

NGK METALS CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS

1. DEFINITIONS. For the purposes of these terms and conditions, "NGK" shall mean NGK Metals Corporation or its affiliates, as applicable; "Processor/Seller" shall mean any person or entity providing goods or services to NGK pursuant to a purchase order, including, without limitation, goods provided under a tolling arrangement. "Raw Materials" shall mean **NGK owned material sent to Processor**; "Products" shall mean **material received from Processor**; "Property" means all Raw Materials and Products belonging to NGK Metals.

2. STATEMENT OF AGREEMENT/BAILMENT. NGK agrees to deliver Raw Materials to and receive Products from Processor. Processor agrees to receive Raw Materials, process such Raw Materials and deliver Products to NGK subject to the terms, conditions, policies and procedures contained herein. Processor shall use all quantities of Raw Materials only for the production of Products for NGK and shall not use Raw Materials for any other purpose. Processor shall not sell or transfer any Property to any other party. This Purchase Order constitutes an offer by Buyer to buy from Seller and becomes a binding contract on the terms set forth herein when accepted by Seller either by acknowledgement or the commencement of performance hereof.

3. OWNERSHIP. NGK has and will continue to have sole ownership of all right, title and interest in and to Raw Materials and Products. Processor shall not: (i) directly or indirectly do anything that is inconsistent with NGK's ownership; (ii) intentionally sell, assign, or encumber any Property; (iii) claim any lien on or against any Property; or (iv) loan, rent or exchange any Property, permit other parties to use any Property, or transfer any Property to another location without NGK's prior written approval.

4. MARKING & STORAGE. Processor shall stamp, tag or otherwise mark the Property as requested by NGK as indicia of NGK's ownership and shall not remove such indicia of ownership. Processor shall segregate and store the Property in a specifically designated area at Processor's premises, except during those periods that Processor is required to use the Property pursuant to the terms and conditions hereof. NGK, NGK's customer, and regulatory authorities shall have the right to applicable areas of facilities and to applicable documented information at any level of the supply chain, at any time during Processor's normal business hours without notice.

5. SECURITY INTEREST. As a precaution in the event any entity were to assert or court were to hold that Processor had any right, title or interest in the Property, Processor hereby grants to NGK a security interest in the Property, including all equipment, inventory, components, accessories and parts incorporated (or to be incorporated) therein, in each case whether raw materials, completed or constituting work in process, whether now owned or hereafter acquired, and all substitutions, replacements and proceeds thereof (including insurance proceeds with respect thereto), as security for the prompt, full, and faithful performance by Processor of all its obligations to NGK. Processor authorized NGK to file any and all documents, including without limitation,

Uniform Commercial Code Financing Statements, in connection with this security interest.

6. ORDERS. NGK shall specify the amount and type of Products requested and the requested date for completion and delivery. If price is omitted, Processor's services are to be provided at the lower of the price last quoted, the price last charged and the lowest prevailing market price. Counterfeit parts are unacceptable and will be subject to the appropriate prosecution.

7. DELIVERY. All invoices shall be in duplicate and shall include the order number. A packing slip must accompany each package and a detailed tally (enclosed in an unsealed envelope) must be tacked inside the car door of each carload shipment. NGK's count shall be accepted as final and conclusive unless the shipment is accompanied by a statement of a certified weighmaster. No charge will be allowed for boxing, packing or crating without the prior written authorization of NGK.

8. RETURN OF PROPERTY. NGK may, at any time for any reason, demand that Processor deliver any or all items of Property to NGK. Promptly after receiving such a demand, Processor shall properly package and ship them in accordance with NGK's instruction. NGK shall pay for freight and insurance costs of shipment. Processor acknowledges and agrees that any claims relating to the order(s) for goods or services are separate from NGK's right to retrieve Property and hereby waives any possessory or lien rights to the Property.

9. TIME. Time is of the essence hereof and if products are not delivered within the time specified herein, or within a reasonable time if no time is specified, NGK may either (a) cancel this order and take possession of or cause Processor to ship any Property to NGK or (b) contract for replacement services elsewhere and charge Processor with any additional costs and losses incurred as a result thereof.

10. QUALITY. Processor warrants that all Products delivered hereunder shall conform to the descriptions and specifications provided to Processor, shall be of merchantable quality, shall be free from defects in workmanship, material and design and shall be fit for any use intended by NGK which Processor has reason to know. Processor must notify NGK of nonconforming product and shall obtain prior approval for nonconforming product disposition. Processor shall notify NGK of pending changes in Processor's Manufacturing processes that could affect NGK's product conformance. Processor shall not subcontract to any third party without the written consent of NGK. This warranty is in addition to any warrants implied by law. Should NGK request, Processor, at its sole expense, shall repair or replace f.o.b. Processor's plant, all or any part of any Property covered by this order which proves within one (1) year from the date it is placed in operation, but no later than eighteen (18) months from the date of shipment, to be defective in material, workmanship or design. This warranty of repair or replacement does not constitute a waiver of any other rights of NGK express or implied, and shall run to NGK, its customers and users of its Products and shall survive inspection and acceptance. The Processor/Seller is required to forward all pertinent and requested

NGK METALS CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS

documents and records regarding the order to NGK Metals Corporation with retention to be maintained by NGK as needed. We recommend that all toll/process suppliers have a quality management system. Please note 90% on time delivery and 100% quality yearly deliverables need to be maintained. Processor shall ensure that persons performing work or providing services under this contract are aware of their contribution to product or service conformity; their contribution to product safety; the importance of ethical behavior.

11. INSPECTION. NGK shall have thirty (30) days after receipt of the Products to accept or reject such Products. Acceptance of any nonconforming shipment under this order shall not be deemed a waiver by NGK of its right to require that future shipments be in accordance with the terms of this order.

12. PAYMENT. NGK reserves the right to withhold payment of invoices until Products have been received and checked and does not waive the right to deduct any cash discount. Unless otherwise agreed to in writing, payments will be made within thirty days of the date Products have been received and checked.

13. RISK OF LOSS. Processor shall bear the risk of loss of all Property at Processor's premises or in transit between NGK and Processor. Processor agrees that it shall secure and maintain insurance against damage or loss of the Property from all causes.

14. CHANGES. NGK may, by written notice, make changes within the general scope of this order to drawings and specifications, shipping and packing instructions and place of delivery. Should any such change materially increase or decrease the cost of, or the time required for performance, an equitable adjustment in the price and/or delivery schedule will be made including an allowance for obsolescence, rework or scrapage, but only for materials in process within the Processor's normal manufacturing cycle required to meet the delivery schedule. Any claims by Processor for such adjustment must be asserted in writing within fifteen (15) days from the date the change is ordered, or within such other period of time as may be agreed upon in writing. Failure to agree on any claim for equitable adjustment under this clause shall be a dispute and NGK and/or Processor may thereupon pursue any remedy which it may have in any tribunal of competent jurisdiction. Pending the resolution of any such dispute the Processor shall diligently perform this order, as changed.

15. TERMINATION. NGK may terminate this processing order at its convenience at any time in whole or in part as to undelivered products, in which event NGK and Processor will negotiate an equitable settlement payment for the terminated portion consisting of Processor's cost to date of termination, including an allowance for obsolescence, rework or scrapage, but only for materials in process within Processor's normal manufacturing cycle required to meet the delivery schedule plus a reasonable profit thereon, less any value hereof to Processor, but in no event shall settlement for such terminated portion exceed the price as if this order had not been so terminated. NGK shall have

the right to acquire any Property in the hands of Processor at any time.

16. EXCUSABLE DELAYS. Neither party shall be liable for damages for delay in delivery arising out of causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather, nor shall such delay effect the remainder of this contract. If the delay is caused by the delay of a subcontractor of Processor and if such delay arises out of causes beyond the control of both Processor and the subcontractor, and without the fault or negligence of either of them, Processor shall not be liable to NGK in damages unless the products to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Processor to meet the required delivery schedule. Processor will notify NGK in writing within ten (10) days after the beginning of any cause for an excusable delay or such cause shall be deemed waived.

17. CONFIDENTIALITY. Processor shall not, without the prior written consent of NGK, in any manner advertise or publish the fact that NGK has placed this order with Processor. No information furnished by Processor to NGK shall be deemed to be confidential unless specifically agreed to in writing.

18. DRAWINGS, SPECIFICATIONS, ETC. Any specifications, drawings, sketches, models, samples, patterns, dies or other tools, technical information or data, written, oral or otherwise (all hereinafter called "Information"), furnished to or left with Processor by NGK in contemplation hereof or in connection herewith shall remain NGK's property. All copies of such Information in written, graphic or other tangible form shall be returned to NGK or destroyed by Processor, as NGK specifies. Unless such Information was previously known to Processor free of any obligation to keep it confidential, or has been or is subsequently made public by NGK or a third party, it shall be kept confidential by Processor and shall be used only for preparing quotations for or furnishing goods or services to NGK.

19. PATENTS. Processor shall disclose and does hereby assign to NGK all inventions, discoveries, techniques and processes resulting here from and does hereby grant NGK the exclusive right to use for any purpose all data specified to be delivered hereunder. Processor agrees to indemnify NGK, its customers, and agents against any liability, including costs and expenses, for or by reason of any actual or alleged infringement of any patent arising out of the manufacture, use, sale, delivery or disposal of the products furnished under this order and the cost of replacing such products with non-infringing goods. NGK shall notify Processor, as soon as practicable, of any claim of infringement received by NGK.

20. INDEMNIFICATION. Processor agrees to indemnify, defend and save harmless NGK and any company affiliated with NGK against all claims and liability, including any costs,

NGK METALS CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS

reasonable attorneys' fees and expenses made by any person or persons, including but not limited to its employees, subcontractors and their employees, for injuries or death to persons or damage to or the destruction of property caused by or resulting from the negligence, in whole or in part, of Processor, its agents or employees in the performance of this order.

21. SETOFF/RECOUPMENT. NGK may withhold payment under any purchase/processing order or other agreement between Processor and NGK, and apply the withheld payments as recoupments or offsets against costs, damages, attorneys' fees related to enforcement of any purchase/processing order or agreement, warranty and/or recall costs/damages, or other payment due to NGK under this any purchase/processing order or other agreement between Processor and NGK. Disputed invoices shall be paid only after resolution of the dispute. Processor and NGK agree that this purchase/processing order and related contracts/orders are one integrated agreement and that NGK may recoup charges arising under any such agreements from any amounts owed to Processor as part of the parties contractual arrangements.

22. NON-WAIVER. Failure of the NGK to insist upon strict performance of any terms and conditions herein shall not be deemed a waiver of any rights or remedies that the NGK shall have, and shall not be deemed a waiver of any subsequent default of terms and conditions hereof. Shipment or receipt of any article under this purchase/processing order shall not constitute a waiver of any right of the NGK hereunder or any obligation of the Processor to comply with any of the provisions of this purchase/processing order.

23. TAXES. The prices for the Products ordered include all Federal, State and Local taxes from which Processor cannot obtain exemption. The amount of any such taxes shall be shown separately on Processor's invoice.

24. COMPLIANCE WITH LAWS. Processor warrants that all products supplied hereunder are produced and priced in compliance with all federal, state and local laws and regulations established thereunder. Processor hereby certifies and agrees to certify on the face of all invoices it requested (a) that all products covered hereby have been produced in compliance with the laws and all regulations and orders established thereunder and will indemnify and hold NGK harmless from all liability, losses and damages (including penalties thereon) arising from the failure of the product to meet such and (b) such other compliance as NGK may reasonably request.

25. INSOLVENCY. NGK may cancel its order in the event of any of the following, or of any other comparable event: insolvency of Processor, the filing of a voluntary petition in bankruptcy, the filing of an involuntary petition to have Processor declared bankrupt provided it is not vacated within thirty (30) days from the date of filing, the appointment of a receiver or trustee for Processor provided such appointment is not vacated within thirty

(30) days from the date of such appointment, or the execution by Processor of an assignment for the benefit of creditors.

26. EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION. Processor will comply with all the provisions of Executive Order 11246 dated September 24, 1965, and all rules, regulations and relevant orders relating thereto. In the event of Processor's noncompliance, NGK reserves the right to cancel and terminate this order in whole or in part.

27. TOXIC SUBSTANCES. Processor warrants that any chemical substance, as defined in the Toxic Substances Control Act (U.S.) as it may be amended from time to time, sold or otherwise furnished by Processor to NGK is or will be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency (hereinafter called "EPA") pursuant to the Act on the date as of which such substance is sold or furnished to NGK.

28. CLEAN AIR AND WATER CERTIFICATION. Processor warrants that any facility used in the performance of this order is not listed on the EPA List of Violating Facilities and that should Processor be informed by the EPA that it is being considered for listing on the EPA List of Violating Facilities, that it will promptly so inform NGK of this fact in writing.

29. ENTIRE AGREEMENT. This Agreement is the entire understanding between the parties and supersedes all contracts, agreements or understandings (oral or written) of the parties with respect to the subject matter hereof. No provision of this Agreement may be amended except upon written agreement of the parties. Processor may not assign or transfer any of its rights or obligations under this Agreement, by sale, merger, change in control, operation of law or otherwise without the prior written consent of NGK. This Agreement will be binding upon and inure to the benefit of the parties, their successors and permitted assigns. No remedy conferred by this Agreement shall be exclusive of any other remedy, and each and all such remedies shall be cumulative. No waiver by either party of any breach of this Agreement will be a waiver of any other breach. No waiver by either party of any right under this Agreement shall be construed as a waiver of any other right. The parties agree to execute, acknowledge and deliver such further instruments and incidental acts as may be reasonably necessary or appropriate to carry out the purpose and intent of this Agreement.

30. MISCELLANEOUS. Each provision of this Agreement shall be interpreted in such manner as to be valid and enforceable; provided, however, if any one or more of the provisions contained in this Agreement are determined invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement. This Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained herein. Any notice required to be given hereunder shall be adequate if sent to the party to be notified at its address set forth above. This Agreement is governed by the laws of the State of Tennessee, without reference to its

NGK METALS CORPORATION
PURCHASE ORDER TERMS AND CONDITIONS

conflict of law principles. Disputes shall be tried without a jury in the Chancery Court for Monroe County, Tennessee. The relationship of the parties is that of independent contractors, and neither party will incur any debts or make any commitments for the other party. Processor may engage one or more subcontractors to perform its obligations in this Agreement with NGK's prior written consent; provided, Processor acknowledges that NGK has no liability to any such subcontractor and, as between NGK and Processor, Processor is solely liable to NGK for all acts and omissions of all subcontractors engaged by Processor. Processor waives any and all right to a jury trial.

31. DANGER. The Occupational Safety and Health Administration has established an exposure limit for workplace concentrations of beryllium at not exceeding 0.2 micrograms per cubic meter of air as an eight-hour time-weighted average with a short term exposure limit of 2 micrograms per cubic meter for a maximum duration of 15 minutes. For the protection of workers and other exposed persons, appropriate precautionary measures must be enforced in subjecting the alloy to machining, high temperature heating or other processes that generate dust, fumes or vapors. Processor must bring this notice to the attention of its employees and subcontractors. Some liquid and solid wastes generated from processing metals may be classified as hazardous under the Federal Resource Conservation and Recovery Act of 1976, the Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 and similar state statutes which govern the proper means of disposal.