

TERMS AND CONDITIONS OF SALE OF GENERAL CARBIDE CORPORATION

GENERAL: These Terms and Conditions of Sale and the non-conflicting provisions in General Carbide Corporation's, or any of its affiliates' (collectively, "Seller"), quotation, if any, (collectively the "Terms") shall govern in all respects all sales of goods from Seller to the purchaser ("Buyer"). These Terms constitute the full understanding of the parties, a complete allocation of risks between them and a complete and exclusive statement of the terms and condition of their agreement. Unless set forth in writing and signed by both Seller and Buyer, no conditions, usage of trade, course of dealing or performance, understanding or agreement purporting to modify, vary, explain or supplement these Terms shall be binding and no modification shall be effected by the acknowledgment or acceptance of purchase order or shipping instruction forms containing terms or conditions at variance with or in addition to these Terms.

1. SHIPMENT, DELIVERY AND PASSAGE OF TITLE: Shipment and delivery of all goods shall be F.C.A. Seller's facility (Incoterms 2010) whereupon title and risk of loss is transferred to Buyer. The method of shipment and carrier shall be selected by Seller. Buyer shall inspect all goods against shipping papers and for damages or shortage upon receipt of goods at destination. Every claim for loss, damage in transit or other cause visible upon inspection shall be made with the carrier. Claims for shortage must be made within thirty (30) days of receipt. All shipment insurance and similar charges shall be borne by Buyer. All delivery information (including time for shipment) is approximate. Seller's sole responsibility is to use reasonable commercial efforts to meet specified shipment dates.

2. ACCEPTANCE: Except as otherwise provided herein, all goods delivered hereunder shall be conclusively deemed accepted unless, within thirty (30) days after the date of delivery of the goods, Seller receives written notice of rejection. Acceptance as aforesaid shall constitute acknowledgement of full performance by Seller of all of its obligations hereunder.

3. WARRANTY: Seller warrants that, at the time of tender for shipment of the goods, (i) Seller will hold and will pass marketable title to the goods sold hereunder and (ii) all goods sold hereunder will conform to the specifications for such goods. **EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THESE TERMS, SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.** Buyer's sole and exclusive remedy and Seller's only obligation for a breach of warranty hereunder shall be, at Seller's sole discretion, either (i) a refund of the purchase price upon the return of the defective goods to Seller or (ii) the repair or replacement of the defective goods. All claims for breach of any of the foregoing warranties must be made within thirty (30) days after Buyer learns of the facts on which such claim is based, but in no event later than sixty (60) days after Buyer's receipt of the goods.

4. LIMIT OF LIABILITY: SELLER'S TOTAL LIABILITY TO BUYER (REGARDLESS OF THE NATURE OF THE CLAIM) SHALL BE LIMITED TO THE TOTAL PURCHASE PRICE OF THE GOODS ACTUALLY PURCHASED BY BUYER. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION LOSS OF PROFITS.

5. PRICE: Except as set forth in a quotation provided by Seller, the sales price(s) for the goods will be the list or posted price(s) of Seller in effect at the time of delivery plus all charges for packing, storage, transportation and taxes imposed upon the sale. All quotations issued by Seller to Buyer shall expire at noon eastern standard time on the fourteenth (14th) day after the date of the quotation.

6. PAYMENT: Unless otherwise specified in a quotation issued by Seller and/or Seller's invoice, payment for the goods shall be due in full within thirty (30) days net from the date of the invoice. Without prejudice to any other rights or remedies of Seller, Seller shall have the right to charge interest without further notice on all overdue amounts at the rate of one and a half percent (1.5%) per month.

For international business, a 50% payment is required at time of order entry. Balance will be due at time of shipment to release the order.

7. SECURITY INTEREST: Seller retains a security interest in all goods delivered hereunder and all proceeds and products thereof until all amounts due or to become due hereunder have been paid. Any repossession and removal of goods shall be without prejudice to any of Seller's other remedies at law or in equity. Buyer agrees, without further consideration, at any time to do or cause to be done, executed and delivered all such further acts and instruments (including without limitation financing statements appropriate for filing) as Seller may reasonably request in order to protect Seller's security interest.

8. SUBSTITUTIONS AND MODIFICATIONS: Seller may substitute or modify goods provided the substituted or modified goods comply with applicable specifications.

9. BUYER'S CONDITION: These Terms and all shipments made hereunder shall be at all times subject to the approval by Seller of Buyer's financial condition. If the financial condition of Buyer at any time becomes unsatisfactory to Seller or if Buyer fails to make any payment when due, in addition to any other rights Seller may have, Seller may defer or decline to make any shipment or shipments hereunder or may condition such shipment upon receipt of satisfactory security or cash payments in advance. Seller reserves the right, upon written notice to Buyer, to cancel any order made under these Terms, without liability, in the event of any of the following: insolvency of Buyer, the filing of a voluntary petition in bankruptcy by Buyer, the filing of an involuntary petition to have Buyer declared bankrupt, the appointment of a receiver or trustee for Buyer, the execution by Buyer of an assignment for the benefit of creditors, the discontinuance of business by Buyer or the sale by Buyer of the bulk of its assets other than in the usual course of business.

10. CANCELLATION AND RETURNS: These Terms and any order made hereunder are not subject to cancellation by Buyer and goods delivered and accepted hereunder are not subject to return, except upon (a) written approval of Seller and (b) the payment to Seller of a fair and equitable cancellation or return charge based upon every loss, cost or damage that Seller may suffer as a result plus a reasonable allowance for profit.

11. FORCE MAJEURE: Seller shall not be liable to Buyer to the extent delivery of goods is prevented, restricted or delayed due to an act of God, war, riots, fire, explosion, flood, strike, lockout, injunction, inability to obtain fuel, power, raw materials, labor, containers, or transportation facilities, accident, mechanical breakage, failure or malfunction of machinery or apparatus, national defense requirements, or any cause beyond the reasonable control of Seller, which prevents or hinders the manufacture or shipment of the goods or of a material upon which the manufacture of the goods is dependent.

12. OWNERSHIP OF MATERIALS: All devices, equipment (other than the goods delivered hereunder), designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with the goods delivered hereunder and all related intellectual property rights, shall remain Seller's property. Buyer shall not disclose any such material to third parties without Seller's prior written consent.

13. CONFIDENTIALITY: Neither party shall disclose any confidential or proprietary information of the other party without the prior written consent of such other party.

14. ASSIGNMENT AND SUBCONTRACTING: Buyer shall not assign its rights and obligations under these Terms without Seller's prior written consent. In the event of an assignment without Seller's prior consent, upon written notice to Buyer, Seller shall have the right to make unilateral adjustments to the payment terms hereunder, including without limitation, requiring cash in advance for deliveries or the posting of additional security.

15. NOTICES: Any notice, direction or other information required or permitted to be given by either party under these Terms shall be deemed to have been validly given if served to the party in writing via e-mail, fax or via postal service.

16. INDEPENDENT CONTRACTORS: The relationship of Buyer and Seller under these Terms is that of independent contractors and nothing in these Terms shall be construed to create any other relationship between Buyer and Seller. Neither Buyer nor Seller shall have any rights, power or authority to assume, create or incur any expense, liability or obligation, express or implied, on behalf of the other.

17. ENTIRE AGREEMENT, SEVERABILITY AND HEADINGS. These Terms constitute the entire agreement between the parties and no amendment hereof shall be effective without a writing signed by Seller. If any provision of these Terms is declared invalid or unenforceable, all other provisions of these Terms shall remain in full force and effect. The paragraph headings hereof have been inserted for the convenience of the parties and shall not be considered in the interpretation or construction of these Terms.

18. APPLICABLE LAW: These Terms shall be interpreted under the laws of the Commonwealth of Pennsylvania, without recourse to conflict of law provisions. All disputes arising hereunder shall be resolved in a court of competent jurisdiction in Allegheny County, Pennsylvania. Buyer hereby consents to the jurisdiction of the state and federal courts sitting in Allegheny County, Pennsylvania and waives any claim that a proceeding brought in such courts has been brought in an inconvenient forum.