical data, reports, software, designs, inventions and other technical information and general "Know-How" supplied by Seller in connection herewith (hereinafter called "Data"), shall remain Seller's sole property and shall be held in confidence by Buyer. Data shall not be reproduced, used or disclosed to others by Buyer without Seller's prior written consent. Upon completion of Order, Buyer shall promptly return all Data to Seller together with all copies or reprints thereof then in Buyer's possession or control, and Buyer shall thereafter make no future use, either directly or indirectly, of any Data or any information derived therefrom without Seller's prior written consent. The foregoing shall in no way obligate Seller to provide or supply Data.

Statutory Requirements

Seller reserves the right to make any changes in the general specifications of the Products which are required for the Products to conform to any statutory requirement.

Witness Testing / Witness of Factory Acceptance Tests:

FAT/Witness Testing is available for a fee. Buyer is responsible for all travel and living costs. For safety reasons, no more than two Buyer's representatives can be in Seller's Production or Test facilities at the same time. All Buyer representatives shall be escorted by a Seller employee while on Seller's premises.

Any FAT/Witness Testing is to be conducted on a non-interference basis. In addition, failure of Buyer or Buyer's representative to perform FAT/Witness Testing on the scheduled date may be considered a waiver of the Buyer's right to witness the FAT. In that case, Seller's right and ability to ship equipment per the delivery terms of the Purchase Order on the agreed upon date(s) shall not be impeded.

Any Inspector dispatched by Buyer shall have authorization to issue all appropriate shipping releases within 24 hours of completed FAT.

Export Controls; FCPA Compliance; Anti-Boycott

- a. Buyer shall not make any disposition of the Products, by way of transshipment, re-export, diversion or otherwise, except as applicable U.S. export laws and regulations may expressly permit, and other than in and to the ultimate country of destination specified on Order(s) or declared as the country of ultimate destination on Seller's invoices or in the End Use Statement that Buyer provides to Seller. Seller shall not be named as shipper or exporter of record or U.S. principal party-in-interest (USPPI) unless specifically agreed to in writing by Seller in which case, Buyer shall provide Seller with a copy of the documents filed by Buyer for Export clearance purposes. At Seller's request, Buyer shall supply end-use and end-user information to determine export license applicability. Failure of Buyer to comply with this section shall constitute a material default allowing Seller to cancel related Order(s) without liability.
- b. Buyer warrants that it shall not violate or cause the Seller to violate the U.S. Foreign Corrupt Practices Act of 1977 (FCPA), as amended, the United Kingdom Bribery Act (UKBA) of 2010, as amended, or their respective implementing regulations in connection with Buyer's sale or distribution of the Products and/or Services, and that Buyer does not know or have reason to believe that any consultant, agent, representative or other person retained by Buyer in connection with the sale and/or distribution of Products/Services has violated, nor caused Seller to violate the FCPA and/or the UKBA. Where Buyer learns of or has reason to know of any violation of FCPA and/or or UKBA in connection with the sale or distribution of Products/Services, Buyer shall immediately advise Seller.

- c. Buyer further warrants that Buyer shall not violate or cause Seller to violate the U.S. Antiboycott Provisions of the U.S. Export Administration Regulations issued pursuant to the U.S. Export Administration Act of 1979, as amended, in connection with Buyer's purchase of Products/Services and that Buyer shall not request or require Seller to make statements or certifications against countries that are not subject to boycott by the U.S.

Nuclear Application

Products sold hereunder are not intended for application in and shall not be used by Buyer in construction or application of a nuclear installation or in connection with use or handling of nuclear material or for any hazardous activity or critical application, where failure of a single component could cause substantial harm to persons or property, unless Products have been specifically approved for such activity or application. Seller disclaims all liability for loss or damage resulting from such unauthorized use and Buyer shall defend, hold harmless and indemnify Seller against any such liability, whether arising under breach of contract, warranty, tort (regardless of the degree of fault or negligence), strict liability or otherwise.

Where Seller approves the application of the Products in a nuclear facility, the Buyer shall, before such use or provision, arrange for insurance or governmental indemnity protecting the Seller against liability and hereby releases and agrees to indemnify the Seller and its suppliers for any nuclear damage, including loss of use, in any manner arising out of a nuclear incident, whether alleged to be due, in whole or in part to the negligence or otherwise of the Seller or its suppliers.

If Buyer or third parties use the Goods or any Service provided hereunder in connection with any activity or process involving nuclear fission or fusion, or involving any use or handling of any source, special nuclear or by-product material (all as defined in the US Atomic Energy Act of 1954, as amended), then these terms and conditions of sale shall be supplemented by Seller's Nuclear Terms and Conditions as noted in the following section. Buyer shall promptly notify Seller by certified mail of such nuclear application. Seller will not be obligated to deliver the Goods or provide the Services until the indemnities, insurance overages, and waivers of liability, recourse and subrogation and other provisions of Seller's Nuclear Terms and Conditions have been obtained or fulfilled, failing which Seller may rescind the sale without liability for damages of any nature.

SPECIAL CONDITIONS FOR THE SALE OF EQUIPMENT FOR USE IN A NUCLEAR FACILITY

The following conditions apply to all sales of material, equipment and/or services by AMETEK HDR Power Systems (hereinafter referred to as "Seller"), which are to be used directly or indirectly in or with any nuclear facility as hereinafter defined.

Nuclear Liability Protection

(a) The owner of the nuclear facility (hereinafter referred to as "Owner") will obtain and maintain (1) an agreement of indemnification with the United States Nuclear Regulatory Commission as provided by Section 170 of the Atomic Energy Act of 1954, as amended, and (2) nuclear liability insurance from NELIA or MAELU, or both, in such form and such amount as will meet the financial protection requirements established pursuant to Section 170 of said Act.

(b) The agreement of indemnification and nuclear liability insurance shall be in effect on or before commencement of operation of the nuclear facility or the first arrival of nuclear fuel at the site of the facility, whichever first occurs, and shall remain in effect during the period in which Owner owns and operates the facility.



(c) In the event that the nuclear liability protection system contemplated by Section 170 of the Atomic Energy Act of 1954, as amended, is repealed, or changed, Owner will obtain and maintain in effect, to the extent available and consistent with general industry practice, nuclear liability protection which will not impair the protection provided by such nuclear liability protection system to Seller.

Property Damage

Seller shall not have any liability for damage to any property of Owner located at the site of the nuclear facility caused by or arising out of a nuclear incident. Owner also waives any other claim for damage to Owner's property located at the site of the nuclear facility caused by or arising out of any defect in Seller's equipment to the extent such damage is covered by Owner's property damage insurance. Any insurance deductible shall be for Owner's account.

Consequential Damages

Seller shall not have any liability for consequential damages arising out of delays or defects in Seller's equipment, including without limitation liability for loss of use, loss of profits or business interruption.

Definitions

(a) "Nuclear facility" means any facility required to provide financial protection pursuant to Section 170 of the Atomic Energy Act of 1954, as amended.

(b) "Nuclear incident" means any occurrence causing bodily injury, sickness, disease, or death, or loss of or damages to property, or loss of use of property, arising out of or resulting from the radioactive, toxic, explosive, or other hazardous properties of source, special nuclear, or byproduct materials.

(c) "Source, special nuclear, and byproduct materials" shall mean such materials as defined in the Atomic Energy Act of 1954, as amended.

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