

ALLEGHENY TECHNOLOGIES GmbH
PURCHASE TERMS AND CONDITIONS

1. SCOPE OF APPLICATION.

1.1 These Purchase Terms and Conditions of Allegheny Technologies GmbH (“**Buyer**”) shall be applicable to any purchase order made by Buyer to **Seller**, subject to any additional terms and conditions expressly set forth or incorporated by express reference in the purchase order (together referred to as the “**Conditions**”).

1.2 Seller expressly waives the application of its own terms and conditions to any purchase order made by Buyer.

2. PURCHASE ORDERS.

2.1 Purchase orders shall be made in writing.

2.2 Any purchase order shall constitute no more than Buyer’s offer to purchase goods from Seller in accordance with the Conditions, which when accepted by Seller, shall constitute a binding contract between the parties (the “**Contract**”).

2.3 Acceptance of any purchase order, including acceptance of the Conditions, shall, without any limitation whatsoever, occur upon the happening of any of the following events: (i) receipt by Buyer of the acknowledgement copy of the purchase order signed by Seller without alteration thereto, or (ii) receipt by Buyer of notification from Seller that Seller has commenced performance hereunder or that Seller intends to deliver or ship the goods to Buyer.

2.4 No purchase order shall be modified without the prior written consent of Buyer.

3. PRICES.

3.1 Unless otherwise agreed, prices shall be deemed to be in EURO.

3.2 Unless otherwise agreed, prices shall be deemed to include any charges for shipment, packing, crating or cartage as well as any taxes (in particular VAT) or custom duties. Seller shall accept in this respect all tax exemption certificates provided by Buyer.

4. WARRANTIES.

4.1 Seller expressly warrants (*gewährleistet*) that all goods or services, furnished under any purchase order shall be of merchantable quality and fit for any purpose held out by Seller or made known to Seller at the time the order is placed and shall strictly conform to all specifications, quantities, and appropriate standards, acceptable in the trade or business of Seller or expressly stipulated, and will be free from all defects in material and workmanship. Seller warrants that Seller has full right, title and ownership in all goods delivered and that they are not subject to any lien, encumbrance or retention of title by a third party. All goods supplied shall comply with all relevant legislation, rules and regulations, in particular those relating to the environment and health and safety.

4.2 Seller’s warranty shall be valid for a period of two years from the delivery of any goods or services.

5. DELIVERY DATE AND QUANTITY.

5.1 Delivery shall not be deemed to be complete until the goods have been actually received at the place agreed upon between Buyer and Seller and have been accepted by Buyer.

5.2 The time of delivery agreed upon between Buyer and Seller shall be considered as an essential element of the Contract. If delivery of items or rendering of service is not completed by the time promised, Buyer reserves the right, without liability and in addition to its other rights and remedies, to terminate the Contract, in whole or in part, and to claim damages from Seller for any loss incurred, which shall include damages to Buyer and to any customers of Buyer occasioned by the delay in delivery.

5.3 Seller shall promptly notify Buyer in writing of any anticipated delay in the scheduled delivery date, and Buyer reserves the right, in order to maintain the scheduled delivery date, to require Seller to expedite delivery either by performing fabrication or erection on an accelerated, premium time basis or by shipping via a speedier, alternate transport means. Additional costs attributable to such expedited delivery shall be paid by Seller.

5.4 Seller shall bear the risk of loss to the goods purchased hereunder until received and accepted by Buyer.

5.5 Partial, advance and excess shipments may at Buyer's option be rejected and returned to Seller at Seller's expense.

6. PACKING AND SHIPMENT. All goods must be suitably packed and prepared for shipment, in a manner intended to affect the safe arrival, protection of those persons who may come into contact therewith, and to secure the lowest practicable transportation rates and comply with rules and regulations of the chosen carrier. All shipments to be forwarded on one day must be consolidated via one route. Each container must be consecutively and legibly numbered to show the order number and the container, and order numbers must be indicated on the bill of lading. Packing lists showing the order number must be included in each package and with each carload shipment if applicable.

7. DRAWINGS AND SPECIFICATIONS. All drawings, specifications and other information furnished by Buyer for use in connection with any order are the confidential property of Buyer, and are not to be disclosed to any third party or used for any purpose other than the fulfilment of the order and are to be returned to Buyer as soon as reasonably possible after the completion of the order.

8. BUYER'S REMEDIES.

8.1 In case of any breach or failure by Seller to comply with the provisions of any order and/or the warranties stipulated in section 4, Buyer may at its option: (a) Refuse to accept delivery of the goods and terminate the Contract; (b) Accept the nonconforming goods, but subject to a price reduction; (c) Have Seller repair or replace defective goods at Seller's expense. In the cases (a) and (c) above, Buyer shall return nonconforming or late delivered goods to Seller at Seller's expense.

8.2 In addition to the remedies specified under section 8.1, Buyer shall be entitled to all direct, indirect, consequential and incidental damages resulting from a breach by Seller, including, without limitation, all expenses reasonably incurred, receipt, transportation, and care and custody of products rightly rejected, any commercially reasonable charges, expenses or commissions incurred, and any other reasonable expenses incident to a delay or breach by Seller.

8.3 The remedies stipulated under sections 8.1 and 8.2 shall be available to Buyer for a period of two years following the delivery of any goods or services.

8.4 Buyer's remedies as specified above shall be cumulative and additional to any further or other remedies provided in law, particularly in the German Civil Code ("*Bürgerliches Gesetzbuch*") or in the Law on Product Liability ("*Produkthaftungsgesetz*").

9. **WAIVER.** No act omission or delay by Buyer shall constitute or be deemed to be a waiver of any right nor shall any express or implied waiver by Buyer of any rights on one occasion imply that the same or other right may be treated as having been waived on any other occasion.

10. **GOVERNING LAW.** The Contract shall be governed by the laws of Germany (excluding the 1980 Vienna Convention on the International Sale of Goods), and the Seller agrees to submit to the non-exclusive jurisdiction of the competent courts (Chamber of Commerce, if applicable) of Darmstadt, Germany.

11. **CHANGES.** Buyer shall have the right at any time to make changes in drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost, or the time required for the performance of the work, an equitable adjustment shall be made and the Contract shall be modified in writing accordingly. Seller agrees to accept any such changes.

12. **TERMINATION.** Buyer may, by written notice to Seller, cancel any purchase order, or any part of it, upon the occurrence of any of the following events ("Events of Default"): (a) Seller fails fully to perform any of its obligations under the Conditions, including without limitation, the timeliness of delivery, the conformity of goods delivered or conformity with any express or implied warranty hereunder; (b) Seller makes any voluntary arrangements with its creditors, becomes insolvent or becomes subject to a reorganization process within the meaning of the Insolvency Act ("*Insolvenzordnung*"); (c) Seller goes into liquidation; (d) the making by Seller of any contestable assignment for the benefit of creditors; (e) the admission by Seller in writing of its inability to pay its debts generally as they become due or the failure of Seller to generally pay its debts as such become due; (f) the taking of any corporate action by Seller or its shareholder or Board of Directors or any committee thereof in furtherance of any of the foregoing; or (g) Buyer in its reasonable opinion believes that Seller's ability to perform any purchase order is in danger or impaired.

In the event of such cancellation, Buyer shall have the rights and remedies set forth in the terms and conditions and Buyer's sole liability to Seller shall be for conforming goods completed and delivered to Buyer in accordance with any purchase order. Whenever Buyer has the right to demand of Seller adequate assurance of due performance, Buyer shall be sole judge of the adequacy of assurance given by Seller.

13. **ASSIGNMENT.** Assignment of any order or any interest therein or any payment due or to become due thereunder without the written consent of Buyer shall be void.

14. **INSPECTION / TESTING.** Buyer shall have the right to inspect goods delivered prior to acceptance, notwithstanding the fact that full or partial payment for the goods has been made prior to delivery, that the goods have been inspected at Seller's place of business, or that the condition of the goods has been otherwise certified to Buyer. Such inspection shall be made within a reasonable period from delivery of the goods. It may include any measurement, testing or examination which leaves possible the return of the goods to Seller in substantially the condition in which they were delivered to Buyer. Buyer may reject or revoke its acceptance of any goods which do not strictly conform with Seller's obligations under these Conditions, and in such event, Buyer shall be entitled to exercise all or any of the remedies set forth in paragraph 8.

15. **INVOICES AND PAYMENT.** Cash discount will be calculated from the time material is received or an acceptable invoice is received, whichever is later. Unless otherwise provided in this order, invoices will not be issued nor will payments be made prior to delivery. Individual invoices must be issued for each shipment under this order. Invoicing against this Purchase Order shall be

made separately from all other orders and shall show complete order number. Buyer reserves all rights to offset or retain payment provided by applicable law.

16. **TITLE AND RISK OF LOSS.** Title and risk of loss to products to be furnished under the order shall pass to Buyer as specified in Section 5.4 above. If the order involves work by Seller on Buyer material at Seller's works, risk of loss of the material or any part thereof shall be the responsibility of Seller. After Seller's work has been completed and delivered to Buyer or Buyer designee, the risk of loss of material or any part thereof shall be the responsibility of Buyer. Seller shall maintain insurance covering Buyer owned material against fire, theft or other casualty while in Seller's possession.

17. **FORCE MAJEURE.** Buyer shall have no liability to Seller or be deemed to be in default of the Contract owing to causes beyond the control of Buyer including but not limited to fire, flood, act of God, acts or regulations of any governmental or supranational authority, terrorism, war, riot, lock outs or industrial disputes.

18. **SEVERABILITY.** If any provision of a Contract or these Conditions shall be held to be illegal, void, invalid or unenforceable under the laws of any jurisdiction, the legality, validity and enforceability of the remainder of the Contract and/or these Conditions in that jurisdiction shall not be affected, and the legality, validity and enforceability of the whole of the Contract and/or these Conditions shall not be affected in any other jurisdiction. Invalid or unenforceable provisions of a Contract and/or these Conditions shall be deemed as replaced by such valid and enforceable provisions that shall be suitable to implement the economic purpose of the invalid or unenforceable provision to the greatest extent possible.

19. **ENTIRE AGREEMENT.** The Contract will constitute the whole agreement between the parties, and supersede and extinguish any prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to the Contract or its subject. No course of prior dealings between the parties and no usage of trade shall be relevant to supplement or explain any term in a Contract.

* * *