

Standard Conditions for Work and Services

1. General

- 1.1 All orders for goods and/or services (the "Goods") to be supplied by Hardide Coatings, Inc. (hereinafter referred to as "Hardide") are subject to these conditions of sale and the placing of an order by a buyer (the "Buyer") will constitute acceptance of these conditions.
- 1.2 No terms and conditions other than the terms and conditions contained herein shall be binding upon Hardide unless accepted by it in a writing signed by Hardide's President or Director. All terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's purchase order, which are different from or in addition to the terms and conditions herein are hereby rejected and shall not be binding on Hardide, whether or not they would materially alter this document, and Hardide hereby objects thereto. All prior proposals, negotiations and representations, if any, are merged herein. Buyer will be deemed to have assented to all terms and conditions contained herein if any part of the goods and/or services described herein are shipped or an invoice is presented in connection with the said goods and/or services.

2. Quotations

- 2.1 Quotations from Hardide are open for such time as may be specified in each such quotation and provided it is not withdrawn by Hardide in such period it remains capable of acceptance. No binding contract will be created by the acceptance by the Buyer of Hardide's quotation until notice of such acceptance has been given in a purchase order and Hardide has indicated to the Buyer in writing its acceptance of such order.
- 2.2 If the Buyer places an order with Hardide without requesting a quotation or before such a quotation has been provided, all deliveries carried out in satisfaction of such order will be subject to these conditions.

3. Orders

- 3.1 A Buyer requiring Goods from a quality assured source, or certificates of conformity, must conspicuously specify its requirements in writing at the time of placing the order.
- 3.2 Hardide reserves the right to refuse to accept any cancellation of an order unless notification in writing is given to Hardide and accepted in writing by Hardide. In the event of any cancellation the Buyer must pay any expenses incurred by Hardide.
- 3.3 Each order will form the subject of a separate contract or, if delivery is to be made by way of instalments as referred to in Clause 4.5, a series of contracts.
- 3.4 Where the Buyer supplies goods to Hardide for coating or other processing by Hardide ("Buyer Goods") the Buyer must notify Hardide in writing in advance of their delivery of the description and quantity of Buyer Goods to be supplied and their estimated delivery date at Hardide.
- 3.5 All Buyer Goods are supplied to Hardide at the Buyer's risk and the Buyer must adequately insure them against loss or damage while in transit and while in Hardide's possession. Hardide accepts no risk of loss to Buyer Goods in its possession unless caused by the gross negligence or intentional act of Hardide.

4. Credit and Settlement Terms

- 4.1 Any contract will be subject to Hardide being satisfied as to the Buyer's creditworthiness and without prejudice to the generality of the foregoing, Hardide may in its absolute discretion refrain from delivering the Goods and/or Buyer Goods if, having regard to inquiries made or information otherwise known to it, it has reasonable grounds to believe that the Buyer's creditworthiness is in question or that its ability to make payment is in reasonable doubt. In such case, Hardide will request that payment in full is received before Goods and/or Buyer Goods are delivered.
- 4.2 For so long as any account remains unpaid, Hardide shall have an absolute right of lien upon any of Buyer's property, including Buyer Goods, that may be in its possession or under its control and Hardide may enforce such lien, by selling such property and recovering monies owed to it from the proceeds of sale, whenever and to the extent that any payment is three months overdue without previous notice to Buyer.
- 4.3 Invoices are payable within 30 days of the date of invoice. If the Buyer has exceeded these credit terms, Hardide reserves the right to refuse further credit and demand immediate payment of all monies outstanding.
- 4.4 Hardide, at its discretion, reserves the right to charge interest on invoices outstanding beyond the time specified in Clause 4.3. The rate of interest will be at the rate of one percent (1%) per month or the maximum rate

permitted by applicable law, whichever is lower. Hardide may exercise this right in addition to other rights it may have.

- 4.5 Where the contract is to be or may be fulfilled in separate instalments deliveries or parts, payment for each such instalment delivery or part will be made as if the same constituted a separate contract. Failure by the Buyer to pay for an instalment in accordance with this clause will entitle Hardide without prejudice to its other rights and remedies to suspend further deliveries of Goods and/or Buyer Goods under any other contract to the Buyer, pending payment by the Buyer.
- 4.6 The Buyer will indemnify Hardide against all costs, losses and liability including but not limited to all legal expenses, disbursements and attorneys' fees incurred by Hardide in recovering any amount which is overdue from the Buyer to Hardide pursuant to these conditions or otherwise.

5. Prices

- 5.1 The prices given in Hardide's quotations or acknowledgements include only such work and services as specified therein. If any additional work is required by the contract, Hardide will notify Buyer and agree both the additional work and its cost, which shall be added to the contract price and paid for accordingly, and all such additional work shall be carried out subject to these conditions.
- 5.2 Unless otherwise agreed in writing between Hardide and the Buyer, all prices are given by the Company F.O.B. Hardide's facility and where Hardide agrees to deliver the Goods and / or Buyer Goods other than F.O.B. Hardide's facility, the Buyer shall be liable to pay Hardide's charges for transport, packaging and insurance.
- 5.3 In the event of termination, variation or suspension of a contract on the Buyer's instruction or by lack of instruction, the contract price will be adjusted to reflect the additional costs incurred by Hardide.
- 5.4 Where a price per unit has been quoted and the Buyer requires a smaller number of units to be delivered than that quoted, Hardide reserves the right to adjust the prices quoted. In such case, Hardide will notify the Buyer in advance and obtain Buyer's agreement.

6. Delivery and Invoicing

- 6.1 "Delivery" means Hardide making the Goods and/or Buyer Goods available to the Buyer F.O.B. Hardide's facility. Any Delivery date given by Hardide in a quotation or order acceptance is given in good faith as an estimated Delivery date but will not amount to any contractual obligation to deliver when stated. Hardide assumes no responsibility or liability for any loss or damage including (but not limited to) loss of profit, costs, damages, charges or expenses caused directly or indirectly by any delay or inability to deliver the Goods and/or Buyer Goods (even if caused by Hardide's negligence) nor, unless any delay exceeds 180 days, will such delay entitle the Buyer to terminate or rescind the contract.
- 6.2 Hardide will invoice Buyer upon Delivery, regardless of whether the Goods and/or Buyer Goods are collected or otherwise transported to the Buyer.
- 6.3 Failure by Hardide to deliver any one or more (but not all) instalments in accordance with this contract will not entitle the Buyer to treat this contract as repudiated.
- 6.4 Hardide will inform Buyer when Goods and/or Buyer Goods are available for Delivery and it is Buyer's responsibility to collect the Goods and/or Buyer Goods or provide instructions for the transport of the Goods and/or Buyer Goods to the Buyer. Hardide will load the Goods and/or Buyer Goods on to the Buyer's collection vehicle or other transport vehicle as instructed by Buyer.
- 6.5 If the Buyer fails to arrange for the collection of the Goods and/or Buyer Goods, or fails to provide any instructions or authorization required to enable the Goods and/or Buyer Goods to be transported to the Buyer, without prejudice to or limitation of its other rights, Hardide may:-
 - 6.5.1 store the Goods and/or Buyer Goods until the Goods and/or Buyer Goods are collected or instructions for their transport received, and charge the Buyer for all related costs and expenses (including without limitation storage and insurance); and/or
 - 6.5.2 following written notice to the Buyer, and allowing at least seven days from the date of that notice, sell any of the Goods and/or Buyer Goods at the best price reasonably obtainable in the circumstances and charge the Buyer for any shortfall below the price agreed with the Buyer.

7. Passing of Title/Risk

- 7.1 Risk of damage to or loss of the Goods and/or Buyer Goods will pass to the Buyer upon Delivery.
- 7.2 Title to any coating or other materials supplied or applied by Hardide to Buyer Goods will transfer to Buyer on Delivery. For all other Goods Hardide retains title to the Goods and ownership will not pass to the Buyer until Hardide receives payment in full (in cash or cleared funds) for those Goods and for all other sums that are due to Hardide from the Buyer on any account. Until title to Goods has passed to the Buyer, the Buyer shall store those Goods separately from all other goods held by the Buyer so that they remain readily identifiable as Hardide's property. While title to Goods remains with Hardide, Hardide reserves the right to enter the Buyer's premises for the purpose of repossessing Goods the title of which has not passed to the Buyer.

8. Loss or Damage in Transit

- 8.1 Per Clauses 6.1 and 7.1, risk passes to the Buyer upon Delivery. Hardide shall be under no liability for any loss or damage in transit unless due to gross negligence of Hardide and then only if written notice is received by Hardide within 7 days after the Goods and/or Buyer Goods have been received by the Buyer.

9. Warranties

- 9.1 Unless otherwise agreed in writing the quality and finish of work shall be such as will provide a reasonable service in compliance with the generally recognized standards in the trade for the class of work, type, quality and finish of the product concerned.
- 9.2 Hardide shall accept no liability under Clause 9.1 (whether any defect is apparent on inspection or not) unless a written claim is made within 14 days of the receipt of the Goods and/or Buyer Goods stating the alleged defect in standard or quality of work or finish whereby the Goods and/or Buyer Goods are not in accordance with the contract, and the articles exhibiting the defect or defects complained of are forwarded to Hardide for inspection within the said period, and Hardide is given the opportunity to remedy any such defect or defects. Hardide's liability hereunder (if any) shall in all cases be limited in accordance with the provisions of Clauses 12 and 15 hereof.
- 9.3 Notwithstanding any standard testing and/or special testing carried out by Hardide pursuant to Clause 10 of these conditions, it is the Buyer's responsibility to ensure that the Goods and/or Buyer Goods are suitable for and have been appropriately tested for its needs.
- 9.4 Except as expressly set forth herein, the work, services, materials and/or products supplied by Hardide are without warranties or representations of any kind, nature or description, express or implied. Without limiting the generality of the foregoing, HARDIDE HEREBY DISCLAIMS ALL EXPRESS OR IMPLIED WARRANTIES, WHETHER IMPLIED BY OPERATION OF LAW OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. UNDER NO CIRCUMSTANCES WILL HARDIDE BE LIABLE FOR PERSONAL INJURY OR PROPERTY DAMAGE OR ANY OTHER LOSS, DAMAGE, COST OF REPAIRS OR INCIDENTAL, PUNITIVE, INDIRECT, SPECIAL, CONSEQUENTIAL, OR LIQUIDATED DAMAGES, LOSS OR EXPENSE OF ANY KIND, WHETHER BASED UPON WARRANTY, CONTRACT, STRICT LIABILITY, NEGLIGENCE OR ANY OTHER CAUSE OF ACTION ARISING IN CONNECTION WITH THE DESIGN, MANUFACTURE, SALE, MODIFICATION, TRANSPORTATION, INSTALLATION, USE OR REPAIR OF THE PRODUCTS SOLD BY HARDIDE. BUYER HEREBY ACKNOWLEDGES AND AGREES THAT UNDER NO CIRCUMSTANCES, AND IN NO EVENT, SHALL HARDIDE'S LIABILITY, IF ANY, EXCEED THE NET SALES PRICE OF THE DEFECTIVE PRODUCT(S); NO ADDITIONAL ALLOWANCE SHALL BE MADE FOR THE LABOR OR EXPENSE OF REPAIRING OR REPLACING DEFECTIVE PRODUCTS OR WORKMANSHIP OR DAMAGE RESULTING FROM THE SAME. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, ALL PRODUCTS, GOODS AND/OR SERVICES PROVIDED BY HARDIDE AND ITS EMPLOYEES AND AGENTS ARE PROVIDED "AS IS," "WHERE IS," AND "WITH ALL FAULTS."

10. Tests

- 10.1 Hardide's products and work are carefully inspected and where applicable submitted to standard tests before despatch. Special tests not identified in Hardide's order acceptance will be charged for after agreement has been sought from Buyer. In the case of

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destructive tests such as hardness and adhesion, provision of agreed suitable test pieces will be the Buyer's responsibility unless otherwise agreed.

11. Performance

11.1 Hardide will accept no liability for failure to attain any performance figures quoted by us unless we have specifically guaranteed them in writing in the contract. If the performance figures obtained on any test provided for in the contract are outside the acceptance limits specified therein, Buyer will be entitled to reject the Goods and/or Buyer Goods, but before rejecting the Goods and/or Buyer Goods and claiming within the provisions of Clause 12, Buyer will give Hardide reasonable time and opportunity to rectify their performance. Buyer assumes responsibility that processes stipulated by it are sufficient and suitable for Buyer's purpose save insofar as your stipulations are in accordance with Hardide's written recommendation.

11.2 Buyer acknowledges that Hardide does not make and specifically negates, renounces and disclaims any representations, warranties and/or guarantees of any kind or character, expressed or implied, with respect to (i) the products sold, their use, design, application or operation, their merchantability, their physical condition or their fitness for a particular purpose, (ii) the maintenance or other expenses to be incurred in connection with the products, (iii) the engineering, design, fabrication work or any other work or service (whether gratuitous or for payment) supplied by Hardide and/or its agents, suppliers and employees or (iv) the accuracy or reliability of any information, designs or documents furnished to Buyer. Hardide neither assumes, nor authorizes any person to assume for it, any other obligation in connection with the sale of its products and/or rendering of its services. Any recommendations made by Hardide concerning the use, design, application or operation of the products shall not be construed as representations or warranties, expressed or implied. Failure by Hardide to make recommendations or give advice to Buyer shall not impose any liability upon Hardide.

12. Defects

12.1 Hardide shall be under no liability howsoever arising in respect of any defect appearing in any Goods and/or Buyer Goods as long as the Goods and/or Buyer Goods are manufactured in accordance with the contract and in particular with any agreed specification, nor which is due or partly due to the material of which the Goods and/or Buyer Goods are made, their design or method of manufacture, or any process or treatment applied thereto by any entity other than Hardide.

12.2 Hardide undertakes to make good free of charge any defects which, under proper use, appear in Goods and/or Buyer Goods, components or parts the subject of the contract which are due to faulty materials, workmanship or design (other than materials or workmanship or design provided or specified by Buyer) provided there has been no maltreatment thereof and provided further that Hardide is notified in writing within 14 days after such defects appear and the defective parts are returned to Hardide for rectification.

12.3 This undertaking shall be accepted by Buyer in lieu of any warranty or condition implied by law as to the quality or fitness for any particular purpose of such Goods and/or Buyer Goods, components and parts or as to the manner in which work is done and save as expressly provided in this clause Hardide shall be under no liability, whether for breach of contract or of statutory duty, in tort (including but not limited to negligence) or otherwise in respect of any defects therein or for any service or advice in relation thereto or for any injury or for any loss or damage resulting from such defects or from any work done in connection therewith.

12.4 The Buyer shall store all Goods and/or Buyer Goods in accordance with good industry practice and all reasonable directions of Hardide. In particular, but without limitation to the foregoing, Buyer shall ensure that Goods and/or Buyer Goods are not stored in damp conditions which may cause deterioration of the Goods and/or Buyer Goods. So far as permissible by law, Hardide shall have no liability howsoever arising to the Buyer for any loss or deterioration in the quality, condition or performance of the Goods and/or Buyer Goods occurring as a direct or indirect result of the Buyer's breach of this clause.

13. Rejects

13.1 Within the requirements of AS9100 any reject components will be quarantined and positively marked. Buyer will be notified as to their disposition. Unless written permission to ship to Buyer is received within 3 working weeks the parts will either be disposed of or returned to Buyer rendered unusable.

14. Confidential Information

14.1 All information of any kind and in any form which relates in any way to the business or products of Hardide, including but not limited to specifications, drawings, technical descriptions and details of processes, which is (1) disclosed directly or indirectly by Hardide to the Buyer or (2) otherwise comes to the attention of the Buyer as a result of having entered into any contract for the supply of the Goods and/or Buyer Goods, is the confidential information of Hardide and will remain the property of Hardide. Buyer shall keep this information confidential and shall not disclose it to any third party without Hardide's prior written consent.

14.2 The Buyer hereby indemnifies Hardide against any and all claims arising from any infringement by the Goods and/or Buyer Goods of any intellectual property of any third party.

15. Limitations of Liability

15.1 Any quotation includes only such Goods and/or Buyer Goods, accessories and work in the quantities and to the specifications which are stated therein.

15.2 Hardide's total liability in contract tort (including negligence or breach of statutory duty) misrepresentation or otherwise, arising in connection with the performance of this contract will be limited to the price agreed for the Goods and/or Buyer Goods; Hardide will not be liable to the Buyer by reason of any representation or any implied warranty, condition or other term, or any duty at law or under the express terms of this contract for any direct, indirect or consequential loss or damage, costs, expenses or other claims for consequential compensation, loss of profit or otherwise (whether caused by the negligence of Hardide, its employees, agents or subcontractor) which arise out of or in connection with the Goods or services performed by Hardide.

15.3 The Buyer shall at its own expense apply for and obtain any permits and inspections required for the installation and/or use of the products. Hardide makes no promise or representation that the products or services will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly specified and agreed upon in writing by an authorized representative of Hardide. Hardide shall not be responsible for any losses or damages sustained by the Buyer or any other person as a result of improper installation or misapplication of the products. Buyer shall defend, indemnify and hold harmless Hardide and its agents and employees against any loss, damage, claim, suit, liability, judgement or expense (including, without limitation, attorney's fees) arising out of or in connection with any injury, disease or death of persons (including, without limitation, Buyer's employees and agents) or damage to or loss of any property or the environment, or violation of any applicable laws or regulations resulting from or in connection with the sale, transportation, installation, use, or repair of the products by Buyer or of the information, designs, services or other work supplied to Buyer, whether caused by the concurrent and/or contributory negligence of Buyer, Hardide, or any of their agents, employees or suppliers. The obligations, indemnities and covenants contained in this paragraph shall survive the consummation or termination of this transaction.

16. Jigs or Tooling

16.1 Any jigs or tools made by Hardide for the purpose of the contract shall remain Hardide's property notwithstanding that the cost thereof may be included in whole or in part in the contract price. All drawings and information relating to such tools and jigs remain Hardide's property and copyright and Buyer will not copy or make use of the same for the benefit of Buyer or any third party without Hardide's prior written consent.

17. Termination

17.1 Without prejudice to any other rights or remedies under the contract either party may by written notice to the other, terminate the contract or (in the case of Hardide) suspend future deliveries if:

17.1.1 the other fails to comply with any material obligation hereunder and such failure has not been remedied within ten days of written notification from the party

requiring remedy;

17.1.2 the Buyer fails to furnish Hardide with any information or instructions it requires to fulfil any order;

17.1.3 the entry of an order for relief under any chapter of the Bankruptcy Code or other insolvency or debt adjustment law (whether state, federal or foreign) against Buyer, (b) the appointment of a receiver (or administrative receiver), trustee, liquidator administrator, conservator or other custodian for Buyer or any part of its property, (c) an assignment or trust mortgage for the benefit of creditors of Buyer, or (d) the liquidation, dissolution or winding up of the affairs of Buyer.

17.2 Any such termination shall not relieve the Buyer from any monetary obligations to Hardide incurred prior thereto.

18. Legal Construction, Law and Jurisdiction

18.1 These conditions and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with them or their subject matter, or the formation of any contract incorporating them, shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. Each party irrevocably agrees that, subject as provided in this clause, the State courts of the Commonwealth of Virginia shall have exclusive jurisdiction over any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with these conditions or their subject matter, or the formation of any contract incorporating them. Nothing in this clause shall limit the right of Hardide to take proceedings against the Buyer in any other court of competent jurisdiction, nor shall the taking of proceedings in any one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not, to the extent permitted by the law of such other jurisdiction.

18.2 Any provision of this contract which is held by any competent authority to be invalid, void, voidable, unenforceable or unreasonable (in whole or part) will to the extent of such invalidity, voidance, unenforceability or unreasonableness be deemed severable and the other provisions of this contract and the remainder of such provisions will not be affected.

18.3 Failure by Hardide to enforce or partially enforce any provision of this contract will not be construed as a waiver of any of its rights under this contract.

19. Force Majeure

19.1 Hardide will not be liable to the Buyer in any manner or be deemed to be in breach of this contract because of any delay in performing or any failure to perform any of Hardide's obligations under this contract if the delay or failure was due to any cause beyond Hardide's reasonable control.

19.2 Without prejudice to the generality of Clause 19.1 the following will be included as causes beyond Hardide's reasonable control: Governmental actions, war or threat of war, national emergency, riot, civil disturbance, sabotage or requisition, act of God, fire, explosion, flood, epidemic or accident, import or export regulations or embargoes, labour disputes not including disputes involving Hardide's work-force, inability to obtain, delay or obtaining supplies of adequate or suitable material, fuel, parts, machinery or labor.

20. General

20.1 No term or provision of these conditions shall be enforceable by a third party (being any person other than the parties to this contract and their permitted successors).

20.2 No waiver by either party of any breach of any of these conditions by the other party shall be deemed to constitute a waiver of any other breach, nor shall any delay or omission on the part of either party to exercise or avail itself of any right or remedy hereunder operate as a waiver thereof. A waiver granted by one party shall be binding only if in writing and signed by such party.

20.3 Buyer may neither assign nor transfer its rights under the contract, by operation of law or otherwise, without the prior written consent of Hardide. Hardide's affiliated companies may participate in Hardide's performance under these conditions, and Hardide shall have the right to sub-contract its obligations under these conditions, provided that Hardide shall remain liable to Buyer for its obligations.