STANDARD TERMS AND CONDITIONS OF SALE

GOODS AND SERVICES SOLD BY APPLIED INDUSTRIAL TECHNOLOGIES, INC. OR ITS AFFILIATED COMPANIES ("SELLER") ARE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS OF BUYER IN PURCHASE ORDER OR SIMILAR COMMUNICATION ARE OBJECTED TO AND SHALL NOT BE BINDING ON SELLER UNLESS AGREED TO IN WRITING BY A SELLER CORPORATE OFFICER. BUYER’S ACCEPTANCE OF SHIPMENT OR PERFORMANCE AND/OR PAYMENT FOR THE GOODS OR SERVICES CONSTITUTES ACCEPTANCE OF SELLER’S TERMS AND CONDITIONS.

PRICE: Prices in effect at time of shipment of goods or performance of services shall prevail. All prices quoted by SELLER are subject to correction or change without notice. Prices do not include freight, shipping, handling fees and/or duties, if any, or future or present taxes, use, excise, value-added or similar taxes. Where applicable, such taxes shall be billed as a separate item. For any taxes on goods or services sold hereunder, whether or not specifically requested by Buyer or otherwise, SELLER, at its option, shall add such taxes to invoice and charge such taxes to Buyer. SELLER reserves the right to adjust the prices of goods or services sold hereunder to the extent that additional taxes or fees are imposed or existing taxes are increased after the date of this agreement, and any such increase shall be added to the invoice. SELLER further reserves the right, at its option, to adjust the prices of goods or services sold hereunder if, after the date of this agreement, SELLER becomes liable for any sales tax, profits tax, excise tax, import tax, export tax, purchase tax, service tax, or similar tax levied by any governmental authority or any political subdivision thereof, on the sale or purchase of any goods or services sold hereunder.

DELIVERY: Unless otherwise noted, all domestic sales of goods are made f.o.b. point of shipment (Uniform Commercial Code) and all international sales of goods are made EXW point of shipment Incoterms® 2010. In all cases, title shall pass upon delivery and thereafter all risk of loss or damage shall be upon Buyer. Delivery dates given in advance of actual shipment of goods or performance of services are estimates and shall not be deemed to represent fixed or guaranteed delivery dates. Buyer shall notify SELLER of any non-conforming goods within a commercially reasonable time after Buyer becomes aware of such non-conforming goods.

WARRANTIES: Goods are sold only with such warranties as may be extended by the manufacturer of the goods. Services performed by third parties are subject only to those warranties extended by such third parties. For additional warranty information, please review SELLER’s Warranty Policy available at www.powersystems-mn.com or upon request to SELLER.

RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE OR INDEMNITY) OR OTHER GROUNDS, SHALL NOT EXCEED THE PRICE ALLOCABLE TO SUCH GOODS OR SERVICES OR PART THEREOF

This limitation of liability reflects a deliberate and

offer to settle. A late payment charge of 1 1/2% per month (an annual percentage rate of 18%) shall be charged on all past due accounts and Buyer shall pay SELLER all costs incurred by it in collecting any past due account from Buyer, including, but not limited to, all interest, costs and expenses. However, if the Account is not paid within 30 days from the time permitted by law, then such charges shall be calculated to be the highest allowable lawful rate. The remittance portion of the invoice shall accompany payment. Alternatively, payments and other adjustments must reference the invoice number to assure proper credit.

CREDIT BALANCE: Any credit balance issued will be applied to one (1) year of its issuance. If NOT APPLIED WITHIN ONE YEAR, THE BALANCE REMAINING SHALL BE CANCELLED, AND SELLER SHALL HAVE NO FURTHER LIABILITY EXCEPT AS REQUIRED BY APPLICABLE LAW.

WAIVER: CHOICE OF LAW AND DISPUTES RESOLUTION: The failure of either party to assert a right hereunder to insist upon compliance with any term or condition hereof shall not constitute a waiver of any other term or condition hereof. Any such waiver must be in writing. In the case of an agreement of warranty, the parties further agree that any and all disputes arising from the interpretation or enforcement of this agreement or any related documents, and any claim or criminal action, shall be resolved pursuant to the laws of the State of Ohio and the federal laws of the United States of America, except that Buyer states that it is an independent contractor, and represents, warrants, and covenants that it is in compliance with U.S. the Foreign Corrupt Practices Act and all applicable laws and regulations relating to bribery and corruption in all countries in which Buyer conducts business.

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