

Standard Terms and Conditions of Sale

Hydraulics Business

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

Quotations

Unless otherwise indicated on the quote, written quotations by Seller shall expire automatically 90 days after the date appearing on the quotation unless Seller receives and accepts Buyer's purchase 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 Buyer are automatically rejected unless expressly assented to in writing by an authorized employee of Seller. Seller's acceptance of this order is expressly conditioned upon the Buyer's assent to the Seller's terms contained herein.

All purchase orders accepted by Seller are deemed to be sales for commercial Buyers and shall not, unless plainly and prominently stated on the face of the purchase order, be considered a sale to any federal, state, provincial or municipal governmental entity either domestic or foreign. 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 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.



Powering Business Worldwide

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 claim that such 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 the 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 upon the earlier of Seller's written request or when its purpose has been served.

Warranty

Seller's warranty is set forth in Seller's Warranty Policy Number M-HYOV-TB001-E2 May 2017, which can be accessed on the Eaton Hydraulics Product Literature website www.eaton.com/hydraulics/warranty. THE WARRANTY IS BUYER'S EXCLUSIVE REMEDY AND SELLER HEREBY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING THE IMPLIED WARRANTY OF MERCHANTABILITY AND THE IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

Seller's warranty shall constitute the sole remedy of Buyer and the sole liability of Seller.

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 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 written approval from Seller. Products and parts must be returned in new or like new condition with complete identification in accordance with Seller's instructions or the shipment may not be accepted. All returns must be sent to Seller freight prepaid F.O.B. destination unless otherwise instructed. Where written 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 year after the breach occurs.

Currency

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

Governing Law

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

Limitation of Liability

THE REMEDIES OF THE BUYER SET FORTH IN THESE TERMS AND CONDITIONS OF SALE ARE EXCLUSIVE AND ARE ITS SOLE REMEDIES FOR ANY FAILURE OF SELLER TO COMPLY WITH ITS OBLIGATIONS HEREUNDER. NOTWITHSTANDING ANY PROVISION IN THESE TERMS AND CONDITIONS OF SALE TO THE CONTRARY, IN NO EVENT SHALL SELLER BE LIABLE IN CONTRACT, WARRANTY, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE FOR DAMAGE TO PROPERTY OR EQUIPMENT OTHER THAN PRODUCTS SOLD HEREUNDER, LOSS OF PROFITS OR REVENUE, LOSS OF USE OF PRODUCTS OR ANY ASSOCIATED EQUIPMENT, COST OF CAPITAL, COST OF SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, DOWNTIME COSTS, DELAYS, CLAIMS OF CUSTOMERS OF THE BUYER OR OTHER THIRD PARTIES OR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES WHATSOEVER, REGARDLESS OF WHETHER SUCH POTENTIAL DAMAGES ARE FORESEEABLE OR IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE TOTAL CUMULATIVE LIABILITY OF SELLER ARISING FROM, CONNECTED WITH, RESULTING FROM OR RELATED TO THESE TERMS AND CONDITIONS OF SALE WHETHER THE CLAIMS ARE BASED IN CONTRACT, WARRANTY, IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY) OR OTHERWISE, SHALL NOT EXCEED THE PRICE OF THE PRODUCT ON WHICH SUCH LIABILITY IS BASED.

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