

IDEAL POWER LIMITED WARRANTY

This Ideal Power Limited Warranty (this "**Warranty**") for 30kW battery converters and grid resilient 30kW and 125kW power conversion systems manufactured by Ideal Power ("**Products**") is made by Ideal Power Inc., a Delaware corporation with offices located at 4120 Freidrich Lane, Suite 100, Austin, TX 78744 ("**Ideal Power**").

This Warranty extends to the original purchaser of a Product ("**Buyer**") and to the transferee of a Product ("**End-User**") and each of Buyer and End-User, a "**Warranty**" from an authorized distributor of Ideal Power ("**Distributor**") and will become effective on the Effective Date (defined below) and remain in force for a period of ten (10) years ("**Warranty Period**"). The "**Effective Date**" shall occur with respect to a Product on the date when title of such Product passes to Warrantee (as demonstrated by proof of sale from a Distributor where Warrantee is an End-User); provided, however, in no event shall the Effective Date be postponed more than one (1) year after shipment of a Product from Ideal Power to a Buyer and then only if purchased through a Distributor. For the avoidance of doubt, for purposes of this Warranty, a "Distributor" shall be considered a "Buyer."

This Warranty is only valid for Products purchased and installed in North America.

1. **Product Warranty**

Subject to the terms and conditions herein, Ideal Power warrants that during the Warranty Period, Products will (i) be free from material defects in materials and workmanship, and (ii) meet Ideal Power's specifications in effect at the time such Product was made (each, a "**Standard**").

As Warrantee's sole and exclusive remedy, and Ideal Power's entire liability, for any Product that does not conform in all material respects to the Standards (such product, a "**Defective Product**"), Ideal Power shall, at its sole option and expense (i) repair such Defective Product with new and/or reconditioned parts, (ii) replace such Defective Product with new and/or reconditioned Products having specifications equal to or better than those in effect at the time the Defective Product was made, or (iii) refund the purchase price of the Defective Product, as determined by Ideal Power.

This Warranty gives the Warrantee specific legal rights, and the Warrantee may also have other rights which vary from state to state.

2. **Warranty Conditions and Exclusions**

The warranties provided in Section 1 are conditioned on the following (each, a "**Warranty Condition**"): (i) the installation, use, operation and maintenance (including with respect to frequency of maintenance) of a Product in accordance with the Ideal Power Installation and Operations Manual (as may be amended, restated or otherwise revised from time to time) and any other operating or other manuals relating to such Product that Ideal Power may provide to Warrantee from time to time, (ii) Warrantee making a Claim (defined below) during the Warranty Period, (iii) Ideal Power receiving payment in full for the Product, (iv) if applicable, Warrantee's complete performance and compliance with the representations and warranties in Section 5, and (v) no person making any effort to disassemble the Product or any portion thereof.

In no event shall this Warranty cover any defect, loss, damage, failure or other nonconformity of a Product ("**Excluded Defect**") that are directly or indirectly caused by or arise out of any of the following:

- Alterations or modifications to a Product other than by Ideal Power or its authorized contractors including, but not limited to, breakage of a Product's seal without prior Ideal Power written consent;
- Warrantee's or any third-party's equipment, including, without limitation, components of any system a Product is integrated into by Warrantee;
- Improper or non-standard installation or operation;
- Use or operation with defective electrical and/or mechanical equipment;
- A force majeure occurrence, including, without limitation, lightning, overvoltage, severe weather, fire, earthquakes and floods, or the influence of foreign objects;
- Improper handling during transportation or storage or damage during shipping;
- Failures and/or faults in relation with any third-party accessories;
- Vandalism, contamination or theft; and/or
- Misuse, abuse, accident or negligence.

3. **Warranty Claim Process**

During the Warranty Period (and at no other time), Warrantee may make a claim ("**Claim**") under this Warranty if it believes a Product it purchased is a Defective Product by contacting Ideal Power directly at support@idealphpower.com or (512) 697-3941 and providing the following information:

- Product model number and serial number;
- Description of the Product failure;
- Proof of purchase; and
- Current location of the Product.

Upon receipt and acceptance by Ideal Power of a Claim, Ideal Power will elect, at its sole option, to inspect, repair and/or replace, as applicable, the Product(s) relating to such Claim at (i) Ideal Power's facilities or another service location of Ideal Power's choosing or (ii) such Product's then current location ("**Field Service**", and collectively, "**Warranty Services**"), and shall notify Warrantee of its election.

4. Claim Acceptance; Responsibility for Expenses

a) If Ideal Power determines the Product does not conform in all material respects to the Standards, and the Claim is not otherwise excluded from this Warranty, such Claim shall be deemed “accepted” and Ideal Power shall remedy such Claim pursuant to Section 1.

b) Notwithstanding anything to the contrary contained herein, in Ideal Power’s Terms and Conditions of Sale for Power Conversion Products entered into by Ideal Power and Warrantee (“**Sales Terms**”), if any, or in Warrantee’s Product purchase order (“**Purchase Order**”), if Ideal Power determines, in its professional opinion, that, with respect to a Product that is the subject of a Claim, (i) such Product conforms in all material respects to the Standards, (ii) any Warranty Condition has not been met, or (iii) the claimed defect is an Excluded Defect, the claim shall be deemed “not covered” and Ideal Power shall provide a written repair quote, which must be accepted by Warrantee prior to commencement of repair. Warrantee will be invoiced for authorized repairs, alteration or services performed on such Product upon return shipment.

The below table sets forth the expenses to be borne by each party in the event a Claim is (i) “accepted” pursuant to Section 4(a), or (ii) “not covered” pursuant to Section 4(b).

<u>Item</u>	<u>Party Responsible</u>	
	<u>Accepted Claims</u>	<u>Claims not Covered by This Warranty</u>
Removal and re-installation of Product	Warrantee	Warrantee
Repair labor	Ideal Power	Warrantee, at Ideal Power’s standard rates
Spare parts and materials	Ideal Power	Warrantee
Travel expenses and per diem	Ideal Power	Warrantee
Troubleshooting / Cause determination on Product	Ideal Power	Warrantee
Shipping	Warrantee	Warrantee
Administration service processing fees	Ideal Power	Warrantee

5. Field Service Representations and Warranties

Warrantee represents and warrants that during Ideal Power’s performance of Field Service, it will provide, or cause to be provided:

- a. full, barrier-free access to the subject Product;
- b. all resources necessary to inspect, repair or replace, as applicable, the subject Product, including safety or lifting equipment, upon Ideal Power’s request; and
- c. authorization for Ideal Power to enter any premises where the subject Product is located.

6. Assignment and Subcontracting

This Warranty is personal to Warrantee and may not be assigned or otherwise transferred (except from a Distributor to an End-User), in whole or in part, without Ideal Power’s prior written consent, such consent to be granted or withheld in Ideal Power’s sole discretion. Ideal Power may, in its sole discretion, subcontract the performance of any Warranty Services to any third-party; provided (i) such third-party is, in Ideal Power’s professional opinion, qualified to perform such Warranty Services and (ii) Ideal Power shall remain responsible for performance of any such Warranty Services by its subcontractors. For purposes of Sections 3 and 5, the term “Ideal Power” shall mean “Ideal Power or its authorized contractor.”

7. Disclaimer and Limitation of Liability; Waiver of Consumer Rights

THE LIMITED WARRANTY DESCRIBED HEREIN SHALL BE THE SOLE AND EXCLUSIVE WARRANTY GRANTED BY IDEAL POWER, WHERE PERMITTED BY LAW, AND SHALL BE THE SOLE AND EXCLUSIVE REMEDY AVAILABLE TO WARRANTEE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, IDEAL POWER EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY, WARRANTY FOR FITNESS FOR A PARTICULAR PURPOSE, AND ANY WARRANTIES THAT MAY HAVE ARISEN FROM COURSE OF DEALING OR USAGE OF TRADE. WITHOUT LIMITING THE FOREGOING, NO IMPLIED WARRANTY SHALL APPLY TO ANY PRODUCT AFTER THE EXPIRATION OR TERMINATION OF THE WARRANTY PERIOD. SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATION MAY NOT APPLY TO THE WARRANTEE.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, IDEAL POWER’S AGGREGATE MONETARY LIABILITY TO WARRANTEE AND ANY THIRD-PARTY FOR ANY REASON AND FOR ALL CAUSES OF ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE, WILL NOT EXCEED THE AMOUNT PAID TO IDEAL POWER FOR THE PRODUCT COVERED BY THIS WARRANTY. UNDER NO CIRCUMSTANCES SHALL IDEAL POWER BE LIABLE FOR INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES HOWEVER CAUSED, EVEN IF IDEAL POWER HAS BEEN ADVISED OF THE POSSIBILITY

OF SUCH DAMAGES. SOME STATES OR JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO THE WARRANTEE.

WARRANTEE HEREBY WAIVES ITS RIGHTS UNDER THE TEXAS DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF WARRANTEE'S OWN SELECTION, WARRANTEE HEREBY VOLUNTARILY CONSENTS TO THIS WAIVER.

8. Dispute Resolution

a) Informal Resolution. Ideal Power and Warrantee shall attempt in good faith to resolve any dispute, controversy or claim arising out of or relating to this Warranty, or the breach, termination, or invalidity thereof (each, a "**Dispute**") by negotiation and consultation between themselves.

b) Arbitration. If any Dispute remains unresolved after ten (10) days of informal resolution attempts, promptly upon written request from either Ideal Power or Warrantee to the other, such Dispute shall be submitted for arbitration to be administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules. The arbitration proceedings shall be conducted before a panel of three neutral arbitrators, all of whom shall be members of the bar of the state of Texas. The arbitration, including the rendering of the award, shall take place in Austin, Texas. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The language to be used in the arbitration shall be English. Except as may be required by law or to enforce the award, none of Ideal Power, Warrantee or any arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties to the arbitration proceeding.

c) Exclusive Remedy. The procedures set forth in this Section shall be the exclusive remedy and mechanism for resolving any Dispute that may arise from time to time. Warrantee must seek resolution of any Dispute utilizing the mechanisms and procedures in this Section prior to pursuing any legal remedy in the courts. For the avoidance of doubt, Warrantee may not seek relief for any Dispute against Ideal Power in any court under the Magnuson-Moss Warranty-Federal Trade Commission Improvement Act (15 U.S.C. §§ 2301-2312), or any other laws or regulations, prior to fully exhausting its rights and remedies under this Section.

d) Survival. The terms of this Section shall survive any termination or expiration of this Warranty.

9. Payment Terms

If Warrantee owes Ideal Power any amounts under this Warranty, payment terms shall be net thirty (30) days after the date of Ideal Power's invoice. Payments made after the due date are subject to a 1.5% per month late payment services charge or, if less, the maximum rate allowed by law.

10. Interpretation

To the extent a Product that is subject to this Warranty is also subject to Sales Terms, this Warranty is provided in conjunction with such Sales Terms. To the extent there is any inconsistency between this Warranty and any applicable Sales Terms, such Sales Terms order shall control if, and only if, such Sales Terms expressly reference this Warranty, and that the Sales Terms shall control.