

MATERION CORPORATION

TERMS AND CONDITIONS OF SALE

- 1. Entire Agreement.** The related sales invoice, sales acknowledgment, drawings and specifications expressly agreed to in writing by Seller and these Terms and Conditions of Sale constitute the entire contract between Seller and Buyer (collectively the 'Agreement') and supersede all prior communications, whether written or oral, between the parties. **NOTWITHSTANDING ANY ADDITIONAL OR DIFFERENT TERMS THAT MAY BE EMBODIED IN A PURCHASE ORDER, AN ORDER IS ACCEPTED BY SELLER ONLY ON THE EXPRESS CONDITION THAT THE BUYER ASSENT TO THE TERMS AND CONDITIONS SET FORTH HEREIN.** No statement, representation, covenant or warranty not contained in this Agreement shall be binding on Seller and no provisions of this Agreement may be changed or waived in any respect except in writing by an authorized representative of Seller. Buyer's acceptance of the Goods listed on the bill of lading, and any packing or other list of materials attached hereto (collectively, the 'Goods') shall occur upon receipt of the Goods and this Agreement.
- 2. Shipping; Delivery; Risk of Loss.** Delivery of the Goods shall be FCA shipping point and title and risk of loss shall pass to Buyer upon Seller's delivery to the first carrier or shipper. Every commercially reasonable effort will be made to deliver the Goods in accordance with the shipping dates appearing on the sales acknowledgment. Delivery is based on the receipt by Seller of a purchase order or other communication containing the purchase order number. Seller will not be liable for damages in any event due to delays in delivery. All transportation and insurance charges relating to shipment shall be paid by Buyer, unless otherwise previously agreed to between the parties. Subject to Section 5 hereof, if Buyer refuses to accept delivery of the Goods, then Buyer shall be responsible for all transportation, insurance and storage charges relating to the shipment. If Seller has reason to doubt Buyer's financial responsibility, Seller may decline to make further deliveries, except for cash or satisfactory security. Seller reserves the right of stoppage in transit.
- 3. Force Majeure.** Seller shall not be subject to any liability or damages for delay in performance or non-performance as a result of fire, flood, ice, natural catastrophe, strike, lockout, labor shortage, labor dispute or trouble, accident, riot, act of governmental authority, act of God, act of terrorism, or other contingencies and circumstances beyond its control interfering with the production, supply, transportation, or consumption of the Goods or with the supply of any raw materials used in connection therewith, or the inability of the Seller to purchase raw materials at a commercially reasonable price, or if performance would be contrary to, or constitute a violation of, any regulation, law, or requirement of a recognized government authority, and quantities so affected may be eliminated by Seller from the Agreement without liability or damages to Seller, but the Agreement shall otherwise remain unaffected. Seller may, during any period of shortage due to any cause, prorate and allocate its supply of such materials among itself for its own consumption, its subsidiaries, affiliated companies, its accepted orders, contract customers, and its regular customers not then under contract in such a manner as may be deemed fair and reasonable by Seller. In no event shall Seller be obligated to purchase any substitute Goods in the marketplace to satisfy its obligations hereunder. Buyer's failure to pay for the Goods shall not constitute a force majeure event hereunder.
- 4. Taxes.** Buyer shall reimburse Seller for all taxes or other charges, except income and franchise taxes, which Seller may be required to pay to any government, whether foreign, national, state or local, upon the sale, production or transportation of the Goods, now in effect, or which may be imposed or increased subsequent to the effective date of this Agreement.
- 5. Warranty; Limitation of Liability.** Seller warrants only that the Goods shall be substantially in accordance with Seller's specifications for the Goods. **THIS WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR USE AND/OR NON-INFRINGEMENT, AND SELLER HEREBY EXPRESSLY DISCLAIMS ALL SUCH OTHER WARRANTIES.** Seller's warranty extends only to Buyer and shall expire 60 days after the Goods are shipped. All claims in respect of the Goods must be made in writing to Seller within such 60 day period or be barred. This warranty shall not apply to any Goods which have been repaired or altered outside of Seller's facilities in any way or because of accident, negligence, abuse or misuse. All Goods, including those produced to meet exact specifications, shall be subject to tolerance and variations consistent with usual trade practices regarding dimensions, composition, mechanical/optical properties, and surface and internal conditions, and shall also be subject to deviations from tolerance and variations consistent with practical testing and inspection methods. Returned Goods will not be accepted unless Seller is notified in writing and authorizes the return prior to shipment. Any suggestions made by Seller concerning uses or applications of the Goods reflect Seller's opinion, and Seller makes no warranty of results to be obtained. Buyer assumes all risks and responsibility for results in the use or handling of the Goods, whether used singly or in combination with other products. Buyer shall inspect the Goods immediately after delivery. Buyer's exclusive remedy and Seller's sole liability hereunder shall be limited to a refund of the purchase price paid by Buyer for the Goods or, at Seller's option, repair or replacement of the Goods shown to be other than as warranted or deficient in quality, and Seller shall not be liable otherwise, including for indirect, special, exemplary, punitive, incidental or consequential damages or for lost profits or injury to goodwill, whether arising out of breach of warranty, negligence, strict liability in tort or other causes.
- 6. Patent Infringement.** Buyer shall indemnify and hold Seller harmless from and against any and all liability for costs or damages awarded against Seller for infringement of any United States Patent claims covering the Goods manufactured to designs or specifications of Buyer.
- 7. Security Interest.** Buyer grants to Seller and to its successors and assigns a purchase money security interest in and to the Goods sold under this Agreement and all proceeds and products thereof, including the proceeds of any insurance related thereto. The security interest hereby created shall secure the payment of the purchase price for the Goods, together with all costs and expenses, including court costs and attorneys' fees incurred or expended in collecting the indebtedness secured hereby and in enforcing the security interest created hereby. Buyer agrees to execute, on request, and hereby authorizes Seller to file, financing statements deemed necessary or desirable by Seller to perfect its security interest in the Goods.
- 8. Cancellation by Buyer.** This Agreement may not be canceled in whole or in part without Seller's written consent. Such consent shall not be given unless Buyer pays Seller its costs and expenses (including, without limitation, engineering expense overhead, and all commitments to Seller's suppliers and subcontractors) plus profit, all as determined by Seller.
- 9. Governing Law.** This Agreement shall be construed and interpreted according to the laws of the State of Ohio.
- 10. Compliance with Laws.** Buyer agrees to comply with all applicable laws, including but not limited to, the provisions of the Export Administration Regulations of the United States Department of Commerce and the International Traffic in Arms Regulations of the United States Department of State, as they currently exist and as they may be amended from time to time.
- 11. Assignment.** Neither this Agreement nor any interest created herein nor obligation arising hereunder shall be transferred or assigned by Buyer, except upon the prior written consent of Seller.