

STANDARD TERMS AND CONDITIONS OF SALE AND SERVICE
Compressor Products International (CPI)
THE FOLLOWING PROVISIONS APPLY TO ALL SALES AND SERVICES:

1. WARRANTY. Seller warrants to Buyer that if any product of its manufacture upon examination is found by a Seller's representative to be defective in either workmanship or material under normal use and service Seller, at its option, will repair or replace same free of charge including lowest transportation charges but not cost of installation or removal or will refund the purchase price thereof, provided that Seller receives written claim specifying the defect within ninety (90) days from date of distributor sales or one (1) year from date of factory shipment, whichever occurs first. Seller further warrants that if a service performed by it for Buyer in installation or repair of equipment or parts examination is found by a Seller's representative to be defective in workmanship under normal use and service, Seller, at its option, will repair or replace same free of charge including lowest transportation charges or will refund the purchase price thereof, provided that Seller receives written claim specifying the defect within ninety (90) days from date of service. All warranties with respect to machinery, apparatus, accessories, materials or supplies not manufactured by Seller shall be limited to their respective warranties of the manufacturers thereof, if any, which Seller may be permitted to pass on to Buyer. The effects of corrosion, erosion, misuse, improper installation (if not by Seller), neglect and normal wear and tear are specifically excluded from Seller's warranty. ALL OTHER WARRANTIES EXPRESSED AND IMPLIED INCLUDING ANY WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR USE ARE HEREBY DISCLAIMED. THE FOREGOING EXPRESSES ALL OF SELLER'S OBLIGATIONS AND LIABILITIES WITH RESPECT TO PRODUCTS AND SERVICES FURNISHED BY IT HEREUNDER. The liability of Seller, on any claim of any kind, whether based on warranty, contract, negligence or otherwise, for any loss or damage arising out of, connected with, or resulting from this contract, or from the performance or breach thereof, or from the manufacture, sale, delivery, resale, repair or use of any equipment covered by or furnished under this contract shall in no case exceed the purchase price, and upon expiration of the warranty period all such liability shall terminate. The foregoing shall constitute the sole liability of Seller.

2. ORDER ACCEPTANCE.

a. All sales are limited to and expressly made conditional on Buyer's assent to these typed and printed terms and conditions of sale. In the event Buyer accepts any articles or services, such performance by Buyer shall be deemed to be upon all the terms and conditions herein contained. Any articles or services Seller sells or provides will be deemed accepted by Buyer upon delivery, in the case of articles, or performance, in the case of services.

b. Terms and conditions on the Buyer's order form, at variance with terms and conditions stated herein, are binding upon Seller only if specifically accepted by a duly authorized representative of Seller in writing.

c. Orders accepted by Seller cannot be cancelled by Buyer except with Seller's written consent and upon terms that will indemnify Seller against loss.

3. QUANTITY VARIANCES. Seller reserves the right to ship and Buyer agrees to accept an under-or-over-run of any quantity up to and including 10%.

4. SAMPLES. In the event samples are furnished to Buyer, Seller will not assume any liability in connection with the furnishing or use thereof and there shall be no warranty covering such samples.

5. PRICE AND PAYMENT.

a. Unless otherwise stated, legal delivery and prices for domestic shipments are EXW (Incoterms 2010) and for international shipments are FCA (Incoterms 2010) SELLER's plant. Prices do not include transportation charges.

b. **Taxes Not Included in Price:** Except where otherwise prohibited by law, all sales, excise, use or similar taxes or charges by the federal, any foreign, or any state or local government, which Seller may be required to pay or collect, shall be in addition to price stated and shall be paid by Buyer, unless valid exemption certificate is furnished therefore.

c. **Payment:** All accounts are payable within thirty (30) days. Seller may demand payment in advance of shipment if, in Seller's opinion, the credit or financial condition of Buyer is, or is about to become, impaired. A service charge for late payment may be assessed at an interest rate of 1.5% per month (or such other rate allowable by law).

d. **Payments Where Shipments are Delayed:** Where Buyer requests delay in shipment, Seller shall have the option of billing for goods when ready for shipment. If material is not ordered out within sixty (60) days after goods are ready, Seller will have the option of billing storage charges.

6. DELIVERY.

a. **Shipping Dates:** Shipping dates are approximate only and subject to change.

b. **Unforeseen Delays:** Seller shall not be liable in damages or otherwise for delays or failure in performance when caused by circumstances, of every nature and description and however arising, beyond Seller's reasonable control, including without limitation fire, acts of God, strikes, labor difficulties, acts of governmental or military authority, delays in transportation or in procuring materials. In the event that Seller is unable due to any such occurrence or otherwise, to fulfill its total commitments to all customers, Buyer agrees to accept, as full and complete performance by Seller, deliveries in accordance with such plan or proration as Seller may adopt.

c. **Packaging:** Seller will provide commercial packaging adequate, under normal conditions, to protect the goods in shipment and identify the contents. Should Buyer request any special packaging, it will be done at Buyer's expense.

d. **Routing:** All goods will be shipped via the most direct and economical means of transportation under the circumstances, as determined by the Seller.

e. **Claims:** Claims for loss or damage in transit must be entered and prosecuted by the Buyer.

7. **SPECIAL TOOLING.** All special tooling required to produce the goods shall remain the property of Seller unless specific arrangements are otherwise made. In any case, Seller's responsibility is limited to proper design, proper handling in manufacture and storage, and adequate insurance. The Buyer is responsible for costs resulting from: (1) requested alterations, (2) major repairs or replacement caused by normal wear, (3) additional costs incurred when new factors are introduced such as shorter lead time and/or increased rate delivery. The term "Special Tooling" shall include, but not be limited to, such items as molds, dies, forms, jigs, mandrels, fixture and other special equipment, except machinery which is required to produce the goods.

8. REJECTIONS AND RETURNS.

a. **Notification to Seller:** Buyer will be deemed to have inspected and accepted any shipment under this contract or performance of services, if within thirty days after Buyer's receipt of goods or services, Buyer has not notified Seller in writing that such goods or services are rejected and the grounds therefore.

b. **Return of Goods:** No goods may be returned by Buyer for any reason without Seller's prior written approval.

9. PATENT INFRINGEMENT.

a. Should the goods furnished by Seller be of such a nature that the design therefore is supplied by Buyer, or should the goods be labeled or marked with a trademark or trade name requested by Buyer, then Buyer agrees to defend Seller in any action, either civil or criminal, brought against Seller by any third party, for the infringement or misuse of any such patents or trademarks, and Buyer further agrees to hold Seller harmless from any damage or loss resulting there from.

b. As to any of the goods manufactured according to a design or specification not furnished by Buyer, Seller shall indemnify and save harmless Buyer from any claim that any use or resale of the same in and of itself infringes any U.S. patent or patent right if the Buyer within thirty (30) days notifies Seller in writing of any such claim and gives Seller authority, information and assistance (at Seller's expense) to dispose of such claim and to defend any suit that may be brought against the Buyer or Buyer's customer thereon. In that event Seller will, at its expense, defend any such suit and satisfy any judgment therein to an amount not exceeding the price paid Seller for said goods held to infringe. If, any such suit, an injunction is issued against the further use of said item or any part thereof, Seller will at its option and expense, either procure for the customer the right to continue using said goods, or replace the same with non-infringing goods, or modify them so that they become non-infringing, or remove said goods and refund the purchase price and transportation and installation costs thereof. Seller shall not be liable in any respect except as aforesaid, including without limitation, for any claim of infringement settled by Buyer without Seller's consent. The foregoing expresses all of Seller's obligations and liabilities as to patents.

10. GENERAL PROVISIONS.

a. **Modifications of Contract:** It is agreed that there is no other contract in force between Buyer and Seller with respect to the subject matter hereof and no alteration shall be binding unless agreed to in writing by Seller. Failure of Seller to exercise any right or remedy hereunder shall not be deemed a waiver of such right, nor shall any lien or other right of Seller be lost or impaired by laches.

b. **Limitation of Liability:** Under no event shall Seller be liable for special, incidental, collateral, indirect or consequential damages or lost profits.