

General Conditions of Sale and Warranty

Unless otherwise provided in writing, Danfoss Inc.'s products are sold subject to the following conditions:

1. Subject to approval and continuance of approval of credit by Danfoss Inc., terms of payment are thirty days net from date of invoice (no cash discount), but if Danfoss Inc. does not approve credit to the Purchaser, or if at any time after any determined by Danfoss Inc. in its judgment to be or have become such as not to justify the continuance of such credit terms by Danfoss Inc. to the Purchaser, terms of payment shall be or become C.O.D., or immediate partial, or full advance payment, or a combination of the foregoing methods, all as Danfoss Inc. may then, or thereafter from time to time, elect and specify. All payments shall be in legal currency of the United States. Prices are subject to correction for error.
2. Danfoss Inc. shall not be deemed to have accepted an order until written confirmation of the order by Danfoss Inc. is sent to the prospective purchaser.
3. Danfoss Inc.'s products are delivered F.O.B. Danfoss Manufacturing site, freight prepaid and add, unless otherwise agreed to in writing. Method and route of shipment are at the discretion of Danfoss Inc. unless the purchaser supplies explicit instructions in writing.
4. Prices and products are subject to change without notice. The prices at which any order is accepted are subject to adjustment to the seller's prices in effect at the time of shipment. Prices do not include sales, excise, municipal, state, or any other Government taxes. All quotations and confirmations are subject to correction for stenographic or clerical error.
5. Packing is included in the price, and will not be credited if returned.
6. From the moment of delivery to the carrier, the purchaser shall bear all risks for the goods, and Danfoss Inc. shall not be responsible for damage incurred during transportation.
7. An order is accepted on the basis that Danfoss Inc.'s products are used or incorporated in systems of finished or semi-finished larger products within the continental limits of the United States. The products as received from Danfoss Inc. are not to be exported from the United States as such, unless otherwise noted.
8. Time of delivery is stated approximately. Danfoss Inc. does not undertake any responsibility for delays in consequence of strikes, lockouts, labor disturbances or the like, extraordinary measures on the part of the government, hindrances

to transportation including ice or other transport difficulties, delayed or defective delivery of materials ordered in due time, failing supply of electricity and similar obstacles to production, fire or workshop accidents at own plant or at sub-suppliers, or other conditions over which Danfoss Inc. reasonable can be said to have no control.

9. Warranty Repair:

- AC Variable Frequency Drives: 18 months from date of shipment
- Products with specified shelf life stamped on packing excepted

Danfoss agrees to repair, or replace, at the discretion of Danfoss, such products that on examination by Danfoss are found to be defective due to faulty manufacture, design, and/or defective materials. Expenses in connection with dismantling and mounting shall not be paid by Danfoss. If defects occur within the above mentioned periods, that product shall be forwarded to Danfoss, insurance and freight prepaid by customer. A description of the reason for returning the product shall be enclosed. Products repaired or replaced under warranty will be returned to the purchaser, freight prepaid by Danfoss. The warranty repairs are only offered provided that the terms of payment are observed and shall cease to be valid if the product is repaired or altered without the consent of Danfoss, or applied for purposes for which it is not designed, or installed and applied contrary to the instructions given by Danfoss.

10. THE WARRANTY GIVEN IN #9 IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES EXPRESSED OR IMPLIED ON THE PART OF DANFOSS INC. DANFOSS INC. DISCLAIMS ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. DANFOSS INC. NEITHER ASSUMES NOR AUTHORIZES ANY OTHER PERSON, FIRM, OR CORPORATION TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH THIS SALE. DANFOSS INC. SHALL NOT BE HELD RESPONSIBLE FOR DAMAGE TO PERSON OR PROPERTY, CONSEQUENTIAL LOSS, LOSS OF PROFIT, LOSSES ON GOODS IN STORE OR THE LIKE WHICH MIGHT ARISE OUT OF FAILURE OF THE EQUIPMENT DELIVERED, IRRESPECTIVE OF THE CAUSE (INCLUDING FAULTY MANUFACTURE).

All figures appearing in Danfoss Inc. catalogs instructions and directions, drawings, etc., as well as technical data and other information are approximate statements serving only as a guide to the purchaser, and do not form part of this contract, nor do they constitute this contract a sale by description. Danfoss Inc. is not responsible for instructions or technical assistance given verbally. Written

information in reply to direct request is given on the understanding that the request does not contain incomplete or misleading information.

11. Danfoss Inc. shall defend any suit or proceeding brought against the Buyer as far as the same is based on a claim that any apparatus of Danfoss' design furnished hereunder or any part thereof, constitutes an infringement of any United States patent, if notified promptly in writing and given authority, information, and assistance (at Danfoss' expense) for the defense of the same and if such alleged infringement is not the result of the design or other special requirements specified by the Buyer or the result of the application or use to which such apparatus is put by the Buyer or others. Danfoss Inc. will pay all damages and costs awarded to such suit or proceedings against the Buyer. In case such apparatus or part is in such suit held to infringe any such patent and the use thereof is enjoined. Danfoss shall, at its expense either, at its option, (a) obtain for the Buyer the right to continue using such apparatus or part, or (b) replace same with non-infringing apparatus, or (c) modify the same so that it becomes non-infringing, or (d) remove said apparatus and refund the purchase price and the transportation and installation costs thereof. The foregoing states the entire liability of Danfoss Inc. to the Buyer for patent infringement.
12. Any order to contract may be canceled by the Buyer prior to shipment only, if the product can be returned to Danfoss' supplier for full credit, and the Buyer shall be responsible for all expenses incurred by Danfoss Inc. including freight. To the extent that goods covered by this agreement are manufactured by Danfoss, the Buyer will be responsible for payment of reasonable charges based upon expenses already incurred, commitments made by Danfoss Inc., and normal profit margins.
13. Any dispute of difference arising between the parties hereto as to the construction of this contract, or as to any matter arising out of or under this contract shall be resolved according to the laws of the State of Illinois.
14. Danfoss Inc. reserves the right to decide whether any dispute or difference arising out of or under this contract shall be referred to arbitration, or shall be resolved by legal action. If Danfoss Inc. decides that the dispute or difference shall be referred to arbitration, the parties agree to submit to the award to be made by an arbitration court appointed in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce.