

STANDARD TERMS AND CONDITIONS OF SALE

GOODS AND SERVICES SOLD BY APPLIED INDUSTRIAL TECHNOLOGIES, LP. OR ITS AFFILIATED COMPANIES ("SELLER") ARE EXPRESSLY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH BELOW. ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS IN BUYER'S PURCHASE ORDER OR SIMILAR COMMUNICATIONS ARE OBJECTED TO AND SHALL NOT BE BINDING ON SELLER UNLESS AGREED TO IN WRITING BY A SELLER CORPORATE OFFICER. BY ISSUING A PURCHASE ORDER, ACCEPTING OF SHIPMENT OR PERFORMANCE AND/OR PAYING FOR THE GOODS OR SERVICES, BUYER AGREES THAT IT ACCEPTS SELLER'S TERMS AND CONDITION OF SALE, INCLUDING SELLER'S WARRANTY POLICY. BUYER FURTHER AGREES THAT ALL INFORMATION PROVIDED BY SELLER, INCLUDING PRICING, IS SELLER'S CONFIDENTIAL INFORMATION AND MAY NOT BE DISCLOSED WITHOUT SELLER'S PRIOR WRITTEN CONSENT.

GOVERNING TERMS: Goods and/or services specified in the invoice ("Deliverables") sold or rendered by SELLER Industrial Technologies or any of its affiliates ("SELLER") are expressly subject to these terms and conditions set forth below ("Terms"). These Terms, together with the invoice issued by SELLER and all of SELLER's documentation referenced therein shall constitute the entire agreement between SELLER and the buyer set forth on the invoice ("Buyer"). All orders are subject to acceptance by SELLER. Any different or additional terms or conditions set forth in Buyer's purchase order or similar communication, whether or not such form has been acknowledged by SELLER, are objected to. No waiver, alteration or modification of these Terms shall be binding on SELLER unless agreed to in writing by an authorized officer of SELLER. Buyer's acceptance of shipment or performance and/or payment for the Deliverables constitutes acceptance of the Terms and shall be deemed an agreement by Buyer that it has read these Terms and that it understands and agrees to be bound by same. Product specifications listed in any documentation of SELLER are subject to change without notice and pictures shown therein may not be exact.

PRICE: Prices in effect at time of shipment or performance of the Deliverables shall prevail. All prices quoted by SELLER are subject to correction or change without notice. Prices do not include freight, shipping, and/or handling fees, or any present or future duties, tariffs, sales, use, excise, value added or similar taxes. Where applicable, such taxes shall be billed as a separate item and paid by Buyer. A standard shipping charge is applied to each invoice for Deliverables to cover the material preparation, packaging, freight and/or any additional costs associated with each shipment based on value and/or weight of the shipment. Additional charges for local delivery may also apply. Export orders may be subject to other special pricing. Unless otherwise provided in writing, terms of payment are thirty (30) days net, without setoff or deduction, from date invoice was mailed or receipt of the Deliverables by Buyer, whichever is earliest, if Buyer's credit has been approved prior to sale. A late payment charge of 2% per month (an annual percentage rate of 26.8%) shall be charged on all past due accounts. SELLER may further hold the Deliverables if there are any amounts outstanding. Buyer shall pay SELLER all costs incurred by it in collecting any past due account from Buyer including all court costs and attorney's fees, provided, however, if the foregoing charges exceed that rate which may be lawfully charged under applicable law, then such charges shall be calculated so as not to exceed the highest lawful rate. Unless otherwise noted, all sales are made EXW (Ex Works, point of shipment Incoterm © 2020, SELLER's warehouse, freight collected or prepaid and charge on the invoice) and, in all cases, title shall pass upon delivery to the carrier at point of shipment and thereafter all risk of loss or damage shall be upon Buyer.

DELIVERY; INSPECTION: Delivery dates of Deliverables given in advance of actual shipment are estimates and shall not be deemed to represent fixed or guaranteed delivery dates. SELLER may, in its sole discretion, without liability or penalty, make partial shipments of Deliverables to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order. Buyer shall inspect the Deliverables within five (5) days of receipt ("**Inspection Period**"). Buyer will be deemed to have accepted Deliverables unless it notifies SELLER in writing of any Non-Conforming Goods during the Inspection Period and furnishes such written evidence or other documentation as required by Seller. "**Non-Conforming Goods**" means only the following: (i) product shipped is different than identified in Buyer's purchase order; or (ii) product's label or packaging incorrectly identifies its contents.

CHANGE IN BUYER'S FINANCIAL CONDITION: SELLER reserves the right by written notice to cancel any order or require full or partial payment or adequate assurance of performance from Buyer without liability to SELLER in the event of: (i) Buyer's insolvency, (ii) the filing of a voluntary petition in bankruptcy by Buyer, (iii) the appointment of a receiver or trustee for Buyer, or (iv) the execution by Buyer of an assignment for the benefit of creditors. SELLER reserves the right to suspend its performance until payment or adequate assurance of performance has been received. SELLER also reserves the right to cancel Buyer's credit at any time for any reason. Buyer, in order to provide security for the payment of the full price of goods furnished hereunder, grants SELLER a security interest, or a movable hypothec if in the province of Quebec, in the goods and the proceeds thereof. Buyer agrees to execute any documents or furnish information necessary to perfect this security interest or register the hypothec. A copy of the invoice may be filed at any time as a financing and/or chattel mortgage, in order to perfect SELLER's security interest. SELLER may, in its sole discretion require, and Buyer hereby grants to SELLER, a continuing purchase money security interest, or movable hypothec in the province of Quebec, in all inventory, equipment, and goods sold by SELLER to or for the benefit of Buyer, wherever located, and all accessories and goods and all proceeds from the sale thereof; and all accounts and accounts receivable which may from time to time hereafter come into existence during the term of this Security Agreement or movable hypothec. SELLER's purchase money security interest, or movable hypothec in Quebec, is explicitly limited to outstanding obligations between SELLER and Buyer. Title to and ownership of the Deliverables shall remain with SELLER and shall not become a fixture, an integral part of an immovable by reason of being incorporated with or attached or joined to an immovable or real estate, until such Deliverables are paid in full.

WARRANTIES: Deliverables are sold or furnished only with such warranties as may be extended by the manufacturer of the products. Services performed by third parties are subject only to those warranties extended by such third parties. Software provided, distributed or otherwise made available by SELLER are subject to the applicable Software Terms of Use. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, AND SPECIFICALLY SET FORTH IN SELLER'S WARRANTY POLICY, WHICH IS INCORPORATED HEREIN BY REFERENCE AND AVAILABLE UPON REQUEST OR AT WWW.APPLIEDCANADA.CA, AND EXCEPT AS SET FORTH IN THIS SECTION, SELLER DISCLAIMS AND EXCLUDES ANY AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER ORAL OR WRITTEN, AND ANY AND ALL IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHETHER STATUTORY OR OTHERWISE, IN RESPECT TO THE DELIVERABLES. Buyer is responsible for installation and use of the Deliverables in accordance with instructions available upon request, on SELLER's website at www.appliedcanada.ca or, where applicable, on the relevant third-party or manufacturer's websites. Deliverables are sold for commercial use only and are not intended for use by consumers. SELLER personnel are not authorized to alter this policy. Any determination of the suitability of the Deliverables or the use contemplated by Buyer is Buyer's sole responsibility. Buyer shall be solely responsible for any warranty it grants to its customer.

LIMITATION OF LIABILITY: SELLER assumes no responsibility for goods selection, operation, and use, regardless of any recommendations or suggestions made by the SELLER. Buyer shall make selections based upon its own analysis with regard to function, material compatibility, fitness for use or intended purpose, and goods ratings. Any such analysis, including testing, shall be the sole responsibility of Buyer. Proper installation, operation, and maintenance are solely the responsibility of Buyer or its customer. Any specifications listed in SELLER's datasheets, catalog and website are for reference only and are subject to change without notice. SELLER's liability and Buyer's exclusive remedies for any claim for loss or damage arising out of or connected with the supplying of any Deliverables hereunder, or the sale, resale, operation or use of such Deliverables, whether based on contract, warranty, tort (including negligence) or any other theory of legal liability, are expressly limited to replacement of the defective Deliverables or, at the sole discretion of SELLER, the refund of the price allocable to such Deliverables or part thereof involved in the claim. TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW, SELLER'S LIABILITY TO BUYER OR ANY THIRD PARTY, REGARDLESS OF CAUSE OR FAULT, SHALL NOT EXCEED THE PRICE ALLOCATED TO THE DELIVERABLES OR PARTS SUBJECT TO THE SAID CLAIM. This limitation of liability reflects a deliberate and bargained for allocation of risks between SELLER and Buyer and constitutes the basis of the parties' bargain, without which SELLER would not have agreed to the price or terms of the contract. SELLER shall not, under any circumstances, be liable for any labor charges without its prior written consent. SELLER SHALL NOT IN ANY EVENT BE LIABLE, EVEN IF IT IS MADE AWARE OF THE POTENTIAL FOR SUCH DAMAGES, WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), INDEMNITY OR ANY OTHER THEORY OF LEGAL LIABILITY FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONTINGENT, LIQUIDATED, PUNITIVE, EXEMPLARY, SPECIAL, CONSEQUENTIAL OR OTHER SIMILAR DAMAGES, OR PROSPECTIVE PROFITS, including but not limited to, loss of profits or revenue, loss of use of the goods or any associated product, business interruption, cost of capital, cost or substitute products, facilities or services, downtime costs, or claims of customers of Buyer for such damage. If SELLER furnished Buyer with advice or other assistance which concern any goods supplied hereunder, or any system of equipment in which any such goods may be installed, and which is not required pursuant to this contract, the furnishing of such advice or assistance will not subject SELLER to any liability, whether based on contract, warranty, tort (including negligence OR INDEMNITY) or any other theory of legal liability.

INTELLECTUAL PROPERTY: SELLER and Buyer will retain exclusive interest in and ownership of its intellectual property developed before this agreement or outside the scope of this agreement. Buyer hereby grants to SELLER an irrevocable (during the term of this agreement), non-exclusive, royalty-free, fully paid-up license, with the right to sublicense to SELLER's affiliates and subcontractors, to use, reproduce, modify, and create derivative works of Buyer's intellectual property developed before this agreement or outside the scope of this agreement to the extent necessary for SELLER to perform its obligations under this agreement, including the performance of the Deliverables. Any intellectual property developed under or related to the sale or use of Deliverables shall be the sole and exclusive property of SELLER. Subject to full payment of all amounts due, Buyer's compliance with these Terms and the parties' prior mutual agreement on applicable license terms, SELLER hereby grants to Buyer a non-exclusive, world-wide, non-transferable, non-sublicensable, and royalty-free license to use SELLER's preexisting or developed intellectual property solely for Buyer's internal business purposes and only to the extent necessary to use the Deliverables provided by the SELLER. In the event SELLER provides services pertaining to any third-party products (including software, hardware, equipment, or any other material), all rights in such third-party products ("Third-Party Rights") are retained by the respective third

party. Buyer shall be required to obtain any Third-Party Rights from the respective third party directly, and any rights in the services related to such Third-Party Rights will be subject to Buyer's agreement with the respective third party. Buyer may not reverse engineer, modify or create derivative works based on SELLER's intellectual property. Each party acknowledges that unauthorized use of the other's intellectual property may cause irreparable harm, and the non-breaching party shall be entitled to seek injunctive or equitable relief in addition to all other available remedies. **Except for the limited license expressly granted herein, nothing in these Terms or otherwise grants Buyer any right or license to use the intellectual property of SELLER, the manufacturer or any third parties, including trademarks, logos, copyrights, patents, trade secrets, source code, specifications, software, configurations, or other intellectual property for any purposes whatsoever and Buyer acknowledges that all right, title and interest therein is and shall remain the exclusive property of SELLER, the manufacturer or any third parties, as applicable.**

SOFTWARES: If any software provided, distributed or otherwise made available by SELLER ("Software") is required in connection with the Deliverables, Buyer acknowledges that no license to such Software is granted by SELLER under these Terms. Such Software is subject to the applicable terms of use, license agreements and policies either issued by SELLER or the applicable third party (the "Software Terms of Use"). The Software Terms of Use are incorporated herein by reference and available upon request, on SELLER's website at www.appliedcanada.ca or, where applicable, on the relevant third-party websites. In the event of any inconsistency between these Terms and the applicable Software Terms of Use, the Software Terms of Use shall prevail with respect to the use of the Software.

HAZARDOUS ACTIVITIES: Unless specifically agreed to in writing by an authorized officer of SELLER, Deliverables are not intended for use in connection with any nuclear facility or any other hazardous activity which SELLER, in its sole discretion, determines to be high risk or hazardous, such as military or commercial aircraft, space exploration, missile installations or other critical applications where failure of a single component could cause substantial harm to persons or property. If so used, SELLER disclaims all liability for any nuclear damage, contamination, onsite damage to any property located at a nuclear facility or other damage or injury. Buyer shall indemnify and hold SELLER harmless from such liability whether as a result of breach of contract warranty, tort (including negligence or indemnity) or other grounds. SELLER and its suppliers shall not be liable to Buyer or its insurers based on agreement, warranty, tort (including negligence or indemnity), or other grounds for onsite damage to property located at a nuclear facility.

CANCELLATION; RETURNED GOODS: Buyer may cancel an order by mutual agreement based upon payment to SELLER of reasonable and proper cancellation charges. Deliverables may not be returned without the prior written consent of SELLER and payment by Buyer of a minimum restocking charge of 15%. Authorized returns shall be returned at Buyer's sole expense, freight prepaid. There are NO returns of special order or made-to-order items. No returns shall be accepted following 60 days after delivery. No credit will be issued for shipping charges or other special expenses. For any order or sale in Quebec, the Buyer unequivocally waives the application of articles 2129 and 2125 of the Civil Code of Québec and agrees to comply with this section.

INDEMNITY: Buyer shall indemnify and hold SELLER, its successors, assigns, customers, agents and affiliates, and their respective present and former directors, officers and employees, harmless against all damages, liabilities, costs and expenses (including, without limitation, SELLER's costs of testing and inspection, court costs and reasonable legal fees) on account of claims for injuries to persons or damage to property arising out of (i) any breach by Buyer of the Terms, (ii) Buyer's use, resale, or lease of the Deliverables, or (iii) any act or omission for which Buyer is at all responsible.

APPLICABLE LAW: These Terms shall be governed and construed by the laws of the Province of Ontario and the federal laws of Canada, without regard to its conflict of law provisions. When the sale takes place in the Province of Québec, they are governed by and construed in accordance with the laws of the Province of Québec and the federal laws of Canada. Seller agrees that the United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Terms or the order. Further, Buyer agrees to waive any right it may have to a trial by jury or to commence or participate in any class actions against SELLER related to these Terms and, where applicable, Buyer agrees to opt out of any class proceedings against SELLER. Any action brought on any matter relating to the sale or use of Deliverables hereunder shall be instituted and maintained only in a court of competent jurisdiction for the Province of Ontario, and when sale takes place in Quebec, only in a court of competent jurisdiction for the Province of Quebec, in the judicial district of Quebec. Buyer waives any objection it may have to the jurisdiction or venue of such court.

SPECIAL TOOLS: Unless specifically stated in a writing acknowledged by SELLER, and unless paid for by Buyer as shown on the invoice, all special tools, dies, jigs, patterns, machinery and/or equipment needed by SELLER for the performance of this sale, are, and shall remain, the property of SELLER.

EXPORT CONTROLS AND RELATED REGULATIONS: Buyer represents and warrants that it is not on, or associated with any organization on the United States Department of Commerce's Bureau of Industry and Security's Denied Persons List or Unverified List; or the United States Department of the Treasury's Office of Foreign Assets Control lists, Specially Designated Nationals, Specially Designated Global Terrorists, Specially Designated Narcotics Traffickers, Specially Designated Narcotic Traffickers-Kingpin, or Specially Designated Terrorists List; or the United States Department of State's Designated Foreign Terrorist Organizations, Embargoed Countries list, or Debarred Persons List; or is subject to a denial order issued by the United States Department of Commerce. Buyer shall comply with all relevant laws and regulations of governmental bodies or agencies, including but not limited to all applicable export control laws of the United States, Canada or other governing agencies and their successors. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY AND ALL COSTS, LIABILITIES, PENALTIES, SANCTIONS AND FINES RELATED TO NONCOMPLIANCE WITH APPLICABLE EXPORT LAWS AND REGULATIONS.

ANTI-BRIBERY AND ANTI-CORRUPTION: Buyer states that it is an independent contractor, and represents, warrants, and covenants that it is complying with all applicable laws and regulations relating to bribery and corruption in all countries in which Buyer conducts business, such as the Canadian Corruption of Foreign Public Officials Act and the U.S. Foreign Corrupt Practices Act.

COUNTRY OF IMPORTATION AND ANTI-DIVERSION: Buyer agrees that the products will be shipped to the specified destination in compliance with the laws of such destination and the U.S., and that the products will not be directly or indirectly sold, exported, transferred, assigned, used, or otherwise disposed of in a manner which may result in any noncompliance with applicable U.S. and Canada laws and regulations relating to the product purchased by Buyer. Any commodities, technology and software subject to U.S. Export Administration Regulations, Canada and other applicable laws or regulations will be exported or reexported accordingly. Diversion contrary to any applicable law is prohibited. If requested by SELLER, Buyer shall provide documentation satisfactory to SELLER verifying delivery at the designated country. Buyer further agrees to inform SELLER at the time of order of any free trade agreement or other applicable documentation, packaging or product marking or labeling, but SELLER shall not be responsible for providing any such documentation, packaging, marking or labeling other than such documents that are necessary under U.S. and Canada export laws and regulations for export, unless SELLER expressly agrees, in writing, to do so.

FORCE MAJEURE: SELLER shall not be liable for failure to deliver or for delay in delivery or for performance due to: (i) a cause beyond its reasonable control; (ii) an act of God, act or omission of Buyer, act of civil or military authority, governmental priority or other allocation or control, fire, strike or other labor difficulty, riot or other civil disturbance, public health emergency or outbreak, war, terrorist act, insolvency or other inability to perform by the manufacturer, delay in transportation; or, (iii) telecommunication outage, power outage, security event, or any other commercial impracticability. If such a delay occurs, delivery or performance shall be extended for a period equal to the time lost by reason of delay.

GENERAL: Buyer acknowledges that no order shall be deemed accepted unless and until it is verified and accepted by SELLER in writing. The terms and conditions in SELLER's forms are incorporated herein by reference and together with these terms constitute the entire and exclusive agreement between Buyer and SELLER. Any representation, affirmation of fact and course of dealing, promise or condition in connection therewith or usage of trade not incorporated herein, shall not be binding on either party. If any provision hereof shall be unenforceable, invalid or void for any reason, such provision shall be automatically voided and shall not be part of this agreement and the enforceability or validity of the remaining provisions of this agreement shall not be affected thereby. Buyer shall not assign or delegate any or all of its duties or rights hereunder without the prior written consent of SELLER.

NO THIRD-PARTY BENEFICIARIES. These Terms are for the sole benefit of the Buyer hereto and its respective successor and permitted assign and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

LANGUAGE: Buyer acknowledges and is satisfied that these Terms be drawn up in the English language. L'acheteur reconnaît avoir exigé que les présentes soient rédigées en anglais et s'en déclare satisfait.