Environmental Protection Agency ("EPA") emission regulations authorize Carrier Transicold to make non-Tier 4 final engines/equipment for export only, subject to the requirements set forth in 40 C.F.R. section 1068.230. (As a general matter, that section applies to products that EPA regulates under 40 C.F.R. Part 1039).

Carrier Transicold is manufacturing a number of Transport Refrigeration Unit Generator Set Units ("TRU Gensets") which will be equipped with prior-tier, or Tier 4 interim ("Tier4i") engines marked for export. Because they will be marked for export only, the TRU Gensets built with Tier4i export engines cannot be used in the U.S.

To comply with 40 C.F.R. 1068.230(a), the TRU Gensets equipped with Tier4i export engines must be exported from the U.S. and cannot be used in a country that has standards identical to the U.S. EPA Tier4 emission regulations. In addition, TRU Gensets equipped with Tier4i export engines cannot be imported back into the U.S.

Exported engines must be labeled in accordance with 40 C.F.R. 1068.230(c) and (d). TRU Gensets built with these Tier4i export engines will be marked for use only outside the U.S. with the following label: "THIS EQUIPMENT IS SOLELY FOR EXPORT AND IS THEREFORE EXEMPT UNDER 40 CFR 1068.230 FROM U.S. EMISSION STANDARDS AND RELATED REQUIREMENTS."

Note that the U.S. EPA (and Carrier Transicold under this Agreement) reserves the right to modify applicable labeling requirements and to set additional "reasonable conditions" to ensure that exempt engines/equipment will not be placed into service in the U.S.

Buyer expressly represents to Carrier Transicold that i) TRU Gensets built with Tier4i export engines are being exported out of the U.S. and that such exports are to a country that does not have identical emission standards to the U.S. and ii) that the TRU Gensets equipped with Tier4i export engines will not be re-imported back into the U.S.

If the Buyer takes delivery of the TRU Gensets equipped with Tier4i export engines, at a U.S. port, then the Buyer will provide bill of lading documentation, or any other documentation requested by Carrier Transicold, which sufficiently demonstrates that the TRU Gensets built with Tier4i export engines are being exported and that such exports are to a country that does not have diesel emission standards identical to the U.S. EPA Tier 4 emissions regulations.