

GENERAL TERMS AND CONDITIONS

These Terms and Conditions shall govern any sales transactions between Colonial Metal Products Inc (CMP) and any buyer of goods from CMP (a "Purchaser"). These Terms and Conditions shall be deemed an essential part of every Quotation issued by CMP and every Acknowledgment issued by CMP. These Terms and Conditions supersede for all purposes all prior correspondence, Purchaser's order to CMP, any past or future order by Purchaser, and any other agreement by any agent of either party respecting the goods sold by CMP to Purchaser. Purchaser accepts these terms and conditions by the placement of an order or by accepting delivery of the goods. Purchaser's acceptance of these terms and conditions will form the contract between the Parties (the "Contract"). No addition to, or other modification of, these terms and conditions (including any attempted modification by Purchaser through Purchaser's order or other document) shall be binding on CMP unless it is in writing and executed by a duly authorized officer of both CMP and Purchaser. CMP hereby expressly objects to, rejects and will not be bound by any terms and conditions in Purchaser's order or any other document, which are in conflict with or in addition to the terms and conditions herein. Shipment by CMP of the goods whether after the receipt of Purchaser's order or otherwise, shall not constitute an acceptance of the terms and conditions of Purchaser, as CMP rejects any and all terms and conditions of Purchaser.

1. Price Quotations. All prices indicated on any Quotation by CMP are subject to change without advance notice prior to CMP's receipt of a firm order from Purchaser and written Acknowledgment by CMP. Unless otherwise stated in the Quotation, all purchase prices are exclusive of any applicable excise, sales, use or other taxes or import, export or customs fees or duties, or surcharges which may be imposed on the sale or delivery of the goods. All such taxes, and charges, when applicable will be charged to, and are payable by, Purchaser. CMP may charge interest on late payments at a monthly rate of 1.5%.

2. Purchase Orders. Purchaser's order must specify the quantities requested. Otherwise, quantities specified by CMP in its Quotation, or if none, in its Acknowledgment form, shall govern. All sales on an open Purchase order must be completed within 90 days from the date of the Purchase order unless otherwise specified on CMP's Acknowledgment. All open Purchase orders must provide CMP with forecasts of estimated quantities of the goods and an estimated date of delivery. CMP shall have no responsibility for supply of goods in amounts which vary in excess of ten percent (10%) from Purchaser's forecast. Once received by CMP, a Purchaser's order and/or release may not be modified, cancelled or otherwise altered without CMP's written consent. Any such modification, cancellation or alteration may be subject to cancellation charges or otherwise to conditions as negotiated at such time, which shall protect CMP against any damages or losses resulting therefrom.

3. Acknowledgment. CMP's obligation to sell goods to Purchaser shall become binding only upon written Acknowledgment of Purchaser's order, subject to these Terms and Conditions and such additional conditions as may be contained in CMP's Acknowledgment. CMP's Acknowledgment may be withheld or modified by reason of product availability, mill lead times, available transportation or other constraints. Purchaser's failure to object in writing within

twenty four hours to the terms of CMP's Acknowledgment renders those terms final. In the event Purchaser does object, CMP reserves the right to reject Purchaser's order completely.

4. Title and Risk of Loss. Unless otherwise indicated on the Acknowledgment, all deliveries are F.O.B. CMP's shipping facility. Neither freight charges nor tax is subject to any discount. Risk of loss shall pass upon delivery to Purchaser's carrier at CMP's shipping facility. Any loss or damage in transit shall be borne by Purchaser, and claims shall be made directly with the carrier. Notwithstanding the foregoing however, until the purchase price and all other applicable costs and expenses are paid in full, CMP reserves a purchase money security interest in the goods and the proceeds therefrom, and CMP thereby possesses the rights of a secured party under the Uniform Commercial Code. Upon CMP's request, Purchaser agrees to execute all necessary financing statements and other documents evidencing this security interest with the appropriate state and local authorities. CMP is entitled to reasonable access to Purchaser's place of business as necessary to exercise its remedies as a secured party.

5. Delivery. All delivery times are calculated from the date of CMP's receipt of a firm order or release from Purchaser. Purchaser is expected to take delivery of the goods at CMP's shipping facility within 15 business days after the date Purchaser is notified of the availability of goods. Failure to take delivery on time will subject Purchaser to (a) reasonable storage fees, or (b) CMP's right to sell the goods to other customers, unless there is a mutually agreed upon written extension. Notwithstanding the foregoing, CMP reserves the right to ship without further notification, and at the Purchaser's expense, at any time after the 15 day period. If the purchase is made pursuant to an open Purchase order, Purchaser must specify the quantity released. CMP shall endeavor to meet the delivery schedule requested by Purchaser, provided however, that Purchaser shall give CMP sufficient notice. CMP will not be obligated to release to ship the goods if sufficient notice of quantities and instructions are not given; if the quantity of the goods is disproportionate to the scheduled quantities; if the quantity exceeds estimates provided by Purchaser to which CMP has agreed in writing; or in CMP's sole judgment, the quantity is disproportionate to the total quantity stated in the Contract or is more than ten percent (10%) of the estimated or forecasted quantities provided in Purchaser's order. The reasonableness of notice shall be determined by CMP based on availability of the goods and delivery capability and CMP's other commitments. All shipping dates (including firm shipping dates) may change as a result of circumstances over which CMP has no control, for example, extended mill lead times, or transportation constraints.

7. Transportation Cost. Unless specifically referenced in the Quotation, this contract is based on Purchaser arranging for shipment from CMP's shipping facility. In the event CMP agrees to arrange and prepay the shipment of product from its shipping facility, this Agreement shall be subject to Purchaser's payment of present freight rates and is subject to all present and future surcharges. If applicable, freight rates are also subject to future tariffs, fuel surcharge, import and export duties, border taxes and similar imposts, and taxes which shall be solely at the cost and risk of Purchaser. If any such rates or charges are included in the Quotation price (whether shown as a separate charge or not) and shall be increased pending delivery, Purchaser shall pay such increased rates or charges in addition to the Quotation price of the contract. CMP may require that Purchaser prepay transportation costs before such arrangements are made by CMP.

8. Inspection>Returns. All claims for rejected goods will be handled in accordance with CMP's Quality Assurance and Claims Policy, a copy of which is attached to the end of these Terms and Conditions.

9. Credit. Purchaser's order is subject to the limit of Purchaser's credit determinable at any time and from time to time by CMP, affecting the whole or any unfulfilled portion of this contract. CMP, in its sole opinion, may at any time, modify or cancel the credit of Purchaser both as to time and amount, and may demand payment in cash before shipment or delivery of the whole or any part of the goods without affecting the obligation of Purchaser to complete the contract. Failure of the Purchaser to make any such payment after demand, may, at option of CMP, be deemed a default of the entire contract.

10. Default and Purchaser's Impairment. CMP may delay shipment, reduce quantities shipped, or terminate the Contract if (i) Purchaser fails to make any payment promptly when due or otherwise fails to comply with the Contract or CMP's standard credit terms, (ii) Purchaser ceases to conduct its operations in a normal course of business, (iii) Purchaser is or becomes unable to pay its obligations as they mature, (iv) any proceeding under the Bankruptcy Code or any other insolvency laws is brought by or against Purchaser, (v) a receiver for Purchaser is appointed or an application for a receiver is filed, (vi) Purchaser makes an assignment for the benefit of creditors, or (vii) Purchaser fails to provide adequate assurance of future performance within thirty (30) days after demand by CMP, which shall be construed as a repudiation by Purchaser of the unperformed portion of the Contract. In the event of such termination or reduction in the quantities shipped, Purchaser shall be liable to CMP for any and all damages sustained by CMP as a result of the defaults which gave rise to the termination or reduction in the quantities of shipment.

11. Waiver of Setoff. Purchaser shall have no right to setoff money owed by CMP to Purchaser against sums owed by Purchaser to CMP without first obtaining CMP's written consent to setoff.

12. Warranty/Claims. Subject to standard manufacturing variations, CMP warrants that the goods will conform in all material respects to the description and specification of the goods set forth on the face of the Quotation (the "Warranty"). Purchaser acknowledges and agrees that as a steel service business, CMP does not have full control of all steel manufacturing processes and that all goods shall be subject to tolerances and variations consistent with usages of the trade and published industry standards concerning dimension, weight, straightness, section, composition and mechanical properties, normal variations in surface, internal conditions and quality, deviations from tolerances and variations consistent with practical testing and inspection methods, and regular mill practices concerning over and under shipments. It is Purchaser's responsibility to determine whether the Purchase order specification is adequate for its intended use. THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THESE WARRANTIES AND CMP EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

13. Warranty Remedies. No claim for damages on account of the breach of the Warranty shall be allowed unless CMP is first given notice after delivery of the goods and allowed an opportunity to inspect the goods. In the event any goods fail to comply with the Warranty, Purchaser may return the defective goods to CMP at CMP's discretion. Should Purchaser have a claim for damages for non-conformance or otherwise, in accordance with this section, Purchaser shall not return, repair, or replace the product without first obtaining written consent from CMP. Purchaser's sole and exclusive remedy for the non-conformance of any good with the Warranty shall be, at CMP's election, (i) CMP repairs or corrects the non-conformance or defect consistent with CMP's Quality Policy, (ii) CMP furnishes Purchaser, without charge and FOB the Purchaser's facility, with a replacement for the non-conforming or defective good, or (iii) CMP reimburses Purchaser for the purchase price of the non-conforming good. In no event shall CMP be liable for any other damages of any type whatsoever, including but not limited to incidental, punitive, consequential or other types of damages. CMP shall not be liable for defects caused by abuse or misuse of its goods. Failure to submit a claim for a breach of Warranty within 90 days of the delivery of the goods shall be conclusive proof that the goods are as warranted and shall release CMP from any and all liability with respect thereto.

All claims for nonconformance or defect will be handled in accordance with the Quality Policy. In the event of a conflict between the terms of this Section 13 and the Quality Policy, the terms of this section shall govern. Purchaser further acknowledges that any warranty contained herein shall be void and null, and Purchaser cancels any rights under this Agreement whatsoever, in the event Purchaser fails to adhere to the requirements of the Material Storage and Handling Guidelines, contained as an appendix to the Quality Policy.

14. Limitation of Liability. Purchaser acknowledges that the price of the goods is predicated on the enforceability of the following limitation of liability, that the price would be substantially higher if CMP could not limit its liability as herein provided and that Purchaser accepts this limitation of liability in exchange for a lower price: EXCEPT FOR CMP'S DIRECT COSTS IN REPAIRING, CORRECTING OR REPLACING ANY NON-CONFORMING GOODS, CMP SHALL NOT BE LIABLE FOR ANY OTHER EXPENSE CONNECTED WITH THE REPAIR, CORRECTION OR REPLACEMENT OF ANY GOODS. WITH RESPECT TO ANY CLAIM UNDER THE CONTRACT, IN NO EVENT SHALL CMP BE LIABLE TO PURCHASER FOR ANY DAMAGES WHATSOEVER IN EXCESS OF THE ACTUAL PRICE PAID TO CMP. CMP SHALL HAVE NO LIABILITY TO PURCHASER FOR LOST PROFITS, LOSS OF PRODUCT, LOSS OF USE OF EQUIPMENT, INTERRUPTION OF BUSINESS, COST OF CAPITAL, COST OF DOWNTIME, LOST OPPORTUNITIES, FAILURE TO DETECT ANY FLAW IN THE SUBJECT MATTER OF A TEST, CLAIMS OF PURCHASER'S CUSTOMERS OR ANY SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES OF ANY KIND WHETHER ARISING IN CONTRACT, TORT, PRODUCT LIABILITY OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOST PROFITS, LOSS OF PRODUCT, INTERRUPTION OF BUSINESS, LOSS OF OPPORTUNITIES, OR ANY OTHER DAMAGES. This limitation of liability may not be altered except by an agreement in writing signed by a duly authorized officer of CMP. If Purchaser is supplying CMP's goods to a third party, Purchaser shall require the third party to agree to be bound by this Section. If Purchaser does not obtain this agreement for CMP's benefit,

Purchaser shall indemnify, defend and hold CMP harmless from and against any and all claims made by the third party in excess of the limitations and exclusions of this article and shall pay all costs and expenses associated therewith, including, without limitation, attorney fees.

15. Applicable Law. The Contract shall be deemed to have been entered into the Commonwealth of Pennsylvania, and Pennsylvania law shall govern any disputes between the parties to this Agreement. Purchaser agrees and submits to the exclusive jurisdiction of the state courts of Mercer County, Pennsylvania for resolution of any disputes arising hereunder. Purchaser waives any objection based upon forum non conveniens or any objections to venue of any such action.

16. Force Majeure or Other Excuse. The supply, shipment and delivery of the goods are subject to, and CMP shall not be liable for any delay in or impairment of performance resulting in whole or in part from, any war (whether or not declared), act of terrorism, strike, difference with workmen, accident, fire, flood, acts of God, delay in transportation, shortage of materials, equipment breakdowns, laws, regulations, orders or acts of any governmental agency or body or any cause beyond the reasonable control of CMP, or if performance by CMP becomes impracticable due to the occurrence of a contingency, the non-occurrence of which was a basic assumption on which the sale was made, basic assumptions of every CMP contract include, but are not limited to, availability of raw material, accurate forecasting and timely releases of material. In any such event, CMP shall have such additional time to perform as may be reasonably necessary and shall have the right to apportion its production among its Purchasers in such manner as it deems equitable.

17. Statutes of Limitation. Any action against CMP based on CMP's alleged breach of its obligations hereunder must be commenced within one (1) year after the cause of action has accrued.

18. Assignment. Purchaser shall not assign any of its rights, or delegate any of its duties, under these terms and conditions without the prior written consent of CMP, and any attempt to do so shall be void.

19. Entire Agreement. Purchaser's order, subject to these Terms and Conditions and the terms of CMP's Acknowledgment, shall constitute the entire agreement between CMP and Purchaser for sale of the goods or services specified on the Quotation, superseding all other agreements between CMP and Purchaser respecting the transaction contemplated herein, whether written or oral, including, but not limited to, any documents, correspondence, brochures, advertisements or other memoranda respecting the goods.

Quality Assurance and Claims Policy (“Quality Policy”)

Colonial Metal Products, Inc., is proud of its reputation to provide quality products and services on time to our customers. The material we supply will meet the specifications of your written purchase order. If specific requirements are not provided on the purchase order and specifically agreed to by CMP, industry ASTM standards will apply.

If there is an issue with material supplied by CMP, our goal is to resolve a claim within 30 days from receipt of the claim, although CMP does not warrant or guarantee that such a time period is possible.

All claims must be made in writing, and no claim will be considered if it is submitted more than 90 days after the material ship date. Purchaser specifically agrees that it waives any and all claims for liability whatsoever that have not been made to CMP in writing within 90 days of shipment from CMP’s facility.

For best resolution of any claims, fill out the Customer Claim Notification (F-0314) on this website and send it promptly to the CMP Customer Service Representative. If there are any problems or questions with this process, contact your CMP Customer Service Representative.

If they have not been supplied with the claim, CMP may require a Purchaser to provide tag identification number(s) with individual mult identification number along with pictures and/or samples. These other items must be provided if requested by CMP to assist in the determination of the root cause of the problem. If Purchaser fails or refuses to provide pictures and/or samples upon request of CMP, Purchaser hereby waives any and all claims of liability against CMP.

Rejected material must be quarantined until written notification is provided by CMP as to the disposition of the material. CMP reserves the right to scrap, rework or resale the rejected material.

A claim that an order has been rejected does not affect the applicability of the terms and conditions outlined above, or the terms of the Quality Policy contained herein. Purchaser must not issue debits or take deductions until claims have been investigated and a final resolution has been determined. If CMP determines that a claim is valid, a credit will be issued by CMP to the Purchaser for any accepted claims. Unilaterally applying a credit without the express written consent of CMP, will result in Purchaser’s default as per the terms and conditions.

Purchaser further agrees to adhere to the Material Handling and Storage Guidelines provided below. In the event Purchaser fails to adhere to these guidelines, Purchaser agrees that any and all warranties, claims, or other bases of liability shall be deemed null and void, and any remedies allowed by the terms and conditions, applicable law, or otherwise, are waived.

Material Handling and Storage Guidelines

1. When material is received by customers, it must be inspected for damage that may have occurred in transit (such as tears, forklift damage, broken pallets, etc.). If damage is detected, notation must be made on incoming transportation paperwork.
2. During storage, material must be kept in the original packaging to protect the material from moisture and prevent rust.
3. Material must be kept in a clean, dry area at a constant temperature.
4. If material is partially used, unused material must be re-wrapped in the rust resistant bags, if provided.
5. Stock must be rotated. Maximum shelf life is 6 months.