

ALLEGHENY TECHNOLOGIES GMBH TERMS AND CONDITIONS OF SALE

1. DEFINITIONS

"Conditions" shall be the terms and conditions of sale set forth below.
"Contract" shall be the contract for the purchase and sale of the Goods incorporating these Conditions.
"Goods" shall be the subject matter of the Contract.
"Purchaser" shall be such person, firm or company as is designated in any quotations (*Kostenanschlag*), offer (*Angebot*), correspondence or Contracts relating to the Goods in question.
"Seller" shall be ALLEGHENY TECHNOLOGIES GMBH, Heltofer Str. 1a 40472 Düsseldorf, Germany.

2. APPLICATION OF TERMS, QUOTATION, OFFER AND ACCEPTANCE

Subject to any variation in accordance with these Conditions the Contract shall be on these Conditions to the exclusion of all other terms and conditions (including any terms and conditions which the Purchaser purports to apply under any purchase order, (*Bestellung*), confirmation of order (*Auftragsbestätigung*), specification (*Auftragsbeschreibung*) or other document. No terms or conditions endorsed on, delivered with or contained in the Purchaser's purchase order, confirmation of order, specification or other document shall form part of the Contract.

2.2 Any quotations are given and all orders are accepted only upon these Conditions while any deviations from these Conditions require the express and written agreement of the Seller (see section 18.1) to be signed by an authorized representative of the Seller.

2.3 No quotation (*Preisangabe, Kostenvoranschlag*) of Seller shall constitute an offer for sale capable of acceptance so as to create a binding Contract.
2.4 Each order (*Bestellung*) or acceptance of a quotation received from any Purchaser shall be deemed to be an offer by the Purchaser to buy Goods subject to these Conditions and shall require the Seller's acceptance before any Contract shall be deemed to have arisen. Seller shall have the right to accept any offer of any Purchaser within 2 weeks.

2.5 Each order placed by the Purchaser that is accepted by the Seller shall constitute an entire and separate Contract to which these Conditions shall apply.

3. PRICES, ADDITIONAL CHARGES AND COST, ALTERATION OF PRICES

3.1 Unless otherwise agreed by the Seller in writing, the price for the Goods, which is Ex works Seller's premises, shall be the price set out in the Contract.
3.2 The price for the Goods is exclusive of the following charges which shall be paid by Purchaser in addition to the price (to the extent that such charges are paid or payable by Seller): all taxes which are in the nature of excise, sales, use, retailers or occupation taxes (including but not limited to value added tax) and freight, carriage and insurance.

3.3 Any additional cost incurred in packing or inspection which is requested by Purchaser, and is in addition to those regularly supplied by Seller, will be added to the price as a special charge. Such tests and inspections will be made only at the place of manufacture before the date of shipment.

3.4 Seller may (after timely notification of the Purchaser and, if requested, with reasonable explanation) at any time prior to delivery, reasonably change the price of the Goods to reflect any increase or reduction in the cost to the Seller which occurred after the conclusion of the Contract and which is due to any factor beyond the control of Seller, such as, without limitation, foreign exchange fluctuations, currency alteration or regulation or significant increase in the cost of labor, materials or other cost.

4. PAYMENT, DEFAULT OF PAYMENT, DEFAULT INTEREST, SELLER'S SUSPENSION OF DELIVERY, PURCHASER'S RETENTION OF PAYMENT AND SET-OFF

4.1 Unless otherwise expressly stipulated in these Conditions or otherwise agreed in writing all of Seller's invoices are due and payable net thirty (30) days from date of invoice.

4.2 All payments shall be made by Purchaser to Seller in full without any deduction or set-off whatsoever. The interest rate for any interest the Seller is entitled to from the due date (*Fälligkeitstermin*), shall be as set forth in the applicable statutes.

4.3 The Seller and the Purchaser agree that the Purchaser shall be deemed to be in default of payment seven days after the end of the payment term in section 4.1 without any further notice. In any case, Purchaser is in default of payment thirty seven (37) days after the receipt of the Goods.

4.4 Should Purchaser be in default of payment, Seller shall be entitled to claim default interest or (ii) other facts arise that cause a significant deterioration of the Purchaser's financial standing (*wesentliche Verschlechterung der Vermögenslage*) occur or threaten to occur and therefore the performance of the Purchaser's obligations against the Seller becomes endangered. If such a situation occurs, the Seller is entitled to withdraw (*zurücktreten*) from the Contract, without affecting the Seller's statutory rights of withdrawal. For ongoing delivery relationships, termination (*Kündigung*) shall replace withdrawal.

4.5 If Purchaser shall fail to make payments on this Contract or any other agreement between Purchaser and Seller in accordance with the terms hereof or thereof, Seller may defer further shipments and defer rendering further services until such payments are made.

4.6 The Seller reserves the right where the lack of Purchaser's ability to perform (*mangelnde Leistungsfähigkeit*) is reasonably feared, to suspend delivery or performance of any part of any part or installment without liability until full payment has been provided. Lack of the Purchaser's ability to perform is assumed in particular (i) if the Purchaser informs the Seller of a suspension of payment (*Zahlungseinstellung*), (other than temporary difficulties in making payment), (ii) if the Seller is restricted in its ability to perform or (iii) if the Seller is aware of a significant deterioration of the Purchaser's financial standing (*wesentliche Verschlechterung der Vermögenslage*) occur or threaten to occur and therefore the performance of the Purchaser's obligations against the Seller becomes endangered. If such a situation occurs, the Seller is entitled to withdraw (*zurücktreten*) from the Contract, without affecting the Seller's statutory rights of withdrawal. For ongoing delivery relationships, termination (*Kündigung*) shall replace withdrawal.

4.7 If Purchaser is in default of payment and Seller gives written notice of a final and reasonable time limit for payment, Seller shall be entitled, upon expiry of that time limit, to repudiate the Contract (*vom Vertrag zurücktreten*). In such case, Purchaser shall be liable for and reimburse Seller for all damages, including any and all direct damages and consequential damages (*Folgeschäden*) incurred by Seller by reason of such repudiation.

4.8 All payments payable to Seller shall be made in full and in advance of the date of shipment of the Goods.

4.9 Purchaser is only entitled to a right of retention of payment as far as such right of retention arises under the same Contract.

4.10 Any set-off (*Aufrechnung*) of Purchaser with Purchaser's own claims against Seller's claims is not allowed except in so far as such claims of Purchaser are undisputed or subject-matter of a final and conclusive judgment of a competent court (*rechtskräftig festgestell*).

5. DELIVERY, DELAY OF DELIVERY

5.1 Delivery of the Goods to Purchaser shall be made Ex works at Seller's premises, unless otherwise agreed in writing. Where the Goods are sold Ex works or under other commercial terms the definitions and rules in INCOTERMS 2010 shall apply, except as expressly provided in the Contract.

5.2 Delivery of the Goods to a carrier for transportation to Purchaser shall constitute delivery to Purchaser and the carrier is Purchaser's agent for this purpose. Seller shall promptly obtain and deliver to Purchaser, in due form, any documents necessary to enable Purchaser to obtain possession of the Goods from the carrier, but failure to do so is not a ground for rejection by Purchaser.

5.3 All stipulated shipment and delivery dates shall include a possible delay of up to thirty (30) days, unless the Seller is legally responsible for such a delay due to the Seller's willful or grossly negligent conduct. In case of any delay, Purchaser or its agent shall not have the right to reject the shipment or delivery, unless the delay is unreasonable (*unzumutbar*) and the Purchaser has not been notified.

5.4 Unless otherwise agreed to in writing, invoice quantities may vary in accordance with permissible variations of +/- 10%.

5.5 If Seller's production or supply of the Goods is interrupted, suspended, or otherwise delayed, Seller may cancel the agreement to sell being deemed to be rescinded with respect to such deliveries. This shall not apply if the Seller is legally responsible (*zu vertreten hat*) for the production changes. If no cancellation occurs, the Purchaser is obliged - without affecting the Purchaser's contractual or statutory rights of withdrawal - to continue to accept that portion of the delivery that during the period of curtailment, suspension or interruption has not been delivered, after such circumstances have ended and until delivery is made in full, unless such acceptance has become unreasonable.

5.6 The taking of possession of the Goods by Purchaser shall constitute a waiver of all claims arising out of any delay in delivery by Seller.

5.7 Purchaser claims for damages caused by delay of delivery, as well as claims for damages in lieu of performance shall be excluded in all cases of delayed delivery, even if the Seller is at fault. Written notice of Defects that can be identified in such an inspection must also be given without undue delay (*unverzüglich*), at the latest fourteen (14) days from the discovery of such Defects. Claims based on Defects that can be identified shall be excluded, should Purchaser fail to give written notice of such Defects within the aforementioned period of time.

5.8 Seller shall first be given the opportunity to supplement the performance (*Nachefüllung*) within a reasonable period of time.

5.9 If Seller's supplementary performance (*Nachefüllung*) is unsuccessful, Purchaser shall be entitled to repudiate the Contract (*vom Vertrag zurücktreten*) or reasonably reduce the remuneration, irrespective of any claims for damages Purchaser may have according to section 12 of these Conditions.

5.10 There shall be no claims based on Defects if and to the extent such Defects are attributable to improper modifications or repair work carried out by Purchaser or third parties.

5.11 Seller has no duty to incur or reimburse expenses for purposes of supplementary performance (*Nachefüllung*), other than costs of travel and transport, labour, and materials as well as any costs for storage.

5.12 Purchaser's right of recourse against Seller pursuant to Sec. 478 BGB is excluded with respect to damages. Purchaser's right of recourse against Seller for rights Purchaser granted his customer, that exceed the scope of the statutory provisions governing claims based on Defects, shall also be excluded. These exclusions of damages shall not apply to cases under section 12.2.

5.13 Furthermore, the provisions of section 12 of these Conditions (Other Claims for Damages) shall apply in respect of claims for damages. Any other claims of Purchaser against Seller or Seller's agents or any such claims exceeding the claims provided for in section 6 of these Conditions, based on a Defect, shall be excluded.

5.14 Seller shall be liable for any deviation or non-conformity of the Goods from the specifications agreed between the Purchaser and the Seller as set out on the relevant order form (*Defekt*) follows, if being understood that insignificant deviations from the agreed quality, minor impairment of usefulness, wear and tear or damage arising after the transfer of risk due to faulty or negligent handling, excessive strain, unsuitable equipment, defective workmanship or from particular external influences not assumed under the Contract shall not qualify as a Defect for purposes of these Conditions:

6.1 All parts or services where a Defect becomes apparent within the limitation period (*Verjährungsfrist*) shall, at Seller's discretion, be repaired, replaced or redelivered free of charge irrespective of the hours of operation (*Betriebsdauer*) elapsed, provided that the reason for the Defect had already existed at the time when the risk passed (*Gefahrübergang*).

6.2 Claims based on Defects are subject to a limitation period of twelve (12) months from the time of the transfer of risk. This provision shall not apply where longer periods are prescribed by law according to Sec. 438 para. No. 1, 2 (buildings and things used for a building), Sec. 478, 479 para. 1 (right of recourse), and Sec. 634a para. 1 No. 2 (defects of a building) German Civil Code ("BGB"), as well as in cases of death or personal injury, or where Seller intentionally or grossly negligently fails to fulfill its obligation or fraudulently (*arglistig*) conceals a Defect. In cases of Sec. 478, 479 BGB, claims for damages of the person entitled to recourse claims shall nevertheless be excluded (see section 6.8). The statutory provisions regarding suspension of expiration (*Ablaufhemmung*), suspension (*Henmung*) and commencement of limitation periods remain unaffected.

6.3 Written notice of Defects that can be identified upon a usual entry inspection must be given without undue delay at the latest four (4) days from the receipt of the Goods. Written notice of Defects that cannot be identified in such an inspection must also be given without undue delay (*unverzüglich*), at the latest fourteen (14) days from the discovery of such Defects. Claims based on Defects that can be identified shall be excluded, should Purchaser fail to give written notice of such Defects within the aforementioned period of time.

6.4 Seller shall first be given the opportunity to supplement the performance (*Nachefüllung*) within a reasonable period of time.

6.5 If Seller's supplementary performance (*Nachefüllung*) is unsuccessful, Purchaser shall be entitled to repudiate the Contract (*vom Vertrag zurücktreten*) or reasonably reduce the remuneration, irrespective of any claims for damages Purchaser may have according to section 12 of these Conditions.

6.6 There shall be no claims based on Defects if and to the extent such Defects are attributable to improper modifications or repair work carried out by Purchaser or third parties.

6.7 Seller has no duty to incur or reimburse expenses for purposes of supplementary performance (*Nachefüllung*), other than costs of travel and transport, labour, and materials as well as any costs for storage.

6.8 Purchaser's right of recourse against Seller pursuant to Sec. 478 BGB is excluded with respect to damages. Purchaser's right of recourse against Seller for rights Purchaser granted his customer, that exceed the scope of the statutory provisions governing claims based on Defects, shall also be excluded. These exclusions of damages shall not apply to cases under section 12.2.

6.9 Furthermore, the provisions of section 12 of these Conditions (Other Claims for Damages) shall apply in respect of claims for damages. Any other claims of Purchaser against Seller or Seller's agents or any such claims exceeding the claims provided for in section 6 of these Conditions, based on a Defect, shall be excluded.

7. TECHNICAL DATA, ADVICE, SPECIFICATIONS

7.1 Any technical data, production data, production estimates and performance figures, advice, drawings and specifications furnished by Seller with respect to Goods and/or services supplied and the use of such Goods and/or services is given without charge, does not create any warranty, guarantee or representation for which Seller will be liable and Seller assumes no obligation or liability for any damages, consequential, incidental, special, liquidated, penal or otherwise, for such data, estimates, advice, drawings and specifications given or result obtained irrespective of whether claims or actions with respect to such as based upon contract, tort negligence, strict liability, warranty, or otherwise. However, the provisions of section 12 of these Conditions (Other Claims for Damages) shall apply in respect of claims for damages.

7.2 The estimates, figures, advice, drawings and specifications described in section 7.1 shall be given and accepted at Purchaser's risk. In so far as the Seller has any title rights to such items, the Purchaser does not acquire ownership title, nor a licence or any other right of use in such items. Furthermore, section 15.3 shall apply.

7.3 Catalogues, circulars and similar pamphlets of the Seller are issued for general information purposes only and shall not be deemed to modify the provisions hereof or create any liability for Seller.

7.4 In the event that Seller is providing Goods hereunder that are experimental or are made by an experimental process (*Versuchsaufadium*), then Purchaser shall treat as confidential any technical data, specifications, and information of Seller relating thereto and will not disclose to others nor use the same for any other purpose.

8. IMPOSSIBILITY OF PERFORMANCE, ADAPTATION OF THE CONTRACT

8.1 To the extent that deliveries are impossible (*unmöglich*) to be carried out, Purchaser shall be entitled to claim damages, unless Seller is not legally responsible (*nicht zu vertreten*) for the impossibility. Purchaser's claim for damages shall, however, be limited to an amount of 10 % of the purchase price of the part of the deliveries which, due to the impossibility, cannot be put to the intended use. This limitation shall not apply in the case of compulsory liability based on intent, gross negligence or death or personal injury; this does not imply a change in the burden of proof to the detriment of Purchaser. Purchaser's right to repudiate the Contract shall remain unaffected.

8.2 Where unforeseeable events that are beyond Seller's control, especially in case of force majeure, business disruption, industrial disputes, especially strike and lockout, war, mobilization, riots and problems with data- or network security or with the material and energy supply substantially change the economic importance or the contents of the deliveries or considerably affect Seller's business, adaptation of the Contract can be claimed. Where doing so is economically unreasonable, Seller shall have the right to repudiate the Contract (*vom Vertrag zurücktreten*). If Seller intends to exercise the right to repudiate the Contract, Seller shall notify Purchaser thereof, in writing, without undue delay (*unverzüglich*) after having realized the repudiation of the event.

9. TERMINATION, CANCELLATION, REPUTATION

Unless otherwise provided for herein, Purchaser may not repudiate, terminate or cancel its order without the written consent of Seller and then, only upon payment of a cancellation charge, to be set by Seller, reasonably consisting of frustrated expenses of the Seller in preparing and performing the Purchaser's order.

10. TITLE AND TRANSFER OF RISK

10.1 Notwithstanding delivery of the Goods to Purchaser or Purchaser's agent, title to the Goods shall not pass to Purchaser until Purchaser has satisfied in full all payment obligations resulting from the business relationship - including balance demands due under accounting (*Kontokorrent*) or (ii) all risk of accidental loss or damage to the Goods shall pass to Purchaser from and after delivery of the Goods (Ex works as per sections 5.1 and 5.2 of these Conditions).

11. CREDIT APPROVAL

11.1 Payment terms, work to be performed by Seller as set forth on the purchase order and shipments shall at all times be subject to approval of Seller's Credit Department and in case Seller shall have any doubt as to the Purchaser's responsibility or if Purchaser fails to fulfil the terms and conditions of payment herein, Seller may decline to perform any further shipment or delivery hereunder, except upon receipt of satisfactory security including, but not limited to, full or partial prepayment.

11.2 The above shall not apply in case of mandatory liability (*Rückgrantsicherung- oder Lieferverpflichtung*).

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