

GENERAL TERMS AND CONDITIONS OF SALE • Also Available at www.ntruddock.com

Unless otherwise agreed upon in writing, the following General Terms and Conditions of Sale (the “General Terms and Conditions”) are applicable to the sale of all products, metal, alloys, abrasives, personal property or services (the “Products”) by **N.T. Ruddock Company** or any of its divisions (“Seller”), to any purchaser thereof (“Buyer”). These General Terms and Conditions are subject to any additional terms contained in any agreement, statement of work, amendment, addendum or other writing signed by Seller, and each such writing is deemed to incorporate these General Terms and Conditions as if fully set forth therein. All orders are subject to approval by Seller at its corporate headquarters in Oakwood Village, OH. Any amendment, waiver or other alteration of these General Terms and Conditions by Seller shall be effective only if made in a writing signed by a designated officer or director of Seller, and any attempt by Buyer to alter such terms and conditions with printed purchase orders, acknowledgments or similar documentation shall be void and of no force or effect. Except as otherwise agreed to in writing by the Seller, any conflicting or additional terms and conditions of sale are expressly rejected by the Seller.

1. Entire Agreement: These General Terms and Conditions, along with any agreement, statement of work, amendment, addendum or other writing signed by Seller, constitute a complete and exclusive statement of the agreement (“Agreement”) between Seller and Buyer with respect to, and shall exclusively govern, the sale of all Products by Seller to Buyer in connection with or as contemplated by the Seller’s written or oral proposals, quotations and sales to Buyer (any such item, written or oral, being a “Sale Order”) and/or Buyer’s written or oral purchase orders or similar form to Seller (any such item, written or oral, being a “Purchase Order”), and shall continue in effect until terminated in writing by Seller. Transactions contemplated by this Agreement are “forward contracts” and Buyer and Seller are “forward contract merchants,” as those terms are used in the United States Bankruptcy Code, as amended. In the event of a conflict between the terms and conditions contained in a Sale Order or final order acknowledgement and those contained in these General Terms and Conditions, the terms contained in a Sale Order or final order acknowledgement shall control. Notwithstanding any different or additional terms or conditions contained in Buyer’s purchase order or other communication to Seller related to the Products, Seller accepts Buyer’s order only on the condition that Buyer expressly accepts and assents to these General Terms and Conditions. Buyer’s order shall not be binding upon Seller unless and until such order is accepted by Seller in writing. In the absence of Buyer’s acceptance hereof, Seller’s commencement of performance or Seller’s acknowledgement of Buyer’s Purchase Order shall not be construed as Seller’s acceptance of any of Buyer’s terms. Any confirmation by Buyer that states different or additional terms shall operate as an acceptance of these General Terms and Conditions, but Seller hereby objects to and rejects such different or additional terms and any such different or additional terms shall be deemed to be material alterations and notice of objection to them is hereby given. In addition, Buyer’s acceptance of any Products shall be deemed to be acceptance of all of these General Terms and Conditions. Seller hereby objects to any additional, contradictory or different terms contained in any initial or subsequent Purchase Order from Buyer pertaining to the Products, including, but not limited to, any indemnification or compliance warranty provisions. Any notice by Buyer objecting to these General Terms and Conditions must be in writing separate from any Purchase Order. Seller’s failure to object specifically to provisions contained in any Purchase Order shall not be deemed a waiver of the provisions contained in these General Terms and Conditions.

2. Acceptance of General Terms and Conditions: Buyer’s assent to the General Terms and Conditions may be expressed either by written acceptance or by failure to object in writing to the General Terms and Conditions within five (5) days of receipt thereof. Any such written objections should accompany, but be separate from, the Purchase Order submitted to the Seller.

3. Price & Taxes: Unless otherwise agreed, the price of Products shipped hereunder shall be paid in full by Buyer, and prices shall be an amount equal to Seller’s price on the date of shipment plus applicable Federal, State and local transactional costs and expenses, including, but not limited to, all freight, taxes, duties, tariffs, premiums or other additional costs imposed by reason of this sale.

4. Price Changes: If a price is specified, it may be changed by Seller on the first day of any month by written notice sent to Buyer not less than twenty (20) days prior to the effective date of change. Unless Buyer gives Seller written notice of objection to such change at least seven (7) days prior to the effective date of the change, Buyer shall be deemed to have accepted such change. If Buyer gives such notice of objection and Buyer and Seller fails to agree on such change prior to the effective date thereof, the Agreement and the obligations of Seller and Buyer thereunder shall terminate with respect to the unshipped portion of the Products covered thereby. In the event of any governmental action or request which prevents Seller from making a price increase or continuing any price already in effect, Seller may terminate the Agreement by giving Buyer thirty (30) days prior written notice of termination.

5. Drawback: The price of Products sold for export does not include import duty, if any, and Seller reserves the right to claim duty drawback. Buyer agrees to assist in Seller’s efforts to obtain such drawback and to furnish Seller with all necessary documents and, if Products are transferred for export, to require exporter to furnish proof of such exportation.

6. Payment: For purpose of payment, each shipment and invoice therefore shall be a separate sale. Unless otherwise agreed, full payment is due and payable no later than net thirty (30) days from date of invoice (“Due Date”). All payments shall be made in U.S. dollars, unless otherwise agreed. Buyer’s outstanding unpaid balances shall be subject to a finance charge at the rate specified on the invoice until paid in full (or such lower rate as may be the maximum permitted by law). Buyer shall also pay Seller’s cost of collection (including reasonable attorneys’ fees). Payments received may be applied by Seller, in its sole discretion, against any obligation owed by Buyer to Seller. Seller may refuse or delay shipments if Buyer fails to pay promptly any payments due Seller. If Seller shall, in its sole discretion, deem itself to be insecure regarding Buyer’s ability to fulfill the terms of payment herein specified, whether due to Buyer’s financial condition or any other reason, Seller may by notice to Buyer (i) require full or partial payment in advance of delivery or (ii) reduce, eliminate or otherwise modify the credit terms.

7. Purchase Money Security Interest: To secure the complete and timely payment and performance of all Buyer’s obligations under this Agreement, including the complete and timely payment of the purchase price of the Products sold under this Agreement, Seller hereby reserves, and Buyer hereby grants Seller a purchase money security interest in all Products whether constituting equipment, inventory, fixtures, general intangibles, and/or any other form of personal property, including all accessions thereto and replacements thereof, all

products and proceeds thereof, including without limitation, insurance proceeds. A copy of the invoice(s) covering the Products may be filed with appropriate authorities at anytime as a financing statement to perfect Seller's security interest, provided further that, Buyer hereby authorizes Seller to prepare, execute, issue, and file such UCC-1 financing statements, continuation statements, amendments, and any instruments or third party notices that Seller may reasonably require to perfect Seller's security interest. Seller shall have all the rights and remedies of a secured party under the Uniform Commercial Code, which remedies shall be cumulative and not exclusive.

8. Setoff and Recoupment: Seller shall have the right at any time and without notice, to recoup or setoff (which ever may apply) any liability or obligation of Buyer to Seller or any of Seller's affiliated companies against any liability or obligation of Seller to Buyer. Under no circumstances will Buyer have a right of setoff or recoupment against Seller without prior written notice to Seller and without at least five (5) business days in which Seller may cure or relieve itself of its liability to Buyer.

9. Termination: Time is of the essence and, in addition to any other rights, Seller shall further have the right, at its option, to terminate this Agreement without notice to Buyer if (i) payment is not made on or before the Due Date, (ii) Buyer becomes insolvent, or (iii) Buyer's ability to pay debt in the normal course of business otherwise becomes impaired.

10. Shipments; Shipment Quantity; Shortages: With respect to each shipment of Products, Buyer shall give Seller one (1) business day's advance notice, which notice shall include date of delivery and shipping instructions. Seller shall not be required to deliver in any month more than the monthly quantity specified in the Agreement, or if no monthly quantity is specified, more than the pro-rata amount of the maximum quantity specified, nor shall Seller be bound to tender delivery of any quantities for which Buyer has not given one (1) business day's advance notice. If Buyer fails to accept delivery of the stipulated or minimum pro-rata quantity in any month, or fails to give such notice, Seller may, at its option, in addition to its other rights and remedies, cancel such deliveries or parts thereof. All Products shipped under this Agreement shall be subject to Seller's usual tolerances and variations as to quantity. Unless Seller receives written notification of variances in quantity within twenty (20) days of the invoice date, the invoiced quantity shall be conclusive.

11. Delivery; Risk of Loss: Unless otherwise agreed, Products are shipped freight collect or collect upon arrival. Title to and risk of loss shall pass to Buyer upon delivery of Products to carrier. Choice of carrier and shipping method and route shall be at the election of Buyer and shall be Buyer's sole responsibility. Seller shall have the right to deliver all Products covered hereby at one time or in partial shipments from time to time, within the agreed time for delivery. Delivery dates are approximate and Seller shall not be liable for damages or costs which arise in connection with the delivery of Products after the date stated on any Sale Order, Purchase Order or other document. Delivery dates are further dependent upon the prompt receipt by Seller of all information required by Seller to proceed with work immediately and without interruption. Buyer shall pay all freight, handling, delivery, special packing and insurance charges for shipments of Products. All such charges shall be the Buyer's sole responsibility and shall be charged to the Buyer's account.

12. Acceptance of Products: Upon receipt of Products, Buyer agrees to immediately inspect and/or test the Products. Such inspection or testing shall be completed promptly and in no event later than ten (10) days after delivery of the Products to carrier. The Products shall be deemed accepted by Buyer unless Buyer provides Seller, within ten (10) days of the end of the initial inspection period, a written notice specifying all defects or discrepancies in the quality or quantity of Products. Buyer shall permit Seller to inspect any damaged or otherwise nonconforming Products.

13. Cancellation: Once an order is accepted by Seller, it may not be cancelled or changed by Buyer, nor shall Buyer be entitled to delay shipment or performance, except with the written consent and upon terms and conditions approved by Seller in writing. If Seller consents to the cancellation of an order for Products pursuant to the foregoing sentence, Buyer shall pay to Seller within thirty (30) days of such cancellation, all costs and expenses incurred by Seller in connection with Buyer's order (including without limitation, any restocking fee and reasonable cancellation charges) of an amount not less than fifteen percent (15%) of the cancelled order. Any extra cost incurred by Seller to meet Buyer's request for rescheduling/cancellation will be Buyer's responsibility.

14. Force Majeure: Seller shall not be liable for delays in delivery or for failure to perform, and performance shall be excused, if such failure is due to causes beyond the reasonable control of Seller or its subcontractors, including, but not be limited to, acts of God, acts or omissions of Buyer, acts of government, including but not limited to civil or military authorities, fire, strikes, power surges or outages, embargos, sanctions, epidemics, quarantine restrictions, flood, natural disasters, riot, war, delays in transaction or inability to obtain necessary labor, materials or supplies or any cause which renders Seller's performance commercially impractical under Section 2-615(a) of the Uniform Commercial Code, as amended.

15. Limited Warranty; Exclusive Remedy: Seller warrants that the Products will conform to Seller's specifications, as in effect at the time of shipment, and are free from defects in material and workmanship for a period of thirty (30) days from the date of shipment. Seller's sole obligation under this warranty shall be at its option to repair or replace any Products or part thereof which proves to be other than as warranted; provided that written notice of the alleged defect shall have been given by Buyer, within ten (10) days after discovery thereof, to Seller prior to thirty (30) days from the date of shipment to Buyer. This warranty does not extend to any Products or parts thereof which have been installed, operated, maintained, repaired or altered improperly or which have been the subject of misuse, accident or neglect; nor does the warranty apply to normal wear and tear resulting from use of the Products. Seller also warrants that it will convey good title to the Products and that such Products will be delivered free of any security interest or other lien or encumbrance. **EXCEPT AS SET FORTH IN THIS SECTION, SELLER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS. SELLER DISCLAIMS ANY WARRANTY WITH RESPECT TO THE MERCHANTABILITY OF THE PRODUCTS OR THE FITNESS OF THE PRODUCTS FOR ANY PARTICULAR PURPOSE OR USE OF BUYER AS WELL AS ANY EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS ARISING BY ANY COURSE OF DEALING, COURSE OF PERFORMANCE OR USAGE OF TRADE. SELLER FURTHER DISCLAIMS ANY WARRANTY WITH RESPECT TO THE CONFORMANCE OF THE PRODUCTS WITH ANY REQUIREMENTS OR SPECIFICATIONS PROVIDED BY BUYER, UNLESS THE CONFORMANCE WITH SUCH REQUIREMENTS OR SPECIFICATIONS HAS BEEN SPECIFICALLY AGREED TO BY SELLER IN WRITING.** Any cause of action for breach of the foregoing warranty shall be brought within one (1) year from the earlier of: a) the date the alleged breach was discovered; b) the date the alleged breach should have been discovered; or c) thirty (30) days from the date of

shipment. BUYER'S SOLE REMEDY IN THE EVENT OF A BREACH OF THE FOREGOING WARRANTIES IS THE REPAIR OR REPLACEMENT OF THE AFFECTED PRODUCT BY SELLER UPON RETURN OF THE PRODUCT, TRANSPORTATION CHARGES PREPAID TO SELLER. SELLER SHALL ASSESS A PRO-RATA CHARGE TO BUYER FOR USE OF THE PRODUCT PRIOR TO ITS RETURN.

16. Limitation of Liability: IN NO EVENT SHALL SELLER'S LIABILITY ARISING IN CONNECTION WITH OR UNDER THIS AGREEMENT (WHETHER UNDER THE THEORIES OF BREACH OF CONTRACT, TORT LIABILITY, MISREPRESENTATION, FRAUD, WARRANTY, NEGLIGENCE, STRICT LIABILITY OR ANY OTHER THEORY OF LAW) EXCEED THE PURCHASE PRICE OF THE PRODUCTS.

17. Disclaimer of Consequential Damages: IN NO EVENT SHALL SELLER BE LIABLE FOR DIRECT, INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT LIMITATION, BREACH OF ANY OBLIGATION OR WARRANTY IMPOSED ON SELLER HEREUNDER OR IN CONNECTION HERewith. "CONSEQUENTIAL DAMAGES" FOR PURPOSES HEREOF SHALL INCLUDE WITHOUT LIMITATION, LOSS OF USE, INCOME OR PROFIT, DAMAGES, EXPENSES, OR LOSSES SUSTAINED AS THE RESULT OF INJURY TO ANY PERSON, OR LOSS OF OR DAMAGE TO ANY PROPERTY (INCLUDING, WITHOUT LIMITATION, PROPERTY HANDLED OR PROCESSED THROUGH THE USE OF THE PRODUCTS), DAMAGES OR LOSSES RESULTING FROM CLAIMS OF OTHER PERSONS AGAINST BUYER, OR DAMAGES OR LOSSES SUSTAINED AS THE RESULT OF WORK STOPPAGE OR CAUSED BY OR RESULTING FROM THE USE OF DEFECTIVE OR NONCONFORMING PRODUCTS OR FROM DELAY IN THE DELIVERY OF PRODUCTS.

18. Buyer's Indemnity: Buyer shall indemnify Seller, Seller's officers, directors, employees and agents against all liability, cost or expense that may be sustained by Seller on account of, or arising from, the Agreement or the sale or transfer of the Products. Buyer shall further indemnify, defend and hold Seller and its directors, officers, employees, agents, suppliers, parents, affiliates, subsidiaries, successors and assigns harmless from and against any and all fines, penalties, suits, actions, claims, liabilities, judgments, losses, damages, costs and expenses (including attorneys' fees) resulting or arising from (a) Buyer's negligence or willful misconduct, (b) Buyer's use, sale, handling, storage, or disposal of the Products, or any product or waste derived therefrom, (c) Buyer's discharge or release of the Products, or any product or waste derived therefrom into water, onto land or into the air, (d) Buyer's exposing any person (including Buyer's employees) to the Products, or any product or waste derived therefrom, including failure to warn of such exposure, (e) the transportation of the Products to Buyer after tender of the Products by Seller to the carrier at the shipping point, or (f) any liability or cost arising out of any claim for the infringement of any patent or other rights which are or may be asserted against Seller because of the design, nature, structure or use of any goods manufactured by Buyer or modified at the request of Buyer. The foregoing shall apply, without limitation, to injury to person (including death) or damage or harm to property or the environment. This indemnity shall not apply to any fine, penalty, suit, action, claim, liability, judgment, cost or expense caused solely by Seller's negligence or willful misconduct, but shall apply where there is concurrent negligence or willful misconduct on the part of Seller and Buyer in proportion to buyer's negligence or willful misconduct.

19. Compliance with Laws: Any provision required to be incorporated into a contract of this type by any applicable Federal, State, or local law, ordinance or governmental rule, regulation, order or other governmental requirements shall be deemed to be incorporated herein. Buyer represents and warrants that Products will not be used, resold, transferred, exported or reused in any way by Buyer in violation of any laws, regulations of any Federal, local, State or other governmental entity including export/import controls imposed by the U.S. Government (collectively, the "Regulations"). In the event Buyer knows or is aware of any Regulation that would adversely impact the transaction(s) contemplated by a Sale Order and/or Buyer's Purchase Order, Buyer shall immediately advise Seller of the same. If the Seller, in its sole discretion, determines that the effect of the Regulations is a material increase in Seller's risk with respect to such transaction, the Seller may, without cost, liability or penalty of any kind, withdraw a Sale Order and/or revoke its acceptance of Buyer's Purchase Order.

20. Disputes: Any controversy or dispute between Seller and Buyer arising out of or in any way related to this Agreement not otherwise resolved between Seller and Buyer shall be resolved in a court sitting within the State of Ohio, Cuyahoga County, and Buyer consents and agrees that jurisdiction and venue for such proceedings shall lie exclusively with such courts. No action, regardless of form, arising out of, or in any way connected with, Products may be brought by Buyer more than one (1) year after the earlier of: (a) the date the alleged breach was discovered; (b) the date the alleged breach should have been discovered; or (c) thirty (30) days from the date of shipment.

21. Early Termination: Seller may immediately terminate this Agreement without notice to Buyer if Buyer: (i) makes an assignment for the benefit of creditors, (ii) becomes insolvent or is otherwise unable to pay its debts in the ordinary course of business, or (iii) is the subject of any voluntary or involuntary proceedings in bankruptcy, or under any other insolvency or similar law, or for corporate reorganization or for receivership.

22. General: This Agreement shall be governed by the laws of the State of Ohio, without regard to conflicts of laws principles thereof. Buyer may not assign its right under or interest in the Agreement without the prior written consent of Seller. The Agreement shall be binding upon and inure to the benefit of Buyer and Seller, their successors and permitted assigns. Seller shall have the right, at its sole option, to assign or subcontract any of its rights or duties hereunder. No waiver by either party of any breach of these General Terms and Conditions shall constitute a waiver of any other breach. If any provision hereof is held to be invalid or otherwise unenforceable for any reason, all other terms and remaining conditions will continue to be in force. Any clerical errors are subject to correction. Buyer shall reimburse Seller for reasonable attorney's fees necessarily incurred in order to enforce this Agreement or any provision hereof or to secure cost and/or damages pursuant to any other remedy, legal or equitable, arising from Buyer's breach hereof.

All Proposals and Purchase Orders are subject to the warranties, warranty disclaimer, terms and conditions appearing herein and Buyer agrees to be bound thereby. No modifications or additions thereto shall be binding upon Seller unless expressly consented to in writing in either the Proposal or Purchase Order acknowledgment. Any conflicting warranties, terms and conditions in the order or any other Buyer's documentation are specifically rejected by the Seller.