

UNION ELECTRIC STEEL CORPORATION AND SUBSIDIARIES

TERMS AND CONDITIONS OF SALE

1. DEFINITIONS

As used in these Terms and Conditions of Sale: (a) "Seller" is Union Electric Steel Corporation or any of its subsidiaries named in the order acknowledgement, including, without limitation, Åkers AB, Åkers Sweden AB, Åkers Valji Ravne d.o.o., Union Electric Steel UK Limited and Shanxi Akers TISCO Roll Co. Ltd.; (b) "Buyer" is the buyer of Goods or Services; (c) "Goods" are the goods that are the subject of a sale from Seller to Buyer; (d) "Services" are the repair and/or other services provided by Seller to Buyer, (e) "Service Items" are the tangible items on which Services are performed and (f) "Laws" are all federal, state or local laws and regulations applicable to the transactions covered hereby, including, without limitation, any Laws related to anti-bribery or anti-corruption.

2. EXCLUSIVE TERMS, CONDITIONS AND LIMITATIONS OF SALE

These Terms and Conditions of Sale (together with the terms and conditions set forth in the applicable quotation by Seller, the "Terms and Conditions") govern in all respects all sales of Goods and Services from Seller. The Terms and Conditions constitute an offer to sell the Goods and Services and are not an acceptance of any offer of Buyer. Unless specifically agreed to in writing by a duly authorized officer of Seller, or other authorized person in Seller's employ, Seller shall not be bound by any terms or conditions other than those stated herein, whether written or oral, whether contained in Buyer's purchase order or other, business forms of Buyer. Any such terms and conditions are hereby expressly objected to and rejected by Seller. These Terms and Conditions can be modified, altered, or added to only by a subsequent written instrument signed by an authorized Seller representative. No prior inconsistent course of dealing, course of performance, or usage of trade, if any, shall constitute a waiver or serve to explain or interpret these Terms and Conditions.

3. PURCHASE PRICE AND CANCELLATION CHARGES

The purchase price of the Goods and/or Services shall be as stated on the applicable Seller order acknowledgement; provided, however, that if Seller announces a surcharge, such surcharge shall become effective for Goods scheduled for shipment beginning on the date set forth in Seller's announcement of such surcharge or, if there is no such date, immediately upon such announcement.

For any order cancelled by Buyer prior to shipment, for convenience, Buyer will pay Seller a cancellation charge in the amount equal to the total direct and indirect costs incurred to date less scrap value of the Goods. If applicable, Buyer will also be charged for any cancellation costs incurred by Seller relating to a forward currency exchange contract or a commodity hedge associated with an order.

4. LIMITED WARRANTY

(a) Goods:

SELLER WARRANTS THAT ALL GOODS WILL CONFORM TO THE EXPRESS SPECIFICATIONS SET FORTH ON ITS ORDER ACKNOWLEDGEMENT, FOR A PERIOD OF ONE (1) YEAR FROM THE DATE OF DELIVERY, EXCEPT AS SET FORTH BELOW.

THE 1-YEAR WARRANTY AS TO CONFORMITY TO THE EXPRESS SPECIFICATIONS SET FORTH ABOVE IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTY OF MERCHANTABILITY, WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTY THAT THE GOODS ARE FIT FOR THE PURPOSES FOR WHICH GOODS OF THE SAME DESCRIPTION WOULD ORDINARILY BE USED. NO PROMISE OR AFFIRMATION OF FACT MADE BY ANY EMPLOYEE, AGENT, OR REPRESENTATIVE OF SELLER, NOR ANY SAMPLE PROVIDED TO BUYER, SHALL CONSTITUTE A WARRANTY OR GIVE RISE TO ANY LIABILITY OR OBLIGATION.

WITHOUT PREJUDICE TO THE FOREGOING, NO STATEMENT OR UNDERTAKING CONTAINED IN ANY STANDARD OR TECHNICAL SPECIFICATION AS TO THE SUITABILITY OF THE GOODS FOR ANY PARTICULAR PURPOSE SHALL GIVE RISE TO ANY LIABILITY. BUYER SHALL SATISFY ITSELF THAT THE GOODS ARE SUITABLE FOR ANY PURPOSE OR APPLICATION FOR WHICH THEY ARE TO BE USED BEFORE THE GOODS ARE EMPLOYED FOR SUCH PURPOSE OR APPLICATION.

SELLER IS NOT RESPONSIBLE FOR THE DESIGN OF THE GOODS AND WILL NOT HAVE ANY WARRANTY, INDEMNIFICATION OR OTHER LIABILITY OR OBLIGATION FOR ANY ACTUAL OR ALLEGED DEFECTS, QUALITY ISSUES, INTELLECTUAL PROPERTY INFRINGEMENT OR OTHER NON-CONFORMITIES WITH RESPECT TO ANY GOODS TO THE EXTENT RELATING TO OR ARISING OUT OF THE DESIGN AND/OR SPECIFICATIONS FOR SUCH GOODS. WHILE SELLER MAY, FROM TIME TO TIME, OFFER ADVICE, RECOMMENDATIONS AND/OR OTHER SUGGESTIONS AS TO THE DESIGN, USE OR SUITABILITY OF ANY GOODS, SUCH ADVICE, RECOMMENDATIONS AND/OR OTHER SUGGESTIONS DO NOT CONSTITUTE ANY WARRANTIES WITH RESPECT TO ANY GOODS. SELLER DISCLAIMS ANY SUCH WARRANTIES AND BUYER ASSUMES FULL RESPONSIBILITY FOR ACCEPTING AND/OR USING SUCH ADVICE, RECOMMENDATIONS AND/OR OTHER SUGGESTIONS.

Unless otherwise agreed by Seller in writing, such warranty as to conformity to express specifications runs only to Buyer and is non-transferable and non-assignable either directly, indirectly, or by operation of law, and any such purported or attempted transfer or assignment

shall be null and void. Seller's warranty does not include purchased parts or parts supplied by Buyer, whether new or used, however, Seller will assist Buyer to resolve claims with parts suppliers.

If any Goods furnished to the Buyer fail to conform to Buyer's specifications, Buyer shall give written notification thereof to Seller, setting forth in reasonable detail the basis of such non-conformity, within thirty (30) days after Buyer discovers or should have discovered such non-conformity, subject, moreover to the 1-year period of warranty set forth above. Such non-conforming Goods shall be held by Buyer for inspection by Seller and Buyer shall only be entitled to return the goods upon Seller's written permission.

Solely in the event of a latent defect directly associated with the metallurgical quality of the roll material which is brought to the attention of the Seller more than one (1) year from the date of delivery, Seller will conduct a metallurgical examination and parties will negotiate in good faith an appropriate remedy, subject to the limitations set forth in section 5 hereof (Limitations on Damages).

(b) Services

SELLER WARRANTS TO BUYER THAT SERVICES WILL BE PERFORMED IN A COMPETENT, DILIGENT MANNER IN ACCORDANCE WITH ANY MUTUALLY AGREED SPECIFICATIONS, OR, IN THE ABSENCE OF SUCH SPECIFICATIONS, SPECIFICATIONS AS SELLER REASONABLY DETERMINS ARE APPLICABLE. UNLESS SELLER EXPRESSLY AGREES OTHERWISE IN WRITING, ANY GOODS AND MATERIALS THAT ARE THE SUBJECT OF SERVICES SHALL CARRY ONLY THE WARRANTY THAT THE ORIGINAL MANUFACTURERS PROVIDE, AND SELLER GIVES NO WARRANTY ON BEHALF OF THE MANUFACTURERS OF SUCH GOODS OR MATERIALS.

THIS SECTION PROVIDES THE EXCLUSIVE REMEDIES FOR ALL CLAIMS BASED ON FAILURE OF OR DEFECT IN SERVICES, WHENEVER THE FAILURE OR DEFECT ARISES AND WHETHER A CLAIM, HOWEVER DESCRIBED, IS BASED ON CONTRACT, WARRANTY, INDEMNITY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE. THE WARRANTY PROVIDED IN THIS SECTION IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES AND GUARANTEES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY. NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES. NO PROMISE OR AFFIRMATION OF FACT MADE BY ANY EMPLOYEE, AGENT, OR REPRESENTATIVE OF SELLER, NOR ANY SAMPLE PROVIDED TO BUYER, SHALL CONSTITUTE A WARRANTY OR GIVE RISE TO ANY LIABILITY OR OBLIGATION.

If the Services do not meet the warranty set forth above, Buyer shall promptly notify Seller in writing within the 90-day warranty period. Seller shall thereupon, at Seller's option, either re-perform the defective Services or, if Seller determines, in its reasonable judgement, that the Services may not be re-performed, Seller shall refund or credit monies paid by Buyer for that portion of Services that do not meet the above warranty. No repair, replacement or re-performance by Seller hereunder shall extend the applicable warranty period. The parties shall mutually agree on the specifications of any test to determine the presence of a defect.

5. LIMITATIONS ON DAMAGES

BUYER'S SOLE REMEDY FOR BREACH OF WARRANTY SHALL BE STRICTLY AND EXCLUSIVELY LIMITED, AT SELLER'S OPTION, TO THE REPAIR OR REPLACEMENT OF NONCONFORMING GOODS OR RE-PERFORMANCE OF THE SERVICES, AS THE CASE MAY BE, OR TO A FULL OR PARTIAL CREDIT OF PURCHASE PRICE. IN NO EVENT SHALL THE LIABILITY OF SELLER EXCEED THE PURCHASE PRICE OF THE GOODS OR SERVICES. IF THE ROLL LIFE SPECIFIED BY BUYER IS NOT ACHIEVED, BUYER'S ONLY REMEDY WILL BE A CREDIT IN THE AMOUNT EQUAL TO THE PRODUCT OF TOTAL PURCHASE PRICE AND THE QUOTIENT OF LOST ROLL LIFE DIVIDED BY TOTAL ROLL LIFE.

IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR TO ANY THIRD PARTY FOR CONSEQUENTIAL (INCLUDING LOSS OF USE, LOST PROFITS, BUSINESS INTERRUPTION, AND LOSS OF PRODUCT), INCIDENTAL, SPECIAL, LIQUIDATED, PUNITIVE, OR OTHER DAMAGES IRRESPECTIVE OF WHETHER CLAIMS OR ACTIONS FOR SUCH DAMAGES ARE BASED UPON CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, WARRANTY, CONTRIBUTION, INDEMNITY, INFRINGEMENT, STATUTE, OR OTHERWISE.

In the event that Buyer shall have the rolls sold hereunder reprocessed (either rehardened or remade) by anyone other than Seller, Seller shall have no further responsibility of any kind.

6. CONFIDENTIALITY

All non-public, confidential or proprietary information of Seller, including, but not limited to, specifications, samples, designs, plans, drawings, documents, data, business operations, customer lists, or pricing disclosed by Seller to Buyer, whether disclosed orally, in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential", is confidential, and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return or destroy all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this section. This section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

7. SELLER'S INTELLECTUAL PROPERTY

With the exception of developments, inventions, discoveries, designs and improvements created for Buyer's exclusive use, Seller shall own all rights, title and interest in or to any know-how, developments, inventions, discoveries, designs or improvements created during, or that

arise out of performance of this contract, including without limitation, all improvements, modifications, and efficiencies to Seller's manufacturing process.

8. DELIVERY, FORCE MAJEURE, RISK OF LOSS AND TITLE

(a) Estimated dates for shipping are provided to Buyer on the basis of Seller's best estimate for informational purposes only and are not guaranteed.

(b) Neither Seller nor Buyer shall be liable for loss or damage resulting from delay or failure of delivery or performance due to accident, equipment breakdown or equipment malfunction; strike, lockout, or any labor dispute; fire, flood, accident, quarantine restrictions, earthquake, tornado, epidemic, or other casualty or act of God; war, riot, civil disobedience, or other emergency, or acts of civil or military authorities; compliance with orders, priorities, or requests of any government agencies or courts or arbitrators; embargoes; inability or delay in obtaining transportation; or any cause, condition, or contingency beyond the reasonable control of Seller. In the event of any of the foregoing, Seller may apportion its production and all stock material among its customers in such manner as it may consider equitable.

(c) Title and risk of loss shall both pass to Buyer when risk of loss transfers in accordance with delivery terms specified in Seller's order acknowledgement.

(d) Buyer shall bear the risk of loss (including by reason of damage or delay) for Service Items during the period when Services are rendered, whether at Seller's facilities or in transit.

(e) Until payment is received in full, Seller is granted and shall retain a security interest in all Goods ordered by Buyer and/or Service Items and Buyer authorizes Seller to execute on Buyer's behalf a financing statement and/or file a financing statement to perfect Seller's security interest under the applicable filing provisions of the Uniform Commercial Code.

9. DISPUTE RESOLUTION, APPLICABLE LAW AND JURISDICTION AND SAVINGS CLAUSE

The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Terms and Conditions. Any dispute arising under these Terms and Conditions will be governed by the law of the People's Republic of China (excluding for purposes of these Terms and Conditions only, the special administration regions of Hong Kong and Macau and Taiwan)), but excluding conflict of laws provisions. Any dispute, controversy or claim relating to the validity, interpretation, performance or termination of these Terms and Conditions shall, in the first instance, be amicably settled by and between the parties. In the event the parties fail to amicably settle their disputes, controversies or claims within thirty (30) days, such disputes, controversies or claims shall be submitted to non-binding mediation.

If mediation proves to be unsuccessful, then the disputes, controversies or claims shall be finally resolved by arbitration of the China International Economic and Trade Arbitration Commission ("CIETAC") pursuant to the then effective rules of the CIETAC at the time of arbitration application. There shall be one neutral arbitrator. The decision of the arbitrator shall be final and binding on the parties. Notwithstanding other provisions herein which may be interpreted to the contrary, the arbitrator(s) shall not have the authority to grant damages to Buyer that are disclaimed or limited hereunder. The arbitration proceedings described above shall be conducted in the English language and shall take place in Beijing.

If any term set forth herein is to any extent invalid, illegal or incapable of being enforced, such term shall be excluded to the extent of such invalidity, illegality or unenforceability; all other terms hereof shall remain in full force and effect.

10. BUYER'S RESPONSIBILITY AND DEFAULT IN PAYMENT

If Seller has any doubt as to Buyer's responsibility, or if Buyer fails to fulfill the terms and conditions of payment set forth herein or in Seller's order acknowledgement, Seller may decline to make any further shipment or delivery hereunder, except upon receipt of satisfactory security, including, but not limited to, full or partial prepayment.

If Buyer fails to make payments on this or any other contract between Buyer and Seller in accordance with the terms hereof or thereof, Seller may defer further shipments or delay the provision of Services until such payments are made or, at its option, cancel the contract with respect to any balance. If pursuant to this provision, Seller defers any shipments or cancels in whole or in part the contract, Buyer shall be liable for and reimburse Seller for all reasonably foreseeable damages incurred by Seller as a result of such deferral or cancellation.

11. NO WAIVER

Failure by Seller to enforce any of the terms, conditions, or limitations as set forth herein shall not constitute a waiver thereof or a waiver of any other terms, conditions, or limitations. The failure of Seller to exercise any rights arising from default of Buyer shall not constitute a waiver of such right or any other right. The terms, conditions, or limitations herein may be enforced by Seller at any time in whole or in part.

12. TERMS OF PAYMENT

Unless otherwise specified in Seller's order acknowledgement, payment terms are net 30 days. Interest charges of 1.5% per month will be applied to past due payments. Seller will have the option of billing for partial shipments or shipments delayed by Buyer.

The purchase price is payable on the terms set forth herein without deduction, set-offs, counterclaims, back-charges, or any other charges or claims of Buyer of whatsoever nature, and the obligations of Buyer to Seller shall remain unimpaired regardless of disputes which may arise between Buyer and third parties.

13. COMPLIANCE WITH LAW

Buyer will comply with all Laws. Certain Goods sold or Services provided pursuant to the terms and conditions set forth herein may be subject to export controls under the laws of the United States, the United Kingdom, the European Union or other jurisdictions. Buyer must comply with all such Laws and not export, re-export or transfer, directly or indirectly, any such Goods or Services except in compliance with such Laws.