

## ALLEGHENY LUDLUM CORPORATION ("SELLER") TERMS AND CONDITIONS OF SALE

**1. EXCLUSIVE TERMS, CONDITIONS AND LIMITATIONS OF OFFER.** This is an Order Acknowledgment by Seller which sets forth the terms and conditions of its offer (or counteroffer, as the case may be) to sell the goods and/or services described on the face hereof or otherwise subject to this Order Acknowledgment (collectively the "Products"). Neither this Order Acknowledgment nor any commencement of work necessary to sell such Products is an acceptance of any offer of Buyer. Any agreement between Buyer and Seller is expressly made conditional on Buyer's assent to the terms and conditions contained herein. Acceptance or acknowledgment by Buyer of this Order Acknowledgment (which constitutes the agreement of Seller to sell and Buyer to buy) is expressly and exclusively limited to the terms, conditions and limitations herein and on the face hereof (the "Order Acknowledgment"), such terms, conditions and limitations being the only terms, conditions and limitations to which Seller will agree, which supersede all prior statements, proposals, negotiations, representations and agreement and shall constitute the entire agreement between Seller and Buyer and shall take precedence over all other terms, conditions and limitations on Buyer's purchase order and other forms and documents of the Buyer or any other person or entity which are inconsistent herewith or in addition hereto. This serves as a written objection to all such inconsistent or additional terms, conditions and limitations. The terms, conditions and limitations herein can be modified, altered or added to only by a subsequent written instrument signed by an authorized officer of Seller which shall set forth with particularity and not through incorporation by reference the precise terms, conditions and limitations modified, altered or added to with specific written reference to the terms, conditions and limitations of this Order Acknowledgment which are modified, altered or added to. No prior inconsistent course of dealing, course of performance or usage of trade, if any, shall constitute a waiver or serve to explain or interpret these terms, conditions and limitations. Any references by Seller to Buyer's specifications and similar requirements are only to describe the Products provided under this Order Acknowledgment and no warranties and/or other terms or conditions contained in Buyer's specifications shall have any force or effect.

**2. ERRORS.** Stenographic or clerical errors on the face hereof are subject to correction.

**3. PRICE ADJUSTMENT AND PAYMENT.** Unless otherwise indicated on the face hereof, the prices and charges stated herein for Products shall be invoiced at the prices and charges in effect at the time of shipment as reflected on the then current price list of Seller. Such purchase price must be paid in accordance with the terms on the face hereof without deductions, set offs, counterclaims, backcharges or any other charges whatever and the obligations of Buyer to Seller shall remain unimpaired regardless of disputes which may arise between Buyer and other persons or entities.

**4. QUANTITIES SHIPPED.** Weights and quantities shown hereon are estimated. Unless otherwise agreed to in writing, invoice weights may vary in accordance with permissible variations of +/- 10%.

**5. STORAGE BY SELLER.** In the event the work to be undertaken pursuant to the terms on the face hereof involves storage of Buyer's personal property, Buyer agrees to insure such personal property, waive subrogation rights and indemnify and save Seller harmless from any and all liability for damage to such personal property while such personal property is being stored or processed, provided, however, that Seller will assume liability for loss of or damage to Buyer's personal property while in storage by Seller or while being processed by Seller if, but only if, such loss or damage is caused solely by the willful misconduct or gross negligence of Seller's employees, agents or representatives. Seller may at its option charge reasonable amounts for storage of all personal property received from Buyer with respect to which Buyer requests a delay in shipping or processing.

**6. DELIVERY, RISK OF LOSS AND TITLE.** Unless otherwise specified on the face hereof, all deliveries shall be F.O.B. Seller's point of shipment. Freight shall be paid by Buyer to ultimate points of destination unless otherwise specified on the face hereof. Seller will make commercially reasonable efforts to comply with Buyer's request as to method and route of transportation. Estimated dates for shipping or rendering services are approximate and are provided to Buyer on the basis of Seller's estimate for informational purposes only, and they are not guaranteed. Unless otherwise specified on the face hereof, title and risk of loss shall pass to Buyer upon Seller's delivery to carrier or upon tender to Buyer's agent, whichever first occurs. Buyer shall be responsible for filing and pursuing claims with the carrier or in transit. Responsibility for obtaining necessary transportation permits, if any, shall be with Buyer, unless otherwise assumed by Seller.

**7. PACKAGING, LOADING OR BRACING REQUESTS.** Seller will use all reasonable means to comply with any packaging, loading or bracing requests made by Buyer. Any extra costs due to compliance with such requests shall be charged to Buyer. If no packaging, loading or bracing requests are made by Buyer, Seller shall comply with the minimum requirements customarily applying to the method of transportation used for such Products.

**8. WARRANTY, LIMITATIONS OF WARRANTY AND DAMAGES, AND INDEMNIFICATIONS.** Seller warrants that all Products sold pursuant hereto will upon shipment conform to the description on the face hereof, subject to Seller's standard manufacturing and commercial tolerances, variations and practices. Seller takes exception to general terms in Product specifications such as, but not limited to, uniform, sound, free from foreign materials, imperfections, injurious imperfections, unusual visual condition and good manufacturing and inspection practices.

THE AFORESAID WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND OR FITNESS FOR A PARTICULAR PURPOSE.

No promise or affirmation of fact made by any employee, agent or representative of Seller shall constitute a warranty or give rise to any liability or obligation.

**BUYER'S REMEDY FOR NONCONFORMING PRODUCTS SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF NONCONFORMING PRODUCTS F.O.B. SELLER'S PLANT OR AT SELLER'S OPTION TO REFUND THE PURCHASE PRICE OF SUCH NONCONFORMING PRODUCTS. THE REPAIR OR REPLACEMENT OF PRODUCTS OR REFUND OF THE PURCHASE PRICE OF NONCONFORMING PRODUCTS CONSTITUTES FULFILLMENT OF ALL LIABILITIES OF SELLER TO BUYER UNDER ANY AND ALL WARRANTIES, INCLUDING LIABILITY BASED IN CONTRACT, NEGLIGENCE AND/OR STRICT LIABILITY. IN NO EVENT SHALL SELLER BEAR THE COSTS OF REMOVAL, AND/OR REINSTALLATION OF NONCONFORMING PRODUCTS. IN NO EVENT SHALL THE LIABILITY OF SELLER EXCEED THE PURCHASE PRICE OF THE PRODUCTS.**

The foregoing constitutes a final expression by Seller of its warranty. Such warranty cannot be modified or supplemented except in writing by Seller signed by an authorized officer of Seller.

This warranty is provided by Seller solely to Buyer and applies solely to the Products sold under this Order Acknowledgment. Buyer shall include in its agreements of sale of the Products (as purchased from Seller or as incorporated into another product) to any third party, a provision disclaiming all implied warranties with respect to the Products sold hereunder, in substantially similar form to the disclaimer contained herein. In the event Buyer fails to fully and adequately pass through such disclaimer of warranties and/or Buyer makes any express warranties concerning the Products sold hereunder, Buyer hereby agrees to indemnify Seller from and against any and all damages, claims, demands, liability, losses, costs and expenses, including attorneys' fees, incurred by Seller based on or arising out of third party warranty claims asserted against Seller.

**9. FORCE MAJEURE.** Seller shall not be liable for loss or damage resulting from delay or failure of delivery or performance due to Seller's other production requirements or plant conditions; to strike, differences with workmen, lockout, or any labor shortage or difficulty, to fire, flood, accident, quarantine restrictions, earthquake, tornado, epidemic or other casualty or act of God, to war, riot, civil disobedience or other emergency or acts of civil or military authorities, to compliance with orders, priorities or requests of any governmental agencies, to embargoes, failure of suppliers of Seller to meet delivery schedules or any shortage of raw materials however caused, to inability or delay in obtaining labor or materials, to inability or delay in obtaining cars, trucks, fuel or machinery necessary for transportation, to delay in Seller's Credit Department receiving information upon which its approval of this order is based, or to cause, condition or contingency beyond the reasonable control of Seller, whether similar to those enumerated or not. In the event of any of the foregoing, Seller may apportion its production and all stock material among its customers in such manner as it may consider equitable and extend the time of performance by the period of such delay.

**10. TECHNICAL DATA, ADVICE, SPECIFICATIONS.** Any technical data, production data, production estimates and performance figures, advice, drawings and specifications furnished by Seller with respect to Products supplied and the use of such Products is given without charge, and Seller assumes no obligation or liability for any damages, consequential, incidental, special, liquidated, penal or otherwise for such data, estimates, advice, drawings and specifications given or rest obtained irrespective of whether claims or actions with respect to such data based upon contract, tort, negligence, strict liability, warranty or otherwise. All of such data, estimates, figures, advice, drawings and specifications shall be given and accepted at Buyer's risk. Catalogs, circulars and similar pamphlets of the Seller are issued for general information purposes only and shall not be deemed to modify the provisions hereof or create any warranties.

In the event that Seller is providing Products hereunder which are experimental or are made or produced by an experimental process, then Buyer shall treat as confidential any technical data, specifications, and information of Seller relating thereto and not disclose to others or use the same for any other purpose.

**11. CLAIMS.** In order to insure prompt inspection by Buyer and to eliminate improper methods of storage and other abuse of Products sold, Seller must be notified in writing concerning the nonconformity of the Products to the description on the face hereof as soon as practicable and in no event later than ninety (90) days after Buyer receives the Products or should have discovered such nonconformity, whichever occurs first. Such written notice shall set forth with particularity the nature and extent of the nonconformity. All claims for shortages must be made in writing within twenty (20) days after receipt of the Products by Buyer or its agent and specify with particularity the exact shortage. Consignees must give immediate written notice to the carrier's agent at destination in the event of damage or loss in transit.

In no event shall Seller be responsible for claims resulting in whole or in part, directly or indirectly, from the use or abuse of nonconforming Products or for the costs of labor and/or materials expended on any such Products.

Failure to furnish such written claim within such prescribed period of time shall terminate all liability of Seller. Seller must be given the opportunity upon written demand to inspect the Products claimed to be nonconforming. Nonconforming Products, except for samples, will be returned to Seller upon receipt of Seller's authorization to do so. All transportation costs with respect to such returns shall be paid by Seller.

Buyer must demonstrate to the reasonable satisfaction of Seller that any nonconformity alleged was solely caused by a breach by Seller of its warranty.

**12. LIMITATION OF LIABILITY.** SELLER SHALL NOT BE LIABLE UNDER ANY THEORY OF LIABILITY FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY LOSS OF INCOME, PROFITS OR PRODUCTION; ANY REPROCUREMENT COSTS; INCREASES IN THE COST OF OPERATIONS; OR DAMAGES TO MATERIAL.

**13. CHANGES, TERMINATION OR CANCELLATION.**

(a) After acceptance and approval thereof, Seller shall have the right to change, terminate or cancel this Order Acknowledgment because of any circumstances set forth in Paragraph 9 hereof or other circumstances which may be deemed to require allocation of production or delivery by Seller, including but not limited to the effect on any laws, ordinances, regulations directives, or administrative or other governmental actions, the compliance with which Seller shall deem to require such change or cancellation. No such change or cancellation by Seller shall be deemed to be a breach of any provision, term, condition or covenant of this Order Acknowledgment.

(b) After acceptance hereof by Buyer, this Agreement shall not be changed, terminated, cancelled or modified by Buyer nor shall Buyer hold up releases of Products manufactured or processed except with Seller's consent, which consent shall be conditioned upon compliance with the terms and conditions hereof and the agreement of Buyer to indemnify Seller against all resulting loss.

(c) Insistence by Buyer upon cancellation (other than as permitted in subparagraph (b) above) or suspension of manufacture, processing, shipment or delivery or failure to furnish data or specifications when requested or required may be treated as a breach of contract.

**14. CREDIT APPROVAL.** Payment terms as herein provided, work to be performed by Seller as set forth on the face hereof and shipments shall at all times be subject to the approval of Seller's Credit Department and in case Seller shall have any doubt as to Buyer's responsibility, or if Buyer fails to fulfill the terms and conditions of payment herein and on the face hereof, Seller may decline to perform any further shipment or delivery hereunder, except upon receipt of satisfactory security including, but not limited to, full or partial prepayment. In the event of anticipatory breach by Buyer or if the financial condition of Buyer at any time does not, in the reasonable judgment of Seller, justify continuance of the work to be performed by Seller hereunder on the terms of payment originally specified, Seller may require full or partial payment in advance or may cancel any agreement and work then outstanding and Buyer shall reimburse Seller for its cancellation charges.

**15. TERMS OF PAYMENT.**

All payments shall be made in U.S. Dollars. Subject to approval by Seller's Credit Department, terms of payment are as set forth on the face hereof. In the absence of such provisions on the face hereof, payment terms shall be net thirty (30) days from the date of invoice. Amounts unpaid after the payment term shall accrue interest compounded monthly at the annual rate of 18% or the maximum legal rate, if less. Buyer hereby grants to Seller a security interest in all Products subject to this Order Acknowledgment (except for work by Seller on Buyer's goods) until the complete purchase price is paid by Buyer.

**16. DEFAULT IN PAYMENT.** If Buyer shall fail to make payments on this Order Acknowledgment or any other agreement between Buyer and Seller in accordance with the terms hereof or thereof, Seller may defer further shipments and defer rendering further services until such payments are made or, at its option, cancel this Order Acknowledgment with respect to any balance.

**17. PAYMENT OF FREIGHT, TRANSPORTATION, TAXES AND OTHER GOVERNMENT CHARGES BY BUYER.** Unless otherwise specified by Seller in Paragraph 6 hereof or otherwise, the purchase price of the Products covered by this Order Acknowledgment does not include present or future freight charges, if applicable, and transportation taxes, and sales, use, excise, or any similar tax or other governmental charge upon or with respect to the sale, purchase, manufacture, processing, fabrication, delivery, storage, use and consumption, or transportation of such Products which Seller may be required to pay or collect under any existing or future law. Consequently, in addition to the price specified in this Order Acknowledgment, the amount of freight charges and transportation taxes and any present or future sales, use, excise or any similar tax or other governmental charges applicable to this Order Acknowledgment and to the sale and/or furnishing of the services required by this Order Acknowledgment shall be paid by Buyer, or in lieu thereof in the case of taxes. Buyer shall provide Seller with a tax exemption certificate acceptable to applicable taxing authorities. Whenever applicable, such tax or taxes or other governmental charges will be added to the invoice as a separate charge to be paid by Buyer.

Buyer shall pay or reimburse Seller if Seller pays, any and all Federal, state, foreign, municipal or other local taxes, charges, including lighterage, wharfage, landing charges, handling charges, tolls, dues, demurrage and other charges not regularly included in the ocean freight rate, and all import and other duties, customs and tariffs imposed upon this Order Acknowledgment the materials covered hereby or the delivery or use thereof, or upon any act done or document of title or other instrument used in connection with the transaction, and any and all such taxes, tariffs, duties or charges imposed upon or measured by the sales contemplated hereby or the purchase price payable hereunder.

**18. NO WAIVER.** Failure of Seller to enforce any of the terms, conditions and limitations of this Order Acknowledgment shall not be construed as a waiver thereof or a waiver of any other terms, conditions or limitations herein or on the face hereof, and the failure of Seller to exercise any rights arising from default of Buyer or otherwise shall not be deemed to be a waiver of such right or any other right. The terms, conditions and limitations herein and on the face hereof may be enforced and the rights of Seller may be enforced at any time in whole or in part.

**19. BINDING AGREEMENT.** This Order Acknowledgment will be deemed to have been accepted by Buyer if Seller has not been notified to the contrary in writing within fifteen (15) days of Buyer's receipt hereof, or by the action of Buyer in accepting or tendering full or partial payment for all or any part of the Products covered by this Order Acknowledgment. Any Products delivered shall be subject only to the terms, conditions and limitations herein and on the face hereof. Upon acceptance by Buyer, Buyer consents to and accepts all of the terms, conditions and limitations herein and on the face hereof.

Buyer may not thereafter assign its obligations hereunder to any other person or entity without the written approval of Seller.

**20. APPLICABLE LAW.** The laws of the Commonwealth of Pennsylvania with the exclusion of (i) the United Nations Convention on Contracts for The International Sale of Goods, (ii) the 1974 Convention in the Limitation Period in Contracts for the International Sale of Goods nor (iii) the Protocol Amending the 1974 Convention in Vienna, Austria on April 11, 1980, are incorporated into and made a part of this Order Acknowledgment, and such law shall apply in interpreting the terms, conditions and limitations of this Order Acknowledgment without regard to which party drafted the language herein, prior course of dealing, course of performance or usage of trade. If any clause or provision of these terms and conditions shall be held in violation of applicable law or otherwise invalid or unenforceable, this Order Acknowledgment shall be interpreted as if such provisions were limited to the extent legally permitted or, if such clause or provisions is prohibited in its entirety, it shall be null and void and the Order Acknowledgment as so modified shall remain in full force and effect.

Any controversy, dispute or claim arising out of or relating to this Order Acknowledgment may be submitted to a court of law having competent jurisdiction to resolve the dispute. The parties hereby consent to the jurisdiction of any state or federal court located in Pittsburgh, Pennsylvania for purposes of any lawsuit brought in connection with this Order Acknowledgment.

**21. DEFINITIONS.** Whenever a term defined by the Pennsylvania Uniform Commercial Code is used in this Order Acknowledgment, the definition contained in the Code shall control.

**22. ADDITIONAL CLAUSES.** Any clause required to be included in an agreement of this type by an applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein. Acceptance and execution of orders accepted by reason of any law or administrative regulation having the effect of law, or in order to carry out the intent or purpose of any law or regulation or to acquiesce in a request by a government agency or official thereof are contingent upon the continuation in effect of such law, regulation or request and may be cancelled by Seller upon the expiration or withdrawal of such law, regulation or request, provided, however, that Seller at its option may complete such orders.

**23. NOTICES.** Seller values highly the confidence and goodwill of its customers and suppliers. We offer our Products only on their merit, and we expect our customers to judge and purchase our Products solely on the basis of quality, price, delivery and service. Likewise, Seller buys only on merit, and we judge and purchase solely on the basis of quality, price, delivery and service. This policy applies in all relationships with our customers and suppliers.

**24. NONDISCLOSURE.** It may become necessary during the course of this Order Acknowledgment for Seller to disclose to Buyer information which Seller considers confidential and/or proprietary. Buyer shall have a duty to protect all information that is disclosed by Seller in any manner. Buyer shall not disclose Seller's information to any third party without the prior written consent of Seller and shall limit its disclosure to its employees having a need to know such information. Buyer shall protect Seller's information by using the same degree of care (but not less than a commercially reasonable degree of care) used to prevent the unauthorized disclosure of Buyer's own information of a similar nature.

**25. PATENTS; TRADEMARKS; UNPATENTED INFORMATION.** If any Products sold hereunder are to be prepared or manufactured according to Buyer's specifications, Buyer shall indemnify and save harmless Seller against any claims or liability for violation of any intellectual property rights, including patent, trade secret or trademark rights, owned or controlled by third parties in the United States or in any other country on account of such preparation or manufacture.

The sale of Products covered by this Order Acknowledgment shall not expressly or impliedly grant to Buyer any right or license of any kind under any patent, patent application, or other industrial property right owned or controlled by Seller or its affiliates, but the foregoing shall not be understood to limit in any way the right of Buyer to use and sell such Products, in the events such Products, as sold hereunder, are covered by any such patent.

There is no warranty that the use of any Products may not infringe patent rights of others.

Any intellectual property, whether or not such intellectual property is protectable, developed by Seller in performance of its obligations under this Order Acknowledgment will remain the sole and exclusive property of Seller and Buyer shall have no rights in such intellectual property.

**26. MATERIAL SAFETY DATA SHEETS.** Material Safety Data Sheets have been prepared for this Product and will be made available at or prior to the time of shipment.

**27. EXPORT RESTRICTIONS.** The ultimate shipment by Seller of Products under this Order Acknowledgment is subject to the right and ability of Seller to make such sales under all decrees, statutes, rules and regulations of the U.S. Government presently in effect or which may be in effect hereafter, which govern exports or otherwise pertain to export controls. Any order which cannot be fulfilled due to the inability of Seller to obtain necessary export approvals including any required export license shall be considered rejected by Seller upon receipt of order. In the event the Products are exported from the United States or re-exported from a foreign destination by Buyer, Buyer shall ensure that the distribution and export/re-export of the Products are in compliance with all laws, regulations, orders or other restrictions of the U.S. Export Administration regulations. Buyer agrees that neither it nor any of its subsidiaries will export/re-export any Products, technical data or process, directly or indirectly, to any country for which the United States government or any agency thereof requires an export license or other government approval without first obtaining such license or approval.

**28. INTERNATIONAL SALES.** The 2010 International Chamber of Commerce (ICC) terms (Incoterms®) shall be used when there is an obligation for delivery of the Products for international contracts of sale.

**29. LETTER OF CREDIT.** Neither Seller nor any bank which confirms or advises a letter of credit of which Seller is a beneficiary shall be required directly or indirectly by Buyer or any other person, firm or government, to do or cause to be done, or omit or cause to be omitted any act including the furnishing of any certificate which act or omission could in Seller's sole judgment result in violation of any law to which Seller or any such bank may be subject. If any such act or omission is required or requested, Seller may at its sole option, (i) terminate the Order Acknowledgment without any liability therefor or thereunder, (ii) continue to perform the contract in accordance with its express terms as if such requirement or request had never been imposed or made, or (iii) take such other action as Seller deems appropriate.