

**ATLAS COPCO TOOLS & ASSEMBLY SYSTEMS LLC**  
**TERMS AND CONDITIONS OF SALE**

1. **General.** As used herein, “Atlas Copco” means Atlas Copco Tools & Assembly Systems LLC. “CUSTOMER” means the entity purchasing any equipment (collectively “Equipment”) from Atlas Copco. This Terms and Conditions document is hereinafter referred to as the “Agreement”. ATLAS COPCO’S SALE OF EQUIPMENT TO CUSTOMER IS EXPRESSLY CONDITIONED ON CUSTOMER’S ASSENT TO THIS AGREEMENT. ANY TERMS OR CONDITIONS FROM CUSTOMER WHICH ADD TO, VARY FROM, OR CONFLICT WITH THESE RENTAL TERMS ARE HEREBY EXPRESSLY OBJECTED TO.
2. **Price.** Taxes are not included in the price, unless the price indicated by Atlas Copco specifically lists such tax as a line item. CUSTOMER is responsible for any and all applicable taxes (except any taxes on Atlas Copco’s income).
3. **Payment Terms.** Unless agreed otherwise in writing, CUSTOMER shall pay invoices within thirty (30) days of the date of invoice in United States funds, subject to credit approval.
4. **Delivery.** Unless otherwise agreed in writing, manufactured, assembled, or warehoused Equipment is delivered FOB shipping point. The delivery date will be considered the day on which the Equipment is ready for pickup at the Atlas Copco plant in Auburn Hills, MI, USA by an independent forwarding agent.
5. **Transportation.**
  - a. **Equipment protection**
    - i) The Equipment price stated on Atlas Copco’s quotation includes preparation for shipment by truck within the continental United States. The price does not include preparation for shipment via ocean or airfreight. If ocean or airfreight is required, the cost will be identified separately on a project by project basis.
    - ii) Responsibility for arranging for appropriate ocean or airfreight protection will be agreed upon on a project by project basis.
  - b. **Mode of transport**
    - i) The appropriate mode of transport will be agreed upon on a project by project basis.
    - ii) Responsibility for arranging transportation will be agreed upon on a project by project basis.
6. **Warranty.** Atlas Copco warrants that the following Equipment will be free from defects in material and workmanship for the time periods listed for each item: (i) electric and custom engineered products will be warranted for a period of one (1) year from the date of shipment; and (ii) pneumatic products will be warranted for a period of one (1) year from the date of shipment. The warranty excludes perishable items such as sockets and drive shanks.
  - a. Under this warranty, if any Equipment is proven to be faulty in construction or material, it will be repaired or replaced free of charge as CUSTOMER’S sole remedy for such defect. Such defective parts will be returned to Atlas Copco who will in turn decide whether to repair or replace. Freight and insurance for returned defective parts would be CUSTOMER’S responsibility.

Any failure due to incorrect installation on CUSTOMER’S part, improper use or overloading of Equipment imputable to the operator during the warranty period shall not be covered by warranty. The warranty for all purchased components shall be included in the warranty period specified above. In case the manufacturer’s warranty for any individual purchased component exceeds the warranty period specified above, the warranty shall be “passed through” to CUSTOMER so that CUSTOMER will have rights to the full warranty period for the component in question. In case the manufacturer’s warranty is shorter than the warranty period specified above, the warranty period for the component in question will be extended to meet Atlas Copco’s warranty.
  - b. ATLAS COPCO’S SOLE OBLIGATION UNDER THE TERMS OF THIS AGREEMENT IS TO REPAIR OR REPLACE ANY NONCONFORMING GOODS. ATLAS COPCO DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.
7. **Intellectual Property Ownership.** No patents, copyrights, trademarks, or other intellectual property are being sold, assigned, or otherwise transferred to CUSTOMER. Without limiting the generality of the foregoing, Atlas Copco shall retain and own all right, title and interest in and to all inventions, discoveries, know-how, works of authorship, drawings, designs, processes, and ideas developed, discovered or conceived by Atlas Copco or its

employees, including but not limited to those developed, discovered, and/or conceived in connection with the manufacture of the ordered Equipment. It is expressly acknowledged that no drawings, designs, specifications, or anything else provided by Atlas Copco to CUSTOMER shall be deemed to be “work made for hire” as that term is used in connection with the U.S. Copyright Act. CUSTOMER shall not use, copy, distribute, publish or communicate to any third party any drawings, designs, or other technical information designed or provided by Atlas Copco without prior written authorization of an executive officer of Atlas Copco (except as necessary to properly install, use, operate, maintain, and service the Equipment).

8. **Intellectual Property Indemnity.** Atlas Copco shall defend or at its option settle any suit or proceeding by any third party brought against CUSTOMER in so far as it is based on an allegation that any Equipment or service constitutes an infringement of any United States patent, copyright, or trademark. Atlas Copco will pay the damages and costs awarded in any suit or proceeding so defended. Atlas Copco’s obligations in this paragraph are conditioned upon CUSTOMER promptly (i) notifying Atlas Copco in writing of the third party's claim; (ii) giving Atlas Copco full authority to control the defense and settlement of the suit or proceeding; and (iii) providing Atlas Copco with full information and reasonable assistance at Atlas Copco’s expense. Atlas Copco shall ensure that no such settlement intending to bind CUSTOMER shall be entered into without CUSTOMER’s prior written consent, which consent shall not be unreasonably withheld or delayed. In case the Equipment or service (or any portion thereof) as a result of any suit or proceeding so defended is held to constitute infringement or its use by CUSTOMER is enjoined, Atlas Copco will, at Atlas Copco’s option and expense: (i) procure for CUSTOMER the right to continue using the Equipment/service; (ii) replace the Equipment/service with substantially equivalent non-infringing Equipment/service; (iii) modify the Equipment/service so it becomes non-infringing; or (iv) take back the Equipment/service and refund or credit monies paid by CUSTOMER to Atlas Copco for such Equipment/service. Atlas Copco will have no duty or obligation to CUSTOMER under this paragraph to the extent that the Equipment/service is (i) supplied according to CUSTOMER’s design or instructions wherein compliance therewith has caused Atlas Copco to deviate from Atlas Copco’s normal designs or specifications, (ii) modified, (iii) combined with items, systems, methods, or processes not furnished by Atlas Copco and by reason of said design, instruction, modification, or combination a claim is brought against CUSTOMER. If by reason of such design, instruction, modification or combination, a claim is brought against Atlas Copco or its affiliate, CUSTOMER shall protect Atlas Copco and its affiliate in the same manner and to the same extent that Atlas Copco has agreed to protect CUSTOMER under the provisions above in this paragraph. THIS PARAGRAPH STATES ATLAS COPCO’S AND ITS AFFILIATES’ EXCLUSIVE LIABILITY FOR INFRINGEMENT OF ANY THIRD PARTY’S PATENT, COPYRIGHT AND/OR TRADEMARK.
9. **Force Majeure.** In the event Atlas Copco is not able to perform or is delayed due to any cause beyond its reasonable control (including but not limited to acts of God, strike or other concerted action of workmen, act or omission of any governmental authority, act of war or terrorism, act of the public enemy, embargo, delays of carriers, and/or delays by Atlas Copco’s usual suppliers), the time of performance shall be extended by the amount of time reasonably sufficient to make up for such delay.
10. **Consequential Damages.** NOTWITHSTANDING ANYTHING ELSE, UNDER NO CIRCUMSTANCES SHALL ATLAS COPCO BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR SPECIAL DAMAGES (INCLUDING BUT NOT LIMITED TO LOSS OF PROFITS OR REVENUE, LOSS OF TOTAL OR PARTIAL USE OF EQUIPMENT OR SERVICES, DOWNTIME COSTS, AND DELAY COSTS), EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE (REGARDLESS OF WHETHER SUCH DAMAGES ARE CHARACTERIZED AS ARISING OUT OF BREACH OF WARRANTY, TORT, CONTRACT, OR OTHERWISE).
11. **Limitation of Liability.** NOTWITHSTANDING ANYTHING ELSE, THE TOTAL LIABILITY, IN THE AGGREGATE, OF ATLAS COPCO ARISING FROM OR RELATED TO THE CONTRACT (INCLUDING BUT NOT LIMITED TO PERFORMANCE OR BREACH THEREOF), THE EQUIPMENT, AND/OR THE SERVICES, SHALL BE LIMITED TO THE ACTUAL PURCHASE PRICE AMOUNT PAID TO ATLAS COPCO BY THE CUSTOMER FOR THE SPECIFIC EQUIPMENT OR SERVICE GIVING RISE TO THE CLAIM (REGARDLESS OF WHETHER SUCH DAMAGES ARE CHARACTERIZED AS ARISING OUT OF BREACH OF WARRANTY, TORT, CONTRACT, OR OTHERWISE). ALL CAUSES OF ACTION AGAINST ATLAS COPCO ARISING FROM OR RELATED TO THE CONTRACT OR THE PERFORMANCE HEREOF SHALL EXPIRE UNLESS BROUGHT WITHIN ONE (1) YEAR OF TIME OF ACCRUAL THEREOF.
12. **Relationship of the Parties.** The parties are independent contractors under this Agreement and no other relationship is intended.

13. **Governing Law.** The validity, performance, and all other matters arising out of or relating to the interpretation and effect of this Agreement shall be governed by and construed in accordance with the internal laws of the U.S. State in which Atlas Copco's applicable sale/service facility is located (hereinafter the "Applicable State") without giving effect to any choice or conflict of law provision or rule (whether of the Applicable State or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Applicable State. Any legal suit, action or proceeding and all other matters arising out of or relating to the interpretation and effect of this Agreement shall be instituted in a court (federal court or state court) sitting in the Applicable State, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such action, suit, or proceeding. Notwithstanding the foregoing, Atlas Copco shall have the right at any time (at its option and where legally available) to immediately commence a legal suit, action, or proceeding in any court of competent jurisdiction (in any State or country) in order to seek an injunction or similar order to enforce or protect intellectual property rights or trade secrets, and/or to enforce the provisions of Section 3 above (entitled "Payment Terms"). Atlas Copco and CUSTOMER expressly agree that the United Nations Convention on International Sale of Goods shall not apply.
  
14. **Export Control, and Foreign Corrupt Practices Act.** It is acknowledged that all Equipment, products, services, technical data, technology, software, and any other items or information provided by Atlas Copco to CUSTOMER shall at all times be subject to any and all applicable export control laws and regulations, including but not limited to applicable U.S. Export Administration Regulations, United Nations resolutions and European Union directives relating to trade embargoes and restrictions. CUSTOMER expressly agrees that no Equipment, product, services, technical data, technology, software or other items or information or assistance or other item received from Atlas Copco shall be exported (or re-exported) by CUSTOMER or its authorized transferees (if any), directly or indirectly, in violation of any law or regulation. CUSTOMER further agrees that CUSTOMER shall not violate or cause Atlas Copco to violate the U.S. Foreign Corrupt Practices Act of 1977 (as amended), in connection with any sale or distribution of the products/Equipment.

---

**Atlas Copco Tools & Assembly Systems LLC**  
**Return Policy**

Stock Code 1 and 5 products are returnable with a 15% restock fee, prior approval, and a Returned Goods Authorization (RGA). Contact your Customer Relations Specialist for an RGA and return instructions. Stock code 2 and 3 products are built to order, and cannot be cancelled or returned, except in the case of defective material. All returned product must be current model, in new and unused condition, and must be returned in the original package with all included documentation. All Non-Atlas Copco manufactured products may be non-returnable or subject to a restocking fee. Please contact your Customer Relations Specialist with return request.