

HOEGANAES CORPORATION TERMS AND CONDITIONS OF SALE

DEFINITIONS AND INTRODUCTION

“We”, “us” and “our” refers to the applicable seller among Hoeganaes Corporation, GKN SPECIALTY PRODUCTS EUROPE SRL or other members of the "Group".

“Group” means DAUCH Corporation and all direct or indirect subsidiaries of the Hoeganaes Corporation Europe S.A. Our agreement with you (the “Contract”) consists of: (i) any duly signed contract which applies to our sales of goods and/or services provided to you; (ii) any purchase order or delivery schedule order (an “Order”) that you issue to us; (iii) these General Sale Conditions; (iv) any specifications and safety, health and environmental requirements that we agree with you; (v) any supplementary terms and conditions of sale that we agree with you; and (vi) our quality and other requirements or procedures which can be found at <https://www.....com/> , or are otherwise made available to you. If there is any inconsistency between any parts of the Contract, the parts placed higher in the list will prevail.

1. OVERVIEW

The presented clauses are valid for the sale of products owned by Hoeganaes Corporation Europe SA hereinafter referred to as the seller and the recipient of the goods referred to as the buyer. When a contract containing specific clauses has been concluded between the parties, that contract takes precedence. Refusal to accept the terms of sale and purchase by the buyer granted the seller's unilateral right to refuse the order.

The offers are valid only on the dates of their issue or for the period indicated in the offer. Notification of changes to delivery conditions is not mandatory. Any agreement becomes valid only after its confirmation in writing.

2. THE OFFER

These Hoeganaes Corporation Terms and Conditions of Sale (these “Terms and Conditions”), together with the terms of any other document in which these Terms and Conditions are attached or are incorporated (collectively, this “Agreement”) apply to:

(i) any quotation, proposal, or offer to sell (“Offer”) made to Hoeganaes Corporation or one of its affiliates or subsidiaries (collectively, “Seller”) for the sale of Hoeganaes Corporation’s goods and/or services (collectively, the “Goods”);

(ii) any purchase order or related attachments, schedules, exhibits, designs and drawings (collectively, an “Order”), issued by the buyer-party purchasing the Goods or that party’s subsidiaries and affiliates (collectively, “Purchaser”);

and

(iii) any written master purchaser or supply agreement executed by Seller and Purchaser for the sale of the Goods.

Purchaser accepts, and will be deemed to be bound by, the terms of this Agreement upon the first to occur of the following:

(A) Purchaser’s written acknowledgment of this Agreement in writing;

(B) Purchaser placing an Order with Seller;

(C) delivery of the Goods by Seller pursuant to any Order or similar type of request by Purchaser;

(D) acceptance of the Goods by Purchaser;

or

(E) payment for the Goods by Purchaser.

Purchaser's acceptance is expressly limited to the terms of this Agreement and this Agreement exclusively governs the sale of Goods.

This Agreement expressly supersedes and excludes any terms and conditions set forth in any Order placed by Purchaser or any other document issued or deemed to be issued by Purchaser (including, without limitation, Seller's general terms and conditions of sale), each of which are expressly rejected;

However, Buyer will be deemed to accept those portions of an Order that contain terms and conditions that are same as the terms and conditions set forth in this Agreement.

Any reference in this Agreement to any request for quotation, request for proposal, or any other similar bid document is solely for the purpose of incorporating the description and specifications of the Goods contained in such document, but only to the extent that such description and specifications do not conflict with the description and specifications contained in this Agreement or otherwise agreed to or accepted in writing by parties.

Any additional or different terms proposed, whether in the order or otherwise, or any attempt by the other part to vary the terms of this Agreement in any way, are expressly rejected by Hoeganaes Corporation Europe SA, are not part of this Agreement and do not apply to the sale of Goods, and are not binding on HCE SA without the express prior written acceptance of such terms by HCE's authorized representative.

None of the terms, provisions or conditions of this Agreement may be modified, altered or added to except by written instrument signed by a duly authorized representative of Seller and Purchaser. Any agreed upon change may be subject to an equitable adjustment in the purchase price and/or time for performance.

3. DURATION

Notwithstanding the expiration or termination of this Agreement, Purchaser will be held responsible to HCE SA for the payment of any finished Goods, work-in-progress, and all costs incurred or other materials made or committed for this Agreement as a result of an Order issued by Purchaser to Seller HCE.

4. QUALITY OF THE PRODUCTS

The object of this agreement is the sale-purchase of the products specified in the invoice. The quality of the products is that stipulated in the specifications and technical standards of which the buyer is assumed to have become aware before receiving the goods. The buyer's lack of objections regarding the quantity and quality of the products, within 3 days from the date written on the invoice, represents their tacit acceptance.

5. DELIVERY OF THE PRODUCTS

The delivery of the products is carried out on the established terms. If the deliveries are delayed due to the fault of the buyer, he will bear all the expenses caused. The seller is not responsible in any way for the damages caused after this moment if the seller bears all the transport costs. The delivery of the goods is done based on the received quantity and quality of goods made at the Seller's residence. If the Buyer does not notify the Seller for taking part at Receiving, they shall proceed to delivering through self-inspection, according to the law.

The risk passes to the buyer as soon as the goods have been handed over to a carrier or the buyer. The seller is not responsible in any way for damages caused after this moment.

If this Purchasing Order does not stipulates something else the unit prices are under FCA warehouse-supplier, they include / do not include the costs of the packing material, but they do include the cost for packing, handling and loading them into the transportation means.

The goods quality is certified by Quality Certificates and/ or by conformity statements, according to the technical specifications available at the date when the goods were ordered.

6. RECEPTION OF THE PRODUCTS

The Buyer shall receive the goods that are the object of the Purchasing Order within 5 days from goods receiving.

The Buyer has the right to refuse the damaged goods or of the goods which do not comply with the specified quality, and he has the right to point out the missing goods and to claim for them to be replaced. The Seller must replace the damaged goods or the goods that do not comply from a quality standpoint and to complete the quantity that was missing noticed at receiving. If the hidden defects appear, the Seller will be informed about them in maximum 48 hours since they were discovered, according to art. 1709 para. 2 Romanian Civil Code. The Seller has the right to claim and/ or to refuse the goods that presents hidden defects.

The Seller negotiates with the Buyer the way in which the missing deteriorated or non-conform goods will be replaced.

The refusal of some goods does not exonerate the Buyer from paying for the goods that he does not refuse or from fulfilling the other contractual obligations.

Any claim made after this term expires shall not be opposable to the Seller. The quantities that are missing and the goods qualitative deteriorations due to inappropriate storing or handling by the Buyer cannot be placed in Seller's charge.

For solving any claim regarding the quality of goods, the Buyer must prove that they were handled, stored, put in function and used according to the technical specifications and to the specific projects.

The Seller is not responsible of the consequences caused by nonobservance of those specifications/ indications by the Buyer.

The goods that are refused from paying, no matter the reasons, are kept into custody based on a minute at the Buyer and they remain in Seller's property until the parties solve the litigations issued by the refusal by law.

If Buyer finds any quantitative or qualitative nonconformity, he shall notify the Seller by fax/email within 48 hours since it was found in order to send a representative for checking and finding the deficiencies.

7. PRICING POLICY

Prices for the Goods will be as agreed by Seller and Purchaser in a signed writing or, if there is no writing signed by the Parties as to the price of the Goods, the price specified in the Offer or Seller's price list, as the case may be.

Notwithstanding the foregoing, and unless otherwise agreed by Seller in a signed writing, Seller's prices do not include transportation, freight, handling, special handling, delivery and insurance costs or any all federal, state, provincial and local taxes (including sales, use, value-added and excise taxes), assessments, tariffs, duties, and any similar fiscal contribution related to the sale, use, shipment, transportation, or delivery of the Goods, all of which shall be the sole responsibility of Purchaser and payable by Purchaser (whether directly or by reimbursement to Seller) in addition to Seller's price.

8. CHANGES TO THE PRICE.

Except as otherwise stated elsewhere in this Agreement and unless the prices set forth in a written document executed by Purchaser and Seller expressly state that the prices are fixed and

not subject to change, Purchaser agrees the prices are based on costs and conditions existing on the date the parties enter into this Agreement and are subject to change at any time in the event of a change in Seller's costs (including raw material), part or raw material availability from Seller's vendors, or other circumstances beyond Seller's reasonable control. Purchaser and Seller agree to negotiate in good faith the change in price during the thirty (30) day period. If Purchaser does not accept the change in price, Purchaser may terminate this Agreement by providing Seller thirty (30) days written notice (the "Price Termination Notice") and Seller agrees to maintain the price in effect prior to Purchaser's receipt of the Price Change Notice during such period.

However:

(A) Purchaser must provide a Price Termination Notice within thirty (30) days following receipt of a Price Change Notice (the "Price Termination Period") or Purchaser will be deemed to waive any right to terminate this Agreement as a result of that change in price and,

(B) if Purchaser does not provide a Price Termination Notice within the Price Termination Period, Purchaser will be deemed to accept the change in price set forth in the Price Change Notice (or the change in price agreed upon by the parties following Purchaser's receipt of the Price Change Notice, if any) and such price will be binding on the parties thirty (30) days after Purchaser's receipt of the Price Change Notice. Except as provided above, Purchaser shall have no right to access Seller's cost or pricing data or other books and records.

Purchaser will pay for Goods without setoff, recoupment, or deduction of any kind, in any currency agreed upon by Purchaser and Seller in a signed writing. Payment for the Goods will be due and payable within thirty (30) days (or such other timeframe as agreed upon by Purchaser and Seller in a signed writing) following the earlier of (i) Purchaser's receipt of Seller's invoice or (ii) Purchaser's receipt of the Goods.

Purchaser will not be entitled to any discount for early payment.

If payment is not made as provided in this Agreement, Seller may, at its option and without notice:

(A) suspend performance of its obligations under this Agreement, including, without limitation, delay or suspend shipments to Purchaser until such breach has been cured;

(B) require payment in advance as to future deliveries or require security to ensure payment;

(C) demand return from Purchaser of any Goods for which payment has not been made;

or

(D) cancel this Agreement.

If Seller's performance or shipment is delayed or suspended at the request of Purchaser, payment shall become due on the date when the Seller is prepared to make shipment and such payments shall be made based on the purchase price and the percentage of completion.

All amounts due to Seller but not paid by Purchaser on the due date will bear interest on the unpaid balance of amounts due at a rate that is equal to 0,05%/day until paid.

The parties understand and expressly agree that the value of the penalties may exceed the value of the debt whose maturity has been exceeded.

Purchaser agrees to indemnify and hold harmless Seller from any and all legal fees and costs that may be required to collect any overdue balances.

If deliveries of Goods are to be made in installments, the purchase price of each installment shall, at Seller's option, be recoverable as a separate sale.

The remedies contained in this Chapter are cumulative and shall be in addition to any other remedies available to Seller under applicable law.

For prices negotiated in foreign currency, the invoice shall be issued in that particular currency.

The means of payment shall be the one that the two parties agreed on and it was mentioned in the Purchasing Order. The invoice is sent to the Buyer either by accompanying the goods or

after the delivery note, but no later than the last calendar day of the month in which the goods were delivered.

9. MARKING AND PACKING

Excepting the goods that are sold in bulk, the goods are delivered packed, the packing ensuring the quantitative and qualitative protection of the goods that represent the object of the Purchasing Order, if the instructions regarding handling and storing the goods are observed.

The products are marked according to the standard norms, according to the character of the product where it can be seen so that it will allow identifying the types.

10. SHIPPING AND TRANSPORTATION

If this Purchasing order does not specify differently, the transportation of the goods is Buyer's obligation who will use adequate transportation and who shall be responsible for any quantity that is missing or for any depreciation of the quality during transportation. The risks are transferred from the Seller to the Buyer at the date when the goods are delivered.

The documents that will come together with the goods:

- Delivery note / invoice
- Quality certificate
- Conformity statement
- Material Safety Data Sheets
- Terms of storing and handling (where the type of goods needs it)
- Other certificates/documents (according to law or specifically asked into Purchase Order)

In case that the parties agrees to another delivery term, then the terms and conditions of the transportation will be the object of an enclosure – an integrant part of these general terms.

11. EXCUSABLE DELAYS.

Excluding any payment obligations, neither party will be held liable, or deemed in default, for any failure or delay in fulfilling or performing any of its obligations under this Agreement if such failure or delay is caused by, or results from, acts beyond a party's reasonable control, including fire, flood, drought, acts of nature, pandemics or epidemics, war, hostilities, terrorist threats or acts, riot or other civil unrest, strikes, lockouts, slowdowns or other labor unrest, delays in transportation, shortage of power, unavailability of raw materials, unforeseen increased costs in raw materials or related components (including any increase in costs by governmental action that were not in place at the commencement of this Agreement), embargo, government action (including any law, rule, order or action of any court or instrumentality of the federal or of any state government), earthquake, explosion, or national or regional emergency (collectively, the "Excusable Delays "). During the period of Excusable Delay, at Seller's option, either (i) the date of delivery shall be extended for a period equal to the time lost by reason of any Excusable Delay, or (ii) any quantity of Goods affected by an Excusable Delay shall be deducted from the total quantity required to be sold to Purchaser. Seller, during any period of shortage due to an Excusable Delay, may allocate its available supply of Goods among itself and its customers on whatever basis it deems desirable.

12. INTELLECTUAL PROPERTY.

Except to the extent provided in a separate written agreement between Purchaser and Seller, this Agreement will not be deemed to transfer, assign, or license any right, title, or interest in and to, any idea, invention, concept, discovery, work of authorship, patent, copyright, trademark, trade secret, know-how, formula, design, engineering drawing, device, compilations of information, manufacturing methods or processes, tooling or other intellectual

property owned by a party or its third party licensors (collectively “Intellectual Property”). Notwithstanding the foregoing, each party hereby provides the other party with a limited, revocable, and royalty free license to such party’s Intellectual Property solely to extent required for a party to perform its obligations under this Agreement. Neither party will use the other party’s Intellectual Property, in whole or in part, to copy, redesign, reverse engineer, replicate or manufacture (or enable manufacture by itself or any third party) all or any portion of the Goods, products similar to the Goods, or products derived from the Goods.

13. CONFIDENTIALITY.

All Intellectual Property, and all other confidential and proprietary information provided by a party (the “Disclosing Party”) to another party (the “Receiving Party”) under this Agreement including, without limitation, any samples, drawings, know-how, processes, and other technical, business, or financial information, whether provided orally, in writing, by demonstration, or otherwise (collectively, “Confidential Information”): (a) is owned by the Disclosing Party; (b) must be kept confidential by Receiving Party and may not be disclosed by Receiving Party to third parties without the express prior written consent of Disclosing Party; provided, however, Receiving Party may disclose Disclosing Party’s Confidential Information to Receiving Party’s employees, attorneys, agents, and subcontractors who have a “need to know” the Confidential Information for purposes of carrying out Receiving Party’s obligations under this Agreement as long as such individual and entities are bound by confidentiality terms no less restrictive than those contained in this Agreement; and (c) may not be used by Receiving Party other than is required for Receiving Party to perform its obligations under this Agreement. The confidentiality restrictions in this Section 11 do not apply to information which is (i) already known by the Receiving Party prior to the date of this Agreement and without breach of the confidentiality restriction that the Receiving Party was subject; (ii) acquired by the Receiving Party from a third party which was not, to the knowledge of Receiving Party, under an obligation to the Disclosing Party not to disclose such information; (iii) which is or becomes publicly available through no breach by Receiving Party of confidentiality restrictions to which such Party is or was subject; or (iv) independently developed by the Receiving Party without the use of the Disclosing Party’s Confidential Information. Notwithstanding the above, a Receiving Party may disclose Disclosing Party’s Confidential Information if required by a judicial or government request, requirement, or order as long as (A) to the extent not prohibited by law, Receiving Party gives Disclosing Party written notice prior to such disclosure and (B) Disclosing Party only discloses that portion of Confidential Information required to comply with such requirement, request, or order. Upon the termination or expiration of this Agreement, Receiving Party agrees to return, or destroy (to the extent feasible), Disclosing Party’s Confidential Information in Receiving Party’s possession; provided, however, Receiving Party may retain one (1) copy of Confidential Information to the extent required to comply with any legal obligation as long as Receiving Party continues to comply with the provisions of this Agreement.

14. TERMINATION FOR CAUSE.

Either party may terminate this Agreement for cause prior to expiration of the Term by providing written notice to the other party specifying the applicable date of termination, upon the occurrence of any one or more of the following events: (a) excluding payment obligations, a party materially breaches this Agreement and does not cure such breach within thirty (30) days after receipt of written notice of such breach; (b) a party fails to make any payment due to the other party under this Agreement on or before the due date; or (c) a party (i) is dissolved or liquidated or takes any corporate action for such purpose; (ii) makes a general assignment for the benefit of creditors; or (iii) has a receiver, trustee, custodian or similar agent appointed

by order of any court of competent jurisdiction to take charge of or sell any material portion of its property or business. Any termination by a party pursuant to this Section 13 will not constitute a waiver of any of any rights or remedies under this Agreement or otherwise provided by law.

15. INDEMNIFICATION.

To the maximum extent allowed by law, Purchaser will defend, indemnify and hold harmless Seller and its present and future directors, officers, shareholders, members, employees, attorneys, agents, representatives, parents, affiliates, and subsidiaries from and against any and all claims, costs, demands, losses, indirect and direct damages (including lost profits, incidental, consequential, and punitive damages), liabilities, causes of action, judgments, settlements, awards, fines, penalties, assessments, and expenses (including costs of defense, mediation, settlement and reasonable attorneys' and other professionals' fees), however described or denominated, brought by any third party (including, Purchaser's employees, subcontractors, laborers, agents, and assigns) arising out of, incidental to, or resulting from (i) Purchaser's negligence, use, ownership, maintenance, transfer, transportation or disposal of Goods; (ii) any infringement or alleged infringement of the industrial and intellectual property rights of others arising from Purchaser's plans, specifications (including Purchaser's trademarks and brand names) or production of Goods ordered by Purchaser; (iii) Purchaser's violation or alleged violation of any federal, state, county or local laws or regulations; (iv) any negligent or willful act or omission of Seller or its respective subcontractors, agents, employees or other representatives; or (v) Purchaser's breach of this Agreement.

16. ADVERTISING/USE OF TRADE NAMES

Except to the extent a party has consented in a signed writing, neither party will use any of the other party's trademarks or trade names in such party's advertising or promotional materials.

17. GENERAL CONDITIONS

17.1 Changing the Purchasing Order

Any modification can be made only by written agreement of the parties.

17.2 Cancellation of the Purchasing Order

Each party has the right to cancel this order only after notifying in writing the other party, delaying it for 30 calendar days under the following situations:

- (i) In case of unfulfilling by the other party of the obligations assumed based on these conditions;
- (ii) In case that the other party becomes insolvable;
- (iii) In case that the procedure for legal reorganization or bankruptcy is opened against the other party, or
- (iv) In any other situation in which the other party cannot fulfill the obligations assumed based on these conditions and on the Purchasing Order.

The cancellation, which occurs under the conditions mentioned above, represents the complete cancellation of these conditions.

The cancellation does not exonerate the responsibility the guilty party. At the cancellation date, the recovery of the debits and of the penalties shall be settled amicably or, if that is not possible, by the competent Court of Law at the headquarters of HCE SA.

18. FORCE MAJEURE

Force Majeure exonerates from contractual obligations the party who claims it with the requirement regarding notifying the contractual party within 5 days time since it occurred and regarding proving the force majeure case by being certified by the Chamber of Commerce and

Industry within 5 days time since its occurrence. The party claiming this force majeure case commits itself to inform the contractual party about its cessation within 5 days. If the force majeure event overruns 6 months, it gives each of the parties the cancellation right.

19. LITIGATION

Any litigation that may result from this contract shall be settled amicably and if the parties do not come to an agreement, this will be resolved by the competent Court of Law at the HCE headquarters.

20. HOEGANAES' POLICY AGAINST BRIBERY AND CORRUPTION

Hoeganaes complies with all the applicable laws in the countries where it operates and it is represented in. The Group we are part of is headquartered in Great Britain and has manufacturing sites in Great Britain, and the applicable laws valid in UK applies to all Group activities, at global level.

In Great Britain came into force the law drawn up in order to prevent any bribe offering/receiving and corruption facts, a law similar to the law for External Corruption Practices in force in United States of America, and also in Romania.

This new legislation exposes Hoeganaes to the risk of criminal charge if any of the members of our Group or of your personnel would pay any bribe or would make any facilitation payments. Even if it is a law from Great Britain, the risk of responsibility exists for our company anywhere in the world.

Taking into consideration this possible responsibility, we kindly ask to everybody that does business with Hoeganaes, to comply with the strict ethical standards with refer to bribe and corruption as they was adopted by our employees.

Hoeganaes expectations of conformity required to all our business partners, are as below:

The Buyer shall conform to all applicable laws and regulation against bribe, corruption and money laundry.

The Buyer shall not make, offer, promise or authorize any inappropriate payments (either cash or in any other way, including supplying any services, gifts or relaxation actions) to any person in the private or public sector.

The Buyer shall not influence or try to determine any public official to do anything illegal;

The Buyer shall not make any facilitation or payments earlier than the due date, even if the payments are not significant in value. Through facilitation payment it is understood any payment to the government officials (public clerks) in order to ensure or speed up the routine governmental actions such as permit or authorisation issuing or clearance for the goods retained in customs.

The Buyer shall not offer/ receive money (or any valuable things) as part of an inappropriate or illegal procedure to keep or get business, including bribe or commissions.

The Buyer shall make the payments according to the concluded contracts, to keep their exact and correct records so that the company funds will not be used in any illegal purposes.

The Buyer shall not do anything in order to determine or facilitate any person to break any of those principles or to allow any agent, representative or contractor or subcontractor to do that.

The Buyer shall include in the business integrity policy the ethical principles and inform their managers, employees, agents, contractors or public officials about them.

21. OTHER CLAUSES

The present conditions are valid during the time that the Purchasing Order is open.

The present conditions are under the Romanian laws, applicable law in this case.

The present conditions are part of the Purchasing Order.