

AREVA T&D INC.
TERMS AND CONDITIONS OF SALE

1. Applicable Terms and Conditions

The purchase by Customer of the material, equipment, components, products, supplies, goods and documentation (hereinafter the "Product") is expressly governed by these Terms and Conditions of Sale, including the attached addenda. The provisions of any addendum to these Terms and Conditions of Sale, shall take precedence over these Terms and Conditions of Sale only in relation to the product lines represented by the specific addendum and only with respect to the specific items addressed in the addendum; otherwise, all other provisions of these Terms and Conditions of Sale, not modified or addressed in the subject addendum shall remain valid. For all purposes below, the reference to the Terms and Conditions of Sale shall be understood to include any addendum attached hereto.

Notwithstanding any provisions of any applicable laws, including, but not limited to the Pennsylvania Uniform Commercial Code (UCC), and/or the common law, any additional or different terms and conditions set forth in Customer's requests for quotation or proposal, purchase orders, purchase order acknowledgments, or similar writings, or in Customer's electronic data interchange acknowledgments or e-mail, irrespective of the date of the same, are objected to by AREVA T&D INC. and will not be binding upon AREVA T&D INC. unless specifically assented to in writing by an authorized representative of AREVA T&D INC.

Furthermore, Customer's purchase order shall constitute an acceptance of the quotation or proposal of AREVA T&D INC. of which these Terms and Conditions of Sale form a part, even if the purchase order provides otherwise and/or does not reference the AREVA T&D INC. quotation or proposal. To the extent permitted by law, the so-called "knock out" rule, in which differing terms between an offer and acceptance are knocked out and are not deemed part of the resulting contract between the parties, shall not apply to this contract.

2. Quotations

Each quotation is valid for 30-calendar days from its date unless otherwise stated in the quotation, or revoked prior to the issuance of Customer's purchase order.

3. Prices

Prices are subject to change without notice. Unless otherwise specified, prices will be the prices in effect at the time of shipment by AREVA T&D INC. and will include freight prepaid and allowed to the first destination in the continental United States. In the event of a price change, the effective date of the change will be the date shown on the revised quotation. However, where a price change is made by letter or telegram, the effective date may be given as part of the announcement. Customer shall refer to the special user discount sheets for more specific information.

4. Taxes

The price quoted by AREVA T&D INC. for the Product does not include any Federal, state or local property, license, privilege, sales, use, excise, gross receipts or other like taxes which may now or hereafter be applicable. Payment by AREVA T&D INC. of any such taxes shall be for the account of the Customer and shall be immediately reimbursed by Customer to AREVA T&D INC.

Where Customer is located outside of the United States (i.e. an export sale from AREVA T&D INC.), the Customer shall

pay all customs duties or taxes, local (non-U.S.) customs broker fees or costs, as well as all other non-U.S. taxes of any type whatsoever.

5. Terms of Payment

Payment terms are net 30-days from date of invoice, unless agreed to otherwise by AREVA T&D INC. in writing.

If, in the judgment of AREVA T&D INC., the financial condition of Customer at any time prior to delivery is reasonably called into question, then AREVA T&D INC. may require payment in advance or cancel without any liability or obligation, any outstanding order whereupon AREVA T&D INC. shall be entitled to receive reasonable cancellation charges. If delivery is delayed by Customer, payment shall become due on the date AREVA T&D INC. is prepared by make delivery.

If payments are not made when due, Customer shall pay, in addition to overdue payment, a late charge equal to the greater of 1 ½% per month or the highest applicable rate allowed by law on all such overdue amounts.

6. Delivery.

All Products shipped by AREVA T&D INC. to Customer will be shipped in accordance with the INCOTERM (ICC version 2000) specified in the quotation.

When the AREVA T&D Inc. quotation calls for delivery CIF ("Cost, Insurance and Freight")/Customer's Port, any delay/storage cost at the arrival port due to incorrect or insufficient information is the sole responsibility of the Customer.

Cartage (Store Door Delivery): Transportation charges incurred from the nearest accessible common carrier point to final destination or to shipside (in case of shipment to U.S. possessions) are the responsibility of the Customer unless the common carrier furnishes store door delivery at no extra charge.

Method of Shipment: Shipping dates are approximate and are based on receipt of complete information with the order. If drawing approval is required, drawings must be returned on schedule to maintain shipping date.

AREVA T&D INC. will determine the point of origin of shipment, the method of transportation and the routing of shipment. Customers requiring shipment by a method or routing other than that of AREVA T&D INC.'s selection will be billed any excess or premium in transportation charges. For example, in the event the Customer requests air shipment, AREVA T&D INC. will absorb an amount equal to the charges of the normally selected common carrier. If the actual transportation charges on these shipments are less than such common carrier charges, then no allowance will be made for the difference. In no event will AREVA T&D INC. be responsible for demurrage or detention charges.

Any charges for special services, including, but not limited to, special train, lighterage, or construction, or repair of transportation facilities will be paid or reimbursed by the Customer.

Purchaser Pick-Up: No allowance will be made in lieu of transportation if the Customer accepts shipment at the factory, or the warehouse or freight station.

Shipment Damage: Unless established in the operative INCOTERM (ICC version 2000) or in the AREVA T&D INC. quotation, AREVA T&D INC. will not participate in any settlement of claims for concealed or other shipment damage. To the extent that the operative INCOTERM (ICC version 2000) or the AREVA T&D INC. quotation provides for AREVA T&D INC.'s intervention in this regard, the Customer must unpack immediately and, if damage is discovered, must:

- i) Not move the product from the point of examination.
- ii) Retain shipping container and packing material.
- iii) Notify the carrier of any apparent damage in writing on carrier's delivery receipt and request the carrier to make an inspection.
- iv) Notify the AREVA T&D INC. location from which shipment originated within 72 hours of delivery.
- v) Send AREVA T&D INC. a copy of the carrier's inspection report.

Inspection and Acceptance: Customer has a reasonable time after receipt of the product to inspect and reject or accept the product. In any event, acceptance will be deemed to have occurred no later than 30-days after shipment.

7. Force Majeure

AREVA T&D INC. shall not be liable for failure to perform or for delay in performance due to, any cause beyond its reasonable control, including, but not limited to: acts of God; acts or omissions which are substantially attributable to the Customer; unusually severe or harsh weather conditions; fire; flood; hurricanes; tornadoes; strikes or other labor difficulties; any act or failure to act or delay in acting on the part of any governmental authorities, including the issuance or failure to issue government permits and/or export or re-export permits/licenses; changes in laws; riots; epidemics; quarantine restrictions; war, insurrection or riot; acts of a civil or military authority; title and environmental issues; embargoes; fuel or energy shortage; blockades; transportation delays or accidents; faulty castings or forgings; inability to obtain necessary labor, materials or manufacturing facilities from usual sources; and delays of subcontractors. In the event of delay in performance due to any of the foregoing causes, the date of delivery or time for completion will be extended by a period of time equal to the greater of: (i) the time reasonably necessary to overcome the effect of such delay; or (ii) the time equal to the period of the delay.

8. Warranty

AREVA T&D INC. warrants that the Product manufactured by it will be of the kind and quality described in its specification and will be free of defects in workmanship and material.

In the event that the Product fails to comply with this warranty and AREVA T&D INC. is notified by Customer promptly, in writing, within eighteen (18) months from the date of notification of readiness of shipment or twelve (12) months from the date of first use by Customer or the end user, whichever occurs first, AREVA T&D INC. will correct such non-conformity by repair or, at its option, by making available Ex Works, repaired or replacement parts. The foregoing warranty obligation of AREVA T&D INC. shall be void in respect to any nonconforming Product resulting from the Product not having been handled, monitored, stored, installed, operated and/or maintained in accordance with AREVA T&D INC.'s specifications, instructions, recommendations and industry standard practices.

Moreover, in the case of export sales, for the installation or commissioning of AREVA T&D INC.'s Product, the Customer must use the services of AREVA T&D INC. or those of AREVA T&D INC.'s affiliates, or, alternatively, be factory trained by AREVA T&D INC. (or AREVA T&D INC.'s affiliates) for such purpose, or have received AREVA T&D INC. approved training from a third party; otherwise, the warranty protection herein shall not apply.

The AREVA T&D INC. warranty obligation shall also be void as it relates to any nonconformity resulting from a defect due to the Customer's design specifications, the operation of the Product under abnormal conditions or contrary to specifications or instructions of AREVA T&D INC. and industry standard practices; or where such use results in excessive wear and tear (beyond normal); or where modifications, alterations or repairs have been made by Customer or a third party without the consent of AREVA T&D INC.

AREVA T&D INC.'s repair or replacement obligations set forth herein are the Customer's exclusive remedy for any failure of AREVA T&D INC. to meet the material and workmanship standards set forth in AREVA T&D INC.'s specifications. As such, correction of any non-conformity in the manner and for the period of time provided herein shall fully insulate AREVA T&D INC. from any liability under this warranty section, whether the claims of the Customer are based in contract, tort (including negligence and strict liability), indemnity or any other legal theory with respect to or arising out of the Product.

In connection with the warranty obligations herein, in no event will AREVA T&D INC. be responsible for gaining access to the Product, nor for disassembly, reassembly and/or transportation of the Product or its parts to or from the place of installation. Accordingly, in and out charges, including, but not limited to the cost of removal of the defective Product from its related system, and the cost of its reinstallation in such system, union or customer labor costs, site and/or ancillary equipment costs, including, as stated above, all transportation costs to and from AREVA T&D INC.'s plant or repair shop shall be borne exclusively by the Customer. The Customer shall not return or dispose of any Product or part thereof with respect to which it intends to make a claim under the foregoing warranty, without the express prior written authorization of AREVA T&D INC.

Any repair or replacement undertaken in accordance with this warranty section shall not serve to renew or extend the AREVA T&D INC. warranty coverage herein.

THE EXPRESS WARRANTIES SET FORTH IN THIS ARTICLE ARE EXCLUSIVE AND NO OTHER WARRANTIES OF ANY KIND, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, SHALL APPLY. THE CUSTOMER'S EXCLUSIVE REMEDIES AND AREVA T&D INC.'S ONLY OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH THE PRODUCT, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL BE THOSE STATED HEREIN.

Products supplied by AREVA T&D INC. but manufactured by others are warranted only to the extent of the manufacturer's warranty.

AREVA T&D INC. warrants that the Product supplied hereunder will be delivered free of any and all rightful claims, demands, liens or encumbrances. In the event of a breach of this warranty, Customer shall promptly notify AREVA T&D INC. and AREVA T&D INC., at its expense, will defend the title to any affected Product or part thereof and if unsuccessful will promptly provide to Customer, at no cost, replacement parts or equipment which comply with this warranty.

9. Patent Infringement

AREVA T&D INC. shall, at its expense, defend any suit brought against Customer based on a claim that any Product furnished by AREVA T&D INC. pursuant to this Agreement constitutes an infringement of any United States patent, and AREVA T&D INC. shall pay all judgments and costs recovered against Customer in any such suit and shall reimburse Customer for costs or expenses incurred by Customer in the defense of any such suit, provided that Customer gives AREVA T&D INC. prompt and timely notice of such suit (sufficient to timely and reasonably prepare and respond to any inquiry, summons, filing, complaint, motion, etc. which could affect AREVA T&D INC.'s and/or Customer's rights), reasonable assistance in the defense thereof, and full opportunity to control all aspects of the defense thereof, including settlement. In the event such Product is held to constitute infringement, and the use of the Product is enjoined, AREVA T&D INC. shall, at its option, procure for Customer the right to continue using the Product (i.e. a license); replace it with non-infringing product; modify it so it becomes non-infringing; or remove the Product and refund the Contract Price applicable thereto.

AREVA T&D INC.'S liability for patent infringement shall not apply to:

- (i) Patented processes performed by the Product or another product produced thereby;
- (ii) Products supplied according to a design other than that of AREVA T&D INC. and which is required by the Customer; or
- (iii) Modifications of the Product or combinations of the Product with another product not furnished by AREVA T&D INC.

THE FOREGOING PARAGRAPHS UNDER PATENT INFRINGEMENT STATE THE ENTIRE LIABILITY OF AREVA T&D INC. FOR PATENT INFRINGEMENT BY ANY PRODUCT FURNISHED PURSUANT TO THIS AGREEMENT.

If a suit is brought against AREVA T&D INC. on account of: (i) any patented processes performed by the Product or with respect to another product produced thereby; (ii) products supplied according to a design other than that of AREVA T&D INC. and which is required by the Customer; or (iii) modifications of the Product or combinations of the Product with another product not furnished by AREVA T&D INC., Customer shall indemnify AREVA T&D INC. in the same manner and to the same extent that AREVA T&D INC. would indemnify Customer as per the first paragraph in this Section 9.

10. Intellectual Property.

The sale by AREVA T&D INC. of the Product ordered hereunder does not convey to Customer any of AREVA T&D INC.'s intellectual property, including, but not limited to: Patents, copyrights, trademarks, trade secrets, designs, artwork or other proprietary rights, except Customer's non-

exclusive right to use such intellectual property solely for the purpose of, and only to the extent necessary for, use of the Product purchased hereunder in accordance with AREVA T&D INC.'s published specifications or user documentation. Sale by AREVA T&D INC. of the Product ordered hereunder does not grant to Customer or Customer's customers, or anyone claiming under Customer, a license, express or implied, to use such Product in combination with any other machine or device, or in any process, under any patent, copyright, mask work right or other intellectual property right of AREVA T&D INC. (or of any third party) covering or relating to such usage. Ownership of all applicable patents, copyrights, trademarks, trade secrets, and other intellectual property rights in the Products sold hereunder, including the associated documentation and specifications shall remain vested solely in AREVA T&D INC. or (if applicable) its licensors. Customer agrees not to copy, reverse engineer, in whole or in part, any of AREVA T&D INC.'s Product for any purpose whatsoever.

With respect to computer programs embedded in Product sold to Customer hereunder ("Embedded Software"), AREVA T&D INC. grants to Customer a perpetual, worldwide, non-exclusive license to use the Embedded Software solely as embedded in, and for execution on the specific Product originally purchased by Customer from AREVA T&D INC. (the "AREVA T&D Equipment"). Product purchase documents, paper or electronic user documentation, and/or particular licenses purchased by Customer may specify additional limits to Customer's use of the Embedded Software. Customer's use of the Embedded Software shall be subject to all such limitations and purchase of all applicable licenses.

Customer shall not copy, modify, or disassemble the software, or permit others to do so. Customer shall not transfer the license granted hereby or possession of the Embedded Software except as part of the AREVA T&D Equipment, such transfer being subject to all of the restrictions contained herein. Customer shall not allow any third party to: (i) decompile, disassemble, reverse engineer or attempt to reconstruct, identify or discover any source code, underlying ideas, or algorithms of the Embedded Software by any means whatever, or disclose any of the foregoing; (ii) modify, incorporate into or with other software, or create a derivative work of any part of the Embedded Software; (iii) attempt to circumvent any limits or other license, timing or use restrictions that are built into the Embedded Software; (iv) remove any proprietary notices, labels, or marks on or in any copy of the AREVA T&D Equipment in which Embedded Software is embedded; (v) use any 'locked' or 'key-restricted' feature, function, service, application, operation, or capability without first purchasing the applicable license(s) and obtaining a valid key from AREVA T&D INC, even if such feature, function, service, application, operation, or capability is enabled without a key; (vi) use the Embedded Software on non-AREVA T&D INC. equipment; (vii) use the Embedded Software in any manner other than as expressly provided herein. AREVA T&D INC. may terminate this license upon written notice to Customer for violation of any of the terms of the foregoing license.

AREVA T&D INC. retains ownership of all right, title and interest (including copyright) in and to the Embedded Software. Nothing in this Agreement constitutes a transfer or conveyance of any right, title or interest in the Embedded Software, except the limited right to use it as provided herein.

The licensor(s) of third party software embedded in the AREVA T&D Equipment shall be third party beneficiary(ies) of this Agreement, and each and every such third party licensor shall have the right to enforce this Agreement in its own name as if it were AREVA T&D INC.

In addition, to the extent portions of the Embedded Software are distributed under and are subject to open source licenses

obligating AREVA T&D INC. to make the source code for such portions publicly available (such as the GNU general public license ("GPL") or the GNU library general public license ("LGPL"), AREVA T&D INC. will make such source code portions (including AREVA T&D INC. modifications, as appropriate), available upon request for a period of up to three (3) years from the date of distribution. Such requests can be made in writing to AREVA T&D INC., One International Plaza, Suite 300, Philadelphia, PA 19113, Attn: General Counsel; you may obtain a copy of the GPL at HGTP:\\www.gnu.org\\license\\gpl.html, and a copy of the LGPL at HGTP:\\www.gnu.org\\licenses\\lgpl.html.

11. Limitation of Liability

The total, aggregate and cumulative liability of AREVA T&D INC. (including hereinafter for purposes of this Section 11, its affiliates, parent company, shareholders, subsidiaries, officers, directors, employees, agents, assigns and their respective predecessors and successors) to the Customer, whether by indemnity, or in contract, guaranty, warranty, tort (including negligence and/or strict liability), by statute, or under any other legal theory, shall in no event exceed the purchase order value of the specific Product in question.

In addition, AREVA T&D INC. shall under no circumstances be liable to Customer, whether by indemnity, or in contract, guaranty, warranty, tort (including negligence and/or strict liability), by statute, or under any other legal theory for any special, incidental, indirect or consequential damages or losses of any nature, even if Customer has advised AREVA T&D INC. in advance of the possibility of such damages.

Furthermore, under no circumstances shall AREVA T&D INC. be liable to Customer, whether by indemnity, or in contract, guaranty, warranty, tort (including negligence and/or strict liability) by statute, or under any other legal theory, for loss of profit, loss of production, loss of contract, loss of revenue, loss of use, cost of replacement power or temporary equipment (including additional expenses incurred in using existing facilities); claims or damages of Customer's customers; cost of money; loss of investment opportunity; loss of business opportunity; increased operating costs; financing costs; or government fines, penalties or sums due, even if Customer has advised AREVA T&D INC. in advance of the possibility of such economic and/or financial losses.

The remedies of the Customer set forth herein are exclusive with respect to the Product and include anything done in connection with the Product, such as the performance or breach thereof, or from the manufacture, sale, repair or replacement, delivery, resale, or use of the Product; for the avoidance of doubt, the total, aggregate, and cumulative liability of AREVA T&D INC. whether in contract, in tort (including negligence or strict liability), indemnity, guaranty, warranty, by statute or under any other legal theory, for any matter relating to the Product, shall not exceed the purchase order price of the Product.

Under no circumstances may AREVA T&D INC. be liable to Customer for punitive damages, nor may any arbitrator(s) or court of law award punitive damages against AREVA T&D INC.

No action, regardless of form, arising out of the transactions or subject matter of this contract may be brought by Customer more than one (1) year after the cause of action has accrued. AREVA T&D INC. shall be entitled to the payment of its attorneys' fees, consultants' fees and costs and expenses in the event that AREVA T&D INC. is forced to defend a legal action by Customer which claim(s) is covered and/or precluded by this Section 11.

12. Delay Damages.

To the extent that AREVA T&D INC. is responsible for any delays in its performance under these Terms and Conditions of Sale with respect to meeting the final delivery date for the Product, its total liability for such performance delay to the Customer shall not exceed an amount equal to 10% of the value of the subject Product order. Compensation for Customer's delay damages (in no event exceeding the 10% cap) will represent the full and final satisfaction of AREVA T&D INC.'s liability for delay. Customer shall be obligated to substantiate through appropriate and reliable documents its damages incurred on account of the late performance of AREVA T&D INC. Customer's performance delay damages shall not be recovered for any intermediate milestones or deliverables by AREVA T&D INC., and covers only the final delivery of the Product. Any amounts payable to Customer by AREVA T&D INC. hereunder shall be included as part of the total, aggregate liability cap set forth in Section 11 herein. Customer shall use reasonable efforts to mitigate the effect of any delay caused by AREVA T&D INC.

AREVA T&D INC. shall under no circumstances be liable for late delivery damages to Customer where such late delivery has been caused by a force majeure event as defined herein, a suspension of the work, a change order or modification to the Product requested by Customer, or any other act or omission of the Customer or its agents, contractors or subcontractors which has contributed to or resulted in the delay in question.

13. Transfer.

In the event Customer transfers to a third party the Product or any right or interest therein, Customer agrees to indemnify, defend and hold AREVA T&D INC. harmless from any and all liability of AREVA T&D INC. to such transferee or any subsequent transferee in excess of what AREVA T&D INC.'s liability would have been if such transferee had been bound by these Terms and Conditions of Sale in the same manner as Customer.

14. Title and Risk of Loss

Risk of loss and transfer of title to the Product shall pass to the Customer upon delivery of such Product or part as per the INCOTERM (ICC version 2000) designation set forth in Section 6 herein, or as otherwise stated in these Terms and Conditions of Sale.

15. Contract Variations.

Drawing Approval and Changes. If Customer requires approval of drawings such review, comment and/or approval must be received by AREVA T&D INC. no later than 10 business days after submittal of drawings by AREVA T&D INC. to Customer. Customer's failure to comply with this requirement could result in delays in performance and increased costs. If at drawing approval, AREVA T&D INC. has failed to design the Product in accordance with the Customer's specification, AREVA T&D INC. will, at its own expense, make the appropriate changes. Where Customer's specifications are not sufficiently detailed, AREVA T&D INC. reserves the right to design the Product in line with AREVA T&D INC.'s judgment and good commercial practice. If at any time, the Customer makes changes to the contract design as covered in Customer's specifications, the contract shall be subject to renegotiation of the price terms and delivery dates to reasonably cover any additional costs and commitments occasioned by the change.

16. Termination by Customer.

Any order or contract may be terminated by the Customer only by written notice and upon payment of reasonable and proper termination charges, including but not limited to all costs which have incurred up to the date of Customer's notice of termination. A reasonable amount for overhead and profit and any additional costs resulting from the termination and 10% of the final net price will be included in the termination charges to compensate for disruptions in scheduling, planned production, and other costs. Payment shall be made by Customer to AREVA T&D INC. within net 30-days from the date of invoice.

Notwithstanding the foregoing, Customer will not be able to terminate or cancel its order if such intended termination or cancellation is within six weeks of the projected delivery date of the Product; in such case, Customer will be fully bound and obligated to AREVA T&D INC. in accordance with these Terms and Conditions of Sale and the agreed upon price terms.

17. Suspension by Customer.

Any orders held, delayed or rescheduled at the request of the Customer will be subject to the prices and conditions of sale in effect at the time of the release of the hold or the reschedule. Any such order held, delayed or rescheduled beyond a reasonable period of time will be treated as a Customer termination.

18. Delayed Shipment.

When the Product is ready for shipment and shipment cannot be made because of reasons beyond AREVA T&D INC.'s control, AREVA T&D INC. shall submit an invoice for the Product payable upon receipt thereof and shall, upon written notice to the Customer, store such products. In such event, the following conditions shall apply:

Notwithstanding Section 14 herein, risk of loss of the product shall pass to the Customer upon moving such product to storage.

All expenses incurred by AREVA T&D INC. in connection with the storage of the Product, including demurrage, the cost of preparation for storage, storage charges, insurance if placed and handling charges shall be payable by the Customer upon submission of invoices by AREVA T&D INC.

19. Cancellation by AREVA T&D INC.

AREVA T&D INC. shall have the right to cancel any order at any time by written notice for any material breach of the contract by Customer.

20. Return of the Product.

The Product may not be returned unless by written agreement of AREVA T&D INC., and subject to terms specified by AREVA T&D INC.

21. Product Notices.

Customer shall provide the user (including its employees) of the Product with all AREVA T&D INC. supplied Product and patent notices, warnings, instructions, recommendations and similar materials. Under no circumstances shall Customer or the user of the Product remove any such information which may be affixed to the Product or to the related materials shipped with the Product.

22. Nuclear Insurance—Indemnity

For applications in nuclear projects, the Customer or Owner shall have complete and proper insurance protection against liability and property damage resulting from nuclear incidents/accidents and shall fully indemnify, defend and hold harmless AREVA T&D INC., its suppliers and subcontractors, of all tiers, against all claims resulting from a nuclear incident.

23. United States Export Controls

The Customer acknowledges that the Product and all documentation and other technical information delivered pursuant to these Terms and Conditions of Sale are subject to export controls under the U.S. laws, including but not limited to, the Export Administration Act and the regulations promulgated thereto. Customer agrees to strictly comply with all legal requirements established under these export control laws and regulations and to fully cooperate with AREVA T&D INC. in any official or unofficial audit or inspection that relates to these export control laws and/or regulations. Customer shall not export, re-export, divert, or transfer directly or indirectly, the Product and/or any documentation or other technical information delivered pursuant to these Terms and Conditions of Sale to any country, or to the nationals of any such country, which the U.S. government determines is a country to which such export, re-export, diversion, transfer or disclosure is restricted, without obtaining the prior written authorization of AREVA T&D INC. and the applicable U.S. government agency. Customer acknowledges that the Product, including associated data, drawings or information shall only be used in connection with the project and in the location as identified in the Customer's request for quotation and shall not be transferred, disclosed or re-exported directly or indirectly without the prior written consent of AREVA T&D INC. Any breach of this provision will be considered a material breach of these Terms and Conditions of Sale and Customer will be obligated to defend, indemnify (including all attorneys'/consultants' fees and costs and expenses) and hold harmless AREVA T&D INC. (including its parent company and affiliates, shareholder(s), directors, officers, employees and agents, assigns and successors) from any breach of this paragraph by Customer. The commitment of AREVA T&D INC. to deliver the Product to the Customer is conditioned upon the obtainment by Customer of the required export license(s) that the applicable U.S. export laws or regulations may require.

24. Testing and Acceptance of Product.

Testing of the Product before shipment is carried out in accordance with AREVA T&D INC.'s routine factory test procedures and at AREVA T&D INC.'s cost. In the event that the Customer requires additional tests beyond AREVA T&D INC.'s standard factory tests, Customer shall bear the cost of the same. As far as circumstances allow, such additional tests shall be carried out in AREVA T&D INC.'s factory. If it is found from one of the aforementioned tests, that the Product does not meet the specifications of the order, the Customer will allow AREVA T&D INC. a reasonable opportunity for AREVA T&D INC. to remedy any test related deficiency. Upon the Customer's request, AREVA T&D INC. shall provide ANSI/IEEE test reports for the Product, with Customer paying any incidental costs or administrative fees associated with such request.

In the case of Customer requirements for witness testing, AREVA T&D INC. will proceed with witness testing at the time agreed, irrespective of Customer's delay in attendance. Tests performed during the absence of a witness, shall be deemed to meet the witness requirements.

25. No Set Off.

Under no circumstances shall Customer withhold any monies due AREVA T&D INC. for the Product or otherwise, for the purpose of offsetting or discharging any obligations which AREVA T&D INC. may have to Customer or which the Customer may have to its customers.

26. Confidentiality of Terms and Conditions of Sale.

These Terms and Conditions of Sale should be considered as confidential between AREVA T&D INC. and Customer and only Customer's employees, contractors and/or agents with a "need to know" shall be privy to these Terms and Conditions of Sale. Under no circumstances shall Customer reveal the content of these Terms and Conditions of Sale to a competitor of AREVA T&D INC.

27. Exclusion of the U.N. Convention on Contracts for the International Sale of Goods.

These Terms and Conditions of Sale expressly exclude the provisions of the U.N. Convention on Contracts for the International Sale of Goods.

28. No Strict Construction Against the Drafter.

In the event of any ambiguity or inconsistency in these Terms and Conditions of Sale, said terms will be given their literal or intended meaning and will not be strictly construed against or to the detriment of the drafter.

29. Severability.

Should any provision of these Terms and Conditions of Sale be found to be in violation of law, the remainder of these Terms and Conditions of Sale shall continue to be in full force and effect.

30. Waiver.

Any waiver by AREVA T&D INC. of strict compliance with these Terms and Conditions of Sale shall only be deemed valid where it is evidenced in writing by an authorized officer of AREVA T&D INC.; furthermore, AREVA T&D INC.'s failure to enforce any provisions of these Terms and Conditions of Sale shall not be construed as a waiver of AREVA T&D INC.'s right thereafter to enforce each and every such provision.

31. Survival.

All rights and obligations contained in these Terms and Conditions of Sale, which by their nature or effect are required or intended to be observed, kept or performed after termination or expiration of a Product order will survive and remain binding upon and for the benefit of the parties, their successors (including without limitation successors by merger) and permitted assigns, including, but not limited to: Sections 1, 8, 9, 10, 11, 12, 13, 22, 23, 25, 26, 27, 28, 29, 30, 31, 32 and 33 of these Terms and Conditions of Sale.

32. No Assignment.

Neither these Terms and Conditions of Sale nor any rights, interest or benefits of Customer hereunder may be assigned by Customer to any other party without the express prior written consent of AREVA T&D INC.

33. Dispute Resolution and Applicable Law.

In the event that any dispute arising out of, or in connection with, any Product order between the Customer and AREVA T&D INC. and/or these Terms and Conditions of Sale, is not resolved within a reasonable period of time through good faith negotiations between the parties, then such dispute shall be submitted to private, non-binding mediation with the American Arbitration Association ("AAA") at the AAA regional office closest to AREVA T&D INC.'s Philadelphia, Pennsylvania headquarters, or to another mutually agreed upon mediator. In the case of the AAA mediation, the mediator shall be selected from the then current list of approved AAA mediators. Any mediation that takes place pursuant to these Terms and Conditions of Sale shall be conducted according to the then current AAA mediation procedures, whichever apply, unless some other process or procedure is mutually agreed upon by the parties.

If the mediation process has not resolved the dispute within sixty (60) calendar days of the submission of the matter to mediation, or within such longer period as the parties may agree to, the dispute shall be submitted to private, binding arbitration with the AAA at the AAA regional office closest to AREVA T&D INC.'s Philadelphia, Pennsylvania headquarters.

The arbitration shall be conducted in accordance with the AAA Construction Industry Arbitration Rules or AAA Commercial Arbitration Rules, as applicable, then in effect, or a mutually agreed upon set of arbitration rules. This agreement to arbitrate and any other agreement or consent to arbitrate entered into in accordance herewith will be specifically enforceable by any court having jurisdiction. Notice of demand for arbitration must be filed in writing with the other party to this Agreement and with the AAA. The demand must be made within a reasonable time after the dispute has arisen. In no event may the demand for arbitration be made if the institution of legal or equitable proceedings based on such dispute is barred by the applicable statute of limitations, or these Terms and Conditions of Sale. Any arbitration may be consolidated with any other arbitration proceedings. The arbitrator and/or arbitration panel will have no authority to award attorneys' fees, punitive or treble damages to any party, nor may the arbitrator award any damages or amounts or assess any costs against AREVA T&D INC. (including its parent company, shareholders, affiliates, subsidiaries, directors, officer, employees, successors and/or assigns) which may be considered as excluded or limited by Sections 11 and 12 of these Terms and Conditions of Sale.

The award of the arbitrator shall be specifically enforceable in a court of competent jurisdiction. If the total dispute, exclusive of interest and arbitration costs, does not equal or exceed ONE Million dollars, the arbitration shall be heard by one neutral arbitrator. If the total dispute equals or exceeds ONE Million dollars, then the arbitration shall be heard by a panel of three neutral arbitrators.

The protocol set forth herein for the resolution of disputes involving any Product orders between AREVA T&D INC. and Customer and/or these Terms and Conditions of Sale, shall be the sole and exclusive dispute resolution procedures for the parties; nevertheless, a party may seek a preliminary injunction or other preliminary judicial relief if, in its judgment, such action is necessary to avoid irreparable damage or to preserve the status quo. Despite such action, the parties will continue to participate in good faith and adhere to the dispute resolution procedures specified herein.

These Terms and Conditions of Sale shall in all respects be governed by and interpreted in accordance with the substantive law of the State of Pennsylvania, excluding its conflict of law provisions.

ADDENDUM: (RITZ High Voltage Instrument Transformers):

1. Applicable Terms and Conditions. This sale is expressly conditional on Customer's assent to these Terms and Conditions of Sale, except as clarified in the quotation.

The unaffected language of Section 1 of the Terms and Conditions of Sale remains the same.

3. Prices. Prices will be the prices in effect at the time of shipment by AREVA T&D INC. and will include freight terms as specified in the quotation.

The unaffected language of Section 3 of the Terms and Conditions of Sale remains the same.

8. Warranty. 36 months from the date of notification of readiness of shipment.

Also, in connection with the warranty obligations herein, in no event will AREVA T&D INC. be responsible for gaining access to the Product, nor for disassembly or reassembly of the Product or its part; the reference to transportation of the Product or its parts to or from the place of installation is deleted.

The unaffected language of Section 8 of the Terms and Conditions of Sale remains the same.

12. Delay Damages. AREVA T&D INC., unless specifically stated in the quotation form, is not responsible for any delays in its performance under these Terms and Conditions of Sale. In the event that AREVA T&D INC., in its quotation, has specifically accepted the possibility of paying Customer for delay damages caused by AREVA T&D INC., the limitations set forth in the AREVA T&D INC. Terms and Conditions of Sale shall apply.

The unaffected language of Section 12 of the Terms and Conditions of Sale remains the same.

24. Testing and Acceptance of Product. (Replaced language of Section): Testing of the Product before shipment is carried out in accordance with AREVA T&D INC.'s routine factory or production test procedures at AREVA T&D INC.'s cost. In the event that the Customer requires additional production tests beyond AREVA T&D INC.'s standard factory or production tests, Customer shall bear the cost of the same. As far as circumstances allow, such additional production tests shall be carried out in AREVA T&D INC.'s factory. If it is found from one of the aforementioned tests, that the Product does not meet the specifications of the order, the Customer will allow AREVA T&D INC. a reasonable opportunity for AREVA T&D INC. to remedy any test related deficiency.

In addition, upon the Customer's request, AREVA T&D INC. shall provide ANSI/IEEE design test reports for its U.S. destination Product; otherwise, in the case of export Product sales, AREVA T&D INC. shall provide, should the Customer request the same, such other design (or type) test reports as may be required in the Customer's specifications. In both instances, the Customer shall pay for any incidental costs or administrative fees associated with such design (or type) test report requests.

In the case of Customer requirements for witness testing, AREVA T&D INC. will proceed with witness testing at the time agreed, irrespective of Customer's delay in attendance.