

# Terms of Quotation and Sale - Goods & Services

These Terms govern Emerson's quotation and any resulting Contract for Emerson to supply Goods, Documentation, Software and Services.

## 1. Quotation & Contract

- 1.1 Emerson's quotation is valid for acceptance for 30 Days after its date, unless Emerson has stated a different period or withdraws it earlier.
- 1.2 The PO must be in writing and has no effect until Acknowledgement. Emerson is not obliged to accept any PO.
- 1.3 If there are any conflicts, discrepancies or ambiguities, the following order of priority applies: (1) the Acknowledgment, (2) these Terms, (3) the PO and (4) Emerson's quotation. Clauses 5 and 16 of these Terms take priority over the rest of these Terms.
- 1.4 All communications about the Contract must be in English or German and state the Customer PO number and Emerson order number.

## 2. Customer Duties

- 2.1 Customer must in a timely manner supply the information, documents and instructions Emerson reasonably needs to proceed with its Contract duties.
- 2.2 Customer is responsible for the accuracy and completeness of all information it supplies.
- 2.3 If Emerson performs Services at Sites, Customer will not ask Emerson or Emerson Personnel to enter any agreement which imposes, waives, releases, indemnifies or otherwise limits or expands any rights or obligations in respect of Emerson or Emerson Personnel. Any such agreement is void.
- 2.4 If the acts or omissions of Customer, Customer Personnel or Customer's other contractors delay or prevent Emerson from performing a Contract duty or increase Emerson's costs, time will be extended and Customer will compensate Emerson accordingly.

## 3. Delivery

### 3.1 Delivery and Performance Periods.

- 3.1 Delivery and performance periods begin on Acknowledgment. All delivery periods and dates stated are approximate. Emerson will not be liable for any damages caused by its failure to deliver or perform on time.

### 3.2 Delivery Terms.

- 3.2 Unless the Contract says otherwise, Emerson will deliver the Goods, Documentation and Software from its, its Affiliate's or third party's factory or warehouse (the point of delivery), Carriage Paid To (CPT) the place of destination named in the Contract (Incoterms<sup>®</sup> 2010). Customer will pay for freight, packing and handling at Emerson's then current rates.

### 3.3 Partial Shipments.

- 3.3 Emerson may make partial shipments. Emerson may ship batteries separately from the rest of the Goods. Hard copies of Documentation may be shipped separately from the Goods.

### 3.4 Storage.

- 3.4 Emerson may place Goods, Documentation and Software into a third party warehouse chosen by Emerson, at Customer's expense if Customer, by its acts or omissions, delays their shipment. On placing Goods, Documentation and Software in the warehouse, delivery is complete and risk and title in Goods and Documentation passes to Customer. This Clause 3.4 does not apply to Goods, Documentation and Software which Emerson or its Affiliate is to export from the United States.

## 4. Title & Risk

- Even if the Contract says otherwise and except as stated in Clauses 3.4 and 5:
  - a) for any Goods and Documentation which Emerson or its Affiliate is to export from the United States, title and risk of loss will pass to Customer when they pass the territorial limits of the US.
  - b) for all other Goods and Documentation, title will pass to the Customer on delivery and risk of loss will pass to Customer under the Incoterms<sup>®</sup> 2010 rule stated in the Contract.

## 5. Software, Firmware, Documentation and Intellectual Property

- 5.1 Emerson and other owners will each keep all rights, interest and title in their respective Software, Firmware and Documentation.
- 5.2 Customer's use of Software and certain Firmware (as identified by Emerson) is governed exclusively by the software license agreement with Emerson (or its Affiliate) if there is one or, in any other case, by the license terms of the owner.
- 5.3 If Software or Firmware is not governed by a separate software license agreement, Customer is granted a non-exclusive, royalty-free license to use that:
  - a) Software only in conjunction with the Goods; and
  - b) Firmware in the Goods, only as incorporated in the Goods.
 In both cases, the license applies only at the Site where the Goods are first used.
- 5.4 Customer may only copy Documentation (with its copyright notices unchanged) as needed to install, operate, re-calibrate, de-install, maintain and repair the Goods for its reasonable internal business purposes.
- 5.5 Unless the Contract says otherwise, Documentation will consist of one copy only of Emerson's, its Affiliates', or the manufacturer's standard documents in English, or, at Emerson's sole option, German. Emerson is only required to supply third party documents if authorised to do so by the third party. Emerson may choose to supply Documentation by hard copy, by CD-ROM or other suitable media, or by download from a website.

## 6. Compensation

### 6.1 Prices/Rates.

- 6.1 Unless the Contract says otherwise, the prices, Software license fees and rates:
  - a) are fixed for Goods, Documentation and Software licenses delivered and for Services performed within the period(s) stated in the Contract.
  - b) exclude all taxes (such as sales, use, value added and similar taxes), duties, levies and similar charges. Emerson will invoice all these taxes, duties, levies and charges unless it has received an appropriate exemption from Customer;
  - c) exclude freight, packing and handling;
  - d) exclude the storage, installation, start-up and maintenance of the Goods and Software.

### 6.2 Payment terms.

- a) Customer will pay Emerson:
  - (i) in the currency of Emerson's quotation; and
  - (ii) within 30 days of receiving the invoice.
- b) Customer may set off counterclaims only if recognised or non-appealable. A right of retention may be exercised by Customer only if as it concerns the same contractual relationship. Customer will only withhold deductions required by Law.
- c) Emerson will invoice:
  - (i) Goods (including part shipments), Documentation and Software license fees: on delivery.
  - (ii) Services and storage costs under Clause 3.4: monthly in arrears.
- d) Customer will pay Emerson by cheque or direct bank transfer to the Emerson bank account stated in the Contract or invoice, paid in either case from Customer's account with a bank in Customer's country. Emerson may reject payment by any other method.
- e) Customer waives the right to dispute any invoiced amount unless Customer tells Emerson of the dispute (with detailed reasons) within 10 Days from the invoice date. All undisputed amounts are payable as set out in Clause 6.2(c).

- f) Emerson may end the Contract or suspend performance (including withholding shipment and suspending performance of Services) if Customer fails or, in Emerson's reasonable opinion, appears likely to fail to make payment when due under the Contract or any other contract. This action will not subject Emerson to any penalty or affect its other rights.
- g) Emerson may, under the same conditions as specified in sub-clause (e), demand reasonable security for payment, and Customer will provide the security within 10 Days after the request. This action will not affect any other right of Emerson.
- h) Customer must pay all expenses (including attorneys' fees) incurred by Emerson in collecting late payments, up to the maximum amounts permitted by Law.

## 7. Warranties

- 7.1 Emerson warrants that upon passing of risk the Goods, Documentation and Services will have the quality agreed upon. Unless otherwise agreed, the quality agreed upon shall meet the Specification
- 7.2 If, upon passing of risk, the Goods, Documentation or Services do not have the quality agreed upon and Customer notifies Emerson in writing within sixty (60) days, Emerson warrants to provide subsequent performance by either:
  - a) repairing or replacing the concerned parts (subsequent rectification); or
  - b) replacing the Goods, Documentation or Services by such Goods, Documentation or Services which are free from defects (subsequent delivery).
- 7.3 Emerson may rectify any defect several times and may decide at its discretion to change from rectification to subsequent delivery. Emerson shall be responsible for all costs incurred in connection with its subsequent performance, especially the transport, shipping, labour and material cost, unless such costs are incurred as a result of the Goods or Documentation being taken to a place other than the place of performance.
- 7.4 Customer may set a reasonable period of at least four (4) weeks to Emerson for him to provide subsequent performance and, if subsequent performance fails during such period, may demand reduction of the Contract Price via credit or refund after expiry of that period or, unless the defect is insignificant, may rescind the Contract. Damages may only be claimed in line with Clause 16.
- 7.5 Any claims and rights based on defects will become time-barred, except in the case of intent, after expiry of twelve (12) months after delivery (90 days after delivery in the case of consumables). Claims to damages based on defects will become time-barred after expiry of the statutory period if they result from a violation of another's life, health or body, or from Emerson's gross negligence.
- 7.6 Emerson assumes no warranty for: (a) normal wear and tear; (b) material provided or specified by Customer; (c) processing of the Goods made by Customer; or (d) damage due to (i) unsuitable power sources or environmental conditions, (ii) improper handling, storage, installation or operation, (iii) misuse or accident caused by anybody except Emerson, (iv) contamination, (v) Cyber Attack, (vi) inadequate maintenance, (vii) damage resulting from any modification or repair not approved beforehand by Emerson in writing or (viii) any other cause not the fault of Emerson. Emerson will not be liable where any unapproved parts, firmware or software are used. Any costs incurred by Emerson for examining and removing such defects will be borne by Customer upon demand. Customer will always be responsible alone for the completeness and correctness of any information provided by it.
- 7.7 Emerson will not pay any costs relating to non-compliance with the warranty in Clause 7.1, except where agreed in writing in advance. Unless accepted in writing by Emerson, Customer will pay all costs incurred by Emerson in examining items that comply with the warranty in Clause 7.1.
- 7.8 If Emerson relies on wrong or incomplete information supplied by Customer, all warranties are void unless Emerson agrees otherwise in writing.
- 7.9 Customer alone is responsible for the selection, maintenance and use of the Goods.
- 7.10 Regarding products or Services sourced by Emerson from a third party (other than a Emerson Affiliate) for resale to Customer, Emerson assigns to Customer all warranty rights against such third party. In addition, Emerson remains obliged to assume the guarantee set forth the preceding clauses towards Customer, however, only under the restriction that Customer has beforehand unsuccessfully tried to execute the assigned warranty rights against the third party.
- 7.11 If Customer purchases extensions to the warranty periods in Clause 7.5 for 'Branson' branded Goods, this Clause 7 applies to those extensions. Extensions to the warranty periods in Clause 7.5 do not apply to tooling, fixtures, spare parts, consumables or Services.

## 8. Changes

8. No change to the Contract applies unless agreed in writing by Emerson and the Customer.

## 9. Termination

### 9.1 Termination for Default and Insolvency.

- a) Either party (Injured Party) may end the Contract wholly or partly by written notice to the other (Defaulting Party), if a Default Event affects the Defaulting Party. Termination under Clause 9.1 will not affect other rights of the Injured Party.
  - b) A **Default Event** occurs if all the following conditions are met:
    - (i) Defaulting Party breaches a material duty under the Contract;
    - (ii) Injured Party sends Defaulting Party a notice identifying the breach in sufficient detail;
    - (iii) 10 Days after receiving the notice, Defaulting Party has not corrected the breach;
    - (iv) if the breach cannot reasonably be corrected in 10 days, Defaulting Party has not acted diligently to fix the breach.
  - d) On termination under Clause 9.1(a), Customer will pay Emerson the price of Goods, Software, Documentation and Services already delivered. If Emerson was the Injured Party, Customer will also pay Emerson for work in progress delivered to Customer.
- 9.2 **Termination for Customer Convenience.** Customer may end the Contract in whole or in part for its own convenience only with Emerson's written agreement.
- 9.3 **Termination after 90 Days' Force Majeure.** Either party may end the Contract without liability by written notice to the other if performance of the Contract is delayed or prevented by a cause listed in Clause 12 for 90 Days. Unless prevented by a cause listed in Clause 12, Customer will pay Emerson for all Goods, Documentation, Software licenses and Services delivered before the notice was given and for work in progress delivered to Customer.

## 10. Customer Information

- Emerson may use and share Customer Information in accordance with data protection Law, as necessary to fulfil the Contract and to communicate with Customer for marketing purposes, including sharing:
- a) Customer Information to its suppliers, for use in product registration and support and to comply with import and export control Law;
  - b) Customer Information and copies of the Contract to its agents and sales representatives, as necessary to fulfil the Contract.

## 11. Liability for Proprietary Rights Infringements

- 11.1 Emerson warrants that upon passing of the risk no patents or other proprietary rights of third parties exist which may be claimed with respect to the Goods, Documentation or Services if these are used as intended. Clauses 7.2 to 7.5, 7.9 and 7.10 shall apply correspondingly.
- 11.2 Emerson's liability shall be excluded where a third party patent or proprietary right is infringed because Emerson has adhered to a design provided by Customer or has complied with an instruction given by Customer, or because the Goods or Documentation are used in a manner, for a purpose, in a country, or in connection with other goods or services, without this having been communicated to Emerson before execution of the Contract.
- 11.3 During the period of Emerson's warranty, Customer has the obligation to inform Emerson in writing as promptly as possible if a third party claims any patent or other proprietary right or asserts any claims in or out of court with respect to the Goods or Services. Before recognising any claim advanced by a third party in or out of court, Customer shall give Emerson the opportunity to comment. At its request, Emerson shall be given the authority to handle the negotiations or legal dispute with such third party at its own cost and responsibility. Customer shall be liable to Emerson for any damage sustained by it as a result of a culpable violation of said obligations.
- 11.4 Customer warrants that the use of a design provided by it or compliance with an instruction given by it will not lead to Emerson infringing any patents or other proprietary rights when performing its contractual obligations. Customer agrees to indemnify and hold Emerson harmless against any reasonable cost and damages incurred by Emerson as a result of Customer's breach of this warranty.

## 12. Force Majeure

Neither party is liable for non-performance or delay due to unforeseen circumstances or causes beyond its reasonable control, including acts of God; war; armed conflict; terrorism; fire; flood; accident; weather; failure or interruption of public and private computer or telecommunication systems; networks, and infrastructure; Cyber Attacks; sabotage; strikes or labor disputes; civil disturbances or riots; governmental decisions, requests, restrictions, Law (including the denial, failure to issue or loss of export or re-export licenses); unavailability of or delays in transport; or shortage of materials or parts.

## 13. Export Controls and Compliance

- 13.1 Customer and Emerson will comply with all:
- export, import and other trade compliance Laws of the territories in which Customer and Emerson are established, from which the Goods, Firmware, Software, Services and any technical data are supplied or shipped, and to which the Goods, Firmware, Software, Services and any technical data will be taken or eventually used; and
  - Laws against bribery, corruption and money-laundering.
- 13.2 Customer agrees not to use, transfer, release, export or re-export any Goods, Firmware, Software, Services or Emerson-supplied technical data contrary to trade compliance Law or to any license or required government authorization.
- 13.3 Customer will give Emerson:
- details of financial institutions and other parties involved in the transaction;
  - details of the end-destination, end-user and end-use of the Goods, Firmware, Software, Documentation and Services;
  - all information needed by Emerson to:
    - apply for necessary export and import licenses and government authorizations and
    - comply with Laws against bribery, corruption and money-laundering and Emerson's policies on them; and
  - any trade compliance certification or letter of assurance requested by Emerson in relation to trade compliance Law.
- 13.4 Neither Emerson nor Customer will engage in any activity that exposes the other party or an Affiliate to a risk of penalties under Laws forbidding improper payments, including bribes.

## 14. Laws and Regulations

- 14.1 Both parties will comply with all Laws, except to the extent a party is prohibited from doing so based upon a conflict of Laws.
- 14.2 Each party must ensure that its Personnel will, while on the premises of the other party, comply with the other party's reasonable site rules on HSSE that are communicated in writing to the visitor before its arrival, and with the other party's reasonable instructions relating to HSSE.

## 15. Nuclear and Medical End-use

GOODS, FIRMWARE, SOFTWARE, DOCUMENTATION, SERVICES AND THE PRODUCTS OF SERVICES SUPPLIED UNDER THE CONTRACT MUST NOT BE USED IN CONNECTION WITH ANY MEDICAL, LIFE-SUPPORT OR RELATED APPLICATIONS, UNLESS OTHERWISE AGREED IN WRITING BY BOTH PARTIES. ALL NUCLEAR OR NUCLEAR-RELATED APPLICATION(S) MUST BE SUPPORTED BY A NUCLEAR DEFENSE & INDEMNIFICATION AGREEMENT EXECUTED BY CUSTOMER. Regardless of whether Customer is the owner/operator of the nuclear, medical or other facility, Customer:

- accepts all Goods, Software, Documentation, Services and products of Services with these restrictions;
- agrees to communicate these restrictions in writing to all later buyers or users; and
- agrees to defend and indemnify Emerson and Emerson Affiliates from all claims arising from such use of Goods, Firmware, Software, Documentation, Services and products of Services. This indemnity covers every sort of claim, including allegations of negligence, strict liability or product liability.

## 16. DAMAGES

- 16.1 Emerson shall be liable to Customer only for damage caused with intent or gross negligence. In the event of breach of material contractual obligations, Emerson shall, however, be liable for each fault of its personnel (statutory representatives, executive employees and other persons employed in the performance of its obligations) causing damage.
- 16.2 Except in case of intentional causation of damage by personnel of Emerson or causation of damage with gross negligence by statutory representatives or executive employees of Emerson, Emerson shall not be liable for compensation for indirect damage and, in particular, Emerson shall not be liable for compensation for loss of profit, unless such damage is covered by the protective purpose of a warranty explicitly assumed.
- 16.3 Except in case of intentional causation of damage by personnel of Emerson or causation of damage with gross negligence by statutory representatives or executive employees of Emerson, the liability of Emerson shall, in each case, be limited in terms of amount to the damage which is typically foreseeable in the time of conclusion of the contract.
- 16.4 Claims to damages which result from the violation of another's life, body or health, from the violation of a guaranty given by Emerson expressly in writing as well as damage claims under the Product Liability Act shall remain unaffected.

## 17. Applicable Law, Disputes, Notices

- 17.1 The laws of the Federal Republic of Germany govern the Contract and its interpretation. The parties agree to exclude any effect on that law of the 1980 United Nations' Convention on Contracts for the International Sale of Goods and, so far as legally possible, any rules which might apply the laws of another jurisdiction.
- 17.2 The courts of Munich have exclusive jurisdiction over all disputes arising out of the Contract. However, Emerson is entitled to sue Customer in the court of Customer's residence as well.
- 17.3 All notices and claims connected with the Contract must be in writing.

## 18. Entire Agreement

The Contract is the exclusive and entire agreement between the parties on its subject matter. At Acknowledgment, the Contract supersedes all previous or existing agreements, negotiations, representations and proposals, whether written, oral, express or implied, on that subject matter.

## 19. Definitions

In these Terms:

**Acknowledgment** is Emerson's written acceptance of the PO by means of Emerson's standard order acknowledgement form, including all text on the form and its attachments.

**Affiliate** of an entity is any company which is an affiliate within the meaning of Section 15 AktG (German Stock Corporation Act).

**Contract** is the agreement between Customer and Emerson for the supply of the Goods and any Documentation, Software and incidental Services. The Contract consists of: Emerson's quotation, the PO, the Acknowledgment, these Terms, and all other documents contained or referred to in the agreement. (See Clause 1.3 for the order of priority of these documents.)

**Contract Price** is the total price the Customer must pay Emerson for the Goods, Documentation, Services and Software licenses.

**Customer** is the buyer of the Goods, Documentation, Services and Software licenses.

**Customer Information** is:

- Customer's name, address, phone number, ship-to recipient and address;
- similar details for the end-user (if that is not the Customer); and
- Customer's primary contact's name, address, phone number, and email address.

**Cyber Attack** means cyber attack, intrusion attempt, unauthorized third-party access, and other malicious activity.

**Day** is any day except Saturdays, Sundays and public holidays at Emerson's office named in the Contract.

**Documentation** means any manuals, drawings and other documents Emerson must supply with the Goods, Software and Services.

**Emerson** is Emerson Technologies GmbH & Co. OHG.

**Firmware** is any firmware incorporated into Goods Emerson must supply under the Contract.

**Goods** are the goods Emerson must supply under the Contract.

**HSSE** is health, safety, security and the environment.

**Law** is applicable law, including statutory rules and regulations, decrees, directives, orders, by-laws and ordinances having the force of law.

**Personnel** is anyone who works for a party (or for an Affiliate or subcontractor of that party). It includes both employees and contract staff.

**PO** is Customer's purchase order or acceptance of Emerson's quotation, for the supply of the Goods, Software, Documentation and Services.

**Resale Products** are Goods Emerson buys from anyone except an Emerson Affiliate for resale to Customer.

**Services** are any services Emerson must perform under the Contract.

**Site** means the places not belonging to Emerson or to an Emerson Affiliate, which are identified in the Contract as where the Goods are to be installed, and the Services performed.

**Software** is any software Emerson must supply under the Contract.

**Specification** is the agreed specification of the Goods, Documentation and Services identified in the Contract or, if none is identified, Emerson's standard published specification as valid and published at the time of Acknowledgment.

## Emerson Technologies GmbH & Co. OHG

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