

HOWMET CORPORATION
its subsidiaries and affiliates

TERMS AND CONDITIONS OF SALE
(Rev. June 2, 2009)

THIS SALES ORDER ACKNOWLEDGMENT OR QUOTATION IS MADE AND GIVEN ON THE EXPRESS UNDERSTANDING THAT THE FOLLOWING TERMS AND CONDITIONS APPLY TO THE SALE OF SELLER'S GOODS AND SERVICES. 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, INCLUDING, BUT NOT LIMITED TO BUYER'S PREPRINTED FORMS, BOILER PLATE, 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 placed by Buyer is subject to written acceptance by Seller, such as with a sales order acknowledgement. These terms and conditions constitute the sole terms and conditions of any order between the Parties unless other written, mutually agreed, terms and conditions have been executed between the Parties. Buyer's agreement will be conclusively established (i) when Buyer has received these terms and conditions for ten days without objection, or (ii) by Buyer's acceptance of, or payment for, all or any part of the goods or services.
2. **Change of Price.** Unless otherwise agreed to in writing by the parties, pricing and charges will be established at the time Seller accepts Buyer's order for goods or services by sales order acknowledgement or otherwise.
3. **Payment.**
 - i. Buyer will make payment pursuant to Seller's invoices at the prices provided herein subject to any applicable agreement between the parties such as material re-pricing or alloy cost adjustments or labor or utilities cost adjustments. All prices and payments are in U.S. dollars.
 - ii. Buyer shall submit with each payment a statement, which clearly states, without commingling, Seller's invoice numbers, quantity of goods and amount being paid.
 - iii. Buyer's obligation to make full and timely payment for each shipment will be without rights of set-off. The prices and charges stated do not include state or federal excise, sale 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. In the event that Buyer fails to pay Seller's invoices when due, Buyer will be obligated to pay Seller, on all amounts so unpaid, interest, at the maximum permissible rate for overdue accounts, from the date such payment was due until the date paid by Buyer. Such interest will be due and payable without demand by Seller.
 - iv. Unless stated otherwise by Seller, payment terms are net thirty (30) days from the date of Seller's invoice. Notwithstanding, should Buyer experience a deterioration in its creditworthiness or other reasonable grounds for insecurity arise with respect to due payment by Buyer, Seller may demand different terms of payment and may, orally or in writing, demand assurance of Buyer's due payment. 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. In all cases, acceptance of an order is conditional for a period of up to three business days to confirm Buyer's creditworthiness.
 - v. Seller retains all rights at law pertaining to collection of unpaid amounts owed by Buyer under this Agreement, and Buyer shall reimburse Seller for all costs associated with such collection activities including reasonable attorney fees.
4. **Shipment/Delivery/Insurance.** All delivery or shipping dates are estimates only. Unless otherwise agreed to, all goods are sold:

International: Delivery Duty Unpaid (DDU) to agreed place of destination as defined and governed by Incoterms 2000. Seller shall bear all risk of loss or damage to the goods until they pass the border of the continental United States, at which time title and risk of loss or damage will pass the Buyer.

Domestic US: FOB shipping point (Supplier's plant, Freight Collect). Buyer shall bear all risk of loss or damage to the goods once they have been delivered to Buyer's carrier at the shipping point (Seller's plant).

5. **Delays.** 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 the order or failure in the performance of any of its obligations hereunder caused by anything beyond the reasonable control of Seller, including, but not limited to, accidents, labor disputes or disruptions, strikes, terrorist acts, shortages of labor, 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 Federal or any state government, restrictions imposed by law or any rules or regulations there under, or any cause beyond Seller's reasonable control, whether similar to or dissimilar to the foregoing.
7. **Packaging and Transportation.** Unless otherwise specified in the statement of work, Seller shall package the goods in accordance with applicable industry standards and transport the goods by a responsible common carrier. 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.**
 - (i) 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.
 - (ii) Seller's shipping weights will govern for each shipment or partial shipment hereunder. Should Buyer dispute the shipping weight of any shipment of 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. **Warranty.**

Seller warrants that the Goods delivered to the Buyer hereunder will conform to Buyer's specifications and will be free from defects in material and workmanship for a period of twelve (12) months from date of delivery of the Goods from Seller to Buyer. The Seller will at Buyer's option repair, correct or replace at no cost to Buyer, any such Goods which proves to be non-conforming with the foregoing, provided that Seller is given written notice of any such non-conformance within the warranty period and Buyer returns the non-conforming Goods to Seller. All goods returns shall be made pursuant to Seller's Return Material Authorization process outlined below, and Seller shall bear the transportation costs associated with Buyer's return of the non-conforming Goods. Seller may at its option, participate in the failure investigation of any allegedly non-conforming Goods at the installation site and shall be entitled to repair, correct or replace the non-conforming Part at such site or at its designated facility. No warranty is offered by Seller on any goods which are developmental.

Repair, correction or replacement in the manner provided above shall constitute Buyer's sole remedies and Seller's sole obligations under this warranty. Seller shall have no liability for other direct, special, indirect, incidental or consequential damages, including tear down or rebuild of engines or other higher assemblies. This warranty shall not apply to any goods which have been subjected to accident, misuse or unauthorized alteration.

THE FOREGOING COVENANTS ARE EXCLUSIVE AND ARE IN LIEU OF ANY OTHER WARRANTIES, WHETHER EXPRESS, STATUTORY OR IMPLIED, INCLUDING WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10. **Limitation of Liability.** In no event will Seller be liable for any direct damages beyond those stipulated under Section 9 (warranty), or 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 non-conforming goods; (iii) breach of any other provision of this order; or (iv) any claim of any kind arising out of or relating to any order or Seller's performance in connection therewith.
11. **Inspection, Acceptance or Rejection.** Inspection, acceptance or rightful rejection of goods shall be made within ten (10) days after Buyer's receipt of goods and shall promptly notify Seller of any non-conformity.
12. **Indemnity.** Except to the extent that FAR 52.246-23 &-24 apply, Buyer agrees to indemnify and hold Seller harmless from third party product liability claims, losses, damages, or expenses (including reasonable costs of defending any proceedings) arising out of or resulting from (i) the design or testing of the goods by Buyer (including Buyer's responsibility to test the goods after machining by Buyer or Buyer's designated machining subcontractors) or (ii) the goods having been altered, modified or improperly installed, operated, used or maintained by Buyer or Buyer's customers or any other third party than Seller, unless authorized in writing by Seller.
13. **Termination.** 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, and shall be due and payable not later than thirty (30) days after submittal of said termination charges.
14. **Changes.** Any changes requested by Buyer as a condition of entering into an order or subsequent to entry into an order which change the basis of Seller's quote, including these terms and conditions, will be subject to the consent of Seller and subject to an equitable price and/or delivery adjustment as determined by Seller.
15. **Confidentiality and Intellectual Property.** Unless otherwise agreed to in a Non-Disclosure Agreement executed by the parties, 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. Except for data customarily provided for quality control purposes (which the Buyer will keep confidential and use solely for such purposes), Seller shall not be required to deliver any data concerning its manufacturing processes, in as much as such data was developed at private expense, and not as an element of performance of any contract.
16. **Infringement.** Except to the extent that FAR 52-227-1 applies, Buyer agrees to defend, indemnify and hold harmless Seller, its officers, employees or agents from any liability, damages, costs or expenses (including court costs and reasonable attorney's fees) arising out of a third party claim which alleges, with respect to any design, drawing or specification furnished or approved by Buyer and used in the manufacture of the Parts sold hereunder, any patent, trademark or copyright infringement or misappropriation of trade secrets.
17. **Tooling.** Title to and ownership of tooling listed as a line item in Buyer's order shall vest in Buyer. Buyer shall be responsible for funding replacement tooling when the normal life of the tooling is exhausted. If Seller does not receive an order from Buyer for the goods requiring the use of such tooling for a period of one year, 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 issue disposition instructions to Seller within sixty (60) days of such notice, Seller may make such use or dispose of such tooling without liability or obligation to Buyer. Seller may remove any embedded intellectual property which it either owns or is controlled under applicable export control laws prior to returning any Buyer owned tooling.
18. **Trade Compliance.** Goods, services and information supplied under this order are subject to U.S. import and export laws and regulations and may be subject to EU and other applicable countries' export/import rules and regulations as well. 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 goods, including applications for agreements relating to defense services, 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 or suspended. 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. The Buyer agrees to comply with applicable import and export regulations whether administered by the Office of Defense Trade Controls, US Department of State, Bureau of Export Administration, the Department of Commerce, Office of Financial Asset Control (OFAC) or any other agency of the United States Government which provide inter alia that the equipment shall not be re-sold, diverted, re-exported or disposed of in other than the country of ultimate destination without the prior approval of the United States Department of State or Commerce or other Agency of the United States Government, whichever is applicable. The Buyer agrees to provide Seller any documentation Seller reasonably requests to comply with the regulations. For shipments within the U.S., it is the responsibility of the Buyer or other exporter to comply with all U.S. export control laws and regulations.

19. **Return Material Authorization Process.** All Parts being returned to Seller from Buyer will be authorized for return via this Return Material Authorization (RMA) process. All RMA requests will be initiated through Seller’s responsible account representative. A RMA number will be issued to Buyer within five (5) working days of notification of Buyer’s request in writing to the Seller. The Parties will agree to any special instructions associated with the return of such product at the time the RMA number is issued by the Seller.
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.** These terms and conditions, and any accepted order, shall be binding on Buyer. The order may not be assigned by Buyer without the prior written consent of Seller.
22. **Amendment.** These terms and conditions and the terms of any accepted order 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. If any provision or application of these Terms 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 these Terms including the invalid or unenforceable provision.
24. **Survival.** The provisions entitled or regarding Limitation of Liability, Trade Compliance, Infringement, Confidentiality and Intellectual Property, Warranty, Indemnity and all other articles providing for limitation of or protection against liability of Seller shall survive termination, cancellation or expiration of the contract or any accepted order.
25. **Applicable Law.** These terms and conditions and all accepted orders will be governed by, and interpreted in accordance with, the laws of the State of Ohio, excluding those relating to choice or conflicts of law and excluding the International Convention on Contracts for the International Sale of Goods. Any and all disputes between the parties that may arise pursuant to this Order will be heard and determined before an appropriate arbitrator, federal, or state court located in Ohio. Buyer waives any and all objections that it may have as to personal jurisdiction or venue in any of the aforementioned tribunals. The rights and remedies set forth herein are exclusive and in lieu of any other rights or remedies at law.
26. **Government Orders.** It is recognized by the parties that in instances where work is being performed under orders for the U.S. Government or Prime Contractors contracting with the U.S. Government, applicable DAR/DFAR or other Government regulatory clauses may apply if accepted by Seller. In the event of a conflict between and such Government clauses and the terms and conditions contained herein, these terms and conditions shall take precedence.
27. **Access.** Buyer may enter Seller’s facility(ies) which are performing the order only on reasonable notice during normal business hours, subject at all times to Seller’s safety rules and rules pertaining to limitations necessary to comply with applicable import and export regulations and protection of the confidential and proprietary information of Seller and/or its customers.