

TERMS AND CONDITIONS OF SALE

1. APPLICABILITY. These Terms and Conditions of Sale (these “Terms”) are the only terms which govern the sale of goods and/or products (“Products”) by Anchor Fluid Power, LLC (“Anchor”) to the buyer named in the quotation or invoice accompanying these Terms (“Buyer”). Any order received by Anchor shall not be binding on Anchor unless accepted by Anchor in writing by an authorized representative. Fulfillment of Buyer’s order does not constitute acceptance of any of Buyer’s terms and conditions and does not serve to modify or amend these Terms.

2. ENTIRE AGREEMENT; AMENDMENT. These Terms set forth the entire agreement between Anchor and Buyer regarding the subject matter hereof and supersede all prior or contemporaneous understandings, agreements, negotiations, representations, warranties and communications, whether written or oral, regarding the same. These Terms prevail over any of Buyer’s general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms to Anchor. These Terms may only be amended or modified in a writing which specifically states that it amends these Terms and is signed by an authorized representative of each of Anchor and Buyer.

3. SHIPMENT; PASSAGE OF TITLE. Shipments shall be made F.O.B. Origin and title to, and risk of loss with respect to, the Products shall pass to Buyer upon delivery to the carrier at the point of shipment, unless otherwise agreed by Anchor in writing. Anchor reserves the right to select the mode of transportation unless otherwise agreed by Anchor in writing. Neither Buyer nor Buyer’s consignee (as applicable) shall have the right to divert or reassign such shipment to any destination other than that specified in the bill of lading without the prior written permission of Anchor.

4. PAYMENTS. Buyer represents that Buyer is solvent and can and will pay for the Products in accordance with these Terms. Buyer shall execute and deliver in a timely manner any documents or information reasonably requested by Anchor for the purpose of verifying that funds are available and committed for payment of Anchor’s invoices from a source reasonably satisfactory to Anchor. In the event that Anchor is unable to verify the existence of such funds, Anchor reserves the right to require payment in cash, or security for payment from a source reasonably satisfactory to Anchor, prior to starting manufacture of the Products or making any delivery thereof, at Anchor’s option. Any sales, use, excise, occupation or similar tax shall be solely payable by Buyer unless otherwise agreed by Anchor in writing. Anchor’s invoices are due for payment no later than 30 days after the date of the invoice unless otherwise expressly stated in such invoice, and the time of payment for the Products provided hereunder is understood to be of the essence. A late payment charge shall be assessed monthly against all past due accounts. Invoices not paid when due shall accrue late payment charges from the due date thereof to the date of payment at a rate of 1.5% each 30 days the same remains past due.

5. LIMITED WARRANTY. Anchor warrants only that the Products conform to the dimensions set forth in its catalog at the time of sale. Catalog dimensions are subject to change. Anchor does not warrant products manufactured by manufacturers other than Anchor against defects in material or workmanship, though such products may be subject to warranties provided by those manufacturers. This warranty excludes damage and deterioration resulting from normal wear and tear and/or any misuse of the Product. This warranty is made in lieu of all other warranties, expressed or implied. All other warranties, expressed or implied, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ARISING FROM A COURSE OF DEALING OR TRADE, are excluded and will not apply to the Products sold. If Buyer disassembles or modifies Products in any way, warranty is void. Buyer must obtain written authorization from Anchor prior to returning Products. Nonconforming Products for which a return has been authorized by Anchor in accordance with Paragraph 12 (Returns) hereof must be returned to Anchor within 30 days of delivery to Buyer. Internal material defects may not be commercially detectable. Under no circumstances will Anchor be liable for any damages or claims with respect to soundness of material. No employee, agent, or representative of Anchor has the authority to orally vary the terms of the warranty described herein. This warranty does not apply to purchasers other than Anchor’s direct customers.

6. LIMITATION OF DAMAGES. Buyer’s sole and exclusive remedy against Anchor for nonconforming Products will be the furnishing of replacement Products (F.O.B. Anchor) or a credit for such Products, as determined by Anchor in its sole discretion; provided that the return of nonconforming Products shall be subject to the provisions of Paragraph 12 (Returns) hereof. Anchor shall not be liable to Buyer, its employees, agents, customers or to any third party for any claim, loss or damage, general or specific, incidental or consequential, including but not limited to death, personal injury, property damage, lost sales or lost profit, which in any way arises out of or in connection with the sale of any Product, or the use or nonuse of such Products, regardless of whether such loss or damage was foreseeable and whether or not Anchor has been advised of the possibility of such loss or damage.

7. CLAIMS BY BUYER. Anchor shall incur no liability for losses, damages, shortages or other causes alleged to have occurred or to have existed at or prior to delivery to the carrier unless Buyer has entered full details thereof on

its receipt to the carrier, or it is proven to be concealed damage or shortage that existed prior to Anchor's delivery to the carrier. Claims by Buyer must be made within 10 days of receipt of shipment except as herein provided under Paragraph 5 (Limited Warranty), which Buyer and Anchor agree is a reasonable amount of time, or Buyer's claim shall be barred. In addition, Anchor must be given an opportunity to investigate the claim, including an inspection of the Products, or Buyer's claims shall be barred.

8. FORCE MAJEURE. Notwithstanding any other provision herein, Anchor shall not, in any event, be liable for any loss, damage or consequence which is due to any cause beyond Anchor's reasonable control, including, but not limited to, acts of God, fire, flood or other casualty, government regulation or requirements, pandemic, shortage or failure of raw material or transportation, breakdown of equipment and labor strike or dispute with workers whether or not Anchor is capable of settling any such labor problem. Any action by Buyer or Anchor for a breach of these Terms must be commenced within one (1) year after the cause of action accrues, or else the same is forever barred.

9. SECURITY INTEREST. Anchor shall have a purchase money security interest in all the Products provided hereunder, together with all proceeds and replacements, until all amounts owing by Buyer to Anchor with respect thereto have been paid in full. Anchor may file or record this or any other applicable document necessary to protect the interest of Anchor in the Products. Buyer shall promptly execute and deliver any documents reasonably requested by Anchor in connection with such purpose.

10. TOLERANCES. The soundness of materials used in the Products is not detectable commercially and cannot be assured by steel manufacturers. It is possible that a flange or other Product may fail from, among other things, a pinhole, porosity and/or cracks in the steel. Anchor makes no affirmation of fact and has made no promise relating to the materials used in the Products being sold which has become part of the basis of the bargain made or has created or amounted to a representation that the Products and/or the materials used therein conform to any such affirmation or promise, other than dimensional accuracy. If material or dimension certification is required, it must be specified in writing by Buyer at the time an order is placed, and shall only be binding on Anchor if such material or dimension specification is expressly agreed to by Anchor in writing.

11. PATENTS. Anchor shall indemnify Buyer against any damages or costs awarded against Buyer in the event any legal proceeding is brought against Buyer by a third person successfully alleges that any Products infringe upon any U.S. patent; provided that Buyer gives Anchor prompt written notice of the filing of any such suit, gives Anchor the opportunity to defend any such suit and cooperates with Anchor with respect to any such defense, unless the Products, design or specifications have been specifically required by Buyer, in which case Buyer shall similarly indemnify Anchor.

12. RETURNS. No Products may be returned to Anchor without Anchor's prior written consent. Authorized returns will be subject to a minimum restocking charge equal to 25% of Anchor's invoice price. No cash refunds will be offered by Anchor. A credit for properly returned Products will be issued to your account for future purchases from Anchor only.

13. WAIVER. Failure or inability of either Buyer or Anchor to enforce any right hereunder will not waive any right in respect to any other or future rights or occurrences. No waiver by Anchor of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by Anchor.

14. SEVERABILITY. In case any provision of these Terms is declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

15. ASSIGNMENT. Neither these Terms nor Buyer's right to receive properly purchased Products may be assigned by Buyer without the prior written consent of Anchor. Any attempted assignment not made in conformity with this Paragraph 15 (Assignment) will be null and void.

16. APPLICABLE LAW; JURISDICTION. All matters arising out of or relating to these Terms or Buyer's purchase of Products from Anchor shall be governed by and construed in accordance with the internal laws of the State of Ohio without giving effect to any choice or conflict of law provision or rule (whether of the State of Ohio or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the State of Ohio. Any legal suit, action or proceeding arising out of or relating to these Terms or Buyer's purchase of Products from Anchor shall be instituted in the federal courts of the United States of America or the courts of the State of Ohio, in each case located in the City of Cincinnati and County of Hamilton, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding.