AMERICAN
PRECISION INDUSTRIES
METAL SPECIALTIES

SUPPLIER CONFIDENTIALITY & NONDISCLOSURE TERMS AND CONDITIONS

THIS SUPPLIER CONFIDENTIALITY AGREEMENT (this "Agreement") is incorporated by reference into every purchase order, request for quotation, or other related document and/or communication issued by American Metal Specialties, Inc., an Oregon corporation (the "Company") to the receiving legal person or entity (the "Supplier"). By submitting a quotation, accepting a purchase order, performing services, delivering goods, or otherwise engaging in any business relationship with Company, Supplier agrees to be bound by this Agreement to the maximum extent permitted by law.

1. Confidential Information. "Confidential Information" means any information of confidential and/or proprietary nature, in any form or medium and whether or not marked or designated as confidential or sensitive, that is directly or indirectly received by Supplier from Company, or acquired or developed in the course of Supplier doing business with Company and/or pursuant to Supplier's provision of goods and/or services to Company, including (without limitation) the following: (1) nonpublic ideas, discoveries, designs, trade secrets, data, and technology of the Company, the Company's vendors, and the Company's current, former, or prospective customers; (2) drawings, designs, specifications, data, and other information pertaining to the Company's provision of parts, components, and other goods and related services to Company's current, former, and prospective customers; (3) any other proprietary or confidential information of Company's current, former, or prospective customers; (4) information regarding the needs and/or preferences of Company's current, former, and prospective customers; (5) information regarding the Company's employees (e.g., social security numbers, addresses, phone numbers, etc.); (6) other information of commercial nature (e.g., the Company's sales strategy, names of the Company's current or former customers, prices and markets, etc.), technical nature (e.g., job or product specifications, etc.), strategic nature (e.g., Company's research and development), or administrative nature (e.g., Company's human resources information, financial and accounting data and information, etc.); and (7) all other information that would ordinarily be considered sensitive or confidential by businesses of similar nature as the Company, Company's customers, and the Company's vendors.

2. Supplier Confidentiality Obligations. Supplier understands and acknowledges that it may learn or be given access to Confidential Information as a result of the business relationship between Supplier and Company. Therefore, Supplier hereby covenants and agrees to the following:

(a) Supplier shall not copy, transmit, reverse engineer, decode, reproduce, summarize, quote, disclose, profit from, or otherwise make any use of or disseminate any Confidential Information except as reasonably necessary for the strict purpose of performing any duties and/or obligations owed to or on behalf of the Company;

(b) Supplier shall exercise the highest degree of care in maintaining and safeguarding the Confidential Information against any loss, theft, and/or other inadvertent destruction or disclosure and shall take all reasonably necessary steps and procedures to ensure that such Confidential Information remains confidential and secure; and

(c) Supplier shall not remove from the Company's business premises any Confidential Information other than what is reasonably necessary for the Supplier's performance of any duties and/or obligations owed to the Company; and

(d) Supplier shall immediately discuss any questions or concerns Supplier may have regarding the Confidential Information with an authorized officer of Company, including without limitation whether or not any particular item is Confidential Information or otherwise subject to this Agreement.

3. Survival. Supplier understands and agrees that the terms contained in this Agreement survive the termination and/or modification of any business relationship between Supplier and Company. If Supplier's business relationship with Company terminates, or upon the request of an authorized officer of the Company at any time, Supplier shall promptly return to

Company all Confidential Information in the possession or under the control of Supplier, and shall notify Company of any such information that may have been lost, destroyed, or otherwise compromised.

4. Remedies. Supplier understands that there may be severe legal consequences associated with improper disclosure or misuse of the Confidential Information, and understands that there may be similar legal prohibitions from using or disclosing any Confidential Information. In addition, Supplier understands that a breach of Supplier's obligations under this Agreement may result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law. Therefore, if Supplier breaches any of the terms contained in this Agreement, Supplier acknowledges and agrees that the Company shall be entitled to seek and obtain specific performance of this Agreement, including without limitation injunctive relief restraining Supplier from committing any such breach, in addition to all other remedies and further relief available to Company at law, such as monetary damages.

5. Indemnity. Supplier shall indemnify and hold Company harmless from and against any costs, damages, and fees (including attorney and other professional fees) arising from or attributable to any claims and allegations from any third party that arise from or relate to this Agreement or the Confidential Information.

6. Authority & Binding Effect; Supplier Affiliates. Supplier represents and warrants that Supplier has the right to enter into this Agreement and the representative signing this Agreement is duly authorized to execute this Agreement on behalf of, and bind, Supplier. The provisions of this Agreement are binding on and enforceable against Supplier, Supplier Affiliates (as defined below), and any successors and/or assigns thereof. "Supplier Affiliates" means any employee, agent, representative, independent contractor, or vendor of Supplier.

7. Miscellaneous.

(a) This Agreement and the terms and provisions contained herein shall be governed by and construed in accordance with the laws of the State of Oregon, any that any suit or proceeding to interpret or enforce this Agreement shall be in Clackamas County, Oregon.

(b) No provision of this Agreement shall be construed by any court or other judicial authority against any party hereto by reason of such party being deemed to have drafted or structured such provision.

(c) In the event of any litigation or arbitration in connection with this Agreement, the prevailing party, in addition to any other relief awarded, shall be entitled to reimbursement by the other party for all costs and reasonable attorneys' fees incurred by the prevailing party.

(d) To the extent permitted by applicable law, the parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise enforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by law, and the remaining provision of this agreement will continue in full force and effect.

(e) This Agreement constitutes the entire agreement between Supplier and Company pertaining to its subject matter (i.e., the Confidential Information), and it supersedes all prior contemporaneous agreements, representations, and understandings of the parties. No supplement, modification, or amendment of this Agreement will be binding unless executed in writing by both parties.

(f) Supplier has been given the opportunity to independently review this Agreement with legal counsel and other consultants, and has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions contained herein.