

# AK STEEL CORPORATION - CONDITIONS OF SALE

1. **ACCEPTANCE.** Any Seller price quotation or pricing letter is for customer information only. Seller shall be bound only upon written confirmation of acceptance of an order at Seller's principal office (address is shown on the face hereof). ALL CUSTOMER ORDERS AND ACCEPTANCES ARE EXPRESSLY CONDITIONED UPON ASSENT TO THE TERMS AND CONDITIONS PRINTED HEREON AND IN ANY CONTRACTUAL SUPPLY AGREEMENT THAT MAY HAVE BEEN EXECUTED BY SELLER AND BUYER. TERMS ADDITIONAL TO OR DIFFERENT FROM THOSE IN THESE CONDITIONS OF SALE OR IN ANY CONTRACTUAL SUPPLY AGREEMENT ARE REJECTED. The Customer and Seller agree that the terms and conditions printed hereon are accepted in good faith by both parties as the controlling and final terms and conditions. Customer and Seller further agree that there should not be a "battle of forms" as described in Section 2-207 of the Uniform Commercial Code. Seller's commencement of performance is not to be construed as acceptance of any of Customer's terms or conditions. Seller may commence performance in reliance on Customer's acceptance of these Conditions of Sale.

2. **LIMITED WARRANTIES.** THERE ARE NO UNDERSTANDINGS, TERMS, CONDITIONS OR WARRANTIES NOT FULLY EXPRESSED HEREIN. Seller warrants title to and freedom from encumbrance of the products. Seller also warrants that products described or referred to on the face hereof are of merchantable quality and conform in material respect to specifications accepted in writing by Seller. There are no warranties, express or implied, with respect to products sold hereunder which are misused, abused, or operated on mechanical equipment improperly designed or maintained or which are used, supplied for use or made available for use in any nuclear application of which Seller has not been notified in writing by Customer at the time of Customer's offer for the products sold hereunder. SELLER MAKES NO OTHER WARRANTY WHATEVER, EXPRESS OR IMPLIED. ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND ALL IMPLIED WARRANTIES OF FITNESS FOR ANY PARTICULAR PURPOSE ARE DISCLAIMED BY SELLER AND EXCLUDED FROM THIS AGREEMENT.

3. **LIMITATION OF CUSTOMER'S REMEDIES.** Except as further specifically limited by paragraph 6 below, Seller's liability hereunder shall be limited to the obligation to repair or replace only those portions of products proven to have failed to meet in material respect the specifications on the Seller's Order Acknowledgment or Invoice or to have been defective in quality or workmanship at the time of delivery. Alternatively, Seller may allow credit therefor, at its option. Seller's total cumulative liability in any way arising from or pertaining to any product sold to Customer shall NOT in any case exceed the purchase price paid by Customer for such product. IN NO EVENT SHALL SELLER HAVE ANY LIABILITY FOR COMMERCIAL LOSS, CLAIMS FOR LABOR, OR CONSEQUENTIAL OR INCIDENTAL DAMAGES OF ANY TYPE, WHETHER CUSTOMER'S CLAIM BE BASED IN CONTRACT, TORT, WARRANTY, OR STRICT LIABILITY, OR OTHERWISE. IT IS EXPRESSLY AGREED THAT CUSTOMER'S REMEDIES EXPRESSED IN THIS PARAGRAPH ARE CUSTOMER'S EXCLUSIVE REMEDIES.

4. **LIMITATION OF LIABILITY FOR DELAY.** IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CLAIMS FOR LABOR OR FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES OR ANY OTHER DAMAGES RESULTING FROM DELAY IN DELIVERY. **NO DELIVERY DATES ARE GUARANTEED.**

5. **FORCE MAJEURE.** In any event and in addition to all other limitations stated herein, Seller shall not be liable for any act, omission, result or consequence, including but not limited to any delay in delivery or performance, which is (i) due to any act of God, the priority of any government order, any order bearing priority rating or order placed under any allocation program (mandatory or voluntary) established pursuant to law, local labor shortage, fire, flood or other casualty, governmental regulation or requirement, shortage or failure of raw material, supply, fuel, power or transportation, breakdown of equipment, or any cause beyond Seller's reasonable control whether of similar or dissimilar nature to those above enumerated, or (ii) due to any strike, labor dispute, or difference with workers, regardless of whether or not Seller is capable of settling any such labor problem.

6. **NUCLEAR APPLICATION EXCLUSION.** It is expressly understood and agreed that Customer will not use, cause to be used or make available for use the product(s) described on the face hereof in any nuclear application including, but not limited to, use in connection with any nuclear reactor, any nuclear power generating system or any nuclear waste (or spent fuel) disposal project, unless written notice of the specific proposed or intended nuclear application has been given to Seller at the time of Customer's offer for the product(s). Unless such notice has been given, any subsequent nuclear application of the product(s) is wholly unauthorized and shall be deemed to be unknown to, unforeseeable to and unintended by Seller. UNLESS SUCH NOTICE HAS BEEN GIVEN, CUSTOMER SPECIFICALLY AGREES THAT, AS TO NUCLEAR APPLICATIONS, THE PRODUCT(S) FURNISHED BY SELLER ARE FURNISHED WITHOUT ANY WARRANTIES WHATEVER, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. IT IS FURTHER SPECIFICALLY AGREED THAT WITH RESPECT TO ANY NUCLEAR APPLICATION OF THE PRODUCT(S) FOR WHICH SUCH NOTICE HAS NOT BEEN GIVEN, CUSTOMER WAIVES ALL REMEDIES AND ANY CLAIM, WHETHER IN CONTRACT OR IN TORT, INCLUDING ANY STATUTORY OR COMMON-LAW CLAIM FOR CONTRIBUTION OR INDEMNIFICATION, AGAINST SELLER, AND WILL INDEMNIFY AND HOLD SELLER HARMLESS.

7. **PASSAGE OF TITLE.** Title to the products sold hereunder shall pass upon delivery to the carrier at the point of shipment. Neither Customer nor the consignee shall have the right to divert or reassign such shipment to any destination other than specified in the bill of lading without permission of the Seller. Unless otherwise agreed Seller reserves the right to select the mode of transportation. If previously agreed upon, Customer may pick up products that are current or past due, provided Customer does so within three (3) business days after Customer has been notified by Seller of the ready date. If Customer fails to pick up products within such (3) business day period, Seller reserves the right to ship to the designated Customer drop point FOB Mill with Seller's actual freight and fuel surcharge costs, prepaid and added to the invoice for the products. In any such case, Seller shall notify Customer of any such changes as promptly as possible.

8. **PAYMENTS AND INTEREST ON PAST DUE ACCOUNTS.** Customer represents that Customer is solvent and can and will pay for the products sold to Customer in accordance with the terms hereof. If Customer shall fail to comply with any provision or to make payments in accordance with the terms of this contract or any other contract between Customer and Seller, Seller may at its option defer shipments or, without waiving any other rights it may have, terminate this contract. All deliveries shall be subject to the approval of Seller's Credit Department. Seller reserves the right before making any delivery to require payment in cash or security for payment, and if Customer fails to comply with such requirement, Seller may terminate this contract. An interest charge of 1-1/2% monthly (18% annual rate) or the maximum allowed by state law will be imposed on all past due accounts.

9. **TRANSPORTATION CHARGES.** Delivered prices or prices involving competitive transportation adjustments shall be subject to appropriate adjustment to reflect changes in transportation charges including but not limited to fuel surcharges. Customer agrees to provide delivery arrangements within three (3) business days of notice of the ready date. If Customer fails to provide arrangements within such three (3) business day period, Seller reserves the right to charge a fee equal to \$100 per coil, per day to cover storage, cartage and other costs incurred by Seller in handling the products until delivery to the Customer is completed. Customer agrees that the foregoing is a reasonable estimate of Seller's anticipated per diem handling costs.

10. **CLAIMS BY CUSTOMER.** Claims by Customer for shortage of products or for products damaged during shipment, storage, or processing must be made within ten (10) days of receipt by Customer. Any claim that the products received by Customer do not conform in material respect to the specifications on the face of Seller's Order Acknowledgment or Invoice must be made within sixty (60) days of receipt of shipment, which Customer and Seller agree is a reasonable time, or Customer's claims shall be barred. In addition, Seller must be given an opportunity to investigate the claim before Customer disposes of the material, or Customer's claim will be barred. Seller shall incur no liability for damage, shortages, or other cause alleged to have occurred or existed at or prior to delivery to the carrier unless Customer shall have entered full details thereof on its receipt to the carrier. A variation between Seller's and Customer's scale weight or theoretical weight determination up to 1% shall be a permissible variation.

11. **MECHANICAL PROPERTIES; CHEMICAL ANALYSES.** Any data referring to mechanical properties or chemical analyses are the result of tests performed on specimens obtained from specific locations of the product(s) in accordance with prescribed sampling procedures; any warranty thereof is limited to the values obtained at such locations and by such procedures. There is no warranty with respect to values of the materials at other locations.

12. **PATENTS.** Seller shall indemnify Customer against attorneys' fees and any damages or costs awarded against Customer in the event any legal proceeding is brought against Customer by a third person claiming the material delivered hereunder in itself constitutes an infringement of any U.S. patent, provided Customer gives Seller prompt notice of any such suit being brought, gives Seller the opportunity to defend any such suit, and cooperates with Seller with respect to any such defense, unless the material is made in accordance with materials, design, or specifications required by Customer, in which case Customer shall similarly indemnify Seller.

13. **PERMISSIBLE VARIATIONS.** The products sold hereunder shall be subject to Seller's standard manufacturing variations, tolerances and classifications, all of which are available at Seller's website; [www.aksteel.com](http://www.aksteel.com)

14. **TECHNICAL ADVICE.** Seller shall not be responsible for results of any technical advice in connection with the design, installation or use of the products sold hereunder.

15. **TAXES.** No tax imposed in respect to the sale of the products sold hereunder is included in any quotation by Seller. Any such tax shall be added to and paid by Customer as part of the purchase price.

16. **SELLER'S RIGHT OF TERMINATION.** If this contract is made in compliance with any governmental rule or regulation, plan, order or other directive, upon the termination thereof, Seller shall have the option of canceling this contract in whole or in part.

17. **WAIVER.** Failure or inability of either party to enforce any right hereunder shall not waive any right in respect to any other or future rights or occurrences.

18. **SURCHARGES.** Surcharges will be Seller's surcharges in effect at time of shipment.

19. **CONFLICTING PROVISIONS OFFERED BY CUSTOMER.** Any terms and conditions of any purchase order or other instrument issued by the Customer in connection with the subject matter of this contract, which are in addition to or inconsistent with the terms and conditions expressed herein, will not be binding on Seller in any manner whatsoever unless accepted by Seller in writing.

20. **STATUTE OF LIMITATIONS.** The Customer and Seller agree that any action for a breach of contract, including any action for a breach of warranty, must be commenced within one (1) year after the cause of action accrues.

21. **SEVERABILITY.** In case any provision of this contract shall be declared invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired.

22. **APPLICABLE LAW.** This contract shall be governed by, and construed and enforced in accordance with, the laws of the State of Ohio. Customer and Seller specifically agree that any legal action brought relating to this contract will be brought and tried exclusively in the federal district court in Cincinnati, Ohio, or, in the absence of jurisdiction, exclusively in the Butler County Court of Common Pleas in Hamilton, Ohio.

23. **CONFIDENTIALITY.** The price and terms of this contract are confidential and may not be disclosed by Customer without the prior written consent of Seller.