

# ANTHONY INTERNATIONAL COMPANY POLICIES, TERMS OF SALE, AND WARRANTY

The following terms and conditions shall apply to all transactions and agreements between Anthony, Inc., dba Anthony International ("Anthony") and the other party to such transaction or agreement ("Buyer") with respect to the purchase of any goods from Anthony and/or the extension of credit by Anthony to Buyer for such purchase.

1. PRICE. Prices shown on the face of the sales invoice are F.O.B. the place of shipment as designated by Anthony, packaged for shipment and subject to change without notice.
2. TERMS OF CREDIT. All credit terms are net 30 days from date of invoice. Any deductions from the net invoice amount must be approved by a representative of Anthony authorized to make such changes. If credit is extended to Buyer, Anthony reserves the right to revoke such credit if Buyer fails to make timely payment for any goods delivered. Anthony reserves the right to require payment or other assurances which it deems necessary prior to the shipment of any goods, if, in Anthony's opinion, exercised in Anthony's subjective, good faith judgment, the Buyer's financial condition has deteriorated or the risk of non-payment has otherwise increased. Credit is subject to approval upon receipt of completed credit application. Any goods shipped prior to credit approval shall be shipped C.O.D., "Cashier's Check", or pre-payment. A \$25.00 charge will be applied for each returned check. Goods may not be returned for credit unless Anthony has granted prior authorization and an authorization number. A 1% per month charge will be assessed on past due amounts.
3. SHIPMENT OF GOODS / RETURN OF GOODS. Every effort will be made to ship the goods on the scheduled shipment date and to maintain production schedules consistent therewith provided however, Anthony shall not be liable for any claims or consequential damages arising from the failure to meet any scheduled shipping dates. If Buyer refuses shipment of any standard catalog products under an acknowledged order and those products are consistent with that order and are not delivered damaged or defective, then Buyer will be responsible for (i) return shipment of the products to Anthony in original shipping containers; (ii) return freight to Anthony prepaid by Buyer; and (iii) a restocking charge to be determined by Anthony of not less than 25% of the sales price. Buyer assumes the risk of any return shipment damage or loss, the cost of which will be assessed by Anthony and added to the restocking charge. No custom products or custom sizes of catalog items may be returned to Anthony for credit unless those products are not consistent with an acknowledged order or they are defective. If they are defective, Anthony reserves the right to cure the defect at the ship-to location.

Costs for special packaging and/or handling requested by Buyer will be billed to Buyer. Shipping terms are specified on the face of Anthony's quotation and/or price list, as applicable. Unless otherwise specified by Buyer in writing, Anthony shall select the method of shipment and direct shipment of materials to the specified delivery address of Buyer. In the event of any general freight increase or any governmental ruling or regulation that results in increased freight costs, Anthony may, without any advance notice, invoice Buyer for such additional costs. Acceptance and rejections of glass sheets, assembled sealed glass units, and finished doors shall be in accordance with the defect criteria set forth in Industry Specification ASTM C1036-06 Standards, level Q3.

4. RISK OF LOSS. Subject to security interests retained by Anthony until payment for the goods is received in full, the title to such goods and risk of loss or damages thereto pass to Buyer upon completion of loading of goods on carrier at Anthony's factory. Buyer will unload shipments promptly and Buyer will be liable for any additional charges such as demurrage, storage, and labor incurred by its failure to do so. Any claims by Buyer for damages to the goods incurred during shipping shall be made to the carrier.
5. WARRANTIES. The products which Anthony manufactures and offers for sale are warranted to: (i) be free from defects in materials and workmanship; and (ii) (i) be free from defects in materials and workmanship; and (ii) perform in accordance with applicable refrigeration standards as of the date of manufacture for a period of 12 months from the date and place of shipment, provided that the installation and maintenance of such products have been performed strictly in accordance with Anthony's designated specifications (the "Warranty"). Anthony shall provide all necessary parts and labor at its cost to fulfill said Warranty. All parts will be shipped standard ground freight. The extent of Anthony's liability under the Warranty is limited to the repair or replacement, at Anthony's option, of any non-conforming products without charge, at Anthony's Sylmar manufacturing plant. Additionally, for a period of 10 years from the shipment date, Anthony will replace sealed glass units that are part of an original Anthony-manufactured door if the seal breaks and internal condensation results. Anthony-manufactured LED lighting have a 5 year component warranty and 12 Month labor warranty. The anti-fog coating is only warranted for a period of 12 months from date of shipment. Anthony reserves the right to change its warranty provisions at its sole discretion at any time with or without prior notification of such change.

## No Warranty for Non-Standard Products.

A "Non-Standard Product" is any product that is different in any manner from any Anthony product that has been previously designed and manufactured by Anthony in accordance with its standard specifications. A Non-Standard Product also includes any standard Anthony product that has been specially designed or modified to meet a particular Buyer specification, or that contains any additional or substituted product, part, accessory, equipment, fixture, component or material, or that has been assembled, manufactured, produced, or installed by any method or process, which is different from Anthony's standard specifications for such product. Anthony expressly disclaims and makes no warranties, express or implied, as to the condition, design, utility, quality, adequacy, or capacity with respect to any standard or Non-Standard Product, including, without limitation, any warranty of merchantability or fitness of such product for a particular purpose or intended use, whether or not such product has been designated by Anthony as a Non-Standard Product.

All Non-Standard Products, whether sold separately, or incorporated and/or attached to standard Anthony products, and all services relating to such products, are sold to and accepted by Buyer "as is" and "with all faults". Without limiting any other provision of this purchase order, Anthony shall have no liability to Buyer for any claim, loss, damage, consequential damages or expense associated with any Non-Standard Product and/or its use or operation, or any other equipment or property of Buyer caused by or alleged by to be caused by any such product or its use or operation, whether directly, incidentally or consequentially, or by any inadequacy thereof or deficiency or defect therein.

The foregoing exclusion of warranty cannot be modified or waived except as expressly set forth in a writing signed by an officer of Anthony authorized to make such modification or waiver.

**THE ABOVE WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANTHONY SHALL NOT BE RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO INJURY TO PERSONS OR PROPERTY.**

6. ACCEPTANCE OF PRODUCTS BY BUYER/CLAIMS: Upon delivery, shipments must be inspected for damage, loss or shortage prior to acceptance from the carrier. If damage or shortage exists with respect to any shipment and it is not concealed, Buyer shall secure a notation of such damage or shortage from the delivering agent on the freight bill or delivery receipt. If damage is concealed, Buyer must notify Anthony within 5 days of its delivery and hold the merchandise for its inspection. Any claims for visible loss or damage should be filed by Buyer with Anthony in writing immediately upon receipt of the materials.

Buyer shall be deemed to have accepted the shipments on the terms contained herein upon the earlier of (i) full or partial payment for such shipments, (ii) verbal or written acceptance of Buyer, or (iii) failure of Buyer to make a claim within the time period set forth above. All claims of Buyer that materials delivered do not conform to the accepted order shall be handled as claims for breach of warranty and Buyer shall be limited to those remedies available for breach of warranty.

7. CLAIMS BY BUYER. Anthony shall thereupon be afforded a reasonable opportunity to inspect the goods. All claims not made in the time period and manner specified above shall be deemed waived. All actions, claims or defenses by Buyer shall be deemed waived unless commenced or asserted within 6 months of receipt of the goods. No claims for visible, external damage or shortage will be allowed unless they are accompanied by an inspection report or signed delivery receipt noting such loss or damage signed by a representative of the carrier and forwarded to the Anthony Vice President, Marketing & Sales within 30 days of the invoice date.

8. CANCELLATION. Orders may not be canceled after receipt by Anthony unless Anthony consents in writing to such cancellation. Cancellation will be granted only on terms indemnifying Anthony against any loss resulting from such action. At minimum, Buyer will be liable for all cost incurred on the order through the cancellation date.

9. CHANGES BY ANTHONY. Anthony reserves the right to change design, colors and specifications of any goods without notice to Buyer.

10. DEFAULT. If Buyer defaults or fails to pay on the purchase of any goods or if a petition in bankruptcy is filed by or against Buyer, Anthony, in addition to other remedies, may repossess any goods which were previously delivered and for which payment has not been received, and may refuse to make further shipment of goods. Buyer agrees to pay Anthony's attorneys' fees, costs and expenses incurred as a result of Buyers default or failure to pay, including but not limited to any collection or repossession expenses.

11. ENTIRE AGREEMENT AND AMENDMENT. The terms specified herein constitute the entire agreement between Anthony and Buyer with respect to the sale and purchase of the goods and any extension of credit. If Anthony and Buyer agree to amend or modify any terms and conditions specified herein, such amendment or modification must be expressly stated on the face of the sales invoice or by a written agreement duly executed by an officer of Anthony and the Buyer. Each sales offer or sales invoice is expressly limited to the terms herein and on such offer or invoice. Such terms shall control in the event of any variance between the terms offered by Anthony and any terms contained in Buyer's purchase orders or other documentation. Any additional or differing terms or conditions of the Buyer are deemed not to become a part of the transaction, even if such are known to Anthony, and even if such are not expressly objected to.

12. GOVERNING LAW. This purchase order, any agreements between Anthony and Buyer and all other claims that arise between the parties, whether sounding in contract or tort, shall be governed by, construed and enforced in accordance with the laws of the State of California. By entering into this purchase order and any other agreement with Anthony, Buyer consents to the jurisdiction of the courts of the State of California to determine all claims between the parties, regardless of whether said claims are contract claims, tort claims, patent claims, trademark claims or copyright claims. Venue of any lawsuit (State or Federal) against Anthony must be held in Los Angeles County, California. Service of process on Buyer may be made by registered mail addressed to the Buyer. The UN Convention for the international sale of goods is hereby expressly excluded.

13. SEVERABILITY. If any provision of the terms and conditions specified herein shall be deemed invalid or unenforceable, the remaining terms and conditions shall be construed as though such provision does not appear herein and shall be otherwise fully enforceable.

14. HEADINGS. The section headings contained herein have been inserted for convenient reference and shall not be considered in any questions of interpretation or construction of any agreements between Anthony and Buyer.

Anthony products are covered by one or more of the following United States Patents: RE035392, 5301092, 5720540, 5879070, 5895111, 5910083, 5902034, 5959816, 6010227, 6298615, 6302036, 6302557, 6389993, 6343405, 5116274, 5244273, 5255473, 5333355, 54711372, 5645330, 6632100, 6637093, 6638088, 6773130, 6641419, 6490983, 6606832, 6606833, 5884361, D600529, 7603882, 7273299, 7674019, D404935, D395968, D612517, 5622414, 7731395, 8250873 B2.

Anthony products are covered by one or more of the following Foreign Patents: Canada: 2233401, Mexico:185899, 186644, 202491, 238593, 227313, 236090. Other United States and Foreign Patents Pending.  
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