

ALCOA WHEEL AND TRANSPORTATION PRODUCTS

TERMS AND CONDITIONS OF SALE (Rev. 2011)

THE FOLLOWING TERMS AND CONDITIONS APPLY TO THE SALE OF SELLER'S GOODS. SELLER'S ACCEPTANCE OF ANY ORDER IS EXPRESSLY MADE CONDITIONAL UPON BUYER'S ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN, AND SELLER OBJECTS TO ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS, WHETHER CONTAINED IN BUYER'S FORMS OR OTHERWISE. SELLER WILL NOT BE DEEMED TO HAVE WAIVED THESE TERMS AND CONDITIONS OF SALE IF IT FAILS TO OBJECT TO PROVISIONS CONTAINED IN BUYER'S FORMS OR OTHERWISE. BUYER'S SILENCE OR ITS ACCEPTANCE OF SELLER'S GOODS CONSTITUTES ITS ACCEPTANCE OF THESE TERMS AND CONDITIONS OF SALE.

1. **Acceptance.** Any order by Buyer is subject to acceptance by Seller. Acceptance is subject to Buyer's agreement to all of the terms and conditions herein. Buyer's agreement will be conclusively established (i) when Buyer has received and retained these Terms and Conditions of Sale for ten days without objection, or (ii) by Buyer's acceptance of all or any part of the goods. Seller objects to any terms or conditions which differ from, or are additional to, those stated herein. After acceptance by Seller, this order may only be modified by a writing signed by Seller.
2. **Change of Price.** The prices and charges stated herein shall be adjusted to and the goods and other items covered by this order shall be invoiced at the prices and charges fixed by Alcoa at the time of and for each shipment under this order, provided that such prices and charges shall not exceed the prices and charges appearing in Alcoa's applicable price schedules, if any, in effect at the time of each such shipment. The prices and charges stated herein do not include state or federal excise, sales or use taxes (if any). All such taxes in effect or hereafter levied which are applicable to the order are in addition to such prices and will be paid by Buyer.
3. **Payment.** Unless stated otherwise by Seller, payment terms are net 30 days from the date of Seller's invoice, by electronic funds transfer. In the event that Buyer fails to pay Seller's invoices when due, Buyer will be obligated to pay Seller interest, on all amounts so due and payable, at 1% per month from the date such payment was due until the date paid by Buyer. Such interest will be due and payable without demand or protest by Seller. Whenever reasonable grounds for insecurity arise with respect to due payment by Buyer, Seller may demand different terms of payment and may demand assurance of Buyer's due payment. Any such demand may be oral or written and Seller may, upon the making of such demand, stop production and suspend shipment hereunder. If, within the period stated in such demand, Buyer fails or refuses to agree to such different terms of payment or fails or refuses to give adequate assurance of due payment, Seller may, at its option, treat such failure or refusal as a repudiation of the portion of the order which has not been fully performed, or may resume production and may make shipment under reservation of possession or of a security interest and may demand payment against tender of documents of title.
4. **Delivery.** All goods are sold F.O.B. shipping point Seller's plant. Title and ownership with respect to goods shall transfer from Seller to Buyer at delivery.
5. **Delays.** All delivery or shipping dates are estimates only. Seller will use reasonable efforts to fill the order in accordance with the estimated delivery or shipping date, but Seller will not be responsible for any delays in filling the order nor liable for any losses or damages resulting from such delays, and the order will not be subject to cancellation for such delays.
6. **Force Majeure.** Seller will not be liable for delays in filling this order or failure in the performance of any of its obligations hereunder caused by accidents; labor disputes, disruptions, strikes or shortages of labor; shortages of materials, fuel or power; fires, floods or other acts of God; acts or omissions of Buyer, delays in transportation or lack of transportation facilities; priorities required, requested or granted for the benefit of the government; restrictions imposed by law or any rules or regulations thereunder; or any cause, whether similar to or dissimilar from those enumerated, beyond Seller's reasonable control.
7. **Method of Transportation.** The agency and method of transportation of the goods and the routing of the goods to the delivery point will be designated by Seller. If Seller complies with Buyer's request with respect to the use of any agency or method of transportation or any routing other than that which would otherwise be designated by Seller, all packing, marking, shipping, transportation and other charges which are in excess of the charges which would otherwise be incurred by Seller will be for Buyer's account.
8. **Shipments; Shipping Weights.**
 - (a) Seller may make partial shipments hereunder and may invoice for each such partial shipment separately. Each partial shipment will be deemed to be a separate sale; however, delay in delivery of any partial shipment will not relieve Buyer of its obligation to accept delivery of remaining shipments hereunder.
 - (b) Seller's shipping weights will govern for each shipment or partial shipment hereunder. Should Buyer dispute the shipping weight of any shipment or partial shipment hereunder, Buyer will promptly notify Seller in writing of the reasons for such dispute and provide to Seller all necessary documents to substantiate the difference.
9. **Limited Warranty; Service Manual.** This limited warranty applies to Alcoa forged aluminum wheels with bead seat diameters measured in .5 inch increments ("Wheels") and the surface or rim flange treatments applied to the Wheels. "Transit Wheels" means Wheels used on transit vehicles, such as buses and vans, whose primary purpose is to transport people.

Alcoa warrants to the original purchaser from Alcoa or its authorized distributor that a new Alcoa truck, truck trailer, bus, RV or motorhome Wheel is free from defects in material and workmanship for the applicable time period set forth below:

- (a) Except as stated in (b) of this section, Wheels are warranted for 60 months from the date of manufacture as shown on the Wheel.
- (b) Transit Wheels and RV and motorhome Wheels are warranted for 120 months from the date of manufacture as shown on the Wheel.

Alcoa agrees, without charge, to repair or replace a Wheel that fails in normal use or service (see the qualifications section below) because of defects in material and workmanship.

Alcoa warrants to the original purchaser from Alcoa or its authorized distributor the Dura-Flange[®] rim flange treatment against sharp edges for 24 months from the date of manufacture as shown on the Wheel. Alcoa warrants to the original purchaser from Alcoa or its authorized distributor the Dura-Bright[®] surface treatment against (i) filiform corrosion (worm or hair like lines, generally milky in appearance, underneath surface protective treatment and emanating from damage to the surface treatment such as nicks, scratches or damage from mounting hardware or wheel weights), (ii) blistering due to loss of adhesion of the surface treatment and (iii) lift off of the surface treatment due to physical damage (nicks, scratches, gouges). The foregoing Dura-Bright[®] surface treatment warranty is for the applicable period of time set forth below:

- (a) Except as stated in (b) of this section, Dura-Bright[®] surface treatment on Wheels is warranted for a period of 60 months from the date of manufacture as shown on the Wheel.
- (b) Dura-Bright[®] surface treatment for RV and motorhome Wheels is warranted for 120 months from the date of manufacture as shown on the Wheel.

If the Dura-Flange[®] rim flange treatment or Dura-Bright[®] surface treatment fail in normal use or service (see the qualifications section below) to meet the foregoing warranties on any Wheel, Alcoa agrees, without charge, to replace the Wheel.

Qualifications: Alcoa does not warrant, and will not repair or replace or make adjustment, with respect to any Wheel or surface or rim flange treatment on such Wheel that has been subjected to misuse or abuse or any of the following:

- (a) Using a tire which is oversized according to standards recommended by the Tire and Rim Association, Inc. or other recognized tire and rim agencies such as ETRTO (Europe);
- (b) Loading the Wheel beyond the applicable maximum Wheel load as specified by Alcoa;
- (c) Inflating tires beyond the applicable maximum as specified by Alcoa;
- (d) Changing the original condition of the wheel by alteration or by subjecting it to any processing such as welding or straightening;
- (e) Accidents or abnormal or severe operating conditions including without limitation tire fires, brake fires, severe brake system drags or seizures or running with a flat tire;
- (f) Failure to follow maintenance, instructions or warnings set forth in the Alcoa Wheel Service Manual ("Service Manual"), Alcoa Technical Bulletins or other Alcoa literature. Recommended maintenance includes, without limitation, using proper torque, periodic cleaning, polishing, valve replacement, periodic inspection for damage and loose lug nuts and rim flange wear inspections and procedures;
- (g) Nicks, scratches and other surface blemishes resulting from improper maintenance, cleaning, road debris, curbing, accident or operation;
- (h) Rim flange wear (unless the rim flange has been treated with Dura-Flange[®]); or
- (i) Damage due to cleaning with abrasives, abrasive brushes, steel wool, scouring pads or strong chemicals (acids or alkaline).

Alcoa's liability and purchasers' exclusive remedy for a Wheel or surface or rim treatment on such Wheel that does not comply with the foregoing warranties is limited to repair or replacement of the Wheel. ALCOA SHALL NOT BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES FOR ANY BREACH OF WARRANTY. THERE IS NO WARRANTY THAT A WHEEL OR SURFACE OR RIM TREATMENT OF SUCH WHEEL SHALL BE MERCHANTABLE OR FIT FOR ANY PARTICULAR PURPOSE. NOR IS THERE ANY OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT SUCH AS IS EXPRESSLY SET FORTH IN THIS LIMITED WARRANTY.

Notes: Normally, any washing materials or chemicals (including mild acid washes) that can safely be used on a vehicle, its painted surfaces and components, can safely be used on the Dura-Bright[®] surface treatment. If nicks, dings, scratches or other damage does occur to the Dura-Bright[®] treatment that exposes the aluminum underneath, the metal exposed may naturally oxidize, but any corrosion will be confined to the metal exposed and will not extend into or underneath the Dura-Bright[®] treatment.

This limited warranty should be used in conjunction with the Service Manual and the Alcoa Dura-Bright[®] Wheel Finish Care and Maintenance manual. The Service Manual contains important safety information and warnings, and failure to read and understand that information may result in serious injury or death. If you do not have copies of the Service Manual you may obtain copies free of charge at www.alcoawheels.com or by contacting Alcoa Wheel and Transportation Products at (800) 242-9898 or the address below:

Alcoa Wheel and Transportation Products
1600 Harvard Avenue
Cleveland, OH 44105

10. Limitation of Liability.

- (a) Seller's liability and Buyer's exclusive remedy for any tender of nonconforming or defective goods or breach of warranty is expressly limited to Seller's choice of: (i) the repair of non-conforming or defective goods; (ii) the replacement of non-conforming or defective goods with conforming goods at the FOB point of shipment; or (iii) the repayment of that portion of the

purchase price represented by non-conforming or defective goods. Such repair, replacement or repayment will be made only upon return of the non-conforming or defective goods, which may be returned at the cost of Seller only after inspection by Seller and receipt by Buyer of definite shipping instructions from Seller.

(b) In no event will Seller be liable for any incidental, consequential, indirect, special, contingent, or punitive damages arising out of or relating to: (i) any breach of contract or warranty, tort (including negligence and strict liability), or other theories of law with respect to goods sold or services rendered by Seller, or undertakings, acts or omissions relating thereto; (ii) the tender of defective or non-conforming goods; (iii) breach of any other provision of these Terms and Conditions of Sale or any applicable agreement between the parties; or (iv) any claim of any kind arising out of or relating to any order or Seller's performance in connection therewith. In any event, Seller's liability arising out of these Terms and Conditions of Sale and any applicable agreement between the parties is limited to the purchase price of the goods on which such liability is based. Buyer assumes all other liability for any loss, damage or injury to persons or property arising out of, connected with or resulting from the use of Seller's goods, either alone or in combination with other products.

- 11. Inspections, Acceptance or Rejection.** Buyer will make adequate inspection of the goods immediately after their receipt and will give Seller prompt notice of any non-conformity or defect; Buyer's failure in either respect will constitute a waiver of such non-conformity or defect.
- 12. Indemnity.** Buyer will release, hold harmless, indemnify and defend Seller, its present and future officers, directors, officials, employees, agents, subsidiaries, affiliates, successors and assigns, from and against any liability (including without limitation liability for negligence or strict liability), demands, suits, penalties, fines, forfeitures, claims, losses, damages, suits and costs, regardless of the basis of liability or legal principle involved, which any or all of them may suffer, incur, be responsible for or pay as a result of or caused by, arising out of or relating to any act or omission of Buyer or its successors, assigns, agents, customers, representatives or employees. With respect to claims against Seller by Buyer's employees, Buyer agrees to, and herein does, expressly waive its immunity, as a complying employer under workers' compensation law, for any and all acts of negligence, whether passive or active, but only to the extent that such immunity would bar or affect recovery under or enforcement of this indemnification obligation. This waiver shall apply to any immunity conferred upon an employer by any state's constitution or Workers' compensation laws with respect to liability for claims asserted against a third party by an employee of Buyer. In particular, but without altering or in any way limiting the general application of such waiver as set forth in the previous sentence, Buyer 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, as may be amended from time to time. The obligations in this Section are in addition to Buyer's duty to provide insurance and shall not be altered by any limitation on the amount or type of damages, compensation, or benefits payable by Buyer under any Workers' Compensation Act, U.S. Longshoremen's and Harbor Workers' Act, or any other employee benefit act.
- 13. Insurance.** Buyer shall at all times carry sufficient, relevant insurance coverage to cover potential claims at its own expense, including Commercial General Liability Insurance with coverage of no less than US\$ 5,000,000 per occurrence for death, bodily injury, and property damage. Seller retains the right to obtain a reasonable increase, consistent with industry standards, in the above stated insurance limit at any time. Such policy shall be written by an insurer with an A.M. Best rating of A, Class VIII or higher, authorized to issue policies in the United States. At Seller's request, Buyer shall provide Seller with a certificate of insurance evidencing such coverage currently in force, and will provide updated certificates, in a timely fashion, as policies are renewed thereafter. Failure to provide such certificate of insurance shall void the order, at Seller's sole option.
- 14. Termination; Changes.** Buyer may not terminate an order without the prior written consent of Seller. If Seller consents to such termination, reasonable termination charges computed by Seller will be assessed in connection with such termination. Any changes requested by Buyer to an order will be subject to the consent of Seller and subject to an equitable price adjustment as determined by Seller.
- 15. Patents; Infringements.** Buyer agrees to indemnify Seller against all court assessed damages and costs resulting from infringement of any United States or foreign intellectual property right (including, but not limited to, any right in a patent, utility model, copyright, industrial design or semiconductor mask work, or based on misappropriation or wrongful use of information or documents) by goods to the extent that the infringement arises from designs, specifications or instructions furnished or expressly or implicitly required by Buyer. The sale of goods covered by an order will not grant to Buyer any rights or license of any kind under any patent owned or controlled by Seller or its suppliers or under which Seller or its suppliers is licensed, but the foregoing will not limit in any way the right of Buyer to use and sell such goods in the event that such goods as sold hereunder are covered by any such patent.
- 16. Confidentiality.** Unless otherwise agreed to in a writing signed by Seller, Seller will not be bound by any obligations of confidentiality or non-disclosure. No right, title, or interest in and to any development, invention, or work of authorship, conceived or developed by Seller during the course of performance hereunder, is conveyed to the Buyer. Seller does not grant to Buyer, and nothing contained herein will obligate or be construed to obligate the Seller to grant to Buyer, any license under any patents or other intellectual property owned by the Seller. In addition, during the parties' commercial relationship and for a period of two years following Seller's last shipment of goods to Buyer, Buyer agrees to maintain and protect the confidentiality of any and all information provided by Seller to Buyer, whether orally or in writing, that relates to Seller's business.
- 17. Equipment.**
 - (a) Any equipment (including jigs, dies and tooling) which Seller constructs or acquires for use in the production of goods for Buyer will be and remain Seller's property and in Seller's possession and control, and any charges by Seller therefore will be for the use of such equipment only. When for three (3) consecutive years no orders acceptable to Seller are received from Buyer for goods requiring the use of such equipment, Seller may make such use or disposition thereof as Seller desires without

liability or obligation to Buyer. (b) Any materials or equipment owned or furnished by Buyer to Seller will be carefully handled and stored by Seller when in Seller's possession, but Seller will not be liable for damage or loss thereof. When for three (3) consecutive years no orders acceptable to Seller are received from Buyer for goods requiring the use of such equipment, Seller may, by written notice to Buyer at Buyer's last known address, request Buyer to make disposition thereof at Buyer's expense. If Buyer fails to do so, Seller may make such use or disposition thereof without liability or obligation to Buyer.

18. **Buyer Part, Specification or Drawing Number.** Any such number appearing on the face hereof is for identification only and does not require that the goods be produced in accordance therewith unless Seller agrees in writing otherwise. Should Seller agree otherwise, then goods identified with such number will be produced in accordance with specifications thereof as modified with Buyer's approval.
19. **Export Licensing.** For shipments outside of the U.S., Seller will be responsible for obtaining the appropriate export license(s) necessary to permit shipment of the ordered item, and Buyer will cooperate with Seller in obtaining such export licenses at Seller's request. Seller will have no liability to Buyer in the event that an export license is not approved or is later withdrawn. Seller may, in its sole discretion, agree to engage in a "routed transaction", in which case Buyer shall provide all documents and take all actions requested by Seller to comply with U.S. export requirements.
20. **Waiver.** No provision hereof and no breach of any provision will be deemed waived by reason of any previous waiver of such provision or of any breach thereof.
21. **Assignment.** No order may be assigned by Buyer without the prior written consent of Seller.
22. **Amendment.** These Terms and Conditions of Sale and any applicable agreement between the parties may be modified only by a writing signed by Seller.
23. **Severability.** The invalidity, in whole or in part, of any provision will not affect the remainder of such provision or any other provision.
24. **Integration.** These Terms and Conditions of Sale, including Seller's attachments hereto and made a part hereof, constitute the entire understanding between the parties and supersede any previous oral or written understandings with respect to the subject matter hereof.
25. **Applicable Law.** All orders, these Terms and Conditions of Sale and any applicable agreement between the parties will be governed by, and interpreted in accordance with, the laws of the Commonwealth of Pennsylvania, excluding those relating to choice or conflicts of law.