

TERMS AND CONDITIONS OF SALE

“Seller” means Kennametal Extrude Hone Corporation, an Ohio corporation. “Buyer” means the person, firm or entity which is purchasing goods or services from Seller.

1. AGREEMENT. These Terms and Conditions, in combination with a quotation which may have been supplied by Seller, are intended by the parties as the final expression of their agreement and are the complete and exclusive statement of the Terms and Conditions of Sale (the "Agreement"). If the purchase order or any other form states terms or conditions which are additional to or different from those set forth herein, this writing shall be deemed notification of objection to such additional or different terms or conditions. Accordingly, this Agreement is expressly conditioned on the acceptance and assent to the conditions set forth herein. Acceptance of the conditions contained herein shall be considered to have occurred unless written notice of objection is received by Seller prior to shipment of goods or delivery of services. No modification or rescission hereof shall be effective unless made in writing and signed by both parties, nor shall this Agreement be waived, modified, rescinded or altered by any subsequent course of dealing or performance between the parties.

2. PRICE; PAYMENT. Unless otherwise stated on the quotation, prices quoted are EXW Seller's location, in US dollars, and payment is due upon receipt of Seller's invoice. Standard shipping costs are not included in the purchase price unless specified in the quote, and any quoted shipping costs are subject to fuel surcharges passed from transporter to Seller. Expedited shipping costs, change orders, VAT (if applicable), customs duties or export fees will be quoted as a separate chargeable items to Buyer. Seller reserves the right to change payment terms and pricing if the destination of the equipment is outside the continental United States and this fact was not made known by the Buyer in writing to Seller prior to the Seller's offer being given. Time is of the essence with respect to each payment due under the Milestones Schedule in Section 3. In the event that any payment is not made when due, Seller shall be entitled to terminate the Agreement, to seek any and all remedies to which Seller may be entitled, and terminate any further deliveries of products or services to Buyer under the Milestones Schedule or any other Agreement with Buyer. Buyer agrees that Seller shall be entitled to recover from Buyer all of the reasonable costs and expenses of collection, including attorney's fees, which may be incurred by Seller in enforcing any obligation under the Agreement, including payment. Buyer shall not be entitled to set off, recoup or withhold any payment, or any portion thereof, which is due. Late payments shall be subject to a 6% finance charge, compounded monthly from the date initially due. Any balances not paid within the listed terms are subject to 18% / annum service charges

3. DELIVERY/MILESTONES; INSPECTION & ACCEPTANCE; CLAIMS & RETURNS; CANCELLATIONS.

(i) Delivery/Milestones. Unless indicated by language such as “firm” or “no later than” appearing in Seller's quotation, all deliverable due dates under the Milestone Schedule provided herein are estimates only. Upon formation of the Agreement, Buyer and Seller will establish a mutually agreeable firm Milestone Schedule (either “Standards” or “Special Order”, as described herein), and payments due from Buyer will be triggered as due and payable upon achieving each milestone by Seller according to the governing Milestone Schedule. In no event, however, shall Seller be responsible or liable for any damage or loss resulting from failure or delay of performance, including delivery of the final products, if such failure or delay arises out of any act of God, weather condition, war, strike, emergency, disruption of services or labor, work

stoppage, delay of any supplier to Seller, or other occurrence beyond the direct control of Seller alone, and deliverable due dates and performance periods shall be adjusted and extended by any such occurrence at Seller's sole discretion.

MILESTONE SCHEDULE – Standards

Milestone	Seller Deliverable	Date Due	Buyer Deliverable	Date Due
Purchase Order	<ul style="list-style-type: none"> Final Proposal 		<ul style="list-style-type: none"> Written Purchase Order Document Referencing "Final Proposal" 30% deposit 	
Design Review	<ul style="list-style-type: none"> Equipment Mechanical and Electrical Approval Drawings Perishable Tooling Drawings Fixturing Drawings Gauging Drawings 		<ul style="list-style-type: none"> Sign-off within 1 week of receipt. 	
Equipment Assembly	<ul style="list-style-type: none"> All critical path purchased items ordered All critical path purchased items delivered Start of equipment assembly Power on / dry cycle date Fixtures and gauging due dates 		<ul style="list-style-type: none"> Conforming test parts are due to Seller 30 days prior to Pre-Acceptance Testing 	
Pre-Acceptance Testing (Seller's Site)	<ul style="list-style-type: none"> Equipment Assembly and Acceptance Testing at Seller location Complete* 		<ul style="list-style-type: none"> 60% progress payment, OR 70% progress payment if customer will self-install or delay installation by more than 30 days (Acceptance Testing Waiver). 	
Installation and Final Acceptance Testing (Buyer's Site)	<ul style="list-style-type: none"> Training of operators and maintenance personnel Supply service manual and machine final documentation Equipment Testing for functionality and performance (per Buyer's written criteria) complete at Buyer location** 		<ul style="list-style-type: none"> Install machine within 10 days of receipt. Personnel available for training Conforming test parts available 10% final payment within 10 days of final acceptance 	
Warranty Begins	FOB or ExWorks Seller Location			
Full Circle Agreement Begins				
*Cancellations received within 30 days of this milestone are subject to payment in full of the milestone payment				
**Installation and Final Acceptance Testing by Seller's Service Engineers available at additional cost to Buyer				

MILESTONE SCHEDULE – Special Order

Milestone	Seller Deliverable	Date Due	Buyer Deliverable	Date Due
Purchase Order	<ul style="list-style-type: none"> Final Proposal 		<ul style="list-style-type: none"> Written Purchase Order Document Referencing "Final Proposal" 30% deposit 	
Design Review	<ul style="list-style-type: none"> Equipment Mechanical and Electrical Approval Drawings Perishable Tooling Drawings Fixturing Drawings Gauging Drawings 		<ul style="list-style-type: none"> Sign-off within 1 week of receipt. 30% progress payment 	
Equipment Assembly	<ul style="list-style-type: none"> All critical path purchased items ordered All critical path purchased items delivered Start of equipment assembly 		<ul style="list-style-type: none"> Conforming test parts are due to Seller 30 days prior to Pre-Acceptance Testing 	

	<ul style="list-style-type: none"> • Power on / dry cycle date • Fixtures and gauging due dates 			
Pre-Acceptance Testing (Seller's Site)	<ul style="list-style-type: none"> • Equipment Assembly and Acceptance Testing at Seller location Complete* 		<ul style="list-style-type: none"> • 30% progress payment, OR • 40% progress payment if customer will self-install or delay installation by more than 30 days (Acceptance Testing Waiver). 	
Installation and Final Acceptance Testing (Buyer's Site)	<ul style="list-style-type: none"> • Training of operators and maintenance personnel • Supply service manual and machine final documentation • Equipment Testing for functionality and performance (per Buyer's written criteria) complete at Buyer location ** 		<ul style="list-style-type: none"> • Install machine within 10 days of receipt. • Personnel available for training • Conforming test parts available • 10% final payment within 10 days of final acceptance 	
Warranty Begins	FOB or ExWorks Seller location			
Full Circle Agreement Begins				
*Cancellations received within 30 days of this milestone are subject to payment in full of the milestone payment				
**Installation and Final Acceptance Testing by Seller's Service Engineers available at additional cost to Buyer				

(ii) Change Orders, Delays: In the event Milestone due dates and performance periods are delayed at the request or by the actions of Buyer, including failure of payments when due under the Milestone Schedule, the following shall apply: a) if any Milestone is or will be delayed for reasons controlled by Buyer, (i.e. product design, change orders, etc.) then the Seller payment will be due as originally scheduled in the Milestone Schedule and for the original contracted amount, subject to any up-charges attributable to change orders received after the specifications have been agreed upon by the Parties, and any storage charges due to idling the work or delaying delivery at Buyer's request; b) if the Installation and Final Acceptance Testing is delayed for reasons controlled by Buyer (i.e. installation delays, request to reschedule delivery or a change in final delivery location, a shortage of testing parts for Pre-Acceptance Testing, accessibility to equipment or utility services at Buyer's site, scheduling of operators, etc.) beyond 30 days from the scheduled and agreed upon "Installation and Final Acceptance Testing" date, a payment will be immediately due equal to 50% of the Installation and Final Acceptance Testing payment; c) if delay goes beyond 60 days past the "Installation and Final Acceptance Testing" date, any remaining Milestone payments will be immediately due in full. Payments made prior to completion of the "Installation and Final Acceptance Testing" do not relieve Seller from completing all components of the contract and achieving final acceptance. All payments are payable, net 30 days from date of billing.

Buyer agrees to pay Seller reasonable storage charges in the event that Seller is unable to deliver goods at the time and place agreed as a result of any action or omission of Buyer. All freight charges and customs duties are solely for Buyer's account irrespective of Seller's role in arranging or accommodating delivery.

(iii) Inspection & Acceptance. The goods and materials shall be deemed accepted by Buyer upon the earlier of: a) placement of the goods and materials on transporter's vehicle due to Acceptance Testing Waiver, no inspection at Seller's location is specified, or if inspection and testing is not made by Buyer within the time frame indicated in the Milestone Schedule or at the location specified in the Final Proposal; b) Installation and Final Acceptance Testing is done at Seller's location (and at Seller's discretion) instead of Buyer's location due to delays for reasons controlled by Buyer (i.e. installation delays, request to reschedule delivery or a change in final delivery location, a shortage of testing parts, accessibility to the equipment or utility services at

Buyer's site, scheduling of operators, etc.) beyond 30 days from the scheduled and agreed upon "Installation and Final Acceptance Testing" date for the equipment, or c) utilization of the goods by Buyer for any purpose. Buyer shall furnish and be responsible for all designs and components for production or assembly lines, complete foundation or floor for all equipment, all permits (including environmental), all licenses, and all labor and equipment necessary to safely unload, uncrate and place equipment on foundation or floor, and Seller expressly disclaims any responsibility for errors or omissions therefore.

(iv) Claims & Returns: If inspection is required but no time is specified, Buyer must make such inspection and notify Seller of any shortages, improper material, apparent defects or damage within three (3) days of receipt of goods, and any failure to so notify Seller shall be a waiver of any such claims by Buyer. Any failure by Buyer to timely notify Seller of any claim that any of the goods are defective or nonconforming shall be waived, and such failure to give notice shall constitute an unqualified acceptance of the goods. Returns shall only be accepted with prior authorization from Seller.

(v) Cancellations: Buyer may cancel its purchase obligations under this Agreement, in whole or in part, at any time by written notice of cancellation to Seller. Buyer will have such right of cancellation regardless of circumstance, and Seller shall have the right to full recovery of all costs, overhead and burden expenses and lost profit associated with the cancelled portion of said Agreement.

Upon receipt of the notice of cancellation, Seller, unless otherwise directed by Buyer, will: (1) terminate promptly all work currently underway; (2) transfer title and deliver to Buyer the finished work, the work in progress, and the parts and materials which Seller produced or acquired under this Agreement with Buyer; (3) verify and settle all claims by subcontractors for actual and reasonable costs that are rendered unrecoverable by such cancellation and provided the recovery of materials in the possession of Seller is ensured; and (4) take actions reasonably necessary to protect the property in possession of Seller in which Buyer has an interest until disposal instructions from Buyer are received.

Upon cancellation by Buyer under this section, the obligation of Buyer to Seller will be: (1) that portion of the Milestone Schedule payments due for all finished work and completed services which conform to the Milestone Schedule; (2) the Seller quoted cost, and labor rates of the work in progress, and parts and materials transferred to Buyer at the time of cancellation; and (3) Seller actual costs of settling claims by subcontractors, but the Buyer obligation will not exceed the obligation to Seller in the absence of cancellation.

Seller will furnish Buyer within one month after the effective date of cancellation and before shipment any equipment and/or materials the cancellation claim, which will consist exclusively of the items of the Buyer obligation to Seller that are listed hereof. Buyer or its representative may audit Seller records, before or subsequent to payment, to verify amounts requested in the Seller cancellation claim.

Buyer shall not pay for: (1) finished goods, work in-progress, or raw materials in excess of the quantities required under this Agreement; (2) undelivered raw goods or spare parts which are in Seller standard inventory or that are readily marketable and/or returnable to the Seller; (3) incidental, or other costs which could have been reasonably mitigated; or (4) consequential costs or damages. Buyer will negotiate in good faith to settle all Seller claims in a reasonable time.

4. BUYER GOODS. Buyer acknowledges that the condition of the goods or work pieces supplied to Seller for Acceptance Testing, finishing or other services hereunder ("Buyer Goods") is of critical importance to the results of Seller's Acceptance Testing, finishing or other services. Buyer acknowledges that Buyer shall be responsible for timely providing Seller with Buyer Goods which conform to the specifications and quality set forth in the quote, all licenses necessary or appropriate for the performance of Seller's duties, and forecasts or schedules on which Seller may reasonably rely. Except for gross and apparent defects in Buyer Goods (which shall be returned to Buyer at Buyer's expense), each Buyer Good supplied shall be presumed to conform to the specifications and conditions which are set forth in the quote or which are otherwise reasonably necessary for Seller to perform Acceptance Testing, its services or finishing as contemplated by this Agreement. Title and risk of loss to Buyer Goods shall remain with Buyer, who shall be responsible for insuring all such goods. Seller shall hold Buyer Goods as bailee, and shall be entitled to warehouseman, artisan or other liens or charges in favor of Seller for unpaid sums, charges and/or taxes. Buyer agrees that Buyer shall have the burden of proving that an act or omission of Seller was the sole and proximate cause of any defect or damage to Buyer's Goods.

5. TITLE; RISK OF LOSS; CONFIDENTIALITY; INTELLECTUAL PROPERTY. Deliverables under this Agreement shall be deemed delivered to Buyer, and title and risk of loss to goods manufactured by Seller, shall pass to Buyer upon loading of goods onto transporter vehicle at Seller's facility, subject to liens or charges in favor of Seller for unpaid Milestone Payments and/or taxes. Unless and until the goods and/or services contemplated under this Agreement are paid for in full, Seller retains a secured interest in materials, goods, equipment and media delivered to Buyer. Seller's drawings, blueprints, computer codes, technical information, intellectual property and know-how shall be the exclusive property of Seller, and Buyer shall have no right, title or interest therein. Upon payment in full for the Seller's goods, Buyer shall have limited license to use the Seller's intellectual property encompassed within Seller's goods, for the useful life of the goods. Such license is non-transferable without Seller's prior consent, and does not convey upon Buyer the right to market, distribute, copy, or sell the intellectual property to third parties, nor use the intellectual property on a commercial basis other than for its own production processes. Buyer shall maintain in confidence, and shall not disclose to any third party, or use for any purpose other than that for which it was supplied, any information or property of Seller which is designated by Seller as confidential, secret or proprietary information of Seller.

6. TAXES, EXPORT and ANTI-CORRUPTION REGULATIONS.

Any and all sales, use, excise or similar tax or charge, and all penalties and/or interest thereon, imposed by any taxing authority upon the goods, services or activities which are the subject of the Agreement are not included in any price quoted, shall be added to the price quoted, and shall be promptly paid or reimbursed by Buyer. Buyer acknowledges that the products received from Seller are subject to the U.S. Export Administration Regulations (including the Treasury Department's Office of Foreign Assets Control regulations which prohibit U.S. persons transshipping products to embargoed countries), anti-boycott and foreign corrupt practice laws including, without limitation, the United States Foreign Corrupt Practices Act, the USA Patriot Act, as amended, and other applicable laws and related regulations (collectively, "Regulations"). Buyer hereby gives assurance that, with respect to the products and any U.S. origin technical data, Buyer shall comply with the Regulations.

7. PRODUCTION AND PERFORMANCE ESTIMATES. Any statement or estimate by Seller, or any of its agents, regarding production, capacity or performance of the equipment or systems which are the subject of the Agreement or durability of the services which are the subject matter of this Agreement are not representations or guarantees of such production, capacity, performance or durability unless specifically set forth in the quotation from Seller. Any such statements or estimates which are not set forth in the quotation from Seller may be based upon past performance of similar goods or services in conjunction with various types of production equipment or systems under various conditions. The performance and durability of goods and services may vary for many reasons, including environmental and work piece conditions.

8. BUYER'S ASSUMPTION OF RISK. Buyer expressly acknowledges and agrees that Buyer has selected the goods or services which are the subject of this Agreement, and that Buyer is assuming all risks and liabilities arising out of a) the choice of such goods or services by Buyer and b) the use by Buyer or others of goods in any machine, equipment, process or system.

9. SOLE AND EXCLUSIVE WARRANTY. Seller makes the following warranties to Buyer:

(i) for equipment, Seller warrants that the goods manufactured by Seller, subject to the limitations of Section 12, will be free from material defects when used under proper and normal conditions of use, subject to the following conditions or limitations: a) Consumable tooling or materials shall have no warranty following the first successful use; b) materials and equipment provided by third party providers ("Third Party Components") shall be limited to the warranty, if any, that Seller is authorized to pass through to Buyer for such Third Party Components; c) materials, items, and equipment manufactured by Seller shall be warranted as free from material defects for a period of twelve (12) months from date of delivery, or 2,000 working hours on the goods, whichever first occurs; and d) spare parts and media shall be warranted according to (i)(a-c) above.

(ii) for finishing services, the Buyer Goods processed by Seller will, for a period of thirty (30) days from date of delivery, or upon acceptance, whichever first occurs, be free from material defects in material and workmanship which are solely attributable to Seller.

Should equipment, parts, media or Buyer Goods not conform to such warranties as stated above, and upon confirmation by Seller that the goods have been delivered, stored, installed, operated and maintained in accordance with proper standards, including the exclusive use of Seller supplied abrasive media, electrolyte, or other specified operational materials, Seller shall, upon prompt notice from Buyer, and at Seller's option, in the instance of goods manufactured by Seller, either repair or replace the defective part or parts and, in the instance of goods of Buyer which are processed by Seller, either reprocess the defective part or parts or adjust the price paid by Buyer in an amount attributable to the defective part or parts. Such remedies shall be Buyer's sole and exclusive remedies for breach of warranty.

THE FOREGOING WARRANTIES SHALL NOT APPLY TO DAMAGE OR DEFECTS CAUSED BY DELIVERY, STORAGE, INSTALLATION, OPERATION OR MAINTENANCE BY ANY PERSON OTHER THAN SELLER, OR BY ORDINARY WEAR AND TEAR, NOR SHALL IT APPLY TO CONSUMABLE TOOLING OR MATERIALS ("Wear Parts"), OR NORMAL REPLACEMENT ITEMS, AND IS THE SOLE AND EXCLUSIVE WARRANTY BY SELLER IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL OR IMPLIED. SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS AND EXCLUDES ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A

PARTICULAR PURPOSE OR ANY OTHER WARRANTIES ARISING BY USAGE OF TRADE, COURSE OF PERFORMANCE OR COURSE OF DEALING.

SELLER ACKNOWLEDGES THAT SUPPLEMENTAL OR SUPERSEDING WARRANTY PROVISIONS MAY APPLY OUTSIDE THE UNITED STATES AND WARRANTS ITS GOODS TO THE MINIMUM STANDARD REQUIRED BY SUCH LAWS OUTSIDE THE JURISDICTION OF THE UNITED STATES FOR SELLER'S GOODS USED AND/OR INSTALLED OUTSIDE OF THE UNITED STATES ONLY.

10. LIMITATION OF LIABILITY; NO CONSEQUENTIAL DAMAGES. IT IS UNDERSTOOD AND AGREED THAT SELLER'S LIABILITY WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE OR OTHERWISE SHALL NOT EXCEED THE RETURN OF THE AMOUNT OF THE PURCHASE PRICE PAID BY BUYER FOR GOODS OR SERVICE FEES FOR SERVICES AND UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING BUT NOT LIMITED TO LOST PROFITS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE PRICE TO BE PAID BY BUYER IS A CONSIDERATION IN LIMITING SELLER'S LIABILITY.

11. PATENT INDEMNITY. Seller shall be entitled to rely upon any information, specifications, designs, formulas or other information supplied to Seller by Buyer or Buyer's representatives, and Seller shall not be responsible for any damages or loss arising out of the use or incorporation by Seller of the same. Buyer warrants to Seller that neither any design, specification, drawing or pattern provided to Seller by Buyer or Buyer's representatives, nor any use contemplated by Buyer of the goods supplied by Seller, infringes any patent, copyright, trade secret or other intellectual property rights, and Buyer agrees to defend, indemnify and hold Seller completely harmless from any claim of infringement.

12. SOFTWARE. Goods provided by Seller may incorporate proprietary software of Seller and/or Third Parties. Seller shall retain all rights, title and interest in and to Seller software except for a nonexclusive and nontransferable license to Buyer to use that software with the goods sold hereunder during the useful life of those goods. Third Party software licenses are provided to Buyer on a non-exclusive, non-transferable basis, and all right, title and interest to such Third Party software shall remain with the Third Party software provider. Duplication of the software for any purpose, other than backup protection is expressly prohibited. The software contains copyrighted material, trade secrets and/or other proprietary material and, except as otherwise permitted by law, Buyer may not decompile, reverse engineer, disassemble or otherwise reduce the software to human-perceivable form. Buyer shall not modify, network, rent, lease, loan, distribute or create derivative works based in whole or in part upon the software. Software is licensed to Buyer "as is", and Seller makes no warranties, express or implied, regarding software.

13. TECHNICAL ASSISTANCE. Seller shall provide technical assistance or other services not specifically identified in this Agreement to Buyer only pursuant to a separate written agreement, and such assistance is not included in this Agreement.

14. ENTIRE AGREEMENT. The Agreement sets forth the entire agreement between Seller and Buyer with respect to the subject matter thereof. This Agreement supersedes and replaces any purchase order terms and conditions between Buyer and Seller. ~~There are no promises, representations, warranties or understandings, express or implied, which are not set forth in the Agreement.~~ Any modification or alteration of the Agreement shall be effective only if set forth in

a writing duly executed by authorized representatives of each party.

15. AUTHORITY; BINDING EFFECT; ASSIGNMENT. Seller and Buyer represent and warrant to each other that each has entered into the Agreement through its duly authorized representative(s), and that the Agreement is a binding and enforceable agreement. The Agreement shall be binding upon, and inure to the benefit of, each party and its successors and permitted assigns. The Agreement shall not be assigned by Buyer without the prior written consent of Seller.

16. GOVERNING LAW; FORUM SELECTION. The Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania without regard to its conflicts of laws provisions. The United Nations Convention on the International Sale of Goods shall not apply. Unless Seller, in its sole discretion, brings a claim against Buyer in a different court of competent jurisdiction, any and all claims, actions or proceedings arising out of the Agreement shall be brought only in a court having a situs within, or jurisdiction over, Westmoreland County, Pennsylvania, and Buyer hereby irrevocably submits to the jurisdiction and venue of any such court, and waives all objections to venue and convenience therein.

17. LIMITATION OF PERIOD FOR COMMENCING CLAIMS. Any claim, demand, action or proceeding by Buyer against Seller which arises out of this Agreement shall be barred unless commenced within one year of the date on which the goods or services which are the subject of this Agreement have been delivered or tendered to Buyer.