

LATROBE SPECIALTY METALS COMPANY TERMS  
AND CONDITIONS FOR SERVICES  
(June 2011)

1. **Definitions:** The term "Contract" means these Terms and Conditions for Purchase of Services ("Terms and Conditions") together with all documents specifically referenced herein and any written purchase order, contract or agreement which attaches, incorporates or otherwise references these Terms and Conditions. The term "Company" means Latrobe Specialty Metals Company or its subsidiary(ies) or affiliate(s) executing this Contract. The term "Vendor" means any individual, corporation or other entity who is to perform the Services purchased by the Company pursuant to this Contract. "Order" means any purchase order, including all terms and conditions of this Contract as well as on the face and reverse side and all specifications issued there under and all drawings, models, and samples furnished with it. The term "Services" means all services furnished by Vendor and purchased by Company under this Contract.

2. **Scope and Acceptance:** All Services are supplied pursuant to this Contract. This Contract will become legally enforceable on the earlier of delivery of a signed acknowledgment, commencement of performance or delivery according to schedule of all or any portion of the Services covered under this Contract, by Vendor. Any acceptance by Vendor for an offer of Services requirement is limited to the express terms of this Contract. Without the written consent of Company's authorized representative, no additional or different terms proposed by Vendor in its acknowledgement will be effective to modify the Contract and Vendor will be deemed to have accepted the Contract without such modifications. Additional or different terms or any attempt by Vendor to vary in any degree any of the terms of the Contract will be deemed material and are expressly objected to and rejected.

3. **Price/Terms:** If at any time during this Agreement, Seller offers for sale any of the Products covered by this Agreement at a lower price for similar quantities, then it shall be deemed as of the effective date thereof that prices hereunder have been amended to reflect such lower prices for similar quantities. Seller shall promptly notify Purchaser of any such price reduction. Company's standard payment terms are Net 60 days from receipt of Vendor's invoice. Company will have the right to examine and audit, during normal business hours, any and all records, data and documents, in whatever shape or form, including, but not limited to, electronic media, that may contain information relating to Vendor's obligations as set forth in this paragraph. Such records will be kept in a form that is clear and accurate and containing content sufficient and adequate detail to permit the aforementioned audit. Company will have no obligation to purchase any specific quantity of Services from Vendor and Company will be entitled, in its sole discretion, to purchase the same or similar Services from other suppliers.

4. **Taxes:** Except with respect to the direct pay permit for certain sales and use taxes within the Commonwealth of Pennsylvania, Vendor shall be responsible for the payment of all other taxes, fees, and duties including, but not

limited to, income, franchise, or business privilege tax.

5. **Rejection:** Services will be received subject to inspection and approval by Company after delivery. Upon inspection, Company may give Vendor notice of rejection or revocation of acceptance, notwithstanding any payment, approval, or inspection. No inspection, approval, delay or failure to inspect, or failure to discover any defect or other nonconformance, will relieve Vendor of any obligations under this Contract or impair or waive any right or remedy of Company with respect to Vendor's performance hereunder. If, in Company's judgment, the Services do not conform with the requirements of this Contract, Company will have the right to reject the Services and, in addition to any other rights and remedies it may have, Company may, in its sole discretion: (1) seek reimbursement, credit, replacement, or repair as Company may direct; or (2) correct, rework, and/or repair the Services with all costs associated therewith to be charged to and paid by Vendor. All such nonconforming Services that are so remedied will have the same warranty as stated in Section 6 from the date of re-delivery.

6. **Warranty:** Vendor warrants that (a) it will strictly comply with the descriptions and representations of the Services (including performance capabilities, accuracy, completeness, characteristics, specifications, standards and requirements) which appear in this Contract and/or any corresponding Order, (b) Vendor and the Services will not be in violation of any applicable law, rule or regulation and Vendor will have obtained any permits or licenses required to comply with such laws and regulations, (c) the Services will not violate or in any way infringe upon the rights of third parties, including property, contractual, employment, trade secrets, proprietary information, and nondisclosure rights, or any trademark, copyright or patent rights, and (d) Vendor is not subject to and will not enter into any agreements or arrangements which preclude compliance with the provisions of this Contract. These warranties are in addition to all other warranties, express, implied or statutory, which may be applicable. Limitations on Company's remedies in documents of Vendor or otherwise will not be effective and are hereby objected to and rejected. All warranties and other provisions of this paragraph will survive inspection or acceptance of and payment for the Services and completion, termination or cancellation of this Contract.

7. **Performance Standard:** Vendor undertakes to perform the Services hereunder in accordance with the highest standards of professional and ethical competence and integrity in Vendor's industry, and to ensure that employees assigned to perform any Services under this Contract will conduct themselves in a manner consistent therewith. The Services will be rendered by Vendor in (1) an efficient, safe, courteous and businesslike manner, (2) in accordance with any specific instructions issued from time to time by Company and (3) to the extent consistent with above, as economically sound as business judgment warrants. Vendor will promptly replace any employee or subcontractor that Company considers unfit or otherwise unsatisfactory.

8. **Intellectual Property:** Company's Property,

Confidentiality. (a) Company retains title to all information and materials furnished to Vendor to facilitate performance under the Order. Such information and materials shall be (i) treated as Company's confidential information, (ii) used exclusively by Vendor to complete the Order, and (iii) returned to Company at its direction or upon completion, termination, or cancellation of the Order, along with copies or reproductions, unless otherwise agreed in writing by Company. (b) All property of Company furnished to Vendor for performance of work under the Order shall remain property of Company and shall be segregated from Vendor's property and be individually marked as Company's property. Such property shall be exclusively for performance under the Order and shall be returned to Company at its written request, or upon termination, cancellation or Order completion. (c) Goods made in accordance with Company's specifications or drawings shall not be furnished or quoted to any other entity. (d) Title to drawings associated with the manufacture of Goods ordered by Company will be assigned to Company upon request. (e) Company reserves the right to audit Vendor's compliance with the terms and conditions of this agreement.

**9. Vendor's Liability and Indemnification:**

Vendor will indemnify, protect, defend or settle (at Vendor's expense) and hold harmless Company from and against all liabilities arising out of or in any manner connected with personal injury, including death, or property loss or damage to Company or to others (including Vendor and employees and invitees of Vendor and of Company) arising out of or in any manner connected with (i) the performance, production and/or delivery of, or any defect in, Services supplied or purchased hereunder, (ii) any act or omission of Vendor, and/or (iii) breach of any representation, warranty or covenant, whether caused by Vendor, or a supplier of Vendor, or employees or invitees of either of them. Vendor agrees to waive and release any rights of contribution, indemnity or subrogation it may have against any of the indemnitees as a result of any indemnity claim asserted by another indemnitee under this Section 9. Vendor, for itself, its successors, assigns and subcontractors hereby expressly agrees to waive any provision of any workers' compensation act or other similar law whereby Vendor could preclude Company as an additional defendant, or avoid liability for damages, contribution or indemnity in any action at law, or otherwise where Vendor's or its subcontractor's employee or employees, heirs, assigns or anyone otherwise entitled to receive damages by reason of injury or death brings an action at law against any indemnitee. Vendor's obligation to Company herein will not be limited by any limitation on the amount or type of damages, benefits or compensation payable by or for Vendor under any workers' compensation acts, disability benefit acts, or other employee benefit acts on account of claims against Company by an employee of Vendor or anyone employed directly or indirectly by Vendor or anyone for whose acts Vendor may be liable. In particular, but without altering or in any way limiting the general application of such waiver as set forth in the previous sentence, Vendor expressly waives application of Section 303(b) of the Pennsylvania Workers' Compensation Act and Section 35, Article II of the Ohio Constitution and Ohio Revised Code

Section 4123.74, each as may be amended from time to time.

10. Insurance: During performance of the work hereunder and through its completion, Vendor shall carry and maintain insurance coverage satisfactory to Company to cover the above, and, in addition, shall maintain the insurance coverage for:

- (1) Worker's Compensation insurance in accordance with the laws of all states where Vendor will conduct work pursuant to this Agreement.
- (2) Comprehensive General Liability:  
Bodily Injury: \$ 2,000,000 per individual \$5,000,000 per occurrence  
Property Damage: \$2,000,000
- (3) Comprehensive Automobile Liability to include machinery:  
Bodily Injury: \$2,000,000 per individual \$5,000,000 per occurrence  
Property Damage: \$2,000,000
- (4) Professional Liability:  
\$2,000,000 per occurrence

Prior to commencement of the work, Vendor shall furnish Company with certificates of insurance evidencing the above coverage. Said insurance certificates shall name Buyer as an additional insured.

11. Termination: Company may terminate this Contract, in whole or in part, at any time for convenience by giving written notice to Vendor. After receiving written notice of termination, Vendor will immediately cease production and delivery of all Services indicated in the notice of termination. Unless such termination is due to default of Vendor or failure of Vendor to assure adequate performance, Company will pay Vendor for Services delivered as of the date of termination. Upon such payment, all finished services for which Company has paid will become the property of Company and will be released by Vendor to Company upon demand. The provisions of this clause are without prejudice to any other rights or remedies of Company, including those resulting from default by Vendor hereunder.

12. Cancellation: Company will have the right to cancel this Contract, in whole or in part, if the Services are, in Company's judgment, non-conforming or defective or not delivered as scheduled, or if Vendor fails to comply with or fulfill at any time any of the terms and conditions of this Contract, or with Company's shipping and billing instructions, or if, in Company's opinion, the credit or ability of Vendor to perform this Contract becomes impaired, whereupon Company will have the continuing right to obtain Services from another source.

13. Payments: Unless otherwise expressly set forth in an associated Order, the terms of payment are net sixty (60) days after Company's receipt of Vendor's valid invoice. Vendor will promptly submit correct and complete invoices or other agreed billing communications with appropriate supporting documentation and other

information reasonably required by Company after delivery of the Services, and Company may withhold payment until a correct and complete invoice or other required information is received and verified. Any cash discounts will be based on the full amount of the invoice, less freight charges and taxes if itemized separately on the invoice. Delay in receiving valid invoices or Services will be considered good cause for withholding payment without losing cash discount privileges. Payment by Company of an invoice from Vendor does not constitute acceptance of the Services covered by the invoice. If payments are required to be made by Company in a currency other than USD, Vendor will provide Electronic Funds Transfer (EFT) instructions to Company and Company will make such payments to Vendor electronically, to the extent permitted by law. Company will have the right, at any time, to set off and apply against any monetary obligations that Company owes to Vendor or any of its parents, subsidiaries or affiliates, or any obligations that Vendor, or any of its parents, subsidiaries or affiliates, may owe to Company.

14. **Confidentiality:** At all times prior to, during, and after any Order, Vendor will (i) maintain the confidentiality of any information disclosed by Company or any of its parents, subsidiaries, affiliates, customers and contractors, whether or not identified as "confidential" upon disclosure ("Confidential Information"); (ii) not disclose or permit the disclosure of any Confidential Information to any person other than its employees for whom such knowledge is essential for performance of a Contract; and (iii) not use Confidential Information except for performance of the Contract. Vendor will immediately notify Company of any disclosure of any Confidential Information that is not permitted by this Contract or other misuse of any Confidential Information or breach of this Contract. Without limiting the direct liability of Vendor's employees and others who may have received Confidential Information directly or indirectly from Vendor, Vendor will be responsible for the disclosure or other misuse of Confidential Information by Vendor's employees and others, and Vendor will immediately take such steps as may be necessary to terminate any continuing disclosure or misuse by any of Vendor's employees and others of which Vendor becomes aware. Company makes no representation or warranty of any kind, express or implied, with respect to any Confidential Information. Company may, at its sole discretion, elect at any time, by written notice to Vendor, to terminate Vendor's further use of Confidential Information for any purpose. Upon receipt of such notice, Vendor will, and will cause Vendor's employees to, promptly cease all further use of Confidential Information, return to Company all physical materials containing Confidential Information, whether the materials were originally provided by Company or copied or otherwise prepared by Vendor or any Vendor employee, and erase or otherwise destroy any Confidential Information kept by Vendor or any Vendor employee in electronic or other non-physical form. Such termination by Company will not affect Vendor's continuing obligations in this Section 14. Vendor agrees that no information disclosed by it to Company will be confidential unless due notice thereof is given in advance to and accepted by Company in writing.

15. **Liens:** Vendor guarantees and indemnifies Company that no lien, encumbrance or security interest will be filed by Vendor or anyone claiming under or through Vendor against Company, Company's property or the Services furnished under this Contract.

16. **Independent Contractor/Safety:** Vendor is and will remain an independent contractor of the Company. No employee, agent, or representative of Vendor or its subcontractors will be deemed to be an employee of Company. Vendor will provide all safeguards, and take all precautions necessary in connection with the production and delivery of the Services sold hereunder to prevent the occurrence of any accident, injury, death, loss, or damage to any person or property, and will be solely responsible therefore. Vendor warrants that all Services delivered hereunder will be produced and delivered in a safe, proper, and workmanlike manner and in compliance with all applicable codes, regulations, laws, standards, specifications and Company requirements concerning safety, performance and otherwise, including, without limitation, any Services or services related thereto performed on premises controlled by Company.

17. **Assignment:** Neither this Contract, nor Vendor's rights and obligations hereunder, are assignable by Vendor without the prior written consent of Company. No such consent or assignment will release Vendor or change Vendor's liability to perform all of its obligations under this Contract. Any attempted assignment without the prior written consent of Company will be null and void.

18. **No Violation of Law:** Vendor and the Services will comply with all applicable foreign, federal, state and local laws, rules, regulations, orders, conventions, ordinances or standards including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, lawful work status, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Upon request, Vendor will furnish Company with certificates of compliance therewith. Unless this Contract is otherwise exempted by law, Vendor will comply with Executive Order 11246, as amended by Executive Order 11375 (Equal Employment Opportunity) the Rehabilitation Act of 1973, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, the Americans with Disabilities Act, as they have been or may be amended from time to time, and regulations implementing such statutes; and any similar state and local laws and ordinances and the regulations implementing such statutes. If requested by Company, Vendor will furnish to Company an executed Certificate of Non-segregated Facilities. Vendor warrants that the Services delivered hereunder were produced at facilities complying with all applicable provisions of the Occupational Safety and Health Act and applicable regulations under that Act and agrees to, upon request, provide Company with all explanatory and factual information needed to verify such compliance and to enable Company to comply therewith, and with any other laws and regulations applicable hereto. Vendor further warrants that it will comply, where applicable, and without limitation, with all orders, standards, and regulations of the National Highway & Transportation Safety Administration, Federal Aviation Administration, Department of Homeland

Security, Environmental Protection Administration, Food and Drug Administration, Consumer Product Commission, and Occupational Safety & Health Act Administration.

19. **Limitation on Use of Payment:** No money, property or thing of value received by Vendor under or pursuant to this Contract may be offered or used, directly or indirectly, to influence improperly or unlawfully any decision, judgment, action or inaction of any official, employee or representative of any government or agency or instrumentality thereof, or of any other person or entity, in connection with or relating to the subject matter of this Contract or any supplement or amendment hereto. It is the intent of Company and Vendor that no payment or transaction shall be made during the term of this Contract that is illegal, improper or is intended to unduly or improperly influence any third party, including without limitation, extortion, kickback or bribery. If Vendor breaches the terms of this section, Company may immediately terminate this Contract without any liability.

20. **Environment, Health, Safety and Security:** If Vendor, either as principal or by agent or employee, enters upon the property of Company, Vendor agrees to comply with Company's rules and regulations, including its environmental, health, safety and security rules and regulations.

21. **Company Name/Logo:** Vendor may not use the Company's name and/or logo in any manner without first obtaining written permission from Company.

22. **Import/Export Compliance:** If any Services are to be delivered into any other country, the Vendor will be responsible for strict compliance with all legal, regulatory and administrative requirements associated with any import/export control laws associated with such Services, including obtaining any required licenses or approvals, and the payment of all associated duties, taxes and fees.

23. **Changes:** Company may, at any time, in writing, make changes to the general scope of any Order under this Contract, and Vendor will continue performance as so changed. If any such change causes an increase or decrease in the cost of, or time required for, the performance of Vendor's obligations under this Contract, an equitable adjustment will be made to the price or delivery schedule, or both, to the satisfaction of Company and this Contract will be modified in writing accordingly.

24. **Electronic Commerce:** Supplier acknowledges that Company currently uses, or will in the future use, an electronic "business to business" framework to facilitate the transmission of Key Documentation relating to the purchase of Services hereunder. For purposes of this provision "Key Documentation" means purchase orders, order confirmations, advanced shipping notices (ASN), change orders, invoices and other similar documentation which form a part of the Contract. Supplier acknowledges and agrees that (i) it has in place currently, or will implement as soon as possible after execution hereof, a to facilitate transmission of Key Documentation electronically, and (ii) Key Documentation transmitted hereunder by such methods will not be deemed invalid solely because they have been transmitted or executed electronically. Each electronic transmission and use of digital

identification or digitally reproduced signatures will be deemed for all purposes to constitute a "signature" and will have the same effect as a signature on a written document.

25. **Notifications:** Vendor agrees to immediately notify Company of any actual or possible safety problems attributable to the Services delivered hereunder. Vendor also agrees to give Company reasonable advance notice of potential material shortages, labor disputes, insolvency or other matters that might delay or interfere with its performance of this Contract.

26. **Company's Property and Parts:** All property of any kind supplied to Vendor or paid for by Company will be and remain Company's property, and Vendor will maintain such property in good condition and repair, except to the extent that such property is integrated into Services delivered hereunder. Materials or parts provided by, or on behalf of, Company which have been, or are to be, processed by Vendor are consigned to Vendor solely for purposes of such processing and remain Company's property. All Company property, while in Vendor's custody or control, will be held at Vendor's risk, free of all liens, encumbrances or security interests of Vendor or third parties, and will be kept insured by Vendor at Vendor's expense in an amount equal to replacement cost with loss payable to Company. Vendor will indemnify, protect, defend and hold harmless Company, its successors and assigns from and against all claims and liens adverse to Company's ownership of Company's property and all loss or damage to such property occurring while in Vendor's custody or control. All property of the Company is subject to removal by Company at any time, and to return upon Company's request. Vendor will assume all risk of death or injury to persons or damage to property arising from use of Company's property. Company does not guarantee the accuracy of any Company property or the availability or suitability of any property furnished by it. Vendor assumes sole responsibility for inspecting, testing and approving all of Company's property supplied by Company prior to any use by Vendor.

28. **Force Majeure:** Neither party will be in default for any delay or failure to perform its obligations under this Contract if caused by an extraordinary event beyond the reasonable control and without its fault or negligence provided that any delay or failure to perform caused by default of a supplier of Vendor at any lower tier must be beyond the reasonable control of both Vendor and such supplier without the fault or negligence of either and services to be furnished must not be obtainable from other sources in sufficient time to permit Vendor to meet the delivery schedule, and provided further that Vendor furnishes prompt written notice of any delays or non-performances (including its anticipated duration) after becoming aware that it has occurred or will occur. If Vendor is unable to perform for any reason, Company may purchase the Services from other sources and reduce its purchases from Vendor accordingly without liability to Vendor. If the non-performance exceeds 30 days, the other party may terminate the Contract by notice given to the non-performing party before performance resumes.

29. **Background/Credit checks:** Vendor, at its own expense, will have background and credit

checks performed on each employee that it plans to assign to work on the Company's premises. Vendor will comply with all applicable C-TPAT security criteria as issued and updated by the U.S. Customs and Border Protection Agency from time to time. Vendor will provide Company with documentation of such compliance upon request.

30. **Transition of Supply:** In connection with termination of this Contract or Company's decision to change to an alternate source of supply, Vendor will cooperate in the transition of supply, including the following (collectively, "Transition Support"): (a) Vendor will continue delivery of all Services as ordered by Company, at the prices and other terms stated in this Contract, without premium or other condition, during the entire period reasonably needed by Company to complete the transition to the alternate supplier(s), such that Vendor's action or inaction causes no interruption in Company's ability to obtain Services as needed; and (b) subject to Vendor's reasonable capacity constraints, Vendor will provide special services as expressly requested by Company in writing.

31. **Miscellaneous Provisions.**

- (A) It is expressly understood that no representations, promises, warranties or agreements have been made by either party except as the same are set forth in this Contract. Except as otherwise expressly provided in this Contract, this Contract may not be amended or terminated except in writing and signed by the proper and duly authorized representatives of the parties.
- (B) No party may be deemed to have waived any right, power or privilege under this Contract or any provision of this Contract unless such waiver is duly executed in writing and acknowledged by the party to be charged with such waiver. The failure of any party to enforce at any time any of the provisions of this Contract may in no way be construed to be a waiver of such provisions nor in any way to affect the validity of this Contract or any part of this Contract, or the right of any party to subsequently enforce each and every such provision. No waiver of any breach of this Contract may be held to be a waiver of any other or subsequent breach. All remedies permitted under this Contract will be taken and construed as cumulative. Time is of the essence with respect to Vendor's performance hereunder.
- (C) If any provision of this Contract or its application to any person or circumstance is judged invalid or unenforceable by a court of competent jurisdiction, then the remainder of this Contract or the application of such provision to other persons or circumstances will not be affected by such adjudication. If any provision or application of this Contract is invalid or unenforceable, then a suitable and equitable provision will be substituted for such provision in order to carry out, so far as may be valid and enforceable, the intent and purpose of this Contract, including the invalid or

unenforceable provision.

- (D) This Contract will be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, not including, however, the rules relating to the choice or conflict of laws.
- (E) Vendor warrants that it will comply with all foreign, federal, state and local laws and regulations.
- (F) Vendor will procure all licenses, permits and other approvals from all applicable government authorities and agencies which are necessary for performance of the Work for Company prior to performing the Work.

**Section 32. Dispute Resolution.**

- (A) All disputes that may arise between the parties regarding the interpretation or application of these terms and the legal effect of these terms shall first attempted to be resolved by mutual agreement between the parties. Failing a mutual resolution, the dispute shall then be arbitrated and determined by an arbitrator governed by the rules of the American Arbitration Association. The arbitration proceeding shall be governed by the statutes of the Commonwealth of Pennsylvania, and the proceeding shall be held in the city in that state where the principal office of Buyer is located. The parties recognize and consent to the above-mentioned arbitration association's jurisdiction over each and every one of them. Each party hereto submits to the jurisdiction of the Courts of Common Pleas of Westmoreland County and agrees that all claims in respect of the action or proceedings may be heard and determined in such court. Each party hereby waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought.
- (B) If any legal action is brought hereunder, the prevailing party shall be entitled to receive its reasonable attorneys' fees and court costs in addition to any other relief it may receive.