

## GENERAL PURCHASING TERMS AND CONDITIONS

1. THE TERM "Purchaser" as hereinafter used means North American Stainless, and the term "Seller" means the person, firm or company from whom the merchandise described or specified elsewhere in this order has been ordered.
2. This form, bearing an order number, is the only form which will be recognized by Purchaser as authority for charging merchandise to its account.
3. The quantity of merchandise delivered by Seller to Purchaser shall not be greater than the amount specified elsewhere in this order unless an additional amount is first ordered by Purchaser in writing on its "Change Order Form".
4. Seller shall properly package all merchandise for safe shipment to the Purchaser and a notice of shipment shall be sent by Seller to Purchaser at the time the merchandise described as specified elsewhere in this order is shipped which shall state the number of the order, the kind of merchandise, the Seller's name and the route by which the shipment is being made.
5. Seller warrants that transportation cost included in the price will not exceed actual transportation costs paid by Seller. If this order calls for payment of any transportation costs by Purchaser, Purchaser shall in no event be liable or accountable for any amount in excess of the actual cost of transportation. Seller shall be accountable for any excess transportation costs arising from Seller's failure to make delivery to the F. O. B. point or to follow shipping instruction specified elsewhere on this order.
6. If the merchandise covered by this order is standard stock merchandise, Purchaser, at its option, may cancel at any time any non-shipped portion of this order without further obligation thereunder, except to make payment, subject to other applicable terms hereof for the merchandise actually shipped prior to such cancellation.
7. All merchandise hereby ordered is subject to inspection and testing by Purchaser within a reasonable time after arrival at the ultimate destination. If upon inspection or testing such merchandise is found to be unsatisfactory, defective of inferior quality or workmanship or fails to meet and guarantees or operation or other specifications contained herein or any other requirements of this Purchase Order, then without prejudice to any of the rights or remedies, Purchaser may return the merchandise of any part thereof to Seller, and all amounts therefor paid by Purchaser to Seller on account of the purchase price of such returned merchandise, together with any cost incurred by Purchaser in connection with the original delivery or return of such merchandise, shall be repaid to Purchaser by Seller. Neither the inspection nor acceptance of merchandise shall release the Seller from any of the warranties or other provisions of this Order. Purchaser reserves the right even after it has paid for and accepted said merchandise, to make a claim against Seller on account of any merchandise hereby ordered which does not prove to be satisfactory or is defective.
8. The Seller warrants all equipment, materials and supplies (hereinafter called "equipment") furnished under this Purchase Order against defects in material and Workmanship; and where design is the responsibility if the Seller, against failures to perform in accordance with the requirements of this Purchase Order and applicable specifications. This warranty shall apply throughout the first year of operation of said equipment by Purchaser. Should any part of said equipment fail to function or meet the required performance as specified above, Seller shall immediately upon receipt of the notification from Purchaser, make changes, corrections and/or additions—or authorize Purchaser to make such changes, corrections or additions as Purchaser deems necessary to fulfill the performance requirements of the specifications and/or correct all such defects. These changes/additions, including the removing

and replacing of all parts required for the correction, shall be made at the Seller's sole expense and without charge to Purchaser.

9. Intellectual Property – Unless the products furnished hereunder are of Purchaser's design, Seller warrants and represents that said products and their sale or use, alone or in combination, will not infringe any U.S. or foreign patents or copyrights and agrees to defend, protect and save harmless. Purchaser, its successors, assigns, customers and users of its products, against all suits and from all cost, damages, claims and demands resulting from any actual or alleged infringement involving the products furnished hereunder.

10. Seller shall assume and pay any and all loss or damage to said merchandise from any cause whatsoever until delivered to Purchaser at the F.O.B. point specified elsewhere in this order. Upon delivery of such merchandise to a common carrier at such F.O.B. point properly consigned to Purchaser, any loss or damage to such merchandise thereafter occurring shall be borne by Purchaser.

11. Seller warrants that all merchandise delivered or services provided pursuant to this order shall have been produced, sold and delivered to purchaser in compliance with all applicable laws regulations and that the prices therefore are not in excess of any applicable price established by law or governmental regulation.

12. Time is of the essence hereof. In accepting this order or making any deliveries hereunder, Seller agrees to all the terms and conditions stated on this Purchase Order form and agree to perform this order and make deliveries hereunder as required hereby. This Purchase Order, together with any written documents which may be attached hereto and/or incorporated by specific reference, constitute the entire agreement between parties and supersedes all previous communications between them, either oral or written. All such previous communications are hereby abrogated and withdrawn, and no stipulations, representations or agreements by Purchaser or any of its officers, agents or employees shall be binding on the Purchaser unless reduced to writing and attached to or incorporated in the Purchase Order by reference as above provided and no local, general or trade custom shall alter or vary the terms hereof.

13. Purchaser's customer(s), and statutory/regulatory authorities have the right of entry to Seller's facilities to determine and verify the quality of work and material. This right extends to the applicable areas of all facilities at any level of the supply chain involved in the order and to all applicable records. Such investigations at facilities will be performed jointly by Purchaser, the seller, customer, statutory/regulatory authorities, and subcontractor as applicable.

14. The Seller shall not outsource work from their facility to a sub tier without written approval from the Purchaser's authorized Purchasing Agent unless otherwise specified, nor shall Seller allow its sub suppliers to outsource work from their facilities without authorization. Purchaser reserves the right to require and request evidence of Seller ensuring that their personnel are aware of: their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

15. This Purchase Order shall be governed by laws of the Commonwealth of Kentucky and may be enforced in the Circuit Court of Carroll County, Kentucky.

**FORM #4420-1.10**