

Scrap Management Purchase Order Terms & Conditions

The Purchase Order Form, these Purchase Order Terms and Conditions, and any attachments hereto (collectively, the "Purchase Order") are the exclusive terms and conditions for the delivery of specified goods or materials by the named seller ("Seller") for the benefit of Scrap Management ("SM").

1. **ACKNOWLEDGMENT AND ACCEPTANCE OF PURCHASE ORDER BY SELLER.** (a) Upon acceptance of this Purchaser Order by Seller as set forth herein, Seller shall be bound by the terms and conditions contained herein. This Purchase Order is deemed accepted by Seller upon the earlier to occur of the following: (1) Seller's indication of acceptance; or (2) the Purchaser Order Form is sent to Seller and Seller does not object in writing to any of the terms and conditions contained herein within two (2) business days; or (3) Seller's shipment of the goods described on the Purchase Order Form; or (4) Seller's delivery of said goods for SM's account.

2. **SET OFF.** In the event of any breach, partial or total non-performance hereunder by Seller, SM may set-off or withhold any monies otherwise due to Seller (i) under this Purchase Order; or (ii) under any other agreement or contract with SM; or (iii) by operation of law. In such event, SM, in its discretion, may recover the difference between the Purchase Order price and market value for the goods specified herein. This provision does not limit or exclude any other remedies available to SM under applicable law or this Purchase Order.

3. **INVOICES.** Seller shall send SM invoices by mail to the address listed on the front of this Purchase Order Form, by fax to the address to the number listed on the Purchase Order Form or by email to the address(es) stated on the Purchase Order Form. Seller shall provide one invoice for each purchase order per shipment and shall not send SM an invoice prior to making shipment. Invoices must bear SM's Purchase Order Form number for Seller to receive consideration for payment. Discounted invoices will be paid in accordance with the terms stated on this Purchase Order.

4. **SHIPPING.** All shipments shall comply with the "PICTURE REQUIREMENTS" stated on this Purchase Order.

5. EXTRA CHARGES. No extra or additional charges of any kind, including but not limited to, charges for shipping, handling, packaging, or insurance will be allowed unless specifically stated on this Purchase Order.

6. TIMELINESS. Time is of the essence with respect to Seller's delivery and/or performance under this Purchase Order. SM may, at its option, and without limiting its other rights or remedies, cancel all or any unfilled part of this Purchase Order if shipment is not made within the number of days specified on the Purchase Order Form. SM may, at its discretion, charge Seller for any loss or expense incurred as the result of Seller's failure to make timely shipment.

7. ACCEPTANCE OF GOODS BY SM: Delivery of the goods will be deemed to be complete only when delivered pursuant to a valid Purchase Order and when actually received by SM at the destination specified in this Purchaser Order. In addition to all other rights and remedies provided by law, SM reserves the right to reject and return to Seller for full refund and at Seller's expense, all or a portion of over or under weight shipments and all goods that are in SM's discretion do not conform to SM's exact specifications and requirements. All goods furnished under this Purchase Order shall be subject to SM's right of inspection, test, and approval or rejection prior to or after delivery and/or performance by Seller. SM shall have up to three (3) months following delivery of goods to reject for nonconformance. Payment by SM shall not constitute an acceptance, waiver, or approval of any nonconforming goods, nor shall it affect the right of SM to later reject all or a portion of the goods or make a claim for damages, for reasons including defect, breach of warranty, late delivery, or breach or non-compliance with any of the terms and conditions contained in this Purchase Order. All goods furnished under this Purchase Order shall not contain any contaminants, such as moisture, dirt, oil, or any other foreign material, unless otherwise specified on this Purchase Order.

Notwithstanding the foregoing, SM may, at its discretion, reduce the purchase price stated on this Purchase Order for: (1) goods shipped under the weight specified herein; or (2) contaminated goods; or (3) improperly packaged goods. This Section shall survive termination of this Purchase Order.

8. RISK OF LOSS. Title and risk of loss for the goods subject to this Purchase Order remain with Seller until such goods have been delivered to SM at the destination specified in this Purchaser Order and accepted by SM as specified in Section 7.

9. TERMINATION/FORCE MAJEURE. SM may cancel this Purchase Order in whole or in part or change the specifications at any time prior to delivery of goods to SM as set forth on the Purchase Order Form. SM and Seller shall not be responsible for any damages whatsoever under this Purchase Order arising from "Acts of G-d" (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (regardless of whether war is declared), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities, nationalisation, government sanction, blockage, embargo, labor dispute, strike, lockout or interruption or failure of electricity or telephone service. If a party asserts Force Majeure as an excuse for failure to perform the party's obligation, then the nonperforming party must prove that the party took reasonable steps to minimize delay or damages caused by foreseeable events, that the party substantially fulfilled all non-excused obligations, and that the other party was timely notified of the likelihood or actual occurrence of an event described herein.

10. WARRANTIES. SELLER HEREBY WARRANTS THAT THE GOODS FURNISHED HEREUNDER SHALL BE OF MERCHANTABLE QUALITY AND FIT FOR SM'S PURPOSES AND THAT THEY SHALL CONFORM WITH SM'S INSTRUCTIONS AND SPECIFICATIONS PROVIDED HEREIN. THE SELLER FURTHER WARRANTS THAT THE GOODS SHALL CONFORM TO ALL REPRESENTATIONS, AFFIRMATIONS, DESCRIPTIONS OR SAMPLES FORMING THE BASIS FOR THIS PURCHASE ORDER. SUCH WARRANTIES SHALL BE IN ADDITION TO ANY WARRANTIES OF ADDITIONAL SCOPE GIVEN BY THE SELLER TO SM. THE SELLER ALSO WARRANTS THAT IT HAS ABSOLUTE TITLE TO AND FULL RIGHTS TO DISPOSE OF THE GOODS IT INTENDS TO FURNISH UNDER THIS PURCHASE ORDER, AND THAT THERE ARE NO LIENS OR ENCUMBRANCES OF ANY

KIND AGAINST SAID GOODS. ANY RETURNS OF DEFECTIVE GOODS SHALL BE FREIGHT COLLECT TO SELLER. SELLER FURTHER WARRANTS THAT ALL GOODS FURNISHED UNDER THIS PURCHASE ORDER COMPLY WITH ALL APPLICABLE FEDERAL AND STATE LAWS AND THE RULES, REGULATIONS, GUIDELINES, ORDERS, AND STANDARDS THEREUNDER.

11. INDEMNIFICATION. To the fullest extent permitted by law, Seller shall defend, indemnify and hold harmless SM, its employees, officers, trustees, and/or agents from and against any and all liabilities, claims, damages, losses, suits, proceedings, investigations, actions, causes of actions, obligations, costs, and expenses, including but not limited to legal expenses and attorneys' fees, arising out of or resulting from: (i) breach of any term or provision of this Purchase Order, including without limitation, the representation and warranties and the provisions relating to hazardous substances as set forth in Section 12; (ii) violation of applicable law; (iii) performance or nonperformance by Seller in connection with this Purchase Order; (iv) infringement of any intellectual or other proprietary right of any third party; (v) the goods supplied by Seller under this Purchase Order; or (vi) Seller's negligent acts or omissions or intentional misconduct. This indemnification shall be in addition to the warranty obligations of Seller set forth in Section 10. This Section shall survive termination of this Purchase Order.

12. HAZARDOUS SUBSTANCE. Seller warrants and represents that any goods transferred or to be transferred to SM is not and does not contain any "hazardous substance" as defined under 42 U.S.C. Section 9601(14). In the event SM incurs any liability or obligation because of a breach of said warranty and representation, Seller agrees to indemnify and hold SM harmless from all such liabilities and obligations. Nothing set forth herein shall constitute a waiver by SM of any rights under the law or pursuant to any written or oral agreements that SM may have against any third parties or government entities.

13. CONFIDENTIALITY. All information conveyed by SM to Seller regarding SM's business, prices, costs, discounts, customers and distributors, purchasers of Seller's goods, trade secrets, and know-

how and concepts used by SM, is proprietary and confidential (“Confidential Information”). Seller agrees that it will not use or disclose any such Confidential Information to others and will advise its employees and agents of the confidentiality of such Confidential Information and take all other steps necessary to protect SM’s Confidential Information. SELLER AGREES THAT SM IS WITHOUT REMEDY AT LAW TO ENFORCE THE CONFIDENTIALITY PROVISIONS OF THIS PURCHASE ORDER AND, AS SUCH, THE EMPLOYEE AGREES THAT SM MAY ENFORCE THESE PROVISIONS THROUGH INJUNCTIVE RELIEF WITHOUT THE NECESSITY OF POSTING A BOND. This Section shall survive termination of this Purchase Order.

14. SOLICITATION PROHIBITED. During the term of SM's relationship with Seller, whether or not subject to this or any other Purchase Order, and for a period of twenty-four (24) months thereafter, Seller shall not, directly or indirectly, (i) solicit, attempt to solicit, attempt in any manner to sell goods to customers of SM where (a) such customers became first known to Seller through SM, or (b) the customer information was first tendered to the Seller by SM ("Customers") or (ii) by-pass, compete, avoid, circumvent, attempt to circumvent or contact in any manner such Customers regarding the sale of goods. In the event Seller breaches this Section, SM shall be entitled to recover as liquidated damages 15% of all revenue earned by Seller for sales and/or purchases performed in violation of this Section during the twenty-four (24) month period commencing from the date the first sale or purchase occurs together with any and all expenses incurred by SM, including without limitation attorneys’ fees, in enforcing this provision. This Section shall survive termination of this Purchase Order.

15. WEIGHT. SM’s determination of weights via Third-Party Certified Scale Ticket(s), China Port Scale Ticket(s), Certified Scale Ticket(s) obtained in China or any other third-party designated by SM shall govern for all goods shipped under this Purchase Order in the event of breach by either party to this Purchase Order.

16. GOVERNING LAW AND VENUE. This Purchase Order shall be governed and construed according to the laws of the State of New York without regard to principles of conflicts of law. Any and

all actions or proceedings involving this Purchase Order may not be submitted to arbitration unless specifically agreed thereto in writing by SM, but must instead only be heard in the State Courts of New York, with venue to be established in Kings County, which courts will have exclusive jurisdiction for such purposes. THE PARTIES WAIVE ALL RIGHTS TO A JURY TRIAL FOR ANY AND ALL CAUSES OF ACTION BROUGHT UNDER THIS PURCHASE ORDER.

17. ATTORNEYS' FEES AND COSTS. The prevailing party to any action brought under this purchase order shall be entitled to its reasonable attorneys' fees and costs.

18. ENFORCEABILITY. If any provision of this Purchase Order is determined to be unenforceable, invalid, or void, in any respect, the remaining provisions shall remain in full force and effect.

19. TERM AND TERMINATION. The term of this Purchase Order shall be thirty (30) days from the effective date as set forth in Section "1" above. Either party may terminate this Purchase Order at any time by giving the other party at least five (5) days written notice of such termination prior to delivery of goods as set forth on the Purchase Order Form.

20. MERGER CLAUSE. No deletion, addition, or amendment of this Purchase Order whether contained in Seller's acknowledgment, invoice, packing list, delivery slip, or any other communication is binding without SM's express written approval. The parties further agree that this Purchase Order contains the entire agreement between the parties and supersedes any prior written and oral agreements.