



SUN HYDRAULICS LLC GENERAL TERMS AND CONDITIONS OF PURCHASE

All purchases by Sun Hydraulics LLC or its affiliates (the "Buyer") are subject to the following terms and conditions. In these General Terms and Conditions of Purchase ("General Terms"), "Seller" means the Seller identified in Buyer's purchase order, as Buyer may amend its purchase order in writing (the "Order").

1. AGREEMENT. Buyer's Order constitutes an offer by Buyer and may be revoked or changed any time prior to acceptance by Seller. BUYER SPECIFICALLY OBJECTS TO THE INCLUSION OF ANY DIFFERENT OR ADDITIONAL TERMS OR CONDITIONS BY SELLER IN ACKNOWLEDGING OR ACCEPTING THIS ORDER, and neither acceptance of delivery of all or part of the goods or services ordered, nor payment therefore, shall constitute acceptance by Buyer of any such different or additional terms and conditions that may be contained in Seller's acknowledgment, acceptance, confirmation, invoice, or other writing, regardless of whether Seller's acceptance of this Order is conditioned upon Buyer's assent to such terms and conditions. Seller agrees to sell and deliver the goods or services specified in Buyer's Order in accordance with these General Terms, together with any documents incorporated by reference into the Order (including but not limited to specifications or quality assurance requirements), shall collectively constitute the parties' Agreement, and supersede any previous oral or written representations, including those in Seller's quotations or acknowledgments.

2. PRICE. Seller shall sell to Buyer the goods or services identified in Buyer's Order at the prices specified. Except as otherwise provided in the Order, such prices are exclusive of applicable freight charges, taxes and duties. Unless otherwise provided in the Order, sales are expected to be exempt from sales tax and Buyer will provide appropriate documentation of its sales tax exemption.

3. DELIVERY SCHEDULE. Deliveries shall be made both in quantities and at times specified in Buyer's Order; provided, however, if Buyer's Order or subsequent releases request a delivery outside of Seller's stated lead time (as set forth in the Order), Buyer will agree on a delivery time as proximate to Seller's original request as commercially reasonable. Timely performance is of the essence. Buyer shall not be required to make payment for goods delivered to Buyer which are in excess of quantities specified in the Order. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price of goods covered by the Order. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Buyer may direct in subsequent releases.

4. PREMIUM SHIPMENT. If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall, at Buyer's option (i) promptly reimburse Buyer the difference in cost between the more expeditious method and the original method, (ii) allow Buyer to reduce its payment of Seller's invoices by such difference, or (iii) ship the goods as expeditiously as possible at Seller's expense and invoice Buyer for the amount which Buyer would have paid for normal shipment.



5. TRANSPORTATION/RISK OF LOSS/TITLE TO GOODS. Seller shall use carriers designated by Buyer or, if no carrier is designated, Seller shall select carriers to secure the lowest transportation cost. Seller shall route shipments in accordance with Buyer's instructions. Unless otherwise set forth in the Order, Buyer shall prepay the freight. All terms and conditions regarding transportation shall be set forth using INCOTERMS 2010. Unless otherwise set forth in the Order, deliveries shall be DAP, and goods shall be deemed to be delivered, title shall pass and risk of loss shall pass to Buyer at such time as delivery and possession of the goods is given to the Buyer at Buyer's designated delivery facility.

6. PACKING. Seller agrees (a) to properly pack, mark and ship goods in accordance with Buyer's requirements; (b) to make no charge for handling, packaging, storage, transportation or demurrage unless otherwise stated in the Order; (c) provide with each shipment packing slips with Buyer's Order number marked thereon; (d) to properly mark each package with the Order number, the factory, plant and dock number and where multiple packages comprise a single shipment, to consecutively number each package; and (e) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification and identification of the goods shipped in accordance with applicable governmental rules and regulations, including but not limited to those of Department of Transportation regulations, Buyer's instructions and carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices shall be sufficient to enable Buyer to easily identify the goods. Unless set forth in the Order, Seller has no obligation to obtain insurance for Buyer covering goods in transit to Buyer.

7. CHANGES. Buyer may make at any time changes in the specifications (including part number), time or place of delivery or performance, method of transportation, or other requirements. The parties will negotiate an appropriate adjustment if Seller's direct costs are materially affected by such changes, unless such changes are necessary due to Seller's breach; any request for an adjustment must be made within 30 days of such change.

8. INSPECTION. Buyer may inspect goods or services provided and reject any or all goods or services that are, in Buyer's judgment, defective or nonconforming to the specifications. Rejected goods or services may be returned to Seller at Seller's expense and, in addition to Buyer's other rights, Buyer may charge Seller all expenses relating to the inspection and return. Nothing contained in the specifications or the Order relieves Seller from its obligation of testing, inspection, and quality control.

9. INVOICING. Seller further agrees (a) to promptly render, after delivery of goods or performance of services, correct and complete invoices to Buyer; and (b) to accept payment by check or, at Buyer's discretion, other cash equivalent (including electronic transfer of funds). The payment date shall be on the 60th day following Buyer's receipt of a proper invoice, unless a different date is set forth in the Order. Time for payment shall not begin until correct and complete invoices are received, and any cash discount privileges to Buyer shall be extended until such time as payment is due.



10. WARRANTIES. Seller warrants to Buyer and its end users that: (a) Buyer shall receive title to the goods that is free and clear of any liens, encumbrances and any actual or claimed patent, copyright, or trademark infringement; (b) goods shall be new and conform to the specifications and quality requirements set forth in or incorporated into the Order (if none, the specifications shall be Seller's published specifications for the goods as of the date of delivery); (c) the goods have been manufactured in accordance with all applicable laws and regulations, and are merchantable, free from defects and are of good material and workmanship; and (d) all services shall be performed in a competent, workmanlike manner and in accordance with applicable industry standards. If the Order designates the receipt of any certification for the goods, Seller warrants to Buyer and its end users that the goods as delivered have received each such certification. All warranties are in addition to any warranties implied by law or otherwise made by Seller, and will survive inspection, testing, acceptance of goods or services by Buyer. Unless otherwise set forth in the Order, the warranty term shall be coterminous with the warranty extended to Buyer's end users by Buyer on the date of the Order.

11. REMEDIES. If any goods or services fail to conform to the warranties set forth in Section 10, Seller shall reimburse Buyer for all costs and damages caused by such nonconforming goods, including without limitation, costs and damages of Buyer or its end users arising from (a) inspection, sorting, repair or replacement of any nonconforming goods or services or any system or product that incorporates such nonconforming goods or services, (b) production interruptions or slowdowns, (c) field service campaigns, recalls, and other corrective service actions, including amounts paid to distributors or end users for materials and replacement parts, and labor costs and mark-ups to cover such work.

12. INSURANCE AND INDEMNIFICATION. (a) Seller warrants and represents that it has in force, unless Buyer otherwise agrees in writing: (i) statutory worker's compensation insurance, (ii) \$1,000,000 employer's liability insurance, (iii) \$5,000,000 commercial general liability insurance, including contractual liability and products liability, and (iv) if Buyer's equipment or tooling will be located on Seller's premises, employee theft and \$5,000,000 all-risk property insurance covering Buyer's property. Seller may satisfy the insurance requirements through a combination of self-insurance and catastrophic excess insurance. (b) Seller will defend, indemnify and hold harmless Buyer and its affiliates, including their respective employees, officers, directors, managers, agents or representatives, against all claims, suits, actions or proceedings and pay all liabilities, losses, damages, fees and expenses (including fees of counsel and experts), and other costs in connection with any breach or nonperformance by Seller of the Order, or for injury or death of any person or damage or loss of any property allegedly or actually resulting from or arising out of any act, omission or negligent work of Seller in performing the Order, and against any claims that the goods or services covered by the Order, when used for their intended purpose, infringe the intellectual property of any other person.

13. ASSIGNMENT. The Order may not be assigned or delegated, in whole or in part, (whether by operation of law or by change in control) without Buyer's prior written consent, and any attempted assignment or delegation in violation hereof will be void and of no legal effect.



14. COMPLIANCE WITH LAWS. In providing goods or services hereunder, Seller and its subcontractors will comply with (i) any and all applicable global, federal, state, provincial and local law, regulations, executive orders and other rules of law applicable to the goods or services to be supplied under the Order, which are in effect at any time during the Order; and (ii) any and all Buyer policies addressing such legal requirements, including but not limited to Buyer's Anti-Bribery Anti-Corruption Policy. In particular and without limitation, Seller and its subcontractors will not act in any fashion or take any action that will render Seller liable for a violation of the U.S. Foreign Corrupt Practices Act and UK Bribery Act, which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, governmental entity, political party or instrumentality to assist it or Seller in obtaining or retaining business or to gain an unfair business advantage. Seller further represents that neither it nor any of its subcontractors will utilize forced, compulsory, or child labor in connection with the supply of goods or the provision of services under this Order. While any Order is outstanding, Seller may request Seller from time to time to certify in writing its compliance (and that of its subcontractors) with the foregoing, and Seller will comply with each such request. In addition, to the extent applicable for any goods or services provided pursuant to the Order, Seller will comply with all applicable environmental requirements that apply to hazardous materials.

Seller will comply with (a) all environmental health and safety requirements imposed by applicable law regarding the handling, transportation, labeling, processing, registration, notification, prohibition, use, disposal or recyclability of the goods, containers and packing, including without limitation, the formulation and use of raw materials and other substances in the goods and (b) all disclosure requirements prescribed by applicable law on the content and origins of such raw materials and substances, including conflict mineral disclosures and chemical and/or substance of concern disclosures, including the provision of data safety sheets.

15. CANCELLATION OR TERMINATION. (a) Buyer may cancel the Order, without liability to Seller except payment due for goods or services delivered and accepted: (i) for cause in the event of any material default by Seller; and (ii) in the event of Seller's insolvency, Seller's assignment for creditors or filing of a petition in bankruptcy, or the appointment of a receiver. (b) Buyer may terminate the Order at any time for its sole convenience, without cause, upon ten days' notice. Upon receipt of any such notice, Seller shall immediately cease all work and shall cause all of its suppliers and subcontractors pertaining to the Order to cease work. Within 60 days of the effective date of such termination, Seller will submit all claims for direct expense resulting from the termination, which shall not include (i) selling, general or administrative costs, (ii) interest costs or the cost of capital, (iii) lost profit or lost opportunity costs, (iv) fixed overhead absorption, (v) capital equipment, (vi) facility costs, (vii) plant modification costs, (viii) labor assignment costs, including severance or labor inefficiencies, (ix) training costs, and (x) other costs relating to obtaining the Order. Buyer will have the right to verify such claims by auditing the relevant records, facilities, work or materials of Seller or its subcontractors. Payment of a valid claim will constitute Buyer's only liability for termination hereunder.



16. CUSTOMS; EXPORTS. Seller will advise Buyer in writing of material or components used by Seller in filling the Order that Seller purchases in a country other than the country in which the goods are delivered to Buyer, together with any duty included in the purchase price of the goods. Seller will furnish Buyer with any documentation, electronic transfer records, and information necessary for Buyer to satisfy customs-related obligations, to establish the country of origin, comply with the destination country's rules of origin requirements, any special trade programs, content reporting, and similar requirements, or to claim preferential duty treatment. Transferable credits or benefits associated with or arising from goods purchased under this Order, including trade credits, export credits or rights to the refund of duties, taxes or fees, belong to Buyer. Seller will, at its expense, provide Buyer or Buyer's nominated service provider with export documentation to enable the goods to be exported, and obtain all export licenses or authorizations necessary for the export of the goods unless otherwise indicated in the Order, in which event Seller will provide all information as may be necessary to enable Buyer to obtain such licenses or authorization(s). In the event Seller requests an increase in price due to a tax, tariff, or duty (collectively "tax") that was implemented or applied after the date of any Order, Seller shall (i) provide Buyer with a minimum of 90-days' notice for any proposed increase; (ii) provide written evidence to Buyer of exemption request; (iii) provide full support and cooperation to Buyer in any effort Buyer may take to claim drawback and make available supporting documents, including but not limited to: declarations or other proof of importation by the Seller, proof of estimated duty deposit, and import transportation documentation within six (6) months of importation by the Seller for any taxes proposed to be applied to Buyer's account; (iv) display any tax on the applicable invoice as a separate line item. Under no circumstances will Buyer be liable to Seller for any retroactive application of a tax.ve application of a tax.

17. BUYER NAME AND PROPERTY; CONFIDENTIALITY. (a) Seller will not, without the prior written consent of Buyer, in any manner publish the fact that Seller has furnished or contracted to furnish Buyer with goods or services, or use the name or trademarks of Buyer, its products, or any of its affiliated companies in Seller's advertising or other publications. Seller agrees that any trademark of Buyer affixed on a good covered by the Order shall be sold only to Buyer and shall not be disposed of as scrap without eliminating such trademark. (b) "Buyer Data" means (i) all information and data that Buyer makes available to Seller in connection with the performance of the Order, including without limitation, performance standards, product characteristics, specifications, drawings, descriptions, samples, designs, manufacturing data and other information, and any and all data (excluding Seller-generated data) that is entered into or processed by Seller directly or indirectly using any system that Seller owns or controls directly or indirectly for the purpose of performing Seller's obligations under the Order. Buyer owns and retains all of its right, title and interest in Buyer Data, including any Buyer patents, patent applications, copyrights, trade secrets, trademarks, trade dress, and any other proprietary rights in Buyer Data, and in any derivative or improvement of any Buyer Data made by Buyer or by Seller as work product. Unless expressly granted in the Order, no rights or license is granted under the Order to use Buyer Data other than the right for Seller to use Buyer Data as required to perform Seller's obligations under the Order. Seller will not use or disclose Buyer Data for any other purpose. Seller may not disclose Buyer Data to any third party without Buyer's prior written consent. Seller shall immediately discontinue any use of Buyer Data and/or items bearing Buyer trademarks upon Buyer's request or at the termination of the Order. Any goods manufactured by Seller under the Order based on Buyer's drawings, specifications, or other information disclosed by Buyer may not be sold to any third parties without Buyer's prior express written authorization.



(c) If the Order provides for the creation of any tools, dies, jigs, patterns, fixtures, molds, or similar equipment (collectively, "Tooling"). Upon payment by Buyer for Tooling, Buyer shall own all right, title, and interest in and to the Tooling, and Seller shall mark such Tooling to identify Buyer's ownership thereof. While Buyer's Tooling is in Seller's possession, and until Seller delivers the Tooling to Buyer, Seller bears the risk of loss, theft and damage thereto, and shall hold the Tooling as bailed property. Seller will be responsible for the cost of repair or replacing Tooling that is stolen, damaged or destroyed regardless of cause or fault.

18. COST SAVINGS PROGRAMS. If the Order extends beyond one year, on each annual anniversary date of the effectiveness of the Order, Seller shall provide to Buyer a plan for implementing cost savings and productivity improvements to reduce Seller's costs relating to the Order, and thereby providing a savings to Buyer.

19. FORCE MAJEURE. Any delay or failure of either party to perform its obligations under the Order shall be excused if it is caused by an extraordinary event or occurrence beyond the control of the non-performing party and without the non-performing party's fault or negligence, such as acts of God, fire, floods, windstorms, natural disasters, acts of terrorism, insurrection or war. Raw material or labor shortages and equipment breakdowns due to lack of maintenance are not force majeure events. Written notice of any anticipated delays in performance must be given within 24 hours of the force majeure event. If Seller's force majeure event continues for 10 days, Buyer may immediately cancel the Order without any liability.

20. GOVERNING LAW AND FORUM. The Order and this Agreement shall be governed by and construed in accordance with the laws of the State of Florida, excluding (a) Florida's conflicts of laws principles, and (b) the United Nations Convention on Contracts for the International Sale of Goods. The forum and venue for any legal or equitable action or proceeding arising out of or in connection with the Order shall be exclusively brought in a state or federal court located in Sarasota County, Florida. Seller waives any objection to such jurisdiction and venue.

21. RELATIONSHIP OF PARTIES. Seller and Buyer are independent contracting parties, and nothing in the Agreement shall make either party the agent of the other for any purpose, nor does it create any partnership, joint venture, co-employment or similar relationship.