

Confidential Disclosure Agreement

As a provider of services or products (Vendor) to AC Corporation, you may be exposed to information which AC Corporation regards as proprietary and confidential. Such information will be disclosed to you in order to advance this vendor-vendee relationship. You, therefore, agree to maintain all information in strict confidence and to use such information only for the purpose of this Agreement and for no other purpose. You further agree to limit dissemination of such information to employees of your company on a need-to-know basis and to inform such employees of the nature and existence of this Agreement and its applicability to them.

The aforesaid obligations of non-disclosure and non-use shall not apply to information which you can demonstrate: (a) at the time of disclosure is generally known to the public, or after disclosure becomes generally known to the public other than by a breach of this Agreement by you; (b) is already in your possession at the time of disclosure by AC Corporation and not acquired directly or indirectly from AC Corporation; or (c) is later received on a non-confidential basis from a third party having rights to impart such information.

Either party may at any time, upon written notice to the other, terminate this Agreement. However, termination shall not relieve you of the obligations of non-disclosure and non-use. All written, printed or tangible documents or materials submitted to you or prepared by you for the benefit of AC Corporation, and all copies thereof, shall remain the property of AC Corporation and shall be returned to AC Corporation upon request or upon termination of this Agreement.

Nothing in this Agreement shall be understood as requiring AC Corporation to purchase, or you to supply, any goods, materials, apparatus, machinery, services, etc.

This Agreement shall be governed by the laws of the State of North Carolina.

Please indicate your assent to this Agreement by signing both copies and returning them to us. A completed copy will then be returned to you for your records.

ACCEPTED AND AGREED TO:

Company

AC CORPORATION

By _____

By _____

Title _____

Title _____

Date _____

Date _____



Standard Warranties

PRODUCTS ACC Corporation (ACC) expressly warrants products manufactured by ACC to be free from defects in material and workmanship under normal use and service for a period of one (1) year from the date of initial operation or eighteen (18) months from the date of shipment, whichever occurs first. ACC will repair or replace at its option, F.O.B. point of manufacture, any such product which ACC determines to be defective during the warranty period.

SOFTWARE ACC expressly warrants that application software written by ACC will perform functionally and be free of defects for one (1) year from the date of delivery, provided that such software has not been abused, misused, or modified and incorporates all program enhancements and corrections supplied by ACC. ACC will correct or replace, at its option, any such software that ACC determines to be defective during the warranty period. ACC will not be responsible for erroneous or incomplete data files, for malfunctions in hardware, operating systems, or third party software, or for problems caused by modifications to originally installed operating systems or configurations.

INSTALLATION SERVICES ACC expressly warrants that, for a period of one (1) year from the date of substantial completion or eighteen (18) months from the work commencement date, whichever occurs first, ACC's work will be free from defects not inherent in the quality required or permitted and will conform to any plans and specifications on which ACC's job quotation is based. ACC will repair work that ACC determines to be defective during the warranty period.

SYSTEM PERFORMANCE In jobs where ACC has exclusive control over design, furnishing of materials and products, installation, and commissioning, ACC expressly warrants that its systems will perform to ACC's established standards for the variables (temperature, relative humidity, light level, etc.) and limits specified in the proposal document, at the point of control, for a period of one (1) year from date of substantial completion or eighteen (18) months from the work commencement date, whichever occurs first. ACC will make all corrections to the performance of the system that become necessary during the warranty period. This warranty will apply only if all items that affect system performance (such as heat producing equipment, vapor barriers, colors, etc.) are as represented to ACC at the time of design and the customer follows all recommendations (such as insulating, vapor proofing, etc.) made by ACC. No warranty, express or implied, shall exist for the performance of any variables or limits not specifically stated in the proposal document. This warranty does not include testing or analysis of the system unless an out-of-limit condition caused by system performance is found by ACC. ACC shall not be liable for any design, materials, products, or services not included in ACC's proposal document.

REPAIR AND MAINTENANCE SERVICE Except as provided above, ACC makes no warranty whatever, express or implied, relating to its performance of repair maintenance services or the condition or operation of any equipment or machinery repaired or maintained by it.

ASSIGNMENT OF OTHER WARRANTIES To the extent assignable, ACC assigns to the customer any and all warranties made by the manufacturer of a product or software that is furnished but not manufactured or developed by ACC. ACC makes no warranty whatever, express, or implied, relating to any product or software which is not manufactured or developed by ACC.

LIMITATION OF WARRANTY These warranties do not cover damage or defects caused by abuse, modifications not executed by ACC, improper or insufficient maintenance, improper operation, failure to follow operating manuals or procedures, or normal wear and tear under normal usage. ACC will not be responsible for damage from water, chemicals, steam, freezing, voltage variations, electrical service interruptions, abuse, unsuitable soil conditions, environmentally unsafe conditions, errors in the customer's drawings, plans, or specifications, or other causes not within the control of ACC. ACC makes no warranty whatever, express or implied, relating to asbestos, PCB, or any other hazardous or toxic substances or environmentally unsafe materials.

LIMITATION OF REMEDIES The remedies described above shall be the SOLE AND EXCLUSIVE remedies under these warranties. ACC shall not be liable for any special, indirect, incidental, or consequential damages arising out of any defects, including without limitation transportation or labor charges to locate, remove, or reinstall defective components, lost profits or sales, or injury to person or property. ACC's total liability for breach of any warranty shall not exceed the contract price.

NO OTHER WARRANTIES These warranties shall extend only to the original customer and cannot be assigned. ACC MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF HABITABILITY, IMPLIED WARRANTIES OF WORKMANSHIP, IMPLIED WARRANTIES OF LIVABILITY, AND IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, ALL OF WHICH ARE HEREBY DISCLAIMED. If any court imposes an implied warranty on ACC, it shall have the same time duration as the applicable express warranty listed above. These warranties shall be construed and enforced in accordance with North Carolina law, and North Carolina shall have sole and exclusive jurisdiction over any dispute regarding these warranties.

MODIFICATION These warranties may not be modified except by written agreement signed by an officer of ACC.

Safety Program

AC Corporation is committed to initiating and maintaining all safety programs as may be necessary to comply with requirements set forth by the Occupational Safety and Health Administration and any other local, state, or federal agency and in creating a safe work environment with the goal to be accident free. Enforcement of all safety programs will be provided by site supervision that will be held accountable for the actions of our employees. In addition, AC Corporation will provide site inspections as deemed necessary by the AC Corporate Safety Director to insure a high level of Safety awareness by our employees at all times.

It will be the responsibility of AC Corporation to provide all materials and personal protective equipment needed to perform tasks in a safe manner and to be in compliance with all regulatory requirements. To comply with these requirements the following will be required:

Personal Protective Equipment - As mandated under the Occupational Safety and Health Standards Subpart I of 29 CFR 1910.132 thru 139 for General Industry and Subpart E of 29 CFR 1926.95 thru 107 for the Construction Industry, the employer is responsible for meeting the Personal Protective Equipment requirements for their employees.

In addition, as stated under CFR 29 1926.28 (a) of the Construction Standard, requirements of the Employer are as follows:

"The employer is responsible for requiring and ensuring the wearing of appropriate personal protective equipment in all operations where there is an exposure to hazardous conditions or where this part indicates a need for using such equipment to reduce the hazards to the employees."

The General Safety Rules and Regulations for AC Corporation are:

Adequate protective equipment and clothing will be worn by AC Corporation employees at all times.

Protective clothing and equipment should be suitable for the type of work performed, kept in good repair, and kept free of possible oil and grease.

It is the Company policy that fall protection will be provided and worn on all jobs that require it. It is the responsibility of the employer to ensure compliance of the fall protection program. It is the responsibility of the job foreman, superintendents, and project managers to see that these

Safety Program (cont.)

rules are enforced. Failure to abide by or to enforce these rules will result in disciplinary action, up to and including discharge.

Mandatory Personal Protection - The following personal protective items will be required to be used by all employees of AC Corporation:

1. Only leather work boots, leather dress or safety shoes will be acceptable footwear on all projects. The use of tennis shoes, soft-toed canvas, fabric shoes, open-toed shoe-like sandals, or high heels will not be permitted.
2. Hard hats will be required to be worn at all times on all jobs that are new construction, renovation work, or as required by the customer or General Contractor. All hard hat liners will have back straps to aid in keeping the helmet on while working in an overhead position.
3. Eye protection will be required to be worn at all times while on construction projects. The use of cutting glasses (Shade 3.0) will be required for soldering and cutting with acetylene torch outfits. **SUNGLASSES ARE NOT SUITABLE FOR CUTTING.**

These rules are the minimum requirements on all projects. All AC Corporation supervision will be required to enforce these rules and every employee of AC Corporation is expected to abide by them.

Eye Protection - Safety glasses and or additional protective eye equipment will be worn at all times within the Shop and Stockroom areas during normal working hours. The exception to this will be within the individual offices within the Shop area.

Safety glasses and or additional eye protection will also be worn at all times on construction projects and where required by the plant or general contractor.

Employees and visitors, while in designated areas (shop and construction projects) WILL WEAR safety glasses or visitor glasses.

VIOLATORS NOT WEARING SAFETY GLASSES IN THE SHOP OR ON CONSTRUCTION PROJECTS, AS REQUIRED, WILL BE DISCIPLINED.

Confined Space Entry Program - When working in confined spaces, AC Corporation will adhere to OSHA guidelines as outlined in OSHA 29 CFR 1910.94 (d) (9) (vi)

Safety Program (cont.)

and (d) (11) (v), 29 CFR 1910.134 (e) (3) (i-iii), 29 CFR 1910.252 (f) (4), 29 CFR 1915.4 (p), and 29 CFR 1926.21 (b) (6) (I).

A confined space is defined as a space that has any one of the following hazardous characteristics:

- ▶ LIMITED OPENINGS FOR ENTRY AND EXIT - Confined space openings are limited primarily by size or location.
- ▶ UNFAVORABLE NATURAL VENTILATION - Because air does not naturally circulate well in confined spaces, the atmosphere inside a space is potentially dangerous or even life threatening. Deadly gases may be trapped in an area; oxygen may be depleted to a level that will not support life; or an area may be so oxygen enriched that it increases the chance of explosion.
- ▶ AREA NOT DESIGNED FOR CONTINUOUS WORKER OCCUPANCY - Because confined spaces are generally designed for material storage or process, confined space entry is often difficult or dangerous due to chemical or physical hazards within the space.

Boilers, cupolas, degreasers, furnaces, pipelines, pits, pumping stations, reaction or process vessels, septic tanks, sewage digesters, sewers, silos, storage tanks, utility vaults, vats, and other similar types of enclosures are examples of confined spaces.

Lack of natural air movement can result in:

- ▶ HAZARDOUS ATMOSPHERE
- ▶ OXYGEN DEFICIENT ATMOSPHERE
- ▶ FLAMMABLE ATMOSPHERE
- ▶ TOXIC ATMOSPHERE
- ▶ AN ATMOSPHERE WITH LESS THAN 19.5% OXYGEN SHOULD NOT BE ENTERED WITHOUT AN APPROVED SELF-CONTAINED BREATHING APPARATUS (SCBA).
- ▶ AN OXYGEN ENRICHED ATMOSPHERE (ABOVE 23.51%) CAN RESULT IN VIOLENT IGNITIONS.
- ▶ PURE OXYGEN SHOULD NEVER BE USED TO VENTILATE A CONFINED SPACE.

Safety Program (cont.)

Toxic atmospheres can result from products stored in the space, work being performed in the space, or areas adjacent to the confined space.

Testing the Atmosphere - Prior to entering any confined space, the space must be tested with a properly calibrated testing instrument (equipment available in the Safety Director's office) to determine what atmospheric hazards are present.

If testing determines that an area is oxygen deficient or there is the presence of toxic gases or vapors, the space must be ventilated. If ventilation is not possible, workers must have appropriate respiratory protection, or not be permitted to enter the confined Space.

- ▶ VENTILATION by a blower or fan may be necessary to remove harmful gases and vapors from a confined space.
- ▶ ISOLATION of a confined space is a process where the space is removed from service by:
 1. LOCK-OUT
 2. BLANKING & BLEEDING
 3. DISCONNECTING
 4. SECURING
 5. RESPIRATORS

Respirators are devices that can allow workers to safely breath without inhaling toxic gases or particles. There are two basic types of respirators, (1) air-purifying, which filters dangerous substances from the air; (2) air-supplying, which delivers a supply of safe breathing air from a tank or an noncontaminated area nearby.

ONLY A NIOSH APPROVED PRESSURE-DEMAND SCBAS OR PRESSURE-DEMAND AIR LINE RESPIRATORS WITH ESCAPE PROVISIONS ARE TO BE USED IN OXYGEN DEFICIENT ATMOSPHERES.

Standby/Rescue - A standby person must be assigned to remain on the outside of the confined space and must remain in constant contact (visual or speech) with the workers in the space. This person should have no other assigned duties and should be trained in emergency notification, proper rescue procedures, and use of appropriate equipment and techniques.

Safety Program (cont.)

General/Physical Hazards - In addition to the previously discussed dangers, evaluation of a confined space should also consider the following potential hazards:

1. Temperature extremes
2. Engulfment hazards
3. Noise
4. Slick/wet surfaces
5. Falling objects
7. Shock Hazards

Permit - The permit is an authorization and written approval that specifies the location and type of work to be done and certifies that all existing hazards have been evaluated by the qualified person, and necessary protective measures have been taken to ensure the safety of each worker.

BEFORE ANYONE ENTERS THE PERMIT REQUIRED SPACE, THE AUTHORIZED PERSON WILL GO THROUGH THE PERMIT CHECK LIST TO VERIFY THAT ALL NECESSARY SAFETY STEPS HAVE BEEN TAKEN.

Most permits will include the following information:

1. Which permit space it covers
2. The purpose of the entry
3. The date of entry, and in many cases, the time
4. How long the authorization is valid
5. The workers authorized to enter the space
6. The workers who can serve as attendants
7. The people who will be in charge of the work
8. Special permits required
9. Emergency telephone numbers
10. Lock-out/tag-out procedures required

Training - The person authorizing the entry to a confined space, the attendant, and the permit space entrant will be thoroughly trained regarding the hazards of confined space entry and in the use of all appropriate testing and rescue equipment and techniques.

AC Corporation will take the following steps to control the hazards regarding confined space entry:

Safety Program (cont.)

1. Identifying all permit spaces in the work place
2. Post warning signs and put up barriers
3. Identify all hazards of each permit space
4. Adopt ways of controlling the hazards
5. Teach employees to use safe control measures
6. Supply any needed safety equipment and personal protective equipment
7. Provide for a trained and equipped rescue team
8. Provide list of emergency contact numbers.

Policy for Hearing Conservation - AC Corporation will provide all employees with a safe and healthful work environment and will assure that the hearing of all employees is properly protected. The hearing conservation program is the joint responsibility of the company and employees.

All employees will be included in a continuing effective hearing conservation program. This program will meet all federal and state regulations to prevent noise-induced occupational hearing loss and provide medical referral to employees suffering from all types of hearing loss.

In order to be in full compliance with the OSHA Noise Standard, the following requirements will be implemented:

Company Requirements

1. A copy of the OSHA Noise Standard will be posted in a central location.
2. A sound survey will be conducted every year and results will be posted in a central location.
3. A written Hearing Conservation Policy will be available and a copy will be distributed to all employees.
4. Mandatory hearing tests will be administered annually by a certified Industrial Audiometric Technician to employees exposed to noise levels of 85 dBA or greater.
5. Hearing protection education will be administered annually to employees exposed to noise levels of 85 dBA or greater.
6. A minimum of two styles of hearing protection will be available to employees.

The superintendents and field foremen will be responsible for the enforcement of this policy.

Trenching and Excavation Program - OSHA has made trenching safety a

Safety Program (cont.)

major point of national emphasis, and we should expect to see OSHA on job sites where trenching is taking place. Our work that requires excavation at a depth of 4 feet or greater will be governed by regulations under Subpart P of 29 CFR Part 126.

The following point needs to be stressed to and understood by all employees:

AC Corporation is required to have a "competent person" on every job site where trenching occurs. Competent person means "one who is capable of identifying existing and predictable hazards in their surrounding or working conditions which are unsanitary, hazardous to employees and who has authorization to take prompt corrective measures to eliminate them." This employee has been trained in making site evaluations, classifying soil in order to determine slope or shoring needs, in identifying hazards, and has the authority to stop work in an unsafe trench and take corrective action.

In the event that a backhoe operator or foreman determines a trench to be unsafe, he cannot be overruled by a superintendent or project manager until the conditions have been reviewed. If a disagreement cannot be resolved by the parties at the job site, they should call the Safety Director for guidance.

Excavation Standards

- ▶ A stairway, ladder, ramp or other safe means of egress shall be located in trench excavations that are 4 feet or more in depth.
- ▶ Ladders must be within 25 feet of employees when working.
- ▶ Employees exposed to vehicular traffic shall be provided with and shall wear warning vests or other suitable highly visible garments.
- ▶ No employees shall be under heavy loads handled by earth moving equipment (should be out of that area of excavation!).
- ▶ When mobile equipment is operating around excavations, filling with stone, etc., and the operator does not have a clear and direct view of the edge of the excavation, a warning system such as barricades or hand signals must be used.
- ▶ When excavating in hazardous areas where oxygen deficient atmospheres could exist (landfills, near flammable liquid storage), the atmosphere will be tested if greater than 4 feet in depth.
- ▶ 19.5% oxygen is the lowest permissible level.

Safety Program (cont.)

- ▶ Testing will be conducted as often as necessary to ensure that atmospheres remain safe.
- ▶ Emergency rescue equipment (SCBA, safety harness, basket stretcher) shall be available and attended when work is being done in a potentially hazardous environment.
- ▶ Employees entering bell-bottom pier holes or other similar deep and confining excavations shall wear a harness with a lifeline securely attached to it used only to extricate the wearer and is to be attended at all times.
- ▶ Excavations need to be protected from water run-off.
- ▶ Employees shall not work in excavations exposed to water accumulation or heavy run-off unless adequately protected. Excavations will be monitored and inspected by a competent person before allowing entry into the excavation.
- ▶ Undermining of any sidewalls, pavements, etc., needs to be supported if undermined.
- ▶ Daily inspections of excavations shall be made by a competent person and additional inspections will be conducted during inclement weather.
- ▶ All bridges or walkways over excavations will be provided with handrails.
- ▶ All remotely located excavations shall have adequate barriers or protection from falls.
- ▶ Spoil piles should be located at least 2 feet from the edge of the excavation, or have a retaining device that is sufficient to prevent materials or equipment from falling or rolling into the excavation.
- ▶ All members of a shield or support system must be tied together (nailed, etc.).
- ▶ All employees are not permitted to work on slopes at levels above other employees unless those employees are adequately protected.
- ▶ All soil types, precautions and steps necessary will be based on type "C" soil.

Cave-in Protection - Necessary when greater than 5 feet in depth unless indication of a cave-in exists.

Safety Program (cont.)

Any time a trench exceeds 20 feet in depth, the trench and its protective features must be designed by a registered professional engineer.

Excavation options:

1. Slope at an angle of 1-1/2 horizontal to 1 vertical (38 degrees).
2. Design using other tabulated data.
3. Designed by a registered professional engineer.

Lock-Out Program and Procedures - Plant Lock-Out Program

- ▶ Machinery or equipment which is being repaired or cleaned, and which might cause injury to an employee if switches, valves, starting devices, etc., were accidentally turned on, WILL BE LOCKED-OUT.
- ▶ Maintenance employees and other selected employees whose job activities might include cleaning, servicing, or repairing machinery will have access to labeled pad locks for locking-out equipment.
- ▶ Plant supervisors will instruct employees on use of padlocks and lock-out procedures.
- ▶ Failure to lock-out machinery or equipment when so required or specified is cause for disciplinary action.
- ▶ Notify all concerned that work is to be performed on a specific piece of equipment and obtain permission to Lock-Out equipment.
- ▶ Stop machine and/or cut off necessary services.
- ▶ Obtain lock-out lock and guard if necessary.
- ▶ Place lock and/or guard device on appropriate control switch, control valve, circuit breaker and/or hand switch.
- ▶ Inspect machinery to ensure all moving parts have come to a complete stop. Take all precautions to render safe all necessary services according to any special procedures.
- ▶ Test the lock-out prior to starting to work on equipment.
- ▶ When work is complete, notify all concerned that machinery or service is being reenergized and remove lock.
- ▶ Be sure area is clear before starting machinery.
- ▶ After equipment is restarted and checked out, release equipment back to service.

Safety Program (cont.)

February 8, 1993

TO: Colleagues

SUBJECT: ***VENTING OF REFRIGERANT TO THE ATMOSPHERE***

Ladies and Gentlemen:

Effective July 1992, Section 608 of the Clean Air Act makes it unlawful for any person in the course of maintaining, servicing, repairing, or disposing of any type of equipment, to knowingly vent or otherwise knowingly release or dispose of any refrigerant in a manner which permits such substance to enter the environment. The penalty for intentionally releasing refrigerant to the atmosphere is \$25,000 per day.

It is mandatory that refrigerant be pumped into containment vessels and be reused on the same job or be "reclaimed" (cleaned up) by a licensed agency. AC Corporation's Service Department has invested in the necessary equipment and technicians have been trained to handle the refrigerant in accordance with EPA guidelines. Please consult the Service Department if you have any questions regarding refrigerant recovery.

The EPA recently clarified the proposed penalties for knowingly venting refrigerant. The \$25,000 per day penalty can be assessed against the company and the individual technician or mechanic. If the company can document that you have been properly notified of these guidelines and that the company has provided the necessary equipment, then you could be solely liable for the \$25,000 per day fine.

Failure to follow proper procedures for the anti-venting guidelines will constitute a serious violation of company policy and will result in disciplinary action which could include termination.

By notice of this memo, please be advised that AC Corporation is committed to the proper handling of all refrigerants. Your cooperation and adherence to this policy is expected.

Please read and initial the attached "Safety Orientation Signature Sheet".

Many thanks.

David B. Nickell

DBN/es

Safety Program (cont.)

ANTI-VENTING ACKNOWLEDGMENT FORM

I acknowledge that I have been informed of Section 608 of the Clean Air Act that makes it unlawful to knowingly release or dispose of any refrigerant in a manner which permits such substance to enter the atmosphere.

I understand that AC Corporation has purchased the necessary pump-out equipment for high pressure and low pressure machines and that Service Technicians have been trained to handle refrigerant in accordance with EPA guidelines.

Failure to follow proper procedures will constitute a serious violation of company policy and will subject me to disciplinary action up to and including termination.

Signature

Date

Print

Employee Number