

# TERMS AND CONDITIONS OF SALE

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

2. **PRICE ADJUSTMENT AND PAYMENT.** Unless otherwise indicated on the face hereof, the prices and charges stated herein for goods and/or services shall be invoiced at the prices and charges in effect at the time of shipment as reflected on the then current price list of Allegheny Ludlum Corporation ("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.

3. **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%.

4. **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 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 negligence of Seller's employees, agents or representatives. Seller shall be liable for any and all reasonable amounts for storage of all personal property received from Buyer with respect to which Buyer requests a delay in shipping or processing.

5. **DELIVERY RISK OF LOSS AND TITLE.**

(a) 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.

(b) Seller will make commercially reasonable efforts to comply with Buyer's request as to method and route of transportation.

(c) 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. 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 howsoever caused, to inability or delay in procuring labor or material or to such causes as fuel, oil 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. SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, LIQUIDATED, PENAL OR OTHER DAMAGES FOR DELAY IN OR FAILURE TO DELIVER OR TO PERFORM IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, WARRANTY OR OTHERWISE.

(d) Risk of loss shall pass to Buyer upon Seller's delivery to carrier or upon tender to Buyer's agent, whichever first occurs.

(e) Buyer hereby grants to Seller a security interest in all goods subject to this Order Acknowledgement (except for work by Seller on Buyer's stock) until the complete purchase price is paid by Buyer.

(f) Buyer shall be responsible for filing and pursuing claims with carriers for loss or damage in transit.

(g) Responsibility for obtaining necessary transportation permits, if any, shall be with Buyer, unless otherwise assumed by Seller.

6. **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.

7. **WARRANTY, LIMITATIONS OF WARRANTY AND DAMAGES, AND INDEMNIFICATIONS.** Seller warrants that all materials 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.

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

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

UNLESS OTHERWISE AGREED BY SELLER, SUCH WARRANTY AS TO DESCRIPTION RUNS ONLY TO BUYER AND IS NON-TRANSFERABLE AND NON-ASSIGNABLE EITHER DIRECTLY, INDIRECTLY OR BY OPERATION OF LAW. Buyer, its employees, agents and representatives shall not claim, represent, imply nor permit its purchasers, distributors, processors or others to claim, represent or imply that such warranties extend to or are available to persons or entities other than Buyer. To the limit of its legal right to do so, Buyer shall cause any third party to cease and desist from making any such representation. In the event of any resale of any of the goods sold hereunder, in whatever form, Buyer will include the following, or substantially similar language in a conspicuous place in the agreement covering such resale. Warranties by manufacturers and sellers of goods sold hereunder are limited to such written warranties as may be applicable to the individual items sold hereunder, which warranties are limited to repair or replacement of the goods or to the refund of the purchase price, at the manufacturer's or seller's option. MANUFACTURERS AND SELLERS MAKE NO WARRANTIES OR REPRESENTATIONS, express or implied, by operation of law or otherwise, AS TO THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF the goods sold hereunder. Manufacturers and Sellers shall not be liable for any defect in the goods sold hereunder and Buyer releases Manufacturers and Sellers from any and all liability, whether based upon contract, tort, negligence, strict liability or otherwise, other than liability for repair, replacement or refund as set forth above, which shall be BUYER'S SOLE REMEDY. BUYER acknowledges that it alone has determined that the goods purchased hereby will suitably meet the requirements of their intended use. MANUFACTURERS AND SELLERS WILL NOT BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, LIQUIDATED, PENAL OR OTHER DAMAGES, OTHER THAN REPAIR, REPLACEMENT OR REFUND AS SET FORTH ABOVE.

BUYER'S REMEDY FOR NONCONFORMING GOODS SHALL BE LIMITED TO THE REPAIR OR REPLACEMENT OF NONCONFORMING GOODS OR REFUND OF THE PURCHASE PRICE. BUYER'S OPTION TO REPAIR OR REFUND THE PURCHASE PRICE OF SUCH NONCONFORMING GOODS IN NO EVENT SHALL BEAR THE COSTS OF REMOVAL AND/OR REINSTALLATION OF NONCONFORMING GOODS IN NO EVENT SHALL THE LIABILITY OF SELLER EXCEED THE PURCHASE PRICE OF THE GOODS.

IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY OTHER PERSON OR ENTITY FOR, AND BUYER AGREES TO INDEMNIFY AND SAVE SELLER HARMLESS WITH RESPECT TO CLAIMS OR ACTIONS FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL, LIQUIDATED, PENAL OR OTHER DAMAGES IRRESPECTIVE OF WHETHER SUCH CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, WARRANTY OR OTHERWISE.

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.

8. **TECHNICAL DATA, ADVICE, SPECIFICATIONS.** Any technical data, production data, production estimates and performance figures, advice, drawings and specifications furnished by Seller with respect to goods and/or services supplied and the use of such goods and/or services 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 retained irrespective of whether claims or actions with respect to such data are 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 goods 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.

9. **CLAIMS.** In order to insure prompt inspection by Buyer and to eliminate improper methods of storage and other abuse of goods sold, Seller must be notified in writing concerning the nonconformity of the goods to the description on the face hereof as soon as practicable and in no event later than ninety (90) days after Buyer receives the goods or should have discovered such nonconformity, whichever occurs first. Such written notice shall set forth with particularity the nature and extent of the nonconformity complained of. All claims for shortages must be made in writing within twenty (20) days after receipt of the goods by Buyer or its agent and specify with particularity the exact shortage complained of. 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 goods or for the costs of labor and/or materials expended on any such goods.

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 material claimed to be nonconforming to description.

Nonconforming goods, 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 to description alleged was solely caused by a breach by Seller of its warranty of description.

10. **INSPECTION.** All goods specifically manufactured must be inspected by Buyer before shipment. Buyer's inspector shall be deemed the agent of Buyer with authority to waive specified tests and details of test procedures and to accept goods as conforming to the warranty set forth herein. Such goods will not be replaced nor will any credit be allowed thereafter after shipment.

11. **CHANGES, TERMINATION OR CANCELLATION.**

(a) After acceptance and approval thereof, Seller shall have the right to change, terminate or cancel this Agreement because of any circumstances set forth in Paragraph 5(c) hereof or other circumstances which may be deemed to require alteration of production of the goods or the terms and conditions hereof and the agreement of Buyer to indemnify Seller against all resulting loss. This Agreement is noncancelable by Buyer for all goods and/or services for which the estimated dates for shipping and/or rendering services shown on the face hereof are within two (2) years from the date of acceptance of this Agreement by Buyer provided, however, that goods and/or services estimated to be shipped or performed from and after two (2) years from the date hereof may be cancelled without cancellation or other penalty in whole or in part by Buyer upon one (1) year's prior written notice to Seller with respect to the specified goods and/or services covered by this Agreement which are to be so cancelled.

(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 goods 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. This Agreement is noncancelable by Buyer for all goods and/or services for which the estimated dates for shipping and/or rendering services shown on the face hereof are within two (2) years from the date of acceptance of this Agreement by Buyer provided, however, that goods and/or services estimated to be shipped or performed from and after two (2) years from the date hereof may be cancelled without cancellation or other penalty in whole or in part by Buyer upon one (1) year's prior written notice to Seller with respect to the specified goods and/or services covered by this Agreement which are to be so cancelled.

(c) In instances 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.

12. **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.

13. **TERMS OF PAYMENT.**

(a) All payments shall be made in U.S. Dollars in Pittsburgh, Pennsylvania, funds at par or in the equivalent thereof specified by Seller.

(b) Unless otherwise specified and 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 and amounts unpaid thereafter shall accrue interest compounded monthly at the annual rate of 18% or the maximum legal rate, if less.

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

15. **PAYMENT OF FREIGHT, TRANSPORTATION, TAXES AND OTHER GOVERNMENT CHARGES BY BUYER.** Unless otherwise specified by Seller in Paragraph 5 hereof or otherwise, the purchase price of the goods and/or services covered by this Agreement 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 goods and/or services which Seller may be required to pay or collect under any existing or future law. Consequently, in addition to the price specified in this Agreement, the amount of freight charges and transportation taxes and any present or future sales, use excise or any similar tax or other governmental charge applicable to this Agreement and to the sale and/or furnishing of the services required by this Agreement 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 cost of freight rate, and all import and other duties, customs and tariffs imposed upon this contract or 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 herein or the purchase price payable hereunder.

Seller shall apply for any required export license (the issuance of which shall be a condition of Seller's obligations hereunder), but shall not have any duty or liability in respect of import licenses or permits which Buyer shall obtain and make available to Seller together with all other documents necessary to permit prompt exportation from the United States.

16. **EXCLUSIVE TERMS, CONDITIONS AND LIMITATIONS OF OFFER.** This is an Order Acknowledgement by Seller which quotes and sets for 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 Acknowledgement. Neither this Order Acknowledgement nor any commencement of work necessary to sell such goods and services is an acceptance of an offer to buy of Buyer. Any acceptance deemed to be contained herein is expressly made conditional on Buyer's assent to the additional and different terms, if any, contained herein. Acceptance or acknowledgement by Buyer of this Order Acknowledgement (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, such terms, conditions and limitations being the only terms, conditions and limitations to which Seller will agree, which shall govern 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 written agreement 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 offer 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 of 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 goods and/or services provided under this Agreement and no warranties and/or other terms or conditions contained in Buyer's specifications shall have any force or effect.

17. **NO WAIVER.** Failure of Seller to enforce any of the terms, conditions and limitations of this Agreement 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.

18. **BINDING AGREEMENT.** This Order Acknowledgement 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 goods and/or services covered by this Order Acknowledgement. Any modification or alteration of the terms, conditions and limitations herein and on the face hereof shall be subject to the face hereof. Upon acceptance by Buyer, Buyer consents to an 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.

19. **APPLICABLE LAW.** The law of the Commonwealth of Pennsylvania with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods is incorporated into and made a part of this contract, and such law shall apply in interpreting the terms, conditions and limitation of this Offer without regard to which party drafted the language herein, prior course of dealing, course of performance or usage of trade. If any course or provision of these terms and conditions shall be in violation of applicable law, or otherwise invalid or unenforceable this offer shall be interpreted as if such provisions were limited to the extent legally permitted or, if such clause of provisions is prohibited in its entirety, it shall be null and void and the Agreement as so modified shall remain in full force and effect.

Any controversy, dispute or claim arising out of or relating to this contract may be submitted to a court of law having competent jurisdiction to resolve the dispute. The parties further agree that the site of the proceedings shall be Pittsburgh, Pennsylvania and hereby consent to the jurisdiction of the courts of Pennsylvania for purposes of any lawsuit brought in connection with this contract.

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

21. **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.

22. **NOTICES.** Allegheny Ludlum Corporation 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 and services solely on the basis of quality, price, delivery and service. Likewise, Allegheny Ludlum Corporation buys only on merit, and we judge and purchase solely on the basis of quality, price, delivery and service. This Allegheny Ludlum Corporation corporate policy applies in all relationships with our customers and suppliers.

23. **PATENTS; TRADEMARKS; UNPATENTED INFORMATION.** If any goods sold hereunder are to be prepared or manufactured according to Buyer's specifications, Buyer shall indemnify and save harmless the Seller against any claims or liability for patent or trademark infringement on account of such preparation or manufacture.

In connection with the goods and/or liability with respect to patents owned or controlled by third parties in any country other than the United States of America, and it is specifically understood and agreed that Buyer assumes all such responsibility and agrees to indemnify Seller and hold Seller harmless from and against any and all such claims and liability arising from the sale of goods and/or services provided hereunder.

Any unpatented knowledge or information concerning Buyer's products, methods or manufacturing processes which Buyer may disclose to Seller incident to the manufacture or sale of the goods and/or performance of the services covered by this Order Acknowledgement shall, unless otherwise specifically agreed in writing, be deemed to have been disclosed as a part of the consideration hereunder, and Buyer agrees not to assert any claim (other than a claim for patent infringement) against Seller by reason of Seller's use or alleged use thereof.

The sale of goods covered by this order 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 goods, in the events such goods, as sold hereunder, are covered by any such patent.

There is no warranty that the use of any services, materials, goods, or information may not infringe patent rights of others.

24. **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.

25. **SECURITY AND EXPORT CONTROL LAWS.** If, and to the extent that the security laws, export control laws and Executive Orders of the United States and the regulations thereunder may be applicable to the sale of materials, the furnishing of services or the disclosure of information hereunder by Seller, Buyer's obligations hereunder shall be subject thereto. Buyer agrees not to sell or solicit orders for the sale of the materials furnished hereunder from any person for use in any territory if such sales or use would cause Seller or any affiliated corporation to be in violation of any such laws or regulations now or hereafter in effect.

26. **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 to 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 shall be deemed to have accepted the contract with Buyer without any liability therefor or thereunder, (i) continue to perform the contract in accordance with its express terms as if such requirement or request had never been imposed or made, or (ii) take such other action as Seller deems appropriate.