

LTV STEEL COMPANY, INC.

TERMS AND CONDITIONS OF SALE

1. **GOVERNING LAW** - Unless otherwise specified by Seller, all orders are accepted by Seller at its General Offices in Cleveland, Ohio and shall be governed by and interpreted in accordance with the laws of the State of Ohio. "Seller" means LTV Steel Company, Inc. and its subsidiaries.

2. **FORCE MAJEURE; APPORTIONMENT** - Manufacture, shipment and delivery are subject to, and Seller shall not be liable for any delay in or impairment of performance resulting in whole or in part from, any war (whether or not declared), strike, difference with workmen, accident, fire, flood, Acts of God, delay in transportation, shortage of materials, equipment breakdowns, mill conditions, laws, regulations, orders or acts of any governmental agency or body or any cause beyond the reasonable control of the Seller, or if performance by Seller becomes impracticable due to the occurrence of a contingency, the non-occurrence of which was a basic assumption on which the sale was made. In any such event Seller shall have such additional time to perform as may be reasonably necessary and shall have the right to apportion its production among its customers in such manner as it deems equitable.

3. **MODIFICATION OF TERMS** - Seller's acceptance of any order is expressly subject to Buyer's assent to each and all of Seller's terms and conditions and Buyer's assent to these terms and conditions shall be conclusively presumed without prompt written objection from Buyer thereto or from Buyer's acceptance of all or any part of the goods or services ordered. No addition to or modification of said terms and conditions shall be binding upon Seller unless specifically agreed to in writing by Seller. If Buyer's purchase order or other correspondence or communication contains terms or conditions contrary to or in addition to the terms and conditions of Seller, acceptance of any order by Seller shall not be construed as assent to such contrary or additional terms and conditions or constitute a waiver by Seller of any of its terms and conditions. Any reference to Buyer's purchase order or other correspondence or communication shall not affect or limit the applicability of Seller's terms and conditions.

4. **PRICE - For F.O.B. Mill Sales** - Unless otherwise specified by Seller: (a) all prices, quotations, shipments and deliveries by Seller are F.O.B. Seller's Plant; (b) all base prices, together with related extras and deductions, are subject to change without notice and all orders are accepted subject to Seller's price in effect at the time of shipment; and (c) all transportation and other charges are for Buyer's account. Cash discounts, if any, shall apply only on the mill price of the goods.

For F.A.S. Vessel Sales - Unless otherwise specified by Seller: (a) all prices, quotations, shipments and deliveries by Seller are F.A.S. Vessel. The price quoted shall include the cost of delivery of the goods alongside an overseas vessel and within reach of its loading tackle or on the dock designated and provided by or for Buyer; (b) all base prices, together with related extras and deductions, are subject to change without notice and all orders are accepted subject to Seller's price in effect at the time of shipment; and (c) unless otherwise agreed in writing, Seller shall be entitled to immediate payment in full for the goods upon tender to Buyer of a document of title covering the same. Seller agrees to render Buyer, at Buyer's request and expense, assistance in obtaining the documents issued in the country of origin or of shipment or of both, which Buyer may require either for purposes of exportation or for importation at destination.

5. **PRODUCING OR SHIPPING POINT** - Unless otherwise specified by Seller, Seller reserves the right to produce and ship all or any part of the goods specified in any order from any of its plants or facilities.

6. **CREDIT; DEFAULT IN PAYMENT** - All orders and shipments are subject to the approval of Seller's Treasury Department, and Seller may at any time refuse to make shipment or delivery if Buyer fails to fulfill the terms and conditions of payment or fails to provide security satisfactory to Seller. In the event Buyer fails to make payment on any contract between Buyer or any of its affiliates and Seller or any of its affiliates in accordance with the terms of such contract, Seller may, at its option and in addition to all other remedies available to it, (a) defer shipments hereunder until such payment is made and satisfactory credit arrangements are established or (b) cancel the unshipped balance of this order. At Seller's option, interest will be charged after the due date up to the maximum lawful contract interest rate.

7. **SETOFF** - Seller shall have the right to credit toward the payment of any monies that may become due Seller hereunder, any sums which may now or hereafter be owed to Buyer by Seller or by any affiliate of Seller.

8. **TRANSPORTATION** - Seller has the right to select the carrier but will use its reasonable efforts to comply with Buyer's requested method of transportation. Seller reserves the right to use an alternate method of transportation whether or not at a higher cost to Buyer, if the method specified by Buyer is deemed by Seller to be unavailable or otherwise unsatisfactory. In any such case, Seller shall promptly notify Buyer of any such change. Any storage and/or demurrage charges which may accrue on the goods hereunder are for the account of Buyer.

9. **PACKAGING** - Seller will use its reasonable efforts to comply with any special packaging, loading or bracing requirements specified in any order. Seller will charge for compliance with Buyer's special requirements in accordance with Seller's price list for extras in effect at time of shipment. If no packaging, loading or bracing requirements are specified by Buyer, Seller shall comply with the minimum requirements customarily applied by Seller to the method of transportation used for such goods.

10. **INSPECTION** - If Seller expressly permits inspection by Buyer at Seller's works, Buyer shall make such inspection promptly upon notification that the material is ready and in such manner as not to interfere with Seller's operations. If such inspection is made, acceptance or rejection shall be made by Buyer before shipment.

11. **PRIME FLAT ROLLED STEEL QUALITY GUARANTEE** - If at any time within one year of the shipment date from Seller's facility, Buyer is not satisfied with the quality of prime flat rolled steel goods purchased from Seller, Seller will, free of charge, promptly replace such unsatisfactory goods.

12. **DISCLAIMER; LIMITED WARRANTY** - THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED (INCLUDING, BUT NOT BY WAY OF LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE), ON ANY ORDER, EXCEPT THAT SELLER WARRANTS THE FOLLOWING: (A) TITLE TO ALL GOODS FURNISHED BY SELLER; (B) ALL GOODS WILL BE MANUFACTURED IN ACCORDANCE WITH THE SPECIFICATIONS, IF ANY, SET FORTH BY BUYER AND AGREED TO BY SELLER, SUBJECT TO SELLER'S STANDARD MANUFACTURING VARIATION; AND (C) PRIME FLAT ROLLED STEEL GOODS SOLD BY SELLER WILL BE SUBJECT TO SELLER'S PRIME FLAT ROLLED STEEL QUALITY GUARANTEE COVERED IN PARAGRAPH 11 HEREIN.

13. **LIMITATION OF BUYER'S REMEDIES** - BUYER'S REMEDIES WITH RESPECT TO ANY CLAIM ARISING OUT OF ANY ORDER OR SELLER'S PERFORMANCE IN CONNECTION THEREWITH, INCLUDING, WITHOUT LIMITATION, ANY CLAIM ARISING OUT OF ANY DEFECT OR ALLEGED DEFECT IN ANY GOODS OR SERVICES FURNISHED BY SELLER, SHALL BE LIMITED EXCLUSIVELY TO THE RIGHT OF REPLACEMENT OF SUCH GOODS OR SERVICES OR, AT SELLER'S OPTION, TO REPAYMENT OF THE PURCHASE PRICE THEREFOR. WITHOUT

IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL OR INCIDENTAL DAMAGES (INCLUDING, WITHOUT LIMITATION, ANY LOSS OF PRODUCTION OR ANTICIPATED PROFITS) OR LIABILITY INCURRED BY BUYER WITH RESPECT TO ANY GOODS OR SERVICES FURNISHED OR TO BE FURNISHED HEREUNDER BY SELLER. IN NO EVENT, REGARDLESS OF THE LEGAL THEORY ON WHICH A REMEDY IS SOUGHT, SHALL SELLER'S LIABILITY EXCEED THE PURCHASE PRICE OF THE MATERIAL IN QUESTION.

14. **DAMAGED GOODS** - If any goods arrive at Buyer's destination in a damaged condition or a shortage occurs, Buyer shall immediately report the damage or shortage to the delivering carrier and to Seller. Any loss or shortage of goods occasioned by damage, or otherwise occurring in transit, will be for the account of Buyer. Seller may assist Buyer in recovering damages provided Buyer furnishes Seller written authorization to recover damages from Buyer's carrier.

15. **QUALITY ASSURANCE SPECIFICATIONS** - Seller shall have no obligation to ensure that any goods or services purchased from Seller meet any special quality assurance specifications or other requirements except as agreed upon in writing between Buyer and Seller, and Buyer represents and warrants that goods which it purchases from Seller will not be applied by Buyer to or resold by Buyer for application to any critical end use, including without limitation, use in connection with or in any way related to the construction or operation of a nuclear facility, unless the appropriate specification or other requirement for such end use is set forth by Buyer and is expressly accepted by Seller. If any such goods or any services supplied by Seller in connection therewith are applied to a critical end use without the appropriate specification or other requirement therefor having been set forth by Buyer and expressly accepted by Seller, Buyer shall indemnify and hold Seller harmless from and against any and all damages or claims for damages made by any person for any injury, fatal or nonfatal, to any person or for any damage to any property, incident to or arising out of such application, including, without limitation, any loss resulting from the radioactive, toxic, explosive or other hazardous properties of "source material", "special nuclear material" or "by-product material", as such terms are defined in the Atomic Energy Act of 1954 or any law amendatory thereof or regulations adopted pursuant thereto.

16. **TAXES** - Any tax which Seller may be required to pay or collect, through assessment or otherwise, under any existing or future law upon or with respect to the sale, purchase, delivery, transportation, exportation, storage, processing, use or consumption of any goods or services described herein, including, without limitation, taxes upon or measured by receipts from sales or services, shall be for the account of Buyer and may be added to the price of such goods or services. Buyer shall promptly pay the amount thereof to Seller upon demand but may, in lieu of such payment, furnish to Seller evidence of the issuance of tax exemption certificates acceptable to the appropriate taxing authorities.

17. **CLAIMS** - Except for prime flat rolled steel goods, claims must be made within ninety (90) days after the receipt of the goods by Buyer. Claims involving prime flat rolled steel goods will be treated and handled in accordance with Seller's Prime Flat Rolled Steel Quality Guarantee covered in paragraph 11 herein. Buyer shall set aside, protect and hold such goods without further processing until Seller has an opportunity to inspect and advise of the disposition, if any, to be made of such goods. In no event shall any goods be returned, reworked or scrapped by Buyer without the Seller's authorization.

18. **TECHNICAL ASSISTANCE** - Unless otherwise expressly agreed to by Seller (a) any technical advice provided by Seller with respect to the use of goods or services furnished to Buyer shall be without charge; (b) Seller assumes no obligation or liability for any such advice or for any results occurring as a result of the application of such advice; and (c) Buyer shall have sole responsibility for selection and specification of the goods or services appropriate for the end use of such goods or services.

19. **PERMISSIBLE VARIATIONS** - Goods shipped by Seller shall be within the limits and sizes published by Seller, subject, however, to Seller's standard variations for rolling, shearing and cutting, and Seller reserves the right to ship overages or underages of weight, length, size and/or quantity in accordance with Seller's standard practices. Buyer and Seller agree that variation in check weighing by Buyer up to 1% is permissible variation from invoiced weights or account for differences in kind, type, location and accuracy of scales and possible errors of weighers.

20. **PATENTS** - If the terms and conditions of Buyer's order shall require a patent indemnity and the material covered by such order is to be made in accordance with Seller's specifications, Seller agrees to defend any suit or proceeding brought against Buyer on a claim that the material or any part thereof furnished under Buyer's order constitutes an infringement of any patent of the United States and to pay all direct and actual damages and costs awarded against Buyer in any such suit, provided in all instances that Seller is promptly notified in writing of any such suit and given authority, information, and assistance reasonably necessary for the defense of same. If the material covered by Buyer's order is to be made in accordance with Buyer's specifications and any suit or proceeding is brought against Seller on a claim that the material or any part thereof furnished under Buyer's order constitutes an infringement of any patent of the United States, Buyer agrees to defend any such suit or proceeding and to pay all direct and actual damages and costs awarded against Seller therein, provided in all instances that Buyer is promptly notified in writing of such suit and given authority, information, and assistance reasonably necessary for defense of same.

21. **DRAWBACK** - Seller specifically reserves to itself all rights to drawback of duty or taxes paid on materials entering into the manufacture or production of the goods specified in any order. Buyer disclaims all interests in such rights and agrees to furnish Seller with proof of exportation and all other documents necessary to obtain payment of such drawbacks and to cooperate with Seller in obtaining such payment.

22. **ASSIGNMENT** - Buyer shall not assign any order or any interest therein without the written consent of Seller. Any actual or attempted assignment without Seller's prior written consent shall entitle Seller to cancel such order upon written notice to Buyer.

23. **FAIR LABOR STANDARDS ACT** - The material covered by this contract will be produced in compliance with all applicable requirements of the Fair Labor Standards Act of 1938, as amended.

24. **WAIVER** - Waiver by Seller of any breach of any of the terms and conditions set forth herein shall not be construed as a waiver of any other breach, and the failure of Seller to exercise any right arising from any default of Buyer hereunder shall not be deemed a waiver of such right, which may be exercised at any subsequent time.

25. **COMPLETE AGREEMENT** - Seller's terms and conditions, together with any other documents incorporated herein by reference, constitute the sole and entire agreement between Buyer and Seller with respect to any order, superseding completely any oral, written or other communications unless the terms thereof are expressly agreed to by Seller. No additions to or variations from such terms and conditions, whether contained in Buyer's purchase order, any shipping release or elsewhere, shall be binding upon Seller unless expressly agreed to in writing by Seller.