

CARPENTER TECHNOLOGY CORPORATION (“SELLER”)
TERMS AND CONDITIONS OF SALE

1. **ACCEPTANCE/CONTRACT FORMATION** - These terms and conditions (“T&Cs”) shall apply to any contract of sale for Seller’s goods or performance of conversion services irrespective of whether Seller’s accompanying documentation constitutes an offer to Buyer or an acceptance of Buyer’s prior offer to Seller. Offers or acceptances by Buyer may be communicated orally, delivered in person or by telephone, or in writing, delivered by regular mail, hand delivery, overnight courier, facsimile or electronic mail. Additional or conflicting terms from those in these T&Cs in Buyer’s offer or acceptance are expressly objected to and shall not be deemed accepted by Seller unless Seller’s acceptance is in writing and specifically refers to each additional or conflicting term.
2. **DELIVERY/FORCE MAJEURE** - All shipping and delivery dates are approximate. Seller shall not be responsible for any prohibition, failure, interruption or delay in manufacture or delivery that may be caused by sabotage, fire, flood, explosion, labor dispute, strike, work stoppage, riot, insurrection, war, terrorist act, government order, or priorities granted by request of or for the benefit, directly or indirectly, of any governmental body, authority or agency, shortage of raw materials or supplies, act of God, insufficient capacity, or any other cause beyond Seller’s control. In the event of any such prohibition, failure, interruption or delay, Seller may, at its sole option, extend delivery time or cancel the order, in whole or in part. **IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR CLAIMS FOR LABOR RESULTING FROM ANY DELIVERY FAILURE OR DELAY.**
3. **COMPLIANCE WITH LAWS/EXPORT CONTROL/ANTI-CORRUPTION** - (a) Seller intends to comply with laws or regulations applicable to the performance by Seller of each order, provided; however, that any failure of Seller to so comply shall not be a defense to, or excuse Buyer from, performance by Buyer of any order. (b) The sale, resale or other disposition of materials and any related technology or documentation are subject to the export control laws, regulations and orders of the United States and may be subject to the export and/or import control laws and regulations of other countries. Seller retains the right to cancel or delay delivery of any order at any time or amend the terms thereof, without penalty or liability, as required with respect to any export or import license or approval that Seller, in its discretion, determines may be required. Buyer agrees to comply with all such applicable laws, regulations and orders, and acknowledges that it shall not directly or indirectly export or divert any materials to any country, entity or person to which such export or transmission is restricted or prohibited. (c) Buyer represents, warrants and covenants that it has not paid, offered or agreed to pay, authorized the giving of, or caused to be paid, directly or indirectly, money or anything of value to any foreign official (as defined in the U.S. Foreign Corrupt Practices Act, as amended), in connection with the purchase and resale of Seller’s goods or services.
4. **WARRANTY / CLAIMS / LIMITATIONS OF LIABILITY** - (a) Seller shall, as Buyer’s sole and exclusive remedy and at Seller’s option, replace or, without replacement, render credit for any goods sold to Buyer which, if properly selected, stored, processed and used by Buyer shall prove defective within one (1) year from the date of shipment. Seller’s material shall be deemed defective only to the extent it materially deviates from the chemical, physical and mechanical portions of Buyer’s applicable specifications, as accepted by Seller, and Seller’s standard manufacturing and commercial tolerances, variations and practices. Seller shall, as Buyer’s sole and exclusive remedy and at Seller’s option, reprocess or render credit for any conversion services performed by Seller which do not conform to Buyer’s applicable processing specifications as agreed to by Seller, within ninety (90) days from the service performance date.

(b) Samples supplied by Seller are solely for the purpose of evaluating the suitability of such goods or services for potential use and, as such, samples are not intended to serve as warranties of any type, either express or implied. Buyer shall have sole responsibility for selection and specification of goods or services appropriate for its intended end use, even if Buyer has informed Seller of the end use for such goods or services. Buyer acknowledges that it alone has determined that the goods purchased or processed hereunder will suitably meet the requirements of their intended use.

(c) **SELLER SHALL NOT BE LIABLE TO BUYER OR ANY OTHER PARTY FOR, AND BUYER RELEASES SELLER FROM, ANY AND ALL LIABILITY IMPOSED UPON MANUFACTURERS OR SELLERS OF GOODS OR SERVICES UNDER ANY PRODUCT LIABILITY THEORY OR SIMILAR LEGAL THEORY. SELLER SHALL NOT, UNDER ANY CIRCUMSTANCES INCLUDING, BUT NOT LIMITED TO, DELAY IN DELIVERY, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, TORT, STRICT LIABILITY, OR USE OF MATERIALS SOLD OR PROCESSED BY SELLER, BE LIABLE TO BUYER OR ANY OTHER PARTY FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES, OR FOR LOSSES OF ANY KIND. IN NO EVENT SHALL SELLER’S LIABILITY FOR DEFECTIVE OR NON-CONFORMING GOODS SOLD TO BUYER EXCEED THE PURCHASE PRICE THEREOF. IN NO EVENT SHALL SELLER’S LIABILITY FOR NON-CONFORMING CONVERSION SERVICES EXCEED THE PRICE PAID FOR SAID SERVICES.**

(d) **EXCEPT AS SPECIFICALLY SET FORTH IN THESE T&CS, AND NOTWITHSTANDING LANGUAGE IN ANY PROVISION TO THE CONTRARY, SELLER NEITHER MAKES, NOR ASSUMES ANY LIABILITY UNDER, ANY WARRANTY, EXPRESS OR IMPLIED, WHETHER OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HIDDEN/LATENT DEFECTS, PATENT INFRINGEMENT OR OTHERWISE. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, MADE BY ANY SALES REPRESENTATIVE OR OTHER SELLER AGENT OR REPRESENTATIVE THAT IS NOT SPECIFICALLY SET FORTH IN THESE T&CS SHALL BE BINDING UPON SELLER.**

(e) Buyer shall notify Seller within thirty (30) days of discovery of defective goods or non-conforming conversion services. No claim shall be allowed by any party other than Buyer. Any claim for breach of the warranty that is not made within the timeframes set forth herein shall be deemed to have been waived. Unless otherwise agreed to in writing by Seller, Buyer shall set aside, protect and hold such materials without further processing until Seller has an opportunity to inspect and advise of the disposition, if any, to be made of such materials. In no event shall any goods be returned, reworked or scrapped by Buyer without Seller’s written authorization. (f) The limited warranty provided above does not apply to materials that are supplied for testing and/or evaluation (“prototype material”). Prototype material is supplied “AS IS” without warranty of any kind. Seller will have no liability for any claims relating to prototype material, and Buyer shall indemnify, defend and hold Seller harmless from any such claims.
5. **PRICES / FREIGHT** - Prices for extras (including applicable surcharges), freight and transportation rates are subject to change, without notice, to reflect rates in effect at shipment date. Unless otherwise agreed, freight will be charged from original manufacture or processing point.
6. **TITLE / SECURITY INTEREST** - Buyer’s failure to make any payment due hereunder, or on request to give proper shipping instructions, or to accept delivery at times stated, or to comply with all terms of any contract between Buyer and Seller shall give Seller, in addition to all other available remedies, the right to deduct any undelivered quantities of goods from the total quantity to be furnished under this or any other contract between Buyer and Seller. Title to materials shall pass immediately upon delivery to a carrier at point of shipment. Buyer hereby grants to Seller a security interest (which is deemed a purchase money security interest) in all goods provided to Buyer by Seller or upon which Seller performs services for Buyer, to secure payment by Seller for all such goods or services. In event of Buyer’s nonpayment of any debt, obligation or liability now or hereafter incurred or owing by Buyer to Seller, Seller shall have all rights of, and all remedies available to, an unpaid secured creditor under applicable laws, and all other rights and remedies available at law or in equity. Buyer agrees, and, to the extent permitted by law, Seller is authorized to, execute and file whatever documents are necessary, including security agreements or financing statements, to evidence and perfect the security interest granted herein.
7. **TAXES** - Any excise, levies or taxes, including GST and VAT where applicable, that Seller is required to pay or collect under any existing or future law or regulation (domestic or foreign), upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the material covered hereby, shall be for Buyer’s account, and Buyer agrees to pay the amount thereof to Seller upon request.
8. **DELIVERY / RISK OF LOSS** - Unless otherwise specifically stated on a document of sale agreed to in writing by Seller, delivery shall occur and risk of loss shall pass to Buyer upon delivery of the material to a carrier at point of shipment. Transportation shall be at Buyer’s sole risk and expense, and any claim for loss or damage in transit shall be against the carrier only.
9. **CANCELLATION / CHANGE ORDER REQUESTS** - An order cannot be modified or cancelled by Buyer without Seller’s written consent. In no event shall any order be modified or cancelled for any portion thereof already processed, manufactured or in process of manufacture, processing or performance, at the time the request for modification or cancellation is received by Seller, except upon terms, satisfactory to Seller, that protect and indemnify Seller against all loss.
10. **QUANTITY** - Seller may deliver commercially reasonable overages or underages of weight, length, size and/or quantity. Any reasonable variation shall constitute compliance with Buyer’s order and the unit price will continue to apply. If this order is for Buyer’s requirements, Buyer shall provide information sufficient to confirm actual requirements at Seller’s request.
11. **PAYMENT TERMS** - Unless otherwise specifically stated on a document of sale agreed to in writing by Seller, terms of payment for each order without setoff shall be net cash (U.S. Dollars) in thirty (30) days from invoice date. Restrictive endorsements on Buyer’s checks will not reduce Buyer’s obligations to Seller. The unpaid portion of amounts due to Seller shall bear interest at the rate of 1.5% per month or the maximum legal rate if less.
12. **ADEQUATE ASSURANCE** - Seller may, at any time, suspend performance of any order or require payment in cash, security or other adequate assurance satisfactory to Seller when, in Seller’s sole opinion, Buyer’s financial condition or other grounds for insecurity warrant such action.
13. **ASSIGNMENT** - Buyer shall not assign any order or any interest therein without Seller’s written consent. Any such actual or attempted assignment without Seller’s written consent shall entitle Seller to cancel such order upon notice to Buyer.
14. **INTELLECTUAL PROPERTY; INDEMNIFICATION** - Nothing herein shall be construed to grant Buyer any right or license to use any of Seller’s intellectual property. Buyer shall indemnify, hold harmless and defend Seller against any liability for patent, trademark, trade name, trade secret or copyright infringement arising out of the preparation, manufacture, processing or sale of any material or performance of services in accordance with Buyer’s order, specifications or instructions.
15. **TOOLING** - Unless otherwise expressly agreed, all tools, dies, fixtures, jigs, gauges, and related drawings and designs shall be and remain Seller’s property and shall be held by Seller at its disposal. Buyer shall be responsible for all costs of maintenance, repair and replacement of any such items, whether owned by Seller or Buyer, if used exclusively for the manufacture or processing of materials by Seller for Buyer. If any such items remain inactive for a period of three (3) years, Seller reserves the right to dispose of such items at its sole discretion.
16. **GOVERNMENT CONTRACT TERMS / MANDATORY FLOW DOWNS** - If Buyer’s order is for a U.S. government contract, and Seller’s goods or services are to be used in the performance of said contract, Buyer shall notify Seller in writing at time of order of only those mandatory flow down clauses of applicable U.S. government procurement regulations required by federal statute or regulation to be included in U.S. government subcontracts, and such clauses shall be incorporated herein by reference if accepted by Seller at order acceptance.
17. **RIGHT OF ACCESS** - Buyer may visit Seller’s premises only upon terms set by Seller. No visit shall be allowed without Seller’s receipt of a written request by Buyer at least one month prior to such a visit. Any such visit may be made only to verify proper execution of Buyer’s order, as limited by the need to protect Seller’s know-how and trade secrets as well as rights of third parties.
18. **MERGER CLAUSE / ENTIRE AGREEMENT / MODIFICATIONS** - These T&Cs and sales documentation constitute the entire contract between Seller and Buyer. To the extent that any terms in the sales documents and these T&Cs conflict, the terms on the front of Seller’s sales documents shall control and prevail, followed by these T&Cs. No modification hereof shall be of any force and effect unless in writing and signed by the party claimed to be bound thereby. A waiver of any of the terms or conditions hereof shall not be deemed a continuing waiver, but shall apply solely to the instance to which the waiver is directed. If any portion of these T&Cs is declared to be unenforceable by a court of competent jurisdiction, all other portions shall be considered to be valid and enforceable to the extent they are reasonably severable.
19. **GOVERNING LAW / JURISDICTION** - These T&Cs and accompanying sales documentation shall be governed by and construed in accordance with the laws of Pennsylvania, without application of conflict of law principles. The United Nations Convention on Contracts for the International Sale of Goods is explicitly excluded. Any claim, dispute or controversy arising from or relating to any contract for Seller’s goods or services, directly or indirectly, may be brought only in state and federal courts located in Pennsylvania, and the parties hereto consent to be subject to the jurisdiction of such courts.