

CREDIT TERMS ADDENDUM

This Credit Terms Addendum (this “Addendum”) is incorporated into and supplements all purchase orders, quotations, master supply agreements or any other similar agreement (collectively, the “Agreement”) pursuant to which a person or entity (“Customer”) purchases products supplied by Basic Carbide Corporation (“Basic”). Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control with respect to matters relating to credit terms.

1. Approval of Credit Terms:

- a. Basic reserves the right, in its sole and absolute discretion, to: (a) establish or modify payment terms (including any applicable credit limit) extended to Customer (“Credit Terms”); and (b) require additional information or documentation from Customer at any time as a condition of granting or maintaining Credit Terms.
- b. Basic may, in its sole discretion and at any time, increase or decrease any credit limit upon written notice to Customer. Orders that would cause Customer’s aggregate outstanding balance to exceed the credit limit may be rejected or held pending payment by Customer sufficient to bring the outstanding balance within the approved credit limit.

2. Invoice Payment Terms:

- a. Unless otherwise specified in writing by Basic, payment terms for all invoices issued by Basic are due and payable net thirty (30) days from the date of the applicable invoice (the “Payment Date”). Payments shall be made in U.S. dollars by check, ACH transfer, wire transfer, credit card or such other method as Basic may designate in writing (credit card transactions will be subject to a 3% surcharge to cover processing fees).
- b. If Basic offers an early payment discount, such discount shall be stated on the applicable invoice. Customer shall be entitled to any stated discount only if full payment is received by Basic on or before the discount date specified on the invoice. Deductions taken in connection with disputed amounts shall not qualify for any early payment discount.
- c. Customer must identify the invoice to which the payment will be applied. If no instructions are provided by Customer, the payment will be applied to the oldest outstanding invoice(s).



Notwithstanding the forgoing, unless otherwise agreed to by Basic in writing, all payments received from Customer shall be applied first to any accrued late charges, fees, or collection costs, regardless of any instructions to the contrary provided by Customer.

d. If Customer disputes any portion of an invoice, Customer shall (a) provide written notice to Basic specifying in reasonable detail the basis for the dispute within ten (10) days of the invoice date, and (b) timely pay the undisputed portion of such invoice. Failure to provide timely written notice of a dispute shall constitute Customer's acceptance of the invoice in full. Basic and Customer shall work in good faith to resolve any disputed amounts promptly.

3. Late Payments; Events of Default

a. Any amounts not paid in full by the applicable Payment Date shall accrue interest at the rate of one and one-half percent (1.5%) per month (or the maximum rate permitted by applicable law, if lower) on the unpaid balance from the Payment Date until the date of actual payment. The assessment of late charges shall not constitute a waiver by Basic of any other right or remedy available to Basic under this Addendum, the Agreement, or applicable law.

b. Each of the following shall constitute an "Event of Default" under this Addendum:

- i. Customer fails to pay any amount when due and such failure continues for more than five (5) business days after the applicable Payment Date;
- ii. Customer fails to pay two (2) or more invoices on or before the Payment Date within any rolling twelve (12)-month period, regardless of whether any such late payments are subsequently cured;
- iii. Customer becomes insolvent, makes a general assignment for the benefit of its creditors, or a voluntary or involuntary petition in bankruptcy is filed by or against Customer;
- iv. Customer provides materially false or misleading information in connection with the Credit Application or any subsequent credit review; or
- v. Any material adverse change occurs in Customer's financial condition, as determined by Basic in its reasonable discretion.

4. Revocation and Modification of Credit Terms

a. Upon the occurrence of an Event of Default, or at any time in Basic's sole discretion upon written notice to Customer, Basic may, without liability to Customer, take one or more of the following actions:

- i. Revoke, suspend, or reduce Credit Terms extended to Customer, including any applicable credit limit, in whole or in part;
- ii. Convert Customer's account to prepayment or cash-on-delivery ("COD") terms;
- iii. Declare all outstanding amounts immediately due and payable;
- iv. Place Customer's account on "Credit Hold" and suspend production, shipment, and performance of all open orders until all overdue amounts (and any applicable late charges) are paid in full. Basic Carbide shall have no liability to Customer for any delays or nonperformance resulting from such suspension; and
- v. Exercise any and all other rights and remedies available to Basic at law or in equity.

b. Except in cases of Customer's insolvency or as otherwise provided herein or in the Agreement, Basic shall provide Customer with written notice of revocation or suspension of credit terms. Such notice may be provided via email, overnight courier, or certified mail to the address on file for Customer's account. Revocation or suspension shall be effective upon delivery of such notice unless a later date is specified therein.

5. Credit Hold; Pricing Adjustment on Open Orders. Basic Carbide reserves the right to adjust pricing on all open and unshipped orders if Customer's account is placed on Credit Hold. Any orders released for shipment after credit approval is restored shall be invoiced at Basic Carbide's current market price in effect at the time of shipment. Orders that have been delayed, held, or suspended due to Customer's past-due account may also be subject to revised lead times and adjusted pricing based on prevailing production schedules and market conditions at the time of reinstatement.

6. Security Interest. To secure Customer's payment obligations under the Agreement and this Addendum, Customer hereby grants to Basic a purchase money security interest in all goods sold by Basic to Customer and the proceeds thereof. Customer authorizes Basic to file one or more financing statements (including UCC-1 financing statements) and any amendments or continuations thereof, in such jurisdictions as Basic deems appropriate, to perfect such security interest. Customer shall cooperate with Basic and execute such additional documents as Basic may reasonably request in connection with the perfection or enforcement of such security interest.

7. Collection Costs. In the event Basic refers any past-due account to a collection agency or retains legal counsel to collect any amounts owed by Customer under this Addendum or the Agreement, Customer shall be liable for all reasonable costs of collection, including, without limitation, collection agency fees, court costs, and reasonable attorneys' fees, to the extent permitted by applicable law.

8. Credit Reviews and Financial Information. Basic reserves the right to conduct periodic reviews of Customer's creditworthiness at any time during the term of the Agreement. Customer agrees to provide updated financial information, including financial statements, upon request by Basic. Customer's failure to provide such information within fifteen (15) days of Basic's written request shall constitute an Event of Default.

9. Setoff. Basic reserves the right to setoff any amounts owed by Customer to Basic against any amounts owed by Basic to Customer, whether arising under the Agreement, this Addendum, or otherwise. Customer shall not have the right to setoff any amounts owed to Basic against any amounts claimed to be owed by Basic to Customer without Basic's prior written consent.

10. No Waiver. No failure or delay by Basic in exercising any right, remedy, or privilege under this Addendum shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, or privilege preclude any other or further exercise thereof or the exercise of any other right, remedy, or privilege. Basic's acceptance of late or partial payments shall not constitute a waiver of any Event of Default or of Basic's right to enforce this Addendum strictly in accordance with its terms.

11. Governing Law. This Addendum shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws principles, and shall be subject to the dispute resolution provisions set forth in the Agreement.

12. Entire Agreement; Amendment. This Addendum, together with the Agreement and any Credit Application submitted by Customer and approved by Basic, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, relating to Credit Terms extended by Basic to Customer.