

TERMS AND CONDITIONS OF SALE

1. **PRICES**

INTERNATIONAL COMMERCIAL TERMS 2010 (INCOTERMS® 2010) apply.

2. **TAXES AND CHARGE**

In addition to the purchase price, Buyer shall pay Seller the amount of all government taxes, excises and/or other charges that Seller may be required to pay with respect to the production, sale or transportation of any products delivered hereunder, where the law provides otherwise. Buyer shall also pay Seller a late payment charge of 1.5% per month of the unpaid purchase price of any products for each month or part thereof that said purchase price is not paid when due. If legal efforts are required to collect past due invoices, Buyer shall pay all reasonable legal and collection fees.

3. **WARRANTY**

Seller warrants that products delivered hereunder meet Seller's and/or manufacturer's standard specifications or product standards, as the case may be, for the product or such other specifications as have been expressly agreed upon with Buyer in writing. Seller warrants further that such products are adequately contained, packaged and labeled and conform to the statements made on the container or label. THE FOREGOING WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL OR IMPLIED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, EACH OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED.

4. **BUYER'S REMEDIES AND LIMITATION**

Buyer's receipt of any products delivered hereunder shall constitute an unqualified acceptance and a waiver of any and all claims with respect to such product unless Buyer notifies Seller within 30 days of such receipt that the products do not conform to the warranty outlined in paragraph 3 above. Given the proper notice referred to above, Seller's liability under said warranties shall be limited to the replacements or repair of such products at Seller's option. Seller shall pay transportation costs of products to and from Seller's plant only if Seller directs Buyer to return same in writing. Buyer assumes all risk and liability for the results obtained by the use of the products delivered hereunder in manufacturing processes of Buyer or in combination with other substances. No claim of any kind whether as to products delivered or for non-delivery of products shall be greater in amount than the purchase price of the products in respect of which such claim is made and in no case shall Seller be liable for incidental or consequential damages whether or not caused by the negligence of Seller.

5. **PATENTS**

Seller shall indemnify Buyer from any judgment for damages and costs on account of the infringement of any United States patent due to the materials, per se, supplied by the Seller hereunder in accordance with the design and/or specification furnished by Seller to Buyer. Seller shall have the option to refund the purchase price or replace with product that does not infringe. Buyer shall indemnify the Seller from any judgment for damages and costs on account of the infringement of any United States patent due to materials supplied by Seller hereunder in accordance with the design and/or specification furnished by Buyer to Seller. Said indemnification shall arise only if the party charged with infringement gives the other party prompt written notification of the bringing of any suit and the other party is given the opportunity to settle or defend same as such party sees fit provided further that every reasonable assistance will be afforded the defending party in any such action. In no event shall this indemnity clause cover incidental or consequential damages suffered by either party.

6. **CONTINGENCIES**

Seller shall not be liable for its failure to perform hereunder due to causes or contingencies beyond its control, including, but not limited to, labor disputes, fires, floods, accidents, acts of God, acts of law or public authorities, and Seller may at its option cancel or reduce deliveries accordingly, or allocate supply in such manner as it deems equitable.

7. **QUANTITIES**

In the case of orders for products to be manufactured to specifications, Seller may deliver up to 10% above or 10% below any quantity so ordered, thereby completing the order.

8. **SECURITY INTEREST**

Seller retains a purchase money security interest in products until paid in full.

9. **DELIVERIES**

All deliveries hereunder are subject to the condition that all past due indebtedness of Buyer to Seller due before the date of shipment shall first be paid.

10. **TESTING**

For the purposes of witnessing final physical testing of any product to be delivered hereunder, the Buyer shall have the right of reasonable access with supervision to Seller's facilities during normal working hours.

11. **BUYER'S ACCEPTANCE OF ABOVE CONDITIONS**

This order shall be subject to the terms and conditions contained or referred to in Seller's quotation and on this page and the other side hereof, and to no other terms whatsoever. No waiver, alteration or modification of these terms and conditions shall be valid unless in writing and signed by an authorized representative of Seller. No modification shall be effected by the acknowledgment or acceptance of purchase order forms containing other or different terms or conditions whether or not signed by any other representative of Seller. BUYER'S RECEIPT OF THIS DOCUMENT SHALL CONSTITUTE AN ACCEPTANCE BY THE BUYER OF ALL THE TERMS AND CONDITIONS CONTAINED HEREIN EXCEPT FOR ANY TERM AND CONDITION TO WHICH BUYER SHALL PROMPTLY OBJECT IN WRITING.

12. **EXPORT SALES**

Buyer has complied and/or will comply with all applicable laws, rules and regulations of the United States of America and of any other country concerned, pertaining to the purchase and movement of, and the payment for, the products to be delivered hereunder. All drawbacks of duties paid on items entering into the manufacture of the products delivered hereunder shall accrue to Seller, and the Buyer agrees to furnish Seller with all documents necessary to obtain payment of such drawbacks and to cooperate with Seller in obtaining such payment.

13. **APPLICABLE LAW**

The validity, interpretation and performance of the sale shall be governed by the laws of the State of Indiana, United States of America, without regard to any choice of laws provisions.

14. **SAFETY DATA SHEETS**

Safety Data Sheets may be accessed on the Seller's web site, www.haynesintl.com, or requested by contacting Seller.

15. **NOTICE OF RIGHTS UNDER NATIONAL LABOR RELATIONS ACT:**

If applicable, Contractor agrees to abide by the requirements of 29 C.F.R., Part 471, Appendix A to Subpart A, which are incorporated hereby by reference.