

GREENFIELD INDUSTRIES GENERAL TERMS AND CONDITIONS OF SALE

"Seller" means Greenfield Industries, a South Carolina corporation. "Buyer" means the person, firm or entity that is purchasing goods or services from Seller.

1. AGREEMENT.

These General Terms and Conditions, in combination with any quotation which may have been supplied by Seller (collectively the "Agreement"), are intended by the parties as the final expression of their agreement and are the complete and exclusive statement of the terms and conditions of that Agreement. If the purchase order or any other form supplied by Buyer states terms or conditions that are additional to or different from those set forth herein, this writing shall be deemed notification of objection to such additional or different terms or conditions. **ACCORDINGLY, THIS AGREEMENT IS EXPRESSLY CONDITIONED ON BUYER'S ACCEPTANCE AND ASSENT TO THESE TERMS AND CONDITIONS.** Acceptance of the conditions contained herein shall be considered to have occurred unless written notice of objection is received by the Seller prior to shipment of goods or delivery of services. No modification or rescission of this Agreement shall be effective unless made in writing and signed by both parties, nor shall this Agreement be waived, modified, rescinded or altered by any subsequent course of dealing or performance between the parties.

2. PAYMENT.

Terms: 1%-10 Days, Net 30 for all Greenfield Industries Brands. Cleveland, CTD, Chicago Latrobe, Cle-Line, ATT, Putnam, VTD and Bassett.

Invoices are due and payable in full within the prescribed period stated on the face thereof. Invoices for products or services delivered under this Agreement are payable in local currency, unless specifically stated differently on the face of the invoice. Time is of the essence with respect to each payment. A service charge on any past due amounts may be charged by Seller at the lower of (i) 1.5% per month; or (ii) the highest rate permitted by law. Buyer hereby grants to Seller a security interest in all products provided hereunder ("Products") and in all proceeds thereof, until the complete purchase price and all additional costs and charges are paid by Buyer. At the request of Seller, Buyer hereby agrees to execute such documents reasonably required to perfect Seller's security interest in the Products. Buyer shall not be entitled to set off, recoup or withhold any payment, or any portion thereof, which is due. Credit shall be subject to the approval of Seller who reserves the right to alter the payment and credit terms and set a limit of credit. Each shipment shall be treated as a separate and independent contract but if Buyer shall fail to fulfill the terms of payment under any contract, the Seller, at its option, may terminate this Agreement, seek any and all remedies to which Seller may be entitled, and terminate any further deliveries of products or services to Buyer under any agreement with Buyer, until payment shall have been made. Buyer agrees that Seller shall be entitled to recover from Buyer all of the reasonable costs and expenses of collection, including attorney's fees, which may be incurred by Seller in enforcing any obligation under this Agreement, including payment.

3. PRICES AND DELIVERY; CONFIDENTIALITY.

Unless otherwise stated, prices are subject to change without notice, including, but not limited to, as a result of fluctuations in any applicable currency exchange rate. Delivery of the Products shall be F.O.B. point of shipment based on the following prepaid and allowed shipping policy.

FOB point of shipment with normal UPS ground transportation allowed on orders of \$750.00 or more at net cost, shipped to one location for all standards, quick ship items, modification and specials. The total cost of air, express, special handling or special delivery will be billed to the distributor. A handling fee of \$10.00 will be added for orders under the \$50.00 minimum order. This fee will be charged once per order and will be added to the freight charge on the first shipment. Backorders on orders under the freight minimum will be shipped at the regular freight rate.

Seller shall not be responsible for storage, transportation, or similar charges incurred at destination. Title and all risks of loss and damages shall pass to Buyer upon delivery of the Products to the carrier. No claim for credit for alleged shipping, quality, freight, or pricing adjustment shall be valid unless presented to Seller in writing within thirty (30) days after receipt of Products or Services. Failure to file such a claim within thirty (30) days shall constitute unqualified acceptance of Products by Buyer. No Product shall be returned to Seller without prior written authorization of Seller. Buyer acknowledges and agrees that the pricing information under this

Agreement is confidential and Buyer agrees not to disclose, directly or indirectly, to any third party any portion of the pricing without the prior written consent of Seller.

4. EXPORT RESTRICTIONS; FOREIGN CORRUPT PRACTICES ACT.

Buyer acknowledges that the Products are subject to the U.S. Export Administration Regulations, as amended, and other applicable laws and related regulations (collectively, "Regulations"). Buyer hereby gives assurance, with respect to the Products and any U.S. origin technical data provided by Seller, that Buyer shall comply with the Regulations, and Buyer agrees that it shall not sell, transfer or deliver, directly or indirectly, any part or portion of the Products or related documentation supplied by Seller pursuant to this Agreement to any person or organization in violation of such Regulations. Additionally, Buyer acknowledges that Seller does not participate in any activities that would violate the U.S. Foreign Corrupt Practices Act (the "Act") and Buyer agrees that, to the extent the Act applies to it, Buyer shall not violate the Act. Buyer shall indemnify and hold harmless Seller and its affiliates from and against any and all damages, liabilities, penalties, fines, costs and expenses, including attorney's fees, arising out of claims, suits, allegations or changes of Buyer's failure to comply with the provisions of this Paragraph 4. Any failure of Buyer to comply with the requirements of this Paragraph 4 shall be a material breach of this Agreement.

5. TAXES AND OTHER CHARGES.

To the extent legally permissible, all present and future excise levies or taxes or any similar charges imposed by any federal, state, foreign or local authority which Seller may be required to pay or collect, upon or with reference to the sale, purchase, transportation (including but not limited to fuel surcharges), delivery, storage, use or consumption of Products or Services, including taxes upon or measured by the receipts therefrom (except net income and franchise taxes), shall be for the account of Buyer.

6. DELAY IN DELIVERY AND FORCE MAJEURE.

Delivery dates are approximate and estimated, and are based on Seller's prompt receipt of all necessary information from the Buyer. Seller may make partial shipments of any one or more items covered by any quotation or acknowledgment and may ship from any location it may select. Seller shall not be liable for any loss, damage, detention, delay or failure to deliver resulting from causes beyond its reasonable control including (without limiting the generality of the foregoing) fire, explosion, flood, strike or other difference with workmen, accidents to Seller's facility, acts of sabotage, shortage of facility, material or labor, delay in transportation, delay of supply of product to Seller, breakdown or accident, riot, insurrection, civil or military authority, governmental controls, restrictions or regulations, whether legal or de facto, including but not limited to failure to obtain export or import licenses, a force majeure event occurring in respect to one of Seller's suppliers and any other cause beyond Seller's control. All delivery and performance periods shall be adjusted and extended as necessary due to any such occurrence.

7. WARRANTIES. Seller warrants that the Products shall be free from defects in material and workmanship under normal use and service when correctly installed, used, and maintained. Seller also warrants that the Services will be performed in a workman like manner. These warranties shall terminate thirty (30) days after delivery of the Products, or provision of Services, to Buyer and shall not apply to Products that have been subjected to misuse, abuse, neglect or improper storage, handling, or maintenance. Should the Products not conform to such warranty, and upon confirmation by Seller that the Products have been delivered, stored, installed, operated and maintained in accordance with proper standards, Seller shall, upon prompt notice from Buyer, and at Seller's option, in the instance of Products manufactured by Seller, either repair or replace the defective part or parts and, in the instance of goods of Buyer which are processed by Seller, either reprocess the defective part or parts or adjust the price paid by Buyer in an amount attributable to the defective part or parts. Should the Services not conform to such warranty, Seller shall, upon prompt notice from Buyer, correct such defective Services in a workman like manner. Such remedies shall be Buyer's sole and exclusive remedies for breach of warranty. Notwithstanding the above, to the extent the Products provided by Seller include third party manufactured goods ("Third Party Components"), the warranty for such Third Party Components shall be limited to the warranty, if any, that Seller is authorized to pass through to Buyer for such Third Party Components. **THE FOREGOING WARRANTIES SHALL NOT APPLY TO DAMAGE OR DEFECTS CAUSED BY DELIVERY, STORAGE, INSTALLATION, OPERATION OR MAINTENANCE BY ANY PERSON OTHER THAN SELLER, OR BY ORDINARY WEAR AND TEAR,**

NOR SHALL IT APPLY TO CONSUMABLE TOOLING OR MATERIALS, OR NORMAL REPLACEMENT ITEMS, AND ARE THE SOLE AND EXCLUSIVE WARRANTIES BY SELLER IN LIEU OF ALL OTHER WARRANTIES WHETHER WRITTEN, ORAL OR IMPLIED. SELLER MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND SPECIFICALLY DISCLAIMS AND EXCLUDES ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTIES ARISING BY USAGE OF TRADE, COURSE OF PERFORMANCE OR COURSE OF DEALING. The parties expressly waive the Statute of Limitations and agree that any claim by Buyer with reference to the Products or Services for any cause, shall be deemed waived by the Buyer unless filed within one (1) year from accrual of the cause of action therefore.

8. **RETURNED GOODS POLICY:** No returns will be accepted or credit issued without prior authorization and reason for return.

I. General Returns

- A. General returns for standard catalog items will be classified as all returns other than inventory adjustments (ordered in error, shipping and order errors, defective materials, etc.).
- B. All returns must have a Return Goods Authorization (RGA) number assigned prior to return. Contact customer service to get a return goods authorization.
- C. The RGA number must clearly appear on the exterior of the package or the label of the package being returned.
- D. Along with the returned goods and RGA number, return documentation must include the original purchase order number and invoice number. If the invoice is not available, credit will be issued at the current list price, less discount, less 10% handling charge.
- E. RGA numbers are valid for 90 days only and will become void if tools are not shipped within the specified time duration.
- F. All returns must be authorized within 30 days of the date of shipment to avoid a restocking charge. If the request for return is between 31 and 90 days from the date of shipment a 10% restocking charge will apply. Any request for returns after 90 days must be held until your annual stock adjustment is made.
- G. Any shortage or shipping discrepancy must be reported within 30 days of shipment.

II. Annual Distributor Stock Returns (Inventory Adjustments)

- A. All inventory adjustments must have prior written authorization to return specific items and quantities. There will be a 15% restocking charge for all annual returns.
- B. Credit will be based on the current price list less distributor discount less restocking charge.
- C. Returned merchandise shall not exceed 5% of the total purchase of standard catalog items during the previous calendar year. **Only standard package quantities are acceptable and must be in new or resalable condition.**
- D. The shipper must pay all shipping charges and enclose a packing slip.
- E. The initial stock of a new distributor should be analyzed twelve months from the date of installation, and any standard catalog items that are found not applicable for their market area may be returned at the time without incurring a handling charge. An order of equal value must be attached to the return.
- F. Any unauthorized shipments will be returned at the distributor's expense.
- G. No annual stock returns will be accepted during the month of December.

III. All Returns

- A. No returns will be accepted or credit issued without prior authorization and the reason for return.
- B. Special, non-catalog, or modified items are not acceptable for return or credit unless determined by the manufacturer that defective material was supplied. The return must occur within 12 months of shipment.
- C. We reserve the right to refuse any return of an item that is found unsuitable for resale due to use, mishandling, or other acts following receipt of the tools by the receiver.
- D. No discontinued items are returnable for credit.
- E. We reserve the right to refuse return goods where we have in excess of one year's inventory of the items requested for return.

9. DISCONTINUED/TERMINATED DISTRIBUTOR

- A. A mutually acceptable termination date will be determined, not to exceed 90 days from written notice to terminate.
- B. Open order status and existing receivables to be reconciled, agreed upon orders will be shipped, and monies owed to Greenfield Industries, Inc. are to be paid.
- C. When a distributor chooses to promote and sell another manufacturer of cutting tools as their primary line of cutting tools and Greenfield Industries, Inc. elects to terminate the relationship, Greenfield Industries, Inc. has no responsibility to take back any inventory. However, we will review a list supplied by the distributor within 30 days prior to the effective date of termination.
- D. When Greenfield Industries, Inc. terminates the distributor; the distributor is to supply Greenfield Industries, Inc. a list of items they would like to return 30 days prior to the effective date of termination.
- E. Greenfield Industries, Inc. will credit the distributor for items acceptable for return within an agreed upon time frame after receiving items at the respective factories.
- F. Credit on tools returned would be at list price less distributor discount and less a 20% restocking charge.
- G. Greenfield Industries, Inc. will not take back any items that are discontinued, special tools or quantities in excess of one year's inventory on hand at Greenfield Industries, Inc. (by brand and line item).

10. LIMITATION OF LIABILITY. In no event shall Seller be liable for any special, indirect, consequential, incidental, or punitive damages, whether arising under contract, warranty, tort, negligence, strict liability or any other theory of liability, including but not limited to loss of profits, loss of use of the Products or Services, or loss of goodwill. Notwithstanding whether any remedy fails of its essential purpose or otherwise, in no event shall Seller's liability for any Products or Services supplied hereunder exceed the purchase price paid by Buyer to Seller for the applicable Products or Services, regardless of whether the claim is based on contract, tort, warranty or any other theory of liability.

11. PATENTS, COPYRIGHTS AND TRADEMARKS. No license or other rights under any patents, copyrights or trademarks owned or controlled by Seller or under which Seller is licensed are granted to Buyer or implied by the sale of Products or Services hereunder. Seller's drawings, blueprints, computer codes, technical information, intellectual property and know-how shall be the exclusive property of Seller, and Buyer shall have no right, title or interest therein. Buyer shall maintain in confidence, and shall not disclose to any third party, or use for any purpose other than that for which it was supplied, any information or property of Seller which is designated by Seller as confidential, secret or proprietary information of Seller. Buyer shall not identify as genuine products of Seller, products purchased hereunder which Buyer has treated, modified or altered in any way, nor shall Buyer use Seller's trademarks to identify such products; provided, however, that Buyer may identify such products as utilizing, containing or having been manufactured from genuine products of Seller as treated, modified or altered by Buyer or Buyer's representative. Seller shall be entitled to rely upon any information, specifications, designs, formulas or other information supplied to Seller by Buyer or Buyer's representatives, and Seller shall not be responsible for any damages or loss arising out of the use or incorporation by Seller of the same. Buyer warrants to Seller that any design, specification, drawing or pattern provided to Seller by Buyer or Buyer's representatives, nor any use contemplated by Buyer of the Products, infringes any patent, copyright, trade secret or other intellectual property rights.

12. INDEMNIFICATION. Buyer agrees to indemnify, defend and hold Seller harmless from and against any and all claims, demands, actions, costs, liabilities, losses and damages of any kind (including attorneys' fees), regardless of the theory of liability, incurred by or threatened to Seller in connection with any modifications by Buyer to the Products or Services supplied hereunder, the incorporation of the Products into any product, the extension of any warranties beyond those provided herein, or any other acts or omissions of Buyer related to the sale or distribution of the Products or Services provided by Seller.

13. ORDER GUIDELINES.

Minimum Order – All Tools - \$50.00 at net cost.

Minimum waived if shipped overnight at distributor's cost.

Special Tools are not subject to a minimum.

For special tool orders, a 10% over or under shipment, based on industry practice, will apply. We reserve the right to charge an additional amount if the customer requests shipment for exact quantity ordered.

All **drill** orders will be filled in standard package quantities.

For modified drills, standard package applies.

Non-stock industrial supply Products will be billed in accordance with the quantity shipped to Buyer. For all Products, over or under-shipments will not change the unit price. Buyer's claims for shortages, including proof of delivery requests, shall be made in writing no more than thirty (30) days after receipt of the products or date of invoice, whichever event occurs first.

HOLD ORDERS: Orders for specials, non-stocked standards and modified standards may be placed on hold if the distributor gives notification prior to completion of manufacturing. If manufacturing is completed prior to notification, orders will be shipped and billed as ordered. Valid orders will be held for a maximum of 30 days from the date of notification. The distributor must reinstate or cancel at that time. If the order is cancelled, cancellation charges to cover manufacturing will be billed to the distributor at manufacturing cost plus 20%.

- 14. TECHNICAL DATA, ADVICE.** Any technical data and advice furnished by Seller with respect to Products and Services and the use of such Products and Services are given without charge, and Seller assumes no obligation or liability for such information. All of such data, advice, drawings and specifications shall be given and accepted at Buyer's risk. Catalogs, circulars and similar pamphlets of the Seller are issued for general information purposes only and shall not be deemed to modify the provisions hereof or create any warranties.
- 15. GENERAL.** This order may be performed and all rights hereunder against Buyer may be enforced by Seller or by any one or more of the corporations subsidiary to or affiliated with Seller or in part by Seller and in part by one or more of such subsidiary or affiliated corporations. No rights arising under this Agreement may be assigned by the Buyer unless expressly agreed to in writing by the Seller. Buyer agrees, at its own expense, promptly to take such steps and execute such documents as may be required to satisfy any law or requirements in Buyer's country to render this Agreement valid. Failure of Seller to enforce any of the terms, conditions and limitations contained in this Agreement shall not be construed as a waiver thereof or a waiver of any other terms, conditions or limitations herein, and the failure of Seller to exercise any rights arising from default of Buyer or otherwise shall not be deemed to be a waiver of such right or any other right. The invalidity or unenforceability of any provision or term hereof shall not affect in any way the remainder of the provisions or terms of this Agreement.

This agreement shall be governed by the laws of the Commonwealth of South Carolina excluding the application of its conflicts of laws provisions and excluding the United Nations Convention on the International Sale of Goods.
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