Hydro

STANDARD TERMS AND CONDITIONS OF SALE BETWEEN HYDRO ALUMINUM METALS USA, LLC ("HYDRO") AND BUYER

- 1. CONDITIONAL ACCEPTANCE: HYDRO'S ACCEPTANCE OF ANY ORDER IS EXPRESSLY CONDITIONED UPON THESE TERMS AND CONDITIONS OF SALE, TOGETHER WITH ANY AGREEMENT SIGNED BY HYDRO TO WHICH THEY MAY BE APPENDED, CONSTITUTING THE SOLE AND EXCLUSIVE TERMS AND CONDITIONS OF THE ORDER. NO AMPLIFICATION, MODIFICATION, ADDITION OR VARIATION OF THESE TERMS AND CONDITIONS OF SALE WILL BE ACCEPTED BY HYDRO. HYDRO WILL NOT BE DEEMED TO HAVE WAIVED THESE TERMS AND CONDITIONS OF SALE IF HYDRO FAILS TO OBJECT TO PROVISIONS CONTAINED IN ANY COMMUNICATION RECEIVED FROM A BUYER OR IF IT FAILS TO PROMPTLY ASSERT ANY RIGHTS IT HOLDS HEREUNDER. BUYER'S ACCEPTANCE OF BILLET FROM HYDRO FOLLOWING RECEIPT OF THIS DOCUMENT CONSTITUTES BUYER'S ACCEPTANCE OF THESE TERMS AND CONDITIONS OF SALE.
- 2. TERMS OF PAYMENT: Unless otherwise provided by written agreement executed by both parties, payment shall be Net Cash thirty (30) days after date of invoice to be paid via ACH in U.S. dollars without setoff or further demand to an account provided by Hydro. Buyer grants Hydro a security interest in all billet delivered to or on account of (the "Goods") Buyer, together with any proceeds therefrom, and Hydro may file, without the Buyer's signature, one or more financing statements or other notices confirming Hydro's security interest in the same. Buyer hereby ratifies and confirms Hydro's authority to file and the validity of any and all financing statements and notices filed by Hydro. Terms of payment are at all times subject to approval of the Credit Department of Hydro, and in case of doubt as to Buyer's financial ability to pay, Hydro may at any time by written notice to Buyer require immediate payment or other terms of payment differing from those specified above or other satisfactory security that invoices will be paid when due. If Buyer fails to comply with any terms of payment or requirements to secure payment of this or any other order or contract with Hydro or any affiliate of Hydro, Hydro may stop current and withhold further shipments or send such shipments sight draft with bill of lading attached, or Hydro may treat the contract as terminated by Buyer with all rights and remedies available to Hydro under applicable law. In the event of default by Buyer, Buyer shall be liable for Hydro's cost of collection, including reasonable attorneys' and other expert fees and expenses, court costs, and any fees related to any insolvency proceeding involving Buyer.
- 3. INTEREST CHARGES: On accounts not paid within applicable terms, interest will be charged at the lesser of the maximum rate allowed by applicable law or 2% over the prime lending rate from time to time in effect at J.P. Morgan Chase & Co, New York, U.S.A. Such interest will be charged beginning on the first date applicable law permits and will be invoiced monthly.
- 4. TITLE, RISK, TRANSPORTATION: Hydro shall retain title to and ownership of the Goods until such Goods have been delivered as agreed with Buyer. Risk shall pass to Buyer in accordance with INCOTERMS 2010, DDP unless otherwise specified. Excess transportation charges assessed by carriers covering shipments requiring special equipment in handling or transporting or fuel surcharges will be charged to Buyer. Shipping weights shall be conclusively determined by Hydro unless Buyer objects within ten (10) business days and provides commercially reasonable documentation supporting an alternate weight, which Hydro may accept in its sole discretion.
- 5. PRICE INDICES: If any index used to determine the price of the Goods ceases to be available or, in the reasonable discretion of Hydro, ceases to represent an accurate assessment of the current market price for such Goods, the parties agree to promptly negotiate on a good faith basis a mutually satisfactory alternative price or reference. In the event the parties are unable to reach agreement as to the alternative, Hydro may elect to terminate its agreement with Buyer upon thirty (30) days prior written notice to Buyer.
- 6. DUTIES/FEES: Hydro has entered into its agreement with Buyer based upon the tariffs and other import and export duties associated with market for alloyed aluminum extrusion billet in effect as of the date of this instrument. In the event additional duties and/or fees are imposed upon Hydro by any governmental or regulatory authority which exceeds those fees/ duties in effect as of the current date, the parties agree to promptly negotiate on a good faith basis a mutually satisfactory alternative price reflective of the additional duties and/or fees. In the event the parties are unable to reach agreement as to the alternative, Hydro may elect to terminate its agreement with Buyer upon thirty (30) days prior written notice to Buyer.
- 7. TOLERANCES: Unless otherwise expressly provided, products furnished by Hydro are to be within Hydro's size, gauge, temper and finish limits of manufacture and subject to Hydro's standard tolerances for variations, including those in quantity. Hydro shall use commercially reasonable efforts to fill Buyer's Purchase Order ("PO") by the estimated shipping date, and so long as Hydro engages in such efforts, Buyer shall not be entitled to any damages relating to any PO not being filled by the estimated shipping date. Hydro may fill a PO through partial shipments, each of which may be separately invoiced.
- 8. TAXES: Unless otherwise expressly provided by law, Hydro may require Buyer to pay or to reimburse Hydro for any tax (except income tax) which now or hereafter may be imposed by any taxing authority in respect of the Goods or the sale, purchase, manufacture, delivery or use thereof.
- INSPECTION CHARGES: Where Buyer requires tests or inspection not regularly provided by Hydro, Hydro may charge Buyer for the actual cost of such tests or inspection.
- 10. LIMITED WARRANTY: Hydro warrants that the Goods shall be free from defects in materials and workmanship, except such defects as are commercially acceptable, and shall conform to specifications accepted by Hydro. Hydro's sole liability and Buyer's exclusive remedy for breach of the foregoing warranty is expressly limited, at Hydro's option, to the repair of defective products or the replacement thereof at the original point or the repayment of the purchase price. Any claim for breach of warranty is waived unless Buyer shall give Hydro written notice of such claim promptly after delivery of products and in no event later than ninety (90) days after delivery and shall give Hydro reasonable opportunity to investigate such claim and inspect the products. Replacement of defective products or repayment of the purchase price shall be made only upon return thereof after inspection by Hydro and Buyer's compliance with written shipping instructions from Hydro. The giving or failure to give any advice or recommendation by Hydro shall not constitute any warranty by nor impose any liability upon Hydro. REPLACEMENT OR REPAYMENT OF PURCHASE PRICE AS SET FORTH ABOVE CONSTITUTE ALL OF HYDRO'S OBLIGATIONS RESPECT TO THE GOODS AND EXCEPT AS SPECIFICALLY SET FORTH HEREIN HYDRO DISCLAIMS ANY AND ALL OTHER WARRANTIES, GUARANTEES OR CONDITIONS, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE GOODS, WHETHER ARISING UNDER STATUTE, LAW, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY FOR FITNESS OF PURPOSE, MERCHANTABILITY OR ANY WARRANTY ARISING FROM COURSE OF DEALING OR USAGE OF TRADE. THIS LIMITED WARRANTY IS NOT A WARRANTY OF FUTURE PERFORMANCE OR A STATEMENT OF THE USEFUL LIFE OF THE GOODS, BUT ONLY A WARRANTY FOR REPAIR OR REPLACEMENT. Hydro further expressly disclaims any responsibility or liabilities, including reasonable attorneys' and other expert fees and expenses, arising out of or relating to Buyer's end use of the Goods, third party claims relating to the Goods, or Buyer's breach of any obligations to Hydro.
- 11. LIMITATION OF LIABILITY: HYDRO'S TOTAL LIABILITY FOR ANY CLAIMS, DAMAGES OF ANY NATURE, LOSSES, LIABILITIES OR COSTS OR CORRECTIVE EFFORTS INCLUDING, BUT NOT LIMITED TO, THE LIMITED WARRANTY ARISING OUT OF OR RELATED TO THE GOODS SET FORTH HEREUNDER SHALL NOT EXCEED THE PURCHASE PRICE ACTUALLY PAID BY BUYER UNDER THE RELEVANT PURCHASE ORDER. HYDRO SHALL NOT HAVE ANY LIABILITY FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER; INCLUDING BUT NOT LIMITED TO LOST PROFITS OR PROPERTY DAMAGE WHETHER SUFFERED BY BUYER OR ANY THIRD PARTY. The provisions of Paragraphs 10,11, and 12 of these Terms and Conditions shall survive any termination of any agreement between Hydro and Buyer.
- 12. PATENT PROTECTION: Any work product and intellectual property relating to the manufacturing or process of the Goods shall remain the exclusive property of Hydro. Except for data customarily provided by Hydro for quality control purposes (which Buyer must keep confidential and use solely for such purposes), Hydro shall not be required to deliver any data or other information concerning its manufacturing processes. Hydro agrees to defend, indemnify and hold Buyer harmless against any claims or liabilities, including reasonable attorneys' and other expert fees and expenses, for or by reason of alleged infringement of any United States patent arising from the manufacture or sale of the Goods furnished Buyer hereunder, except where the specifications, process, design or method of manufacture of such product originated in Buyer in which event Buyer agrees to indemnify Hydro in like manner.

- 13. EXCUSABLE FAILURE OR DELAY: Neither Hydro nor Buyer shall be held responsible for the failure or delay in delivery or acceptance of Goods where such failure or delay is due to any Act of God, or the public enemy, war, compliance with law, governmental act or regulation (including, without limitation, delivery or performance under a Defense Priorities and Allocation System ("DPAS") related order), fire, flood, quarantine, embargo, pandemic, epidemic, unusually severe weather, strike, work stoppage, acts or omissions of carriers or other cause beyond the reasonable control or the party, but the party seeking to justify failure or delay shall promptly notify the other party of the reasons for any failure or delay in the delivery or acceptance together with a plan to address the same.
- COMPLIANCE WITH LAWS; GOVERNMENT CONTRACTS. Although Hydro shall comply with applicable laws at the location of its manufacture of the goods, it shall not be obligated to comply with any laws, ordinances, codes, orders, rules and regulations relating to the design, production, sale, or distribution of the end product into which the Goods are incorporated, nor any aspect of the Goods for which Hydro is not responsible, all of which shall be Buyer's responsibility. In addition, the parties shall be responsible for complying with and fulfilling their respective obligations, if any, as well as providing reasonable assistance to each other in meeting the other party's respective obligations under anti-bribery laws such as the Foreign Corrupt Practices Act ("FCPA"), export control laws such as the U.S. Department Of State International Traffic in Arms Regulations ("ITAR") and the U.S. Department of Commerce Export Administration Regulations ("EAR"), and national security laws and regulations such as those administered and enforced by the U.S. Department of Treasury Office of Foreign Assets Control Regulations ("OFAC"), as well related rules and regulations, each as amended from time to time, and similar Canadian legislation including, but not limited to, the Corruption of Foreign Public Officials Act, the Export Control List, and sanctions against various countries imposed under the United Nations Act or the Special Economic Measures Act, each as amended from time to time. Buyer acknowledges that Goods it purchases from Hydro are controlled by either the United States government or the Government of Canada, as applicable. The Goods may not be resold, transferred, or otherwise disposed of, either in their original form or after being incorporated into other items, to any other country or to any person other than customer, contrary to the law and regulations of the United States or Canada, as applicable. Buyer acknowledges and agrees that it has an obligation to notify Hydro in writing prior to or at the time of placing its PO if the Goods are (a) to be sold to or used by, or to be incorporated into products to be sold to or used by, (i) the federal government, or a state or local government, in the United States, or (ii) the federal government, or a provincial or local government in Canada, or (b) otherwise to be part of or governed by a government contract or subcontract, and under which circumstance the applicable contract or subcontract contains flow down provisions applicable to Hydro.
- 15. CONFIDENTIALITY, DATA PRIVACY, ASSIGNMENT: All of the terms and conditions and all information exchanged related in any way to this transaction shall be held in confidence by both parties and shall not be disclosed (a) without the prior written consent of both parties or (b) unless such disclosure is required by applicable law or by legal, judicial, administrative or regulatory process, provided that the disclosing Party, to the extent not prohibited by applicable law or the authority with jurisdiction over such process promptly notifies the non-disclosing Party so that it may, if it so elects, seek a protective order or other appropriate relief against. Under the circumstances described in clause (b) the disclosing Party shall, if requested, reasonably cooperate with and assist the non-disclosing Party in obtaining relief and in limiting any required disclosures. Buyer acknowledges and agrees that Hydro collects, uses, and processes personal information in accordance with Hydro's privacy policy, which is available at www.hydro.com/en/privacy/privacy-statement. Buyer hereby consents to Hydro's use of its email address for marketing purposes. Buyer may withdraw its consent at any time by submitting an email to dataprivacyNA@hydro.com. Neither party shall have the right to assign its rights hereunder without the consent of the other Party which consent shall not be unreasonable be withheld. The foregoing to the contrary notwithstanding, Hydro may assign some or all of its rights to Norsk Hydro ASA or any subsidiary thereof without the consent of Buyer. Subject to the foregoing, the provisions of this contract shall be binding upon and inure to the benefit of the parties' respective permitted successors and assigns.
- 16. TERMINATION AND DEFAULT. If either party believes the other is in default or breach of any duty or obligation, the party shall send written notice thereof to the remaining party. The defaulting party shall have ten (10) days after delivery of such notice to cure any monetary defaults and shall have twenty (20) days after delivery of such notice to cure any non-monetary defaults. Notwithstanding the foregoing, if a non-monetary default, by its nature, cannot reasonably be cured within such 20-day period, such period shall be extended so long as the defaulting party is diligently prosecuting such cure to completion. If the defaulting party fails to remedy the default within the foregoing cure periods, then the non-defaulting party may immediately terminate the contract upon written notice to the defaulting party and pursue any and all remedies available at law or in equity. To the extent it exercises these rights, Hydro may: (a) declare all amounts owing from Buyer immediately due and payable and demand cash payment with respect to all or part of any PO; (b) exercise any rights or remedies of a secured party under the Uniform Commercial Code with respect to any of Buyer's Goods in its possession; and (c) exercise any other remedy at law or equity to which Hydro is entitled under applicable law. Hydro, in its sole discretion, may immediately terminate any particular PO or contract immediately by written notice to Buyer, without liability or further obligation, if: (a) Buyer breaches its obligations and fails to cure this breach within the time period set forth in this section; (b) Buyer fails or refuses to furnish Hydro with such information and assurances as Hydro may reasonably request about the Goods, as well as Buyer's financial condition; or (c) to the extent permitted by law, in the event of (i) Buyer's insolvency or impairment of Buyer's financial condition (as determined by Hydro in its reasonable discretion), (ii) the filing of a voluntary or involuntary petition in bankruptcy by or against Buyer, (ii
- 17. CHOICE OF LAW AND JURISDICTION; LANGUAGE: The parties' contract shall be governed by the laws of the State of Maryland without regard to its contract of law principles. The parties further expressly exclude and waive the application of the United Nations Convention on Contracts for the International Sale of Goods (1980) ("Vienna Sales Convention"). The Parties agree that any dispute hereunder will be filed only in the Federal District Court of Maryland or, if such forum is not available, in the applicable state court located in Baltimore County, Maryland. The parties irrevocably consent to the jurisdiction of such courts for such disputes and waive, to the extent otherwise available, now or in the future, any defense of inconvenience of forum. Any Buyer who is a resident of Quebec agrees that it is such Buyer's desire that these terms and conditions, along with all agreements and all other documents relating thereto, be written in the English language only. Chaque client résident du Québec confirme qu'il est de sa volonté que la présente, de même que toutes les ententes et tous les autres documents s'y rattachant, soient rédigés en anglais seulement.
- 18. ENTIRE AGREEMENT, MODIFICATION AND SEVERABILITY, THIRD PARTIES: These terms and conditions of sale, together with any writing signed by Hydro to which they may be appended, constitute the entire agreement between the parties relating to the subject matter hereof and any prior agreements, whether verbal or written, have been superseded, merged, and integrated herein. The headings contained in these terms and conditions or any other written instrument are for convenience only and do not constitute a part of any agreement between the parties. Any modification or amendments may only be made by a written instrument signed by both parties. The invalidity, in whole or in part, of any provision in these terms and conditions or any written instrument signed by Hydro to which they may be appended will not affect the remainder of such provision or any other provision. Nothing associated with these terms and conditions or any other agreement between the parties shall be deemed to create a joint venture or otherwise empower Buyer to in any way whatsoever bind or make a commitment on behalf of Hydro. Nothing contained herein shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of the agreement between Buyer and Hydro.
- 19. ELECTRONIC COMMUNICATIONS. Hydro and Buyer may facilitate transmission of any writings required by electronic communication such as electronic mail or facsimile provided the same are delivered to the destination identified, and in the manner specified, by the other party. Any change in such manner or destination must be communicated in writing to the other party at least ten (10) business days prior to the effectiveness of such change or the transmitting party may continue to rely upon the same as satisfaction of its obligations. Any change or documentation requiring that it be signed by Hydro must bear the signature (either a scanned wet signature or a commercially verifiable electronic signature) of an individual with requisite corporate authority to bind Hydro.