

## CLARION SINTERED METALS, INC. TERMS AND CONDITIONS OF QUOTATION AND SALE

These terms and conditions (these "Terms and Conditions") shall apply to all sales of products and services ("Products") by and between you, the Purchaser ("Purchaser"), and Clarion Sintered Metals, Inc. ("Seller").

- ACCEPTANCE:** These Terms and Conditions (a) constitute an offer by Seller to Purchaser to sell the Products for the Purchase Price (as defined in Section 2 hereof) and pursuant to the terms set forth herein and (b) are not an acceptance of any terms or conditions or any offer by Purchaser. Issuance of a purchase order or acceptance of the Products by Purchaser constitutes acceptance of these Terms and Conditions. Any additional or different terms proposed by Purchaser, whether in a purchase order or otherwise, are expressly rejected by Seller and are not part of these Terms and Conditions. These Terms and Conditions may be printed on the back of the relevant sale document, including without limitation, a quotation and sale form, or provided separately or electronically. Regardless of the format, these general Terms and Conditions together with the terms on the face of the sale document collectively constitute an agreement.
- PURCHASE PRICE; ADJUSTMENTS; PAYMENT TERMS:** The purchase price (the "Purchase Price") for the Products shall be the total, gross amount that is set forth on Seller's sales invoice that relates to the Product (the "Invoice"), plus any surcharge and Price Adjustments (as described herein). Purchaser hereby grants to Seller a security interest in all Products as security for the prompt and full payment of the Purchase Price. In the event that there is a change in the price of raw materials, energy or process materials used to produce the Products, labor, overhead, taxes, exchange rates, duties or other costs relating to the Products or any component thereof (collectively "Price Changes"), or in the event that Seller incurs additional costs or expenses as a result of delays or cancellations from suppliers, manufacturers or other third parties (collectively, "Additional Costs"), then Purchaser expressly agrees that the Purchase Price shall be increased for any and all of such Price Changes and Additional Costs (collectively, "Price Adjustments"). Purchaser agrees and acknowledges that any and all price quotes and sales offers, whether written or verbal, may be changed for any such Price Adjustments. Payment of the Purchase Price is due from Purchaser within thirty (30) days following tender of delivery of the Products by Seller. The parties agree that all payments still owing after the due date can bear interest at a monthly rate of one and one-half (1.5%) percent or the maximum rate allowed by law, whichever is lesser. Any claims by Purchaser for omissions or shortages in a shipment shall be waived unless Seller receives notice thereof within five (5) days after Purchaser's receipt of the shipment.
- TAXES, DUTIES, AND FEES:** The Purchase Price and all Price Adjustments do not include sales, use or similar state or local taxes, import fees or duties, all of which are to be paid by Purchaser in addition to the price quoted herein.
- TOOLING:** When quoted, tooling is defined as all necessary tools, fixtures, gaging, etc. required in the manufacturing of the Products ("Tooling"). Tooling purchased and fully paid for by Purchaser shall be the property of Purchaser. Any additional Tooling produced by Seller for Purchaser and not paid for in full by Purchaser shall remain the sole property of Seller until Seller receives payment in full from Purchaser. Any and all Tooling not paid for in full shall be subject to a lien in favor of Seller for the balance of any remaining purchase price thereof. The purchase of Tooling entitles Purchaser to its exclusive use, maintenance and storage for the life of the part within the premises of Seller. Tooling may be removed from Seller's premises upon reasonable notice and such Tooling will be released to Purchaser or delivered to Purchaser by Seller either (a) at Seller's facility or (b) to a location that Purchaser designates, in which event Purchaser will pay Seller the costs of delivering such Tooling to such location. Notwithstanding the foregoing, if there is no order from Purchaser for a period exceeding eighteen (18) months, Seller, in its sole discretion, may return Purchaser's Property to Purchaser, at Purchaser's sole cost and risk. Seller reserves the right to purchase or alter any Tooling in order to protect any proprietary, confidential, or trade secret information that may be divulged from said Tooling. The suitability of any and all Tooling design and/or specifications shall be the responsibility of Purchaser, unless otherwise agreed to in writing by the parties.
- TITLE AND DELIVERY, RISK OF LOSS:** All shipments of Products shall be delivered FCA (domestic shipments) or EXW (international shipments) Seller's facility, and title and liability for loss or damage thereto shall pass to Purchaser upon Seller's delivery of the Products to the carrier for shipment to Purchaser, and any loss or damage thereafter shall not relieve Purchaser from any obligation hereunder. Purchaser shall be liable for costs of insurance and transportation and for all import duties, taxes, and any other expenses incurred or licenses or clearance required at port of entry and destination.
- QUANTITIES:** Any variation in quantities shipped over or under the quantities ordered (not to exceed 10%) shall constitute compliance with Purchaser's order.
- DISCLAIMER OF WARRANTIES; LIMITATIONS OF LIABILITY:** SELLER EXPRESSLY WARRANTS THAT THE PRODUCTS WILL MEET THE PRODUCT SPECIFICATIONS. SELLER EXTENDS NO OTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, CONCERNING THE PRODUCTS, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. IN NO EVENT SHALL SELLER BE LIABLE TO PURCHASER, ANY USER OF THE PRODUCTS, OR ANY THIRD PARTY FOR LOST PROFITS, LOSS OF BUSINESS, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR OTHER DAMAGES WHATSOEVER ARISING FROM THE USE OR PERFORMANCE OF THE PRODUCTS, OR FROM THE NON-DELIVERY, DELAYED DELIVERY, DAMAGE OF PRODUCT OR OTHERWISE, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY THEREOF. IN NO EVENT WILL SELLER'S LIABILITY EXCEED THE PAID PURCHASE PRICE OF THE PRODUCTS. PURCHASER EXPRESSLY ASSUMES ALL RESPONSIBILITY FOR DETERMINING THE FITNESS OF SUCH PRODUCTS FOR PURCHASER'S INTENDED USE. ANY TECHNICAL INFORMATION, PRODUCT LITERATURE, SELLER TECHNICAL ASSISTANCE OR OTHER INFORMATION IS GIVEN TO AND ACCEPTED BY PURCHASER AT ITS OWN RISK.
- INSPECTION; REJECTION OF NON-CONFORMING PRODUCTS:** Purchaser must promptly inspect the Products upon delivery. If the Products furnished by Seller fail to conform to Purchaser's specifications, Seller's exclusive liability shall be (at Seller's option) to repair, replace or credit Purchaser's account for any such Products which are returned by Purchaser, so long as (a) Seller is notified in writing within five (5) business days after

delivery of the Products; (b) that such written notice provides the basis for the alleged deficiencies; (c) samples of such alleged nonconforming Products are returned to Seller; and (d) Seller's examination of such Products confirms that the alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair or modification, or improper testing. If Seller elects to repair or replace such Products, Seller shall have a reasonable time to make such repairs or replace such Products. THIS IS PURCHASER'S EXCLUSIVE REMEDY FOR ANY CLAIM, WHETHER ARISING IN TORT OR CONTRACT, AND IN NO EVENT SHALL SELLER BE LIABLE FOR SPECIAL, COLLATERAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES. No cause of action of Purchaser, any user of the Products or any third party concerning, relating to, or arising from the Products may be commenced later than one (1) year after the date of delivery of the Products.

- FORCE MAJEURE:** Neither party shall be liable if its performance is delayed or made impossible or commercially impracticable due to acts of God, war, riot, fire, labor trouble, unavailability of materials or components, explosion, breakdown or accident, delay in transportation, plant shutdown, compliance with governmental requests, laws, regulations, order or actions, unforeseen circumstances, or causes beyond such party's reasonable control. If Seller determines that Seller's ability to deliver the Products or any component thereof is hindered, limited or made impracticable, Seller may, in its sole discretion (a) suspend, delay or cancel delivery of all or any portion of the Products or any component thereof and/or (b) allocate its available supply of the Products or any component thereof among itself and its purchasers on such basis as Seller determines to be equitable, all without any liability to Purchaser for any such suspension, delay, cancellation, allocation, or failure of performance which may result therefrom.
- CONFIDENTIAL INFORMATION:** Both parties shall consider all information furnished by the other party to be confidential and shall not disclose any such information to any other person, or use such information for any purpose other than performing its obligations hereunder, unless the party obtains written permission from the other party.
- INDEMNIFICATION:** Purchaser agrees to indemnify, defend and hold harmless Seller, its owners, officers, directors, employees, representatives and any affiliate of Seller and the owners, officers, directors, employees and representatives thereof, from and against any and all damages, claims, expenses (including reasonable attorneys' fees), losses or liabilities of any nature whatsoever, and whether involving injury or damage to person or property, and any and all suits, causes of action and proceedings thereon arising or allegedly arising out of, based upon or attributable to the Products sold hereunder or from the use thereof.
- INTELLECTUAL PROPERTY; INFRINGEMENT:** Seller has specific know-how and expertise in the design and manufacturing of Product, and has developed or may as part of the design and manufacturing of Product for Purchaser develop certain inventions, techniques, processes or designs ("intellectual property") which it will incorporate into the Product. Purchaser acknowledges that it will not be obtaining any ownership rights in such intellectual property, and that any and all intellectual property, ideas, inventions, documents, data, programs, technologies, source code or object code, and/or other materials developed or produced by Seller either prior to the date of these terms and conditions or in the design or manufacturing of Products for Purchaser are and shall remain the sole and exclusive intellectual property of Seller. Seller grants to Purchaser a royalty-free, nonexclusive, non-transferable, non-sublicensable license to any and all intellectual property which is incorporated in any Product, which license shall terminate upon the termination of Seller's supply relationship with Purchaser. To the extent that the Products and Tooling hereunder are manufactured in accordance with Purchaser's specifications and design, Purchaser shall defend and save harmless Seller from all damages, claims, actions or suits based upon actual or alleged infringement of any patent registered in the United States or elsewhere. Indemnity shall include attorneys' fees and other costs in defending such claim.
- TERMINATION.** Seller may cancel this contract if any of the following occurs: (a) Purchaser becomes insolvent; (b) Purchaser ceases to conduct its operations in the normal course of business; (c) Purchaser is unable to meet its obligations as they mature, or admit in writing such inability; (d) Purchaser files a voluntary petition in bankruptcy; (e) Purchaser suffers the filing of an involuntary petition in bankruptcy and the same is not dismissed within thirty (30) days after filing; (f) a receiver, custodian or trustee is appointed for Purchaser or for a substantial part of its property; (g) Purchaser fails to make payment on the terms and within the time specified in this contract; or (h) Purchaser executes an assignment for the benefit of its creditors. In the event of such cancellation, Seller shall have all rights and remedies set forth in the UCC of any applicable jurisdiction and all other remedies available at law or in equity.
- ARBITRATION CLAUSE:** Any controversy or claim arising out of or relating to the Products, or the breach of any of the obligations relating thereto, shall be settled by arbitration in accordance with the rules of the American Arbitration Association. The arbitration proceedings shall be held in Pittsburgh, Pennsylvania and shall be conducted before one (1) neutral arbitrator who shall be a member of the Pennsylvania Bar. The decision of the arbitrator shall be final and conclusive upon the parties, and judgment upon the award rendered by the arbitrator may be entered in any court having competent jurisdiction.
- COLLECTION COSTS:** If Seller retains the services of counsel in connection with enforcing Purchaser's obligations hereunder, reasonable attorneys' fees shall be paid by Purchaser to Seller. Purchaser shall pay all costs, including such attorneys' fees, incurred by Seller in connection with any proceeding to enforce Purchaser's obligations hereunder.
- ASSIGNMENT:** These terms and conditions are binding upon and inure to the benefit of the parties and the successors and assigns of the entire business and goodwill of Purchaser but shall not be otherwise assignable, without the prior consent of Seller.
- SEVERABILITY:** If any phrase, clause or provision shall be declared void, the validity of any other provisions shall not be affected thereby.
- ENTIRE AGREEMENT:** These Terms and Conditions, the Invoice and the Price Adjustments constitute the entire agreement between the parties with respect to the matters set forth herein.
- NON-EXCLUSIVE:** Nothing contained herein shall be construed to establish an exclusive relationship between Seller and Purchaser.
- GOVERNING LAW:** These Terms and Conditions shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflicts of law principles.
- HEADINGS:** The headings used herein are for reference purposes only and shall not affect the meaning or interpretation of these Terms and Conditions.