

Specialty Metals Processing, Inc.- Limited Warranty Information

I. Terms & Conditions:

- (a) SMP warrants to the customer that upon the date of shipment of Customer's Product from the SMP facility, such product will be free of defects with respect to SMP's workmanship on the Product and shall materially conform to the specifications set forth in the applicable Quotation at the time of delivery. SMP will process Product as specified by Customer's Purchase Only. Commercial standards will apply (1) except as hereinafter provided, or (2) unless SMP has received, reviewed and acknowledged in writing acceptance of Customer's own specified tolerances and standards.
- (b) In the event of any nonconformity of processing with the foregoing, SMP's sole responsibility shall be, **at its sole option and expense** (including the expense of freight): (1) to use reasonable efforts to remedy the nonconformity at no additional expense to Customer to rework the Product to remove any defects in SMP's workmanship, or (2) to credit the customer's account for replacement cost of the Product, without interest, upon Customer's transfer of title to the Product to SMP. SMP will make every attempt to get the material corrected as fast as possible and return to the Customer. **Customer agrees to accept the reworked material if it can be demonstrated that it meets their specifications.** If SMP decides not to freight the material back to its facility, and allows the customer to keep the material, then the current scrap price for that material will be discounted from the credit. (3) If material is salvageable but needs to be reworked by another processor, than we shall either pay for the cost of the rework or credit the customer's account, including freight costs. SMP has the right to get up to 3 quotes from outside processors and has the sole discretion to select the third party processor.
- (c) "Replacement cost" shall mean the lower of Customer's cost of the Product or the Product's fair market value at the time the material becomes available to be reworked. All warranty claims must be in writing along with any supporting documents that prove SMP to be at fault, and submitted by Customer to SMP no later than 60 calendar days from the date that the Product was first shipped from SMP facility. ("Warranty Term"). **Any material that was processed longer than 60 days will not be warrantied.**
- (d) If the material in question has been scrapped without prior permission from SMP, and unavailable for inspection, SMP is not held liable for scrapped parts. Bad parts must be documented, photographed, tags kept and parts available for inspection, in order to verify the legitimacy of the claim. Any scrapped parts or parts without proper identification cannot be accepted as a valid claim.
- (e) A credit will be immediately issued to the customer, once a claim is accepted by an Executive employee of SMP and their account will reflect this credit once material is transferred to SMP. SMP does not give cash back but will credit the customer's account and allow the customer to place processing orders against the credit.
- (f) Unless otherwise specified by Customer, all shipments will be packaged in our standard manner to be protected against normal handling and freight. SMP is not responsible for any damage to Customers property during transit. If material is returned and has incurred freight damage, SMP is not responsible for such damage or to rework such damage. If material returned by the customer to SMP is not properly packaged and further damage results that cannot be corrected, it will invalidate the claim. Any additional processing in order to correct freight damage will be at the customer's expense.

- (g) SMP will not be responsible for any claims if the material in question has been further processed or fabricated. All finishes must be inspected and approved by the customer /end-user prior to further processing. SMP will not be held responsible for any fabricated parts that do not meet the customers finish specification.
- (h) Skids or coils that have not been opened and inspected by the customer are not eligible for a claim. A minimum of 10% of each skid or coil must be inspected by the customer in order to validate a claim.
- (i) If after inspection by SMP, it is determined that the claim is invalid, SMP will charge the customer for the inspection, reapplying pvc, packaging of the material in question, any additional processing from a third party and any freight that SMP may have paid. Customer agrees to accept the material back if it can be shown the complaint is invalid.
- (j) SMP provides a 90 day grace period during which storage fees will not be charged. If material is not processed within 90 days after receipt, then the material stored will incur storage charges. SMP gives customers another 30 grace period during which storage fees are not charged after material has been processed. Any material still at our facility after 30 days of processing, will incur storage fees. All non-conforming coils will incur storage fees if still in our facility after 30 days of processing.

II. Limitation of Warranty: In no event will SMP, its Officers or Employees be liable for (a) consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including lost profit or opportunity costs), regardless of the form of action, damage, claim, liability, cost, expenses, or loss, whether in contract, statute, tort, (including negligence), or otherwise. (b) any actions, damages, claims, liabilities, cost expenses, or losses in any way arising out of or relating to these terms and conditions for an aggregate amount in excess of the fees set forth in the invoice for the products giving rise to liability.

The warranty given under Limited Warranty I shall not apply:

- (a) If Customer does not present a claim for breach of warranty by the end of the Warranty Term (60 days)
- (b) If Customer is in default of any of its obligations to SMP, including payment of any amount due hereunder or otherwise.
- (c) If the Product is secondary Product * (i.e. Product that does not have written mill certification as "Prime")
- (d) If the Product is a 25 gauge or lighter.*
- (e) On bottom side finishing (scotch-briting ™ or polished back pass)on any coil, sheet or plate.*
*Product as all three of the foregoing are run on a "reasonable efforts" basis and Customer agrees to accept "as is."
- (f) If the Product is aluminum or any material that can rust, or corrode and Customer does not have it processed within 72 hours of its delivery, picked up within 72 hrs. of processing, or found to be water stained after the date shipped from SMP's facility. SMP is not a climate controlled facility and will not be responsible for material experiencing water damage or rust on such material that is warehoused in our facility due to normal moisture exposure.
- (g) If the yield loss does not exceed at least 3% of the incoming coil weigh or If more than 10% of the coil has been processed without authorization from SMP.
- (i) Any material left in our warehouse over one year, is at the risk of the Customer.

III. Disclaimer of Warranties and Limitation of Losses:

THE WARRANTY SET FORTH IN PARAGRAPH I (AS LIMITED BY PARAGRAPH II) IS IN LIEU OF ALL OTHER WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED AND/OR STATUTORY, AND ALL SUCH OTHER WARRANTIES, INCLUDING BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ARE HEREBY DISCLAIMED. IN NO EVENT SHALL SMP BE LIABLE FOR LOSS OR DAMAGES, WHETHER DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL, REGARDLESS OF THE LEGAL THEORY ASSERTED, WHETHER NEGLIGENCE, WARRANTY, STRICT LIABILITY OR OTHERWISE EXCEPT AS SPECIFICALLY PROVIDED IN PARAGRAPH I.

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I hereby acknowledge and accept the terms outlined above.

Company Name

Customer Signature

Date