



Standard Terms and Conditions of Sale

Hydraulics Operations

These terms and conditions of sale are between the Buyer and the Eaton Corporation affiliate selling the products or services to Buyer (hereinafter referred to as "Seller")

Quotations

Unless otherwise indicated on the quote, written quotations by Seller shall expire automatically ninety (90) days after the date appearing on the quotation unless Seller receives and accepts Buyer's order within that period. Prior to the expiration date any quotation is subject to change by Seller at any time upon verbal or written notice to buyer.

Acceptance of Purchase Orders

Notwithstanding any contrary language in Buyer's purchase order, each purchase order shall be subject to acceptance by an authorized employee of Seller and each transaction shall be governed exclusively by these Terms and Conditions of Sale. Such acceptance is expressly limited to these Terms and Conditions of Sale, and any additional or different terms proposed by Seller are automatically rejected unless expressly assented to in writing by Buyer. No contract shall exist except as hereinabove provided.

Price Changes

Prices are subject to change to the prices in effect at the time of delivery. Seller reserves the right to make any corrections to prices quoted due to clerical errors or errors of omission. In the event of any design, specification, or ordered quantity changes representing a price increase, Buyer will be notified and afforded an opportunity to confirm.

Delivery

Lead times are for reference only and are subject to change. Design and/or specification changes are subject to review for possible adjustments to delivery. Order quantities subject to scheduled delivery dates must be mutually agreed upon.

Taxes

Any and all sales, use, or other permissible taxes assessed upon any sale or products sold shall be added to the purchase price of the products.

Payment Terms

Payment terms are net thirty (30) days from date of invoice if Seller has approved Buyer's credit.

Packaging

The cost of standard bulk packaging for shipment in the United States and Canada is included in Seller's price. Additional charges may be imposed for special domestic packaging, overseas packaging, or special marking performed at Buyer's request and agreed to by Seller.

Shipment Terms

Unless Seller agrees otherwise all shipments shall be freight collect F.O.B. origin (shipping point). Seller shall also be entitled to impose additional charges for the completion, at buyer's request, of forms with respect to shipping. Unless otherwise agreed, shipment may be made by lots of reasonable commercial size as Seller deems appropriate.

Title and Risk of Loss

Risk of loss or damage in transit shall be borne entirely by Buyer at all times after the products are delivered to the carrier for shipment. However, the right to stop delivery in transit shall remain with Seller until payment in full has been received by Seller.

Delays or Default in Delivery

Seller shall have no liability to Buyer for Seller's delay or default in delivery due to strikes, secondary boycotts, riots, wars, accidents, fires, floods, explosions, vandalism, government embargoes, priorities or regulations, transportation delays, shortages of labor, fuel, materials, supplies, power, transportation facilities or tooling capacity or other similar or dissimilar causes beyond Seller's reasonable control. Under no circumstances shall seller have any liability for penalties or other consequential damages of any kind resulting in whole or in part from Seller's delay in delivering, or failure to deliver, any products to buyer as agreed.

Intellectual Property Infringement

With respect to all products manufactured to Buyer's specifications, Buyer shall indemnify and hold Seller harmless from and against any and all loss, cost, expense, claims, demands, suits and judgments arising from actual or alleged infringement of any third party intellectual property right. With respect to all other

products sold by Seller, Seller shall defend any suit or proceeding brought against buyer on a claim that such a product, or any part thereof, directly infringes any third party intellectual property right, provided that Seller is notified promptly in writing and given all necessary information, assistance and authority to defend same. Seller shall pay all damages and costs awarded against Buyer as a result thereof. If as the result of such direct infringement, the court enjoins the use of any product, or part thereof, in the manner intended by Seller, Seller shall at its sole expense and option: (a) procure for Buyer the right to continue using said product or part, (b) replace such product or part with a non-infringing product or part (c) modify said product or part so that it becomes non-infringing or (d) remove said product or part and refund its purchase price and transportation costs. Seller shall have no further liability for actual or alleged patent infringement except as provided herein.

Design and Technical Information

Seller claims proprietary rights in the items and information associated with this order. Drawings and technical information are issued in confidence for engineering information and mutual assistance only and may not be publicly disseminated, reproduced or used by buyer without Seller's prior written consent and shall be returned when its purpose has been served.

Warranty

Seller's warranty is set forth in Seller's Warranty Policy Number M-HYOV-TB001-E, which can be accessed on the Eaton Hydraulics Product Literature website <http://hydraulics.eaton.com/warranty>. SELLER WILL HAVE NO OTHER OBLIGATION WHATSOEVER WITH REGARD TO THE GOODS EXCEPT AS STATED IN THE WARRANTY. THE WARRANTY IS EXCLUSIVE AND SELLER HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE RESPONSIBLE FOR INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR LIQUATED DAMAGES.

Cancellation

Changes and/or cancellations to existing schedules or orders are subject to Seller's acceptance and any applicable cancellation charges (and possible increase in per piece price due to reschedules). Cancellation charges will be determined by the type of product and the stage of completion. Cancellation charges for special products will be based on the selling price less amounts saved at the time of cancellation. Seller will accept temporary holds on orders for rescheduling purposes for a period not to exceed thirty (30) days. If at that time a reschedule is not received, Seller reserves the right to recommence shipments in accordance with the original schedule or cancel the order.

Returns

No products shall be returned to Seller, whether for inspection, repair, replacement, or any other reason, without prior approval from Seller. Products and parts must be returned in new or like new condition with complete identification in accordance with our instruction or the shipment may not be accepted. All returns must be sent to Seller freight prepaid F.O.B. destination unless otherwise instructed. Where authorization has been obtained to return products and parts for reasons beyond warranty a restocking charge of twenty five percent (25%) and any additional transportation charges are applicable.

Minimum Order

Minimum order amount is \$100.00.

Remedies

Any lawsuit or legal claim for breach of this order must be brought within one (1) year after the breach occurs.

Currency

Unless otherwise indicated on the invoice, all payments are to be made in United States currency.

Governing Law

The terms and conditions of this agreement shall be construed according to the laws of the state of Ohio.

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