



# FLUID POWER & CONTROLS TERMS AND CONDITIONS

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1. The quantities and requested delivery times for each release of products will be set forth in the Customer's purchase orders or EDI transaction statements received and agreed to by Deltrol ("Specific Delivery Terms"). Except for the Specific Delivery Terms, no other terms and conditions set forth in any customer purchase order or EDI transaction statement will apply to the sale of products. Orders are firm and not subject to cancellation or revision except with the written consent of Deltrol. The Customer is responsible for all reasonable cancellation charges.
2. Unless otherwise expressly agreed in writing, all products are manufactured on a "make and ship" basis. The Customer agrees to release for shipment and accept products on this basis. Unless otherwise expressly agreed in writing, customers are responsible for all freight costs and local charges going forward under Incoterm FCA (Free Carrier) at Deltrol's plant in Vietnam. Any additional costs incurred by changes in FCA shipping terms are the responsibility of the Customer. Deltrol may require a contractual agreement between Deltrol and the Customer to ship using the Customer's requested Incoterm. Additional costs would be invoiced separately and independently from the products shipped.
3. The Customer may inspect all products delivered in a reasonable time, place and manner; provided, however, that inspection for obvious defects must occur within five (5) days of receipt. The Customer shall give written notice of rejection within two (2) days after completion of inspection. Acceptance shall be deemed to occur after such two-day period, absent notice of rejection. With respect to any goods properly rejected hereunder, Deltrol shall have a commercially reasonable time thereafter in which to remedy by tendering conforming goods. Claims for shortages shall be made upon receipt of products or within three days thereafter.
4. Deltrol reserves the right to pass through extraordinary increases in the direct costs of our products. Deltrol will give not less than 30 days prior notice of any product price change unless a change in raw materials, equipment, labor and other production costs, increase beyond normal variations in pricing and both parties agree to the increase after good faith negotiation. Product prices do not include sales, use or other taxes, tariffs or government charges arising out of or related to the manufacture or sale of the products. All such taxes, tariffs or charges, other than taxes on Deltrol's income, will be paid by the Customer. Payment terms are NET terms from the invoice issuance date, subject to credit approval. All bank charges shall be borne by customers.
5. If the Customer fails to pay for any shipments on terms or reasonable grounds for insecurity otherwise arise, Deltrol will have the right to revoke any credit the Customer has and/or suspend further shipments until receipt of adequate assurance of performance from customer. Deltrol reserves the right to assess all amounts not paid on terms with interest or late payment fees on past-due balances at the rate of 1.0% per month, unless this rate exceeds the highest rate permitted by law, in which event the rate shall be the highest rate permitted by law. The Customer will pay all invoice amounts without setoff or deduction of any kind. The Customer will pay all costs and expenses (including but not limited to reasonable legal fees) incurred by Deltrol to collect late payments or other amounts due from the Customer.
6. Deltrol's performance will be excused upon and during continuation of any event, condition or occurrence beyond Deltrol's reasonable control, including but not limited to fire, flood, storm, acts of God, war, civil insurrection, epidemic, pandemic, quarantine, acts of terrorism, labor disturbances and lack of transportation services, utilities or supplies.
7. Deltrol warrants that, for **one year** following the date of manufacture, the products manufactured by Deltrol will (a) conform to all published Deltrol specifications and (b) be free from defects in materials and workmanship. Deltrol will not be liable under any circumstances where the claimed damages result from (1) normal wear and tear items, such as seals, which are greatly affected by environmental conditions and may need to be serviced or replaced in less than a year; (2) use of the products in applications that are not approved by Deltrol or under extreme environmental conditions or without proper physical protection or enclosures (if recommended by Deltrol); (3) faulty installation or incorrect wiring of the products by anyone other than Deltrol; (4) failure to maintain the products in accordance with Deltrol recommendations; (5) repair or alteration of the products by anyone other than Deltrol or at any location outside of the Deltrol's factory; (6) any abuse or neglect of the products; or (7) any accident involving the products caused by anyone other than



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Deltrol. In addition, Deltrol will not be liable under any circumstances where the claimed damages result from the Customer or a third party failing to store, handle, use or distribute the products in accordance with Deltrol specifications or best practices in the applicable industry. **OTHER THAN THE LIMITED WARRANTY CONTAINED HEREIN, DELTROL MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE QUALITY OR PERFORMANCE OF THE PRODUCTS, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE WHICH ARE HEREBY DISCLAIMED AND EXCLUDED.**

8. The Customer will promptly notify Deltrol of any products that do not conform to the limited warranties. Notice of non-conformity must be received by Deltrol within one year of delivery. **Customer disassembly of a product without Deltrol's explicit instruction or acceptance will immediately void the product's warranty.** Deltrol will have a reasonable opportunity to inspect and test or re-test any such products before return. Products may not be returned to Deltrol without Deltrol's prior approval. Customer's exclusive remedies for non-conformity of any products to such warranties shall be for Deltrol to repair or replace any non-conforming products. Deltrol shall decide whether to repair or replace such products and repairs shall be performed at the location designated by Deltrol. Customer must return the product intact to such location at Customer's expense. If Deltrol is unable or unwilling to repair or replace any non-conforming products within a commercially reasonable time, then Deltrol will provide a refund or credit on the Customer's account of any non-conforming products in the amount of the purchase price of such products.
9. In no event will Deltrol's obligation or liability for breach of contract or otherwise exceed the purchase price of the product which is the subject of any dispute between the parties or any third-party claim or cause of action. The Customer shall be solely responsible for ensuring that all specifications, drawings, information, advice, recommendations or requests provided to Deltrol by the Customer or any of its agents are accurate and suitable. Deltrol's examination or consideration of any such specifications, drawings, information, advice, recommendations or requests shall not result in any liability on the part of Deltrol. The Customer is ultimately responsible for determining products suitability for a particular application. **DELTROL SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE TO ANYONE FOR CONSEQUENTIAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES.**
10. Unless and solely to the extent the Customer has paid all costs and expenses of any design or development work performed by Deltrol for the Customer, all right, title and interest in and to such work shall vest in and remain with Deltrol, the Customer hereby assigns (and shall cause its employees or representatives to assign) to Deltrol all of their right, title and interest in and to such work, and Deltrol shall be free to exploit such work on behalf of any Deltrol customer. Notwithstanding Deltrol's delivery of products to the Customer, the Customer agrees that (a) Deltrol is the exclusive owner of and retains all right, title and interest in and to all inventions developed or conceived of by Deltrol (or its employees or affiliates), and all associated patent rights; (b) Deltrol is the exclusive owner of and retains all right, title and interest in and to all other intellectual property rights developed or acquired by Deltrol that relate to the products; and (c) Deltrol has not provided to the Customer any express or implied license to use any Deltrol trademarks, service marks, trade dress, or trade names. Deltrol will have no obligation for any intellectual property infringement claim due to (x) any use of Deltrol products in combination with other products or materials or in a manner not expressly authorized by Deltrol or that involves any modification of Deltrol's products or (y) any Deltrol products made to the Customer's specifications or design.
11. Privacy Consent Notice: Deltrol collects and maintains certain personal data in its business-to-business relationships, as needed for the purposes described below, including the Customers' representatives' or employees' name, title, email address, phone numbers and mailing address (Personal Data). Such Personal Data may be needed in order for Deltrol to be able to communicate with the Customer and to manage the sale and supply of products to the Customer. Deltrol may share Personal Data with its affiliates in order to support the sale or supply of products and related services. Deltrol and its affiliates will collect and use Personal Data in accordance with applicable privacy and data protection laws, in order to communicate with the Customer regarding pending and potential supply activities, for the Customer's management purposes and other legitimate business purposes concerning the Customer's and Deltrol's business relationship. It is the Customer's responsibility to inform its employees and representatives of the information set out in this clause.



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It is also the Customer's responsibility to ensure the security and integrity of the Personal Data when it is in transit from the Customer to Deltrol. THE CUSTOMER CONSENTS AND WILL SECURE ALL NECESSARY CONSENT AND AUTHORITY OF ITS EMPLOYEES AND REPRESENTATIVES TO AND FOR THE TRANSFER TO AND PROCESSING OF ANY PERSONAL DATA TO DELTROL AND ITS AFFILIATES WHETHER LOCATED IN THE UNITED STATES OR ANY OTHER COUNTRIES FOR THE PURPOSES DESCRIBED IN THIS PARAGRAPH OR FOR ANY OTHER PURPOSE TO WHICH THE CUSTOMER CONSENTS. the Customer will indemnify, defend and hold harmless Deltrol and its affiliates from and against any claim arising out of or in connection with the Customer's failure to comply with this clause or any privacy and data protection laws applicable to the Customer.

12. Any notice required herein shall be given in writing and in a manner expressly provided herein. Any such notice shall be effective as follows: (i) if sent via e-mail and mail, when transmission is confirmed and a hard copy has been deposited in the mail; (ii) if sent via overnight courier, on the next business day following deposit with a recognized overnight courier service; (iii) if sent via certified mail, on the third mail day following deposit with the postal service; or (iv) if delivered by hand, when received by an agent or representative of the recipient. Any such notice must be addressed and sent to an authorized official of the recipient.
13. In the event of a conflict or inconsistency between the quote, order acknowledgment or invoice and these terms and conditions, the quote, order acknowledgment or invoice shall prevail. Deltrol may correct clerical errors in any quote, order acknowledgment or invoice and send the Customer a corrected version.
14. If customer is a U.S. resident, this agreement will be governed by and construed in accordance with the laws of the State of Illinois, without regard to its conflicts of law principles and Deltrol and the Customer agree that any disputes arising under or in connection with the agreement will be litigated, if at all, solely in the courts of the State of Illinois and/or federal courts located in the County of Cook and/or the City of Chicago, Illinois. If the Customer is not a U.S. resident, any claim or controversy arising out of or relating to these terms and conditions, including but not limited to its breach, existence, validity or enforceability, will be settled by binding arbitration by a single arbitrator under the Commercial Rules of Arbitration of the American Arbitration Association and conducted in Chicago, Illinois, U.S.A., and the laws of the State of Illinois and the United States will govern these terms and conditions, irrespective of its conflicts of law provisions. The arbitrator's ruling shall be final and may be enforced in any court of competent jurisdiction. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. The language of the agreement is English. Any claim or cause of action for breach of warranty must be made or brought, as the case may be, within one year after the claim or cause of action has accrued.
15. These terms and conditions are (i) a final written expression of all of the terms of the parties' agreement with respect to the subject matter hereof and (ii) a complete and exclusive statement of those terms. These terms may only be amended or supplemented in a writing signed by duly authorized representatives of the parties. This agreement shall be binding upon and inure to the benefit of the parties' respective successors and permitted assigns. Either party may assign the agreement to a buyer of all or substantially all of the assets of such party dedicated to the performance of the agreement.