 TERMS AND CONDITIONS OF PURCHASE
APPLIED INDUSTRIAL TECHNOLOGIES, INC. AND ITS SUBSIDIARIES (“BUYER”) 

THIS ORDER IS SUBJECT EXCLUSIVELY TO THE TERMS AND CONDITIONS OF PURCHASE APPEARING HEREIN. ANY ADDITIONAL, DIFFERENT OR CONFLICTING TERMS AND CONDITIONS OF PURCHASE, CONFIRMATION OR ORDER FORM ARE HEREBY REJECTED.

1. Buyer’s order number (including letters) and ordering location name must appear on all invoices, packing lists, shipping cartons and correspondences. A packing list must accompany all shipments.

2. Unless otherwise specified, Buyer’s purchases are for resale and no sales or use taxes shall be charged unless expressly specified by Buyer. Seller will provide tax invoices as requested by Buyer.

3. Use Buyer designated carrier only. Do not purchase transportation insurance unless requested. Freight over-payments or over-charge will be deducted from the invoice.

4. A copy of the invoice must be sent to the ordering location within five days of shipment for all merchandise delivered to our customers or to a destination other than the ordering location.

1. Acceptance of Contract. All orders for goods, materials, work or services to be performed (“goods”) becomes a contract subject to the terms and conditions set forth herein when accepted by acknowledgment or commencement of performance by Seller and such terms and conditions constitute the entire agreement between the parties. No change in such terms and conditions shall be valid unless agreed to in writing by an authorized corporate officer of Buyer.

2. Delivery. Time is of the essence. Failure to deliver the required delivery date specified in Buyer’s order may result in substantial damages to Buyer due to commitments to its customers. In addition to its other remedies, Buyer may cancel any order in whole or in part without liability if delivery is not made within the time specified on the order.

3. Transportation and Packaging. Damage and/or loss resulting from improper packaging, transportation or handling shall be the responsibility of the carrier.

4. Title, Risk of Loss, Inspection, and Acceptance of Goods. Title to and risk of loss shall pass and acceptance of the goods shall take place when such goods have been delivered to Buyer. Buyer’s specific instructions for inspection of the goods at Buyer’s inspection and tests. In no event shall payment be deemed to constitute acceptance.

5. Prices. Buyer is liable only for the price indicated on this order. If the price is omitted from the order, Seller shall invoice at the price last quoted to Buyer or paid by Buyer for such goods described in this order. If the price is revised within 120 days of the date of quotation, the buyer shall have 30 days to object to the new price. Buyer shall pay the revised price if the party performs in accordance with the revised price.

6. Warranty.
   (a) Buyer shall have the right to all Buyer’s remedies and Seller’s warranties to the fullest extent provided under the Uniform Commercial Code, including, but not limited to, warranties of merchantability and fitness, and such remedies and warranties shall survive inspection, tests, and acceptance.
   (b) Seller represents and warrants that all goods delivered are free of liens or other claims of ownership. Seller will defend, protect and save Buyer, its successors, assigns, customers and any government entity demanding access to any Seller facility pursuant to said Legal Requirements, Buyer shall be permitted to inspect Seller’s facilities during normal business hours without advance notice to Seller. Seller shall indemnify and hold Buyer harmless from any liability, cost or expense (including, without limitation, Buyer’s court and reasonable attorney’s fees) resulting from a breach or failure to perform.
   (c) Unless Buyer specifies in writing otherwise, Seller shall deliver only new goods to Buyer. No counterfeit or suspect counterfeit goods are to be delivered. Seller shall procure the goods directly from the original component or equipment manufacturer (OEM) or through the OEM’s authorized distributors. If Seller is unable to provide the original OEM, if Seller becomes aware or suspects it has furnished counterfeit goods, Seller shall immediately notify Buyer. Seller agrees that if counterfeit goods are found to have been furnished to Buyer, those items will not be returned to Seller, and Seller may be liable for all costs relating to impoundment, removal and replacement.
   (d) Seller represents and warrants that, for a period of twenty-four (24) months from delivery to Buyer, Seller’s goods will be free of defects in materials and workmanship, and will be reasonably free from deficiency, harm, and from reputable insurance companies in the United States or as a representation by Buyer that the coverage and limits required of Seller under this Agreement are adequate to protect Buyer, its successors, assigns, customers and any liability arising out of or related in any way to this agreement, or goods or services provided by Seller for the Benefit of Creditors. If Seller fails to perform, or breaches any of the terms, Buyer reserves the right immediately upon such failure of performance or breach, and without any liability to Buyer, to cancel the order, in whole or in part, and (i) to purchase from another party, or (ii) to notify Seller of such failure and of Buyer’s intent to exercise such right, to obtain the goods from another source, with any excess costs resulting therefrom chargeable to Seller. Seller hereby grants, upon request, to furnish Buyer a certification of compliance with such Executive Orders or any other applicable Federal Executive Order and conforms to the United Nations Convention on Contracts for the International Sale of Goods, and all applicable U.S. legal and regulatory requirements.
   (f) Buyer’s order, Buyer’s website and the Buyer’s terms and conditions shall be governed by the laws of the state in which the work or any portion of the work is performed; (ii) commercial general liability insurance, including products and completed operations coverage and contractual liability with a minimum combined single limit of $2 million each occurrence; (iii) automobile liability insurance covering all vehicles with a limit of not less than $2 million per occurrence; (iv) where applicable, professional liability insurance with a limit of not less than $1 million each claim; and (v) any other insurance required by law or as reasonably requested by Buyer. Buyer shall have the right to inspect all insurance policies, and the parties have the right to audit and inspect Seller’s facilities and/or records relating to Seller’s obligations under this agreement and with respect to the products. Notwithstanding the foregoing, Seller agrees to purchase and maintain, during the term of this Agreement and for a period of three (3) years after the termination of this agreement or outside the scope of this agreement, Seller hereby grants or as a representation by Buyer that the coverage and limits required of Seller under this Agreement are adequate to protect Buyer, its successors, assigns, customers and any government entity demanding access to any Seller facility pursuant to said Legal Requirements, Buyer shall be permitted to inspect Seller’s facilities during normal business hours without advance notice to Seller. Seller will also grant access to Buyer, its customers, and any government entity demanding access to any Seller facility pursuant to said demand, so long as said demand is legal.

18. Remedies. The remedies provided Buyer herein shall be cumulative and in addition to any other remedies provided by law or equity. A waiver of a breach of any provision hereunder shall not constitute a waiver of any other breach. The invalidity in whole or in part of any provision hereof shall not affect the validity of any other provision.

19. Governing Law. The contract resulting from the acceptance of Buyer’s order shall be governed and construed according to the laws of the state in which the work or any portion of the work is performed.

20. Cancellation. Buyer reserves the right, by written notice to cancel any order without liability to Buyer in the event of (i) Seller’s insolvency, (ii) Seller’s filing of a voluntary Petition of Bankruptcy, (iii) the filing of an involuntary petition to have Seller declared Bankrupt, (iv) the appointment of a receiver or Trustee in Bankruptcy, (v) the assignment for the Benefit of Creditors, or (vi) failure to perform or breach of any of the terms and conditions of this Agreement by Seller. Buyer may also cancel the order if, in its sole and reasonable discretion, Buyer believes that it is in the best interest of Buyer or its Affiliates to do so.

21. Hazard Communication/Right-To-Know. Seller shall comply with the OSHA Hazard Communication Standard (29 C.F.R. Section 1910-1200), all state and local right-to-know laws, and all other Federal, state and local laws regulating hazardous chemicals, including without limitation, the safety data sheet and product labeling requirements.
22. **Conflict Minerals.** Seller shall have made, and agrees to continue to make, good faith inquiries reasonably designed to determine whether any conflict mineral, as defined in the Securities and Exchange Commission's final rule on conflict minerals, 17 C.F.R. Parts 240 and 249(b), that is included in any good delivered to Buyer, originated in the Democratic Republic of the Congo or an adjoining country, or is from recycled or scrap sources, all as defined in the rule. Seller agrees that all inquiries and diligence performed shall be consistent with the rule's requirements and Buyer's policies. Seller further agrees to respond promptly to each inquiry by Buyer from time to time by certifying in writing to Buyer whether Seller is complying with this paragraph.