



INDUSTRIAL TECHNOLOGIEIS TERMS AND CONDITIONS OF SALE FOR COMPRESSED AIR PRODUCTS

1. General The Terms and Conditions of Sale outlined herein shall apply to the sale by Ingersoll-Rand Company (hereinafter referred to as Company) of products, equipment, and parts relating thereto (hereinafter referred to as Equipment). It shall be understood that the Company's proceeding with any work shall be in accordance with the terms and conditions outlined herein.

The Company will comply with applicable laws and regulations in effect on the date of the Company's proposal as they may apply to the manufacture of the Equipment. Compliance with any local governmental laws or regulations relating to the location, use or operation of the Equipment, or its use in conjunction with other equipment, shall be the sole responsibility of the Purchaser. The Company shall not be bound by any contract or any modification thereto until approved in writing by an officer of the Company. The contract, when so approved, shall supersede all previous communications, either oral or written.

2. Title and Risk of Loss Title and risk of loss or damage to the Equipment shall pass to the Purchaser upon tender of delivery F.O.B. manufacturing facility unless otherwise agreed upon by the parties, except that a security interest in the Equipment shall remain in the Company, regardless of mode of attachment to realty or other property, until full payment has been made therefor, and Purchaser shall adequately insure the Equipment against loss or damage from any cause wherein the Company shall be named as an additional insured.

3. Assignment Neither party shall assign or transfer this contract without the prior written consent of the other party.

4. Delivery and Delays Delivery dates shall be interpreted as estimated and in no event shall dates be construed as falling within the meaning of "time is of the essence."

The Company shall not be liable for any loss or delay due to causes beyond the reasonable control of the Company. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be adjusted to reflect the actual length of time lost by reason of such delay. The Purchaser's receipt of Equipment shall constitute a waiver of any claims for delay.

5. Taxes The price does not include any present or future Federal, State, or local property, license, privilege, sales, use, excise, gross receipts or other like taxes or assessments applicable to this transaction or any services performed hereunder. Such taxes will be itemized separately to Purchaser. The Company will accept a valid exemption certificate from Purchaser. If exemption certificate is not recognized by the governmental taxing authority, Purchaser agrees to promptly reimburse the Company for any taxes which the Company is required to pay.

6. Patents The Company shall defend the Purchaser against any proceeding based upon a claim that the Equipment manufactured by the Company, and furnished under this contract, infringes any patent of the United States of America, providing the Company is promptly notified in writing and given authority, information and assistance for defense of same; and the Company may, at its option, procure for the Purchaser the right to continue to use said Equipment, or modify it so that it becomes non-infringing, or replace the same with non-infringing equipment, or remove said Equipment and refund the purchase price. The Company does not accept any liability whatsoever in respect to patents claiming more than the Equipment furnished hereunder, or claiming methods and processes to be carried out with the aid of said Equipment. The foregoing states the entire liability of the Company with regard to patent infringement.

7. Warranty The Company warrants that the Equipment manufactured by it and delivered hereunder will be free of defects in material and workmanship for a period of twelve months from the date of placing the Equipment in operation or eighteen months from the date of shipment, whichever shall first occur.

The Purchaser shall be obligated to promptly report any failure to conform to this warranty, in writing to the Company within said period, whereupon the Company shall, at its option, correct such nonconformity, by suitable repair to such Equipment or, furnish a replacement part provided the Purchaser has stored, installed, maintained, and operated such Equipment in accordance with good industry practices and has complied with specific recommendations of the Company. Company reserves the right to take possession of or direct Purchaser to return any replaced parts, which shall become Company property. Accessories or equipment furnished by the Company, but manufactured by others, shall carry whatever warranty the manufacturers have conveyed to the Company and which can be passed on to the Purchaser. This warranty shall not apply to any component which Purchaser directs Company to use in or add to the Equipment, and which would not otherwise be used or added by the Company. The Company shall not be liable for any repairs, replacements, or adjustments to the Equipment or any costs of labor performed by the Purchaser or others without the Company's prior written approval.

The effects of corrosion, erosion, and normal wear and tear are specifically excluded. Performance warranties are limited to those specifically stated within the Company's proposal, and the Company's obligation for meeting such performance warranties shall be to correct in the manner and for the period of time provided above.

THE COMPANY MAKES NO OTHER WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER, EXPRESSED OR IMPLIED, EXCEPT THAT OF TITLE, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY

AND FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED.

Correction by the Company of nonconformities whether patent or latent, in the manner and for the period of time provided above, shall constitute fulfillment of all liabilities of the Company for such nonconformities, with respect to or arising out of such Equipment. The Purchaser shall not operate Equipment which is considered to be defective, and any such use of Equipment will be at the Purchaser's sole risk and liability.

8. Limitation of Liability The remedies of the Purchaser set forth herein are exclusive, and the total liability of the Company with respect to this contract, whether based on contract, warranty, negligence, indemnity, strict liability or otherwise, shall not exceed the purchase price of the unit of Equipment upon which such liability is based.

The Company and its suppliers shall in no event be liable to the Purchaser, any successors in interest or any beneficiary or assignee of this contract for any consequential, incidental, indirect, special, or punitive damages arising out of this contract or any breach thereof, or any defect in, or failure of, or malfunction of the Equipment hereunder, whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability or otherwise.

9. Delivery Delay. In the event Purchaser delays or extends the delivery date for any of the Equipment sold hereunder, beyond the original scheduled delivery date, Purchaser agrees to pay Seller, as a storage fee, an amount equivalent to one and one half percent (1.5%) of the total purchase order value per calendar month or fraction thereof (calculated and charged on a per day basis) for the period during which delivery is extended or delayed beyond the original scheduled delivery date (the "Storage Fee"). Additionally, in the event that Company is performing installation services, if, at the time of delivery, the Purchaser's location is not ready or is unsafe for installation; Company reserves the right not to begin or to discontinue the work. In such event, Company may charge Purchaser an amount equivalent to the Storage Fee set forth above until such time that the location is ready and safe, as determined by Company, for installation services.

10. Order Cancellation. In the event of Purchaser's termination of a purchase order ("PO"), the Purchaser shall pay to Company a cancellation fee in an amount equivalent to Company's actual direct out of pocket costs incurred-plus a percentage of the PO value, as outlined below, to cover sales and administrative expenses. The percentage is based on the proportion of time which has elapsed from the date of the Purchase Order, to the originally schedule shipment date, as follows:

Percent of time elapsed from PO date to scheduled ship date	Cancellation fee % of PO Value
0-10%	5%
11-20%	15%
21-30%	25%
31-40%	35%
41-50%	45%
51-60%	55%
61-70%	65%
71-80%	75%
81-90%	85%
91-100%	95%

11. Nuclear Liability In the event that the Equipment sold hereunder is to be used in a nuclear facility, the Purchaser shall, prior to such use, arrange for insurance or governmental indemnity protecting the Company against liability and hereby releases and agrees to indemnify the Company 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 Company or its suppliers.

12. Governing Law The rights and obligations of the parties shall be governed by the laws of the State of North Carolina excluding any conflicts of law provisions. The United Nations convention on contracts for the international sale of goods shall not apply to this agreement.