

HYSON GENERAL TERMS AND CONDITIONS OF SALE

1. **General:** For sales made by the Hyson brand's United States operations, "Seller" shall mean Barnes Group Inc. through its Hyson brand. For sales made by the Hyson brand's Mexico and Canada operations, the Seller shall be as follows: for the Hyson brand in Monterrey, Mexico the Seller shall be A.S. Monterrey S. de RL de C.V.; for the Hyson brand in Puebla, the Seller shall be Associated Spring Mexico, S. de R.L. de C.V.; for the Hyson brand in Canada, the Seller shall be Barnes Group Canada Corp. "Buyer" shall mean the company noted on the purchase order as buying the goods or services. With respect to goods or services purchased by Buyer from Seller ("Goods"), no contract exists until Buyer places an order for delivery and such order is accepted by Seller's acknowledging receipt of the order, by Seller's commencement of work on the Goods ordered, or by Seller's shipment of the Goods, whichever occurs first. Any acceptance will be limited to the express terms contained on the face hereof. Additional or different terms in Buyer's forms or any attempt by Buyer to vary in any degree any of the terms of quotation will be deemed material and are objected to and rejected, but this will not prevent the formation of a contract between Buyer and Seller unless such variances are in the terms of the description, quantity, price or delivery schedule of the goods, and the order will be deemed accepted by Seller without said additional or different terms.

2. **Payment Terms:** Unless withdrawn before acceptance or otherwise stated on the front of a quotation, price quotations are valid for thirty (30) days from the date of issue. Unless otherwise stated on the quotation, payment terms are net 30 days from the date of invoice, subject to the approval of Seller's credit department, and all payments will be made in United States currency. Seller may at any time decline to ship, make delivery or perform work except upon receipt of cash payment, letter of credit, or security, or upon other terms and conditions satisfactory to Seller in accordance with its credit and collections policy and assessment of credit risk. In the event that Buyer fails to pay Seller invoices when due, Buyer will be obligated to pay Seller, on all amounts so unpaid, interest, at the lesser of (i) one and one-half (1.5%) per calendar month or (ii) the maximum permissible rate for overdue accounts, from the date such payment was due until the date paid. Interest will be assessed daily. Buyer's obligation to make each payment will be without right of set-off. Seller retains all rights at law pertaining to the collection of unpaid amounts owed by Buyer, and Buyer will reimburse Seller for all costs associated with such collection activities including reasonable attorneys' fees.

3. **Prices and Surcharges:** The price does not include any present or future foreign, Federal, state or local property, license, privilege, sales, use, excise, gross receipts, value added or other like taxes or assessments, customs or import duties which may be applicable to, or imposed upon, the transaction, the Goods, or the sale, transportation, delivery, value or use thereof, or any services performed in connection therewith. Such taxes are for the account of the Buyer and Buyer agrees to pay or reimburse any such taxes which Seller or its contractors or suppliers are required to pay. Prices apply only if the quantity ordered is released for shipment within twelve (12) months (or longer if mutually agreed to in writing) from the date of order. Otherwise, Seller's pricing will be subject to certain additional surcharges ("Surcharges") at Seller's sole discretion. Such Surcharges may be required to partially offset the increase in costs of certain raw materials and other commodities including labor, fuel and electricity.

4. **Delivery and Delay:** Delivery dates are approximate and not guaranteed. Seller will use reasonable efforts to deliver the Goods on or before the estimated delivery date and will notify Buyer if the estimated delivery dates cannot be honored and will deliver the Goods as soon as practicable thereafter. Seller will not be liable for any damages or expenses caused by delays in delivery times and the order will not be subject to cancellation for such delays. Seller may make partial shipments and may invoice for each such partial shipment separately. Each partial shipment will be deemed to be a separate sale. Delay in delivery of any partial shipment will not relieve Buyer of its obligation to accept delivery of remaining shipments.

5. **Force Majeure:** Seller will not be liable for failure to perform or for delay in performance due to any cause beyond its reasonable control, including fire, flood, strike or other labor difficulty, act of God, any legal proceeding, act of any governmental authority, act of Buyer, war, riot, sabotage, civil disturbance, embargo, wreck or delay in transportation, major equipment breakdown, inability to obtain necessary labor, materials or manufacturing facilities from usual sources, or any act, delay or failure to act of Seller's suppliers and subcontractors of any tiers beyond Seller or such suppliers of subcontractor's reasonable control. In the event of any such delay, the date of shipment or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

6. **Inspection:** Inspection, acceptance or rightful rejection of Goods must be made within ten (10) days after Buyer's receipt of Goods and Buyer will promptly notify Seller of any non-conformity. If Goods are tendered which do not fully comply with the provisions of the relevant order, and those Goods are rejected by Buyer, Seller will have the right to cure within a reasonable time after notice by substituting a conforming tender whether or not the time for performance has passed.

7. **Title and Risk of Loss:** All sales of Goods with destinations to Canada, Mexico or the U.S. will be made FOB Seller's distribution point designated on the purchase order acknowledgement and will be invoiced to and become the property of Buyer upon tender of delivery to the carrier. All sales of Goods with destinations outside Canada, Mexico and the U.S. will be made EXW (INCOTERMS 2000) Seller's U.S. distribution point designated on the purchase order acknowledgement and will be invoiced to and will become the property of Buyer upon tender of delivery to the carrier. Buyer will have the right to specify the method of transportation for the Goods and the common carrier to be used. If Seller complies with Buyer's request with respect to the use of any agency or method of transportation or any routing other than that which would otherwise be designated by Seller, all packing, marking, shipping, transportation and other charges that are in excess of the charges that would otherwise be incurred by Seller will be at Buyer's expense. Absent such specification, Seller will ship the Goods by a reliable common carrier of its own selection in order to meet the delivery schedule and invoice Buyer for all applicable charges associated with such shipment. A security interest and right of possession to the products will remain in Seller, regardless of mode of attachment to realty or other property until full payment has been made. All prices include packaging in accordance with Seller's standard procedures. Charges for special packaging, crating or packing are the responsibility of Buyer.

8. **Warranty:** Seller warrants to Buyer that the Goods purchased by Buyer from Seller will be free from defects in material and workmanship for twelve (12) months after the date of sale of such Goods. This warranty is the only warranty applicable to the Goods. Seller's liability for breach of warranty will be limited solely and exclusively to repairing or replacing, at Seller's option, the Goods manufactured by Seller, which upon examination by Seller, appears to be defective, provided it is returned to Seller, transportation prepaid, within twelve (12) months of date of sale. THERE ARE NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE WHICH ARE HEREBY DISCLAIMED. THE REMEDIES FOR BREACH OF WARRANTIES SET FORTH ABOVE ARE EXCLUSIVE REMEDIES AND SELLER SHALL NOT BE RESPONSIBLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES.

9. **Exclusions:** The above warranty does not cover, and Seller will have no responsibility for any failure to meet any warranty caused by any failure of Buyer or its agents to store, install, operate, inspect or maintain the Goods in accordance with the recommendations or specifications of the OEM or its agent manufacturer or in the absence of such recommendations or specifications, in accordance with the generally accepted practices of the industry, including applicable quality assurance procedures relating to the installation or operation of the Goods or any design failure attributable, in whole or in part, to designs or specifications provided by the OEM or its agent manufacturer.

10. **Buyer-Supplied Materials:** For any Buyer-supplied material, parts or hardware, Seller will be held responsible only for the value-added labor and material content provided by Seller during manufacture of the Goods, as applicable. Buyer agrees to indemnify and hold harmless Seller and its affiliates, officers, employees, and agents for all claims, costs and damages incurred by Seller as a result of defective, inaccurate or incomplete Buyer-supplied material, parts, data or hardware.

11. **Seller's Right to Stop Delivery:** Buyer represents that by accepting these terms it is not insolvent. In the event Buyer becomes insolvent before delivery of the Goods, it will immediately notify Seller. The failure to notify Seller immediately will be construed as a reaffirmation of Buyer's solvency at the time of delivery. Seller will have the right to stop delivery of the Goods by a bailee or other third party transporting the same if Buyer becomes insolvent, repudiates or fails to make a payment due, in order to withhold or reclaim the products under the provisions of the Uniform Commercial Code.

12. **Trade Compliance:** Goods supplied under this order are subject to U.S. import and export laws and regulations and may be subject to European Union and other applicable countries' export and import laws and regulations. For shipments outside of the United States and unless otherwise agreed to by Seller in writing, Buyer will be responsible for obtaining the appropriate export and import license(s) necessary to

permit shipment of the ordered Goods and Seller will cooperate with Buyer's reasonable requests for information in connection with Buyer obtaining such licenses. Seller will have no liability to Buyer in the event that an export license is not approved or is later withdrawn or suspended. Buyer agrees to comply with applicable import and export regulations administered by the United States Government which may require licensing or authorization for and/or prohibit export, re-export or diversion of Seller's products or services to certain countries, and agrees it will not knowingly assist or participate in any such diversion or other violation of applicable United States of America laws and regulations. Buyer agrees to provide Seller any documentation that Seller reasonably requests to comply with applicable laws or regulations. For shipments within the United States, it is the responsibility of Buyer or other exporter to comply with all United States export control laws and regulations. Buyer agrees to hold harmless and indemnify Seller for any damages resulting to Buyer or Seller from a breach of this paragraph by Buyer.

13. **Acceptance:** All Goods will be deemed accepted by Buyer upon the earlier of (i) any waiver of inspection, use or possession of Goods, payment of the invoice, or any indication of exclusive control exercised by Purchaser or (ii) 45 days after delivery.

14. **Limitation of Liability:** Seller's liability under this order will be limited to replacement of defective Goods (as provided in Section 8) only, and Seller will not be liable for the cost of procurement of substitute Goods. In no event will Seller be liable for any indirect, special, incidental, consequential or exemplary damages whatsoever, including any arising out of Buyer's use or sale of the Goods or Seller's breach of contract, including any loss of profits or production by Buyer, whether or not such loss or damage is based on contract, warranty, negligence, indemnity, strict liability or otherwise. Any action resulting from any breach by Seller must be commenced within one year after the cause of action accrued.

15. **Confidentiality:** Seller may disclose to Buyer or Buyer may have access to certain Confidential Information of Seller. "Confidential Information" means trade secrets, any data, reports, models, business or research plans, specifications, drawings, designs or information transmitted to Buyer in connection with the order, and any other information that is of value to its owner and is treated as confidential. All Confidential Information of Seller will remain its property. All originals, copies, summaries and derivations of Confidential Information in whatever form will be returned to Seller or destroyed upon Seller's request. Seller retains entire right, title and interest, including all intellectual property rights, in and to all of its Confidential Information. Unless otherwise agreed to in a separate confidentiality or non-disclosure agreement executed by the parties, Seller will not be bound by any obligations of confidentiality or non-disclosure.

16. **Design and Development:** All engineering information is and will remain the sole property of Seller and is archived as such. It is Buyer's express obligation to verify that all submitted information is correct and current regarding the application and use. In the event that the submitted information deviates from the actual dimensions of the applicable interface, Buyer is responsible for informing Seller of said deviations, and a new proposal will be submitted if necessary, to reflect the indicated deviation and/or design changes and Buyer will be responsible for resulting extra costs.

17. **Intellectual Property:** Seller retains all ownership, license and other rights to all patents, trademarks, copyrights, trade secrets and other intellectual property rights related to the Goods, and, except for the right to use the Goods, Buyer obtains no rights to use any such intellectual property.

18. **Indemnity:** Except to the extent caused by Seller's breach of warranty, Buyer will indemnify and hold harmless Seller, its employees, officers and directors, and their respective successors and assigns (collectively, "Indemnities") from and against any and all liability, damages, claims, causes of action, losses, costs and expenses (including attorneys' fees) of any kind (collectively, "Damages") arising out of injuries to any person (including death) or damage to any property caused by or related to the Goods or any negligent act or omission of Buyer, its employees or agents. Buyer will indemnify and hold harmless each of the Indemnities from and against any and all Damages, royalties and license fees arising from infringement of any patent by reason of any sale or use of the Goods or the manufacture of the Goods to Buyer's specifications or sample. Upon the tendering of any of the foregoing suits or claims to Buyer, Buyer will defend the same at Buyer's expense. The foregoing obligations of Buyer will apply whether Seller or Buyer defends such suit or claim.

19. **Cancellation:** An order placed with and accepted by Seller cannot be delayed, canceled, suspended, or extended except with Seller's written consent and upon written terms accepted by Seller that will

reimburse Seller for and indemnify Seller against loss and provide Seller with an acceptable profit for its materials, time, labor, services, use of facilities and otherwise. Buyer will be obligated to accept any Goods shipped, tendered for delivery or delivered by Seller under the order before any agreed delay, cancellation, suspension or extension of the order. Any attempt by Buyer to unilaterally revoke, delay or suspend acceptance for any reason after it has agreed to delivery of or accepted any shipment will constitute a breach .

20. **Changes:** Any changes in orders requested by Buyer, including design, scope of work, delivery or increase or decrease in quantities, will only be effective if accepted in writing by Seller. Such changes may require other terms and conditions to be modified, including price terms and Seller reserves the right to make such adjustments.

21. **Disputes:** Each of the parties agrees that all actions, suits or proceedings arising out of or based upon this order or the subject matter hereof will be brought and maintained exclusively in the state or federal courts located in the State of Connecticut. In the event Seller will initiate litigation against Buyer for any reason in connection with the order, Seller will be entitled to recover from Buyer and Buyer agrees to pay all costs related to such litigation as well as all related attorneys' fees in addition to all other rights and remedies it might have.

22. **Government Contracts:** No government contract regulations or clauses will apply to the Goods or any order for Goods or act to bind Seller unless specifically agreed to by Seller separately in writing.

23. **Survival:** The provisions entitled or regarding Confidentiality, Intellectual Property, Indemnification, Exclusions, Limitation of Liability, Trade Compliance, and all other terms and conditions providing for limitation of or protection against liability of Seller will survive termination, cancellation or expiration of the or any order.

24. **Relationship of the Parties:** The relationship between the parties is that of independent contractors. Nothing contained herein will be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party will have authority to contract for or bind the other party in any manner whatsoever.

25. **Miscellaneous:** The contract arising under this order will be governed by the internal laws of the States of Connecticut. The Seller's remedies provided herein will be cumulative and in addition to any other remedies provided by law or equity. Either party's failure to insist on performance of any of the terms and conditions of this order or exercise any right will not be deemed a waiver unless in writing signed by the party waiving performance. A waiver on one occasion will not thereafter operate as a waiver of any other terms, conditions or rights, whether of the same or similar type. Buyer may not assign or transfer its rights or obligations under an order without the prior written consent of Seller. These terms and conditions contains the entire and only agreement between the parties relating to the subject matter hereof, and any document, representation, and course of prior dealings, in connection therewith not specifically incorporated herein will not be binding on either party.