

## AK STEEL CORPORATION PURCHASE ORDER TERMS AND CONDITIONS

1. **PRICES/QUANTITIES:** Prices shown on this order shall apply to all material and equipment shipped and services and work performed unless otherwise agreed to in writing by Buyer. If price is omitted, it is agreed that the Seller's price will be lowest prevailing market price. The quantity of material or equipment delivered by Seller to Buyer shall not be greater than the amount specified on the reverse side hereof unless an additional amount is first ordered by Buyer in writing on its "Change Order Form".
  2. **SHIPPING INSTRUCTIONS:** Seller shall observe specified shipping instructions. Seller shall contract with carriers that comply with insurance requirements of federal and state regulatory agencies. Packaging requirements for shipments on Commercial Bills of Lading must meet commercial standards and accepted practices of the industry with full protection of the material or equipment to ultimate destination. Buyer will not pay for packaging unless specifically agreed.
  3. **TRANSPORTATION:** Unless otherwise stipulated on this order, material and equipment shall be shipped freight and insurance prepaid FOB to such destination as Buyer shall designate. Seller warrants that any transportation costs included in the price will not exceed actual transportation costs paid by Seller. If this order expressly provides for payment of any transportation costs by Buyer, Buyer shall in no event be liable or accountable for any amount in excess of the actual costs of transportation. Seller shall be accountable for any excess transportation costs, including demurrage or detention, arising from Seller's failure to make timely delivery to the FOB point or to follow shipping instructions specified on the face of this order. If freight has been prepaid or included in the price of material or equipment and Seller ships collect, Buyer, at its option may refuse delivery or pay the freight and invoice Seller or set-off in accordance with Section 13 below. If Buyer pays collect freight on prepaid shipments, Seller shall pay Buyer an additional \$250 administrative fee for each occurrence. Seller shall assume and pay any and all loss or damage to material or equipment from any cause whatsoever until delivered to Buyer at the FOB point specified on the purchase order.
  4. **INSPECTION:** At any time during the performance of this order, all material, equipment, work and service shall be subject to Buyer's inspection and rejection, wherever situated. Defective material and equipment or material and equipment not conforming to Buyer's specifications will be held for Seller's instruction, at Seller's risk and, if Seller so directs, will be returned, but only at Seller's expense. Payment for material, equipment, service or work on this order prior to inspection shall not constitute an acceptance thereof, nor will acceptance remove Seller's responsibility for latent defects. Payment, if any, made for any material, equipment, work or service rejected hereunder shall be reimbursed by Seller.
  5. **CANCELLATION:** Buyer, at its option, may cancel this order, without cause, in whole or in part, by written, email or fax notice to Seller and, in such event, the following provisions shall govern and control:
    - A. Upon effective date of such cancellation, Seller shall stop all work or service in connection with this order, except as otherwise directed by Buyer.
    - B. Buyer shall pay Seller's actual and direct out-of-pocket costs to the date of such cancellation, including Seller's expense in connection with cancellation of any subcontracts, all as approved by Buyer, provided, however, that in no event shall the total amount to be paid upon such cancellation, plus payments previously made exceed the lesser of (i) the total aggregate purchase price equivalent to the percentage of the work or service performed up to cancellation; or (ii) that proportion of the aggregate total purchase price equivalent to the percentage of the work or service performed up to cancellation.
    - C. On such payment, the materials, equipment and completed portions of the work or service shall be the property of Buyer and shall be subject to its disposition. The remedies provided herein are Seller's exclusive remedies should this order be canceled without cause.
- None of the above provisions of this Section 5 relating to payment upon cancellation shall apply in the event that at the time notice of cancellation is given a force majeure condition has occurred (as provided in Section 12 below) or Seller is in default in delivery or otherwise or has breached any terms or conditions of this order. In such event, Buyer shall have the right to terminate this order in whole or in part, and Buyer may procure elsewhere material, equipment, work or service similar to the material, equipment, work or service as to which the order is so terminated, and, if the Seller is in default or breach, Seller shall be liable for any costs for such similar material, equipment, work or service in excess of the price or prices specified herein; provided, however, that Seller shall continue the performance of this order to the extent not terminated by Buyer. In addition to the rights provided above, Buyer may exercise any other rights or remedies provided by law or under this order for any such default or breach by Seller.
6. **SECURITY:** If Buyer has agreed to make milestone or progress payments, Seller hereby grants Buyer a purchase money security interest in the inventory, work-in-process, components, material, and equipment purchased with such payments. Seller shall, from time to time, join with Buyer in executing and filing any financing statements which may be necessary or desirable to perfect or give notice to such security interest. For such purpose, Seller does hereby irrevocably appoint Buyer its attorney-in-fact with authority to execute any financing statement in the name of Seller. Any work or service performed under this order shall be deemed "work for hire."
  7. **WARRANTY:** The Seller warrants all equipment and material furnished under this order against defects in material and workmanship; and, where design is the responsibility of the Seller, against failure to perform in accordance with the requirements of this order and applicable specifications. The warranty period shall apply, at least, throughout the first twelve months of use of material or operation of equipment by Buyer; provided, however, that should Seller perform warranty rework on the equipment or replace any material, or any portion thereof, the warranty period shall be extended for an additional twelve-month period. Should any part of any equipment or material fail to function or meet the required performance as specified above, or should defects in material or workmanship appear within the period specified above, Seller shall immediately upon receipt of notification from Buyer, make changes, corrections, and/or additions or authorize Buyer to make such changes, corrections, or additions as Buyer deems necessary to fulfill the performance requirements of the specifications and/or correct all such defects. These changes/additions, including the removing and replacing of all parts required for the correction, shall be made at Seller's sole expense and without charge to Buyer.
  8. **PRICE WARRANTY:** The Seller warrants that the prices it charges Buyer for material, equipment, services or work under this order shall be no higher than the prices charged by Seller to any other buyer (if any) for similar material, equipment, service or work.
  9. **PATENT INFRINGEMENT:** Seller shall protect, defend, and indemnify Buyer for all costs, expenses, or damages arising from the infringement or alleged infringement of letters patent by the material or by equipment furnished pursuant to this order or by the necessary or contemplated use of the material or operation of the equipment so furnished.
  10. **RECORDS:** Seller shall keep accurate records of all transactions with Buyer which shall be made available for inspection at reasonable times by any internal auditor from Buyer or independent public accountant authorized by Buyer. Seller shall maintain for five years after final payment is made under this order, purchase order files for supplies, equipment, material, work or services used in the performance of the order, supporting documentation and back-up files including, but not limited to, invoices and memoranda, e.g., memoranda showing the principal elements of price.
  11. **DUTY DRAWBACK RIGHTS:** This order includes all related customers duty and import drawback rights, if any, (including rights developed by substitution and rights which may be acquired from Seller's supplier). Seller agrees to inform Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.

12. **FORCE MAJEURE:** Buyer shall not be held responsible for acceptance of all or any part of the materials or equipment tendered for delivery or work or service to be performed under this order if federal, state or local action, statute, ordinance, rule or regulation, strike or other labor trouble, fire, weather, accident, power outage, interruption to transportation, or other incidents outside of Buyer's control, loss of business, or plant outage would make such acceptance impossible or impractical.

13. **RIGHTS OF SET-OFF:** Buyer shall have a right of set-off hereunder and shall be entitled, at any time and from time to time, to set-off against all amounts owing from Seller to Buyer or any of Seller's affiliated entities to Buyer, any amount payable by Buyer to Seller (or its affiliate entities), whether in connection with the material, equipment, work or services purchased hereunder or under a separate order. Buyer may decline to approve an invoice for payment if in its reasonable opinion the invoice is not adequately supported. Buyer may also decline to approve any invoice for payment or, because of subsequently discovered evidence or subsequent inspections, Buyer may nullify in whole, or in part, any approval previously made to such extent as may be necessary in Buyer's discretion because of, but not limited to, the following: (i) defective work not remedied; (ii) third-party claims filed, or reasonable evidence indicating probable filing of such claims; (iii) failure of the Seller to make payments properly to subcontractors or others for labor, materials, or equipment; (iv) damage to Buyer or other Contractors working on the premises; (v) reasonable evidence that the Work will not be completed within the Contract Schedule; or (vi) persistent failure to carry out the Work in accordance with the Contract. Upon final payment, Seller shall submit an invoice for final payment to Buyer which shall be accompanied by (i) sworn statements and materialmen's certificates as Buyer may require pursuant to applicable sections of the Ohio Revised Code, Kentucky Revised Statutes, Indiana Code, or Pennsylvania Statutes and (ii) releases of lien from Seller, all subcontractors, and materialmen, showing payment in full for all work, labor, material, and services furnished by them and such other data substantiating Seller's right to payment as Buyer may require. SELLER HEREBY AGREES THAT ITS ACCEPTANCE OF FINAL PAYMENT SHALL CONSTITUTE A WAIVER OF ALL CLAIMS BY SELLER AGAINST BUYER AND ITS AFFILIATES, REGARDLESS OF THEORY, WHETHER IN LAW OR IN EQUITY, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, DISCOVERED OR UNDISCOVERED, EXCEPT THOSE PREVIOUSLY MADE IN WRITING TO BUYER AND WHICH ARE IDENTIFIED BY THE SELLER IN WRITING AS UNSETTLED AT THE TIME OF THE FINAL INVOICE FOR PAYMENT. No payment by Buyer for a progress payment or final payment shall relieve Seller from its obligation to comply with the terms of this order and shall not constitute a waiver by Buyer of any of Buyer's legal rights or remedies, whether under this order or otherwise at law or equity.

14. **LAWS AND REGULATIONS:** Seller shall comply with all applicable U.S. Federal, state and local laws, orders, statutes, rules, regulations and industry codes. In connection with the production of the material or equipment specified herein, Seller must comply with all applicable requirements of Sections 6, 7, and 12 of The Fair Labor Standards Act, as amended and of regulations and orders of the United States Department of Labor issued under Section 14 thereof. All invoices must contain a representation as to such compliance.

15. Where applicable, U.S. Sellers must execute as a condition of this order a separate certificate of compliance with certain of the following laws and regulations. A form for such certification will be forwarded by Buyer to Seller for Seller's execution.

Compliance Certificates

A. Equal Opportunity Clause: For any order in excess of \$10,000.

B. Affirmative Action Compliance Program: If the Seller has 50 or more employees and the order is for \$50,000 or more.

C. Listing of Employment Openings Employment of Vietnam Veterans: For any order for \$2,500 or more.

D. Utilization of Minority Owned/Women Owned/Small Owned Business Enterprises: For any order in excess of \$5,000 except contracts for services which are personal in nature.

E. Minority Owned/Women Owned/Small Owned Business Enterprises Subcontracting program: For any order in excess of \$2,500.

F. Employment of the Handicapped: For any order in excess of \$2,500.

16. **INSURANCE AND INDEMNITY:**

A. Indemnity - Seller shall protect, defend, indemnify, and hold harmless Buyer, any of its subsidiaries or affiliates, and any of its or their officers, directors, employees, workmen, or agents ("Indemnified Parties") of and from any loss, cost, damage, or expense arising from:

(1) any and all claims which may be made against any Indemnified Parties by reason of injury or death to person, or damage to property, suffered, or claimed to have been suffered, by any person, firm, corporation, or other entity, caused by, or alleged to have been caused by, any act or omission, of Seller or any subcontractor retained by or through Seller or of any of their employees, workmen or agents; (2) any and all damage to the property of any Indemnified Parties including, but not limited, property occupied or used by or in the care, custody, or control of Seller, caused by any act or omission of Seller or any subcontractor retained by or through Seller or of any of their employees, workmen or agents; (3) any and all claims which may be made against any Indemnified Parties by reason of injury or death to person, or damage to property, however caused, or alleged to have been caused, (except for injury, death, or damage caused by the sole negligence of any Indemnified Parties) suffered, or claimed to have been suffered by Seller or any subcontractor retained by or through Seller or by any of their employees, workmen or agents, notwithstanding the application at the provisions of any applicable state Workers' Compensation law and statute. Seller agrees to specifically indemnify any Indemnified Parties from and against any and all claims against an Indemnified Party by Seller's employee; (4) any and all claims and demands which may be made against any Indemnified Parties by reason of any infringement or alleged infringement of any intellectual property rights or claims caused by or alleged to have been caused by the use of any materials or equipment furnished or used by Seller or any subcontractor retained by or through Seller and (5) any and all penalties imposed on account of the violation of any law or regulation, compliance with which is not expressly left by this order solely to the part of Buyer.

B. Seller agrees to expressly waive its immunity, if any, as a complying employer under the applicable Workers' Compensation law and statute, but only to the extent that such immunity would bar or affect recovery under or enforcement of any indemnification obligation contained herein. This waiver applies to Section 35, Article H of the Ohio Constitution and Ohio Revised Code Section 4123.74, Indiana Revised Statutes Section 22-3-2-2 and Kentucky Revised Statute Chapter 342 including amendments or any other applicable state Workers' Compensation law or statute.

C. General Liability and Automobile Insurance - Seller agrees to carry, at its sole expense, Commercial General Liability Insurance, Including Contractual Liability Insurance, XC&U Coverage (if applicable), Personal/Advertising Injury Coverage, Products/Completed Operations Insurance, Cross-Liability Coverage, and Broad Form Property Damage covering all operations and work hereunder and shall be written on an "Occurrence Coverage Basis". Seller's ongoing operations shall be defined to include any warranty, whether expressed or implied, after product or project acceptance. Such insurance shall specifically refer to this Order and shall specifically cover the liability assumed and/or intended to be assumed by Seller under Section A, Subsection (1), (2), and (3), hereof,

regardless of whether the indemnification obligation giving rise to such liability is found to be void or otherwise unenforceable due to Workers' Compensation immunity or other grounds. It is expressly understood and agreed that it is the intent of the parties that the insurance provided hereunder shall afford the Indemnified Parties insurance coverage against their own acts or omissions, as well as Seller's acts or omissions. The limits of insurance shall be no less than \$2,000,000 per occurrence for all liability arising out of injury to person(s) or damage to property and no less than a \$4,000,000 annual aggregate. In addition, such insurance shall include Buyer as an additional insured with respect to claims arising out of operations performed pursuant to or incidental to this order, whether by Seller, its subcontractors, or an Indemnified Party. It is further agreed that the coverage afforded the Indemnified Parties shall be primary insurance for the Indemnified Parties with respect to claims arising out of operations performed pursuant to or incidental to this order, whether by Seller, Its subcontractors, or an Indemnified Party. If the Indemnified Parties have other insurance which is applicable to the claim, such other insurance shall be on an excess basis and not contributory. Seller agrees to carry, at its sole expense, automobile liability insurance on all owned, nonowned, and hired automobiles. The limits of insurance shall be no less than \$2,000,000 per occurrence for all liability arising out of injury to person(s) and damage to property. Seller and any subcontractors retained by or through Seller shall obtain a waiver of underwriters' rights of subrogation against Buyer for coverages required by this Section C. Seller shall furnish Buyer certificates of the insurance required under this Section C, which shall be in companies and in form satisfactory to Buyer. Such certificates shall provide that thirty (30) days' written notice shall be given to Buyer prior to cancellation or nonrenewal of the coverages.

D. Workers' Compensation and Employees Liability: Seller and all subcontractors retained by or through Seller, and all their employees, workmen, servants, or agents shall comply with all requirements of the Workers' or Workers' Compensation laws of the states in which Seller or any subcontractor retained by or through Seller is performing any work hereunder. The Seller's insurance coverage shall be endorsed to provide U.S. Longshoreman's and Harbor Workers' Coverage, as well as the 'IN REM' Endorsement, 'Jones Act' Endorsement, and Outer Continental Shelf Endorsement where the work to be performed is subject to these provisions. Seller shall, in addition, carry Employee Liability insurance covering all operations and work hereunder with a limit of no less than \$500,000 per person. Evidence of compliance with this Section D shall be furnished to Buyer. Seller and any subcontractors retained by or through Seller agree to waive their rights of subrogation against Buyer. In nonmonopolistic states, Seller and any subcontractors retained by or through Seller shall include an endorsement to their Workers' Compensation policy(ies) providing a waiver of insurer's rights of subrogation against Buyer. Upon Buyer's request, in monopolistic states, Seller and any subcontractors retained by or through Seller shall obtain a letter from the State Bureau of Workers' Compensation (or equivalent) providing a waiver of the State's rights of subrogation against Buyer or, if not obtainable, a letter providing the States position with respect to subrogation rights.

E. The above insurance requirements are minimum requirements and shall not limit Seller's liability to Buyer in any manner. Certificates evidencing the insurance required herein shall be a condition precedent to Buyer's obligation to make payments to Seller. Acceptance of a nonconforming certificate of insurance by Buyer shall not constitute a waiver of any rights of the Indemnified Parties under this order.

F. Seller shall indemnify and release Buyer, its successors and assigns, from any and all claims, demands, judgments, expenses or penalties arising from any act or omission of Seller in relation to this order. Seller further agrees to indemnify Buyer for any reasonable attorneys' fees or other costs that Buyer incurs in the event that Buyer has to file a lawsuit to enforce any indemnity provision of this order.

17. MISCELLANEOUS: In the event that any provision of this order shall be determined to be illegal or unenforceable, such provision shall be limited or eliminated to the minimum extent necessary so that this order shall otherwise remain in full force and effect and enforceable. Time is of the essence hereof. In accepting this order, making any deliveries, or commencing any work or services hereunder, Seller agrees to all of the terms and conditions stated on this order and agrees to perform this order and make deliveries as scheduled. This order, together with any executed documents which may be incorporated by specific reference, constitutes the entire agreement between the parties and supersedes all previous communications between them, either oral or written. All such previous communications are hereby abrogated and withdrawn, and no stipulations, representations, or agreements by Buyer or any of its officers, agents, or employees shall be binding on the Buyer unless reduced to writing, signed by Buyer and attached to or incorporated in this order by reference. No course of dealing, course of performance or local, general, or trade custom shall alter or vary the terms hereof. Any conflicting or additional terms in any invoice, agreement, bill of lading or other document supplied by Seller are hereby rejected by Buyer. Seller shall not perform under this order unless on the express terms and conditions set forth in this order.

18. SAFETY: If Seller's work under this order involves operations by Seller on the premises of Buyer, Seller shall comply with all of Buyer's safety and security procedures, including, without limitation, Buyer's Outside Contractor's Substance Abuse Policy, and Seller shall take all necessary precautions to prevent the occurrence of any injury to person or damage to property during the progress of such work. Seller agrees to submit monthly reports of hours worked during the previous month by the 15<sup>th</sup> day of the following month.

19. CONFIDENTIALITY: All samples, inventions, improvements, know-how, patent applications, specifications, drawings, engineering data, cost data, requirements, process flow diagrams, bills of material, customer information, business plans, budgets, software and other information provided to Seller by Buyer in connection with this order will be retained in confidence by Seller.

20. SALVAGE: Any scrap steel, iron or other salvage from the performance of any services or the supplying of any materials pursuant to this order, the cost of which is paid by Buyer under any provision of this order, shall be the property of Buyer. If such material is not paid for by Buyer, it shall be the property of the Seller and Seller shall promptly, at its own expense, remove such salvage from Buyer's property unless otherwise agreed upon.

21. ASSIGNABILITY: This order is not assignable in whole or in part without prior written consent of Buyer. For purposes of this Section any change in control or majority ownership of Seller shall be deemed an assignment of this order.

22. GOVERNING LAW: This order shall be governed by and interpreted in accordance with the laws of the State of Ohio. The parties agree that whether or not this order is determined to be an order predominantly for the sale of goods or services, this order shall be subject to and interpreted in accordance with the provisions of the Uniform Commercial Code as adopted in the State of Ohio. Any action or other legal proceeding of any kind, civil or criminal, legal or equitable, based upon or in any way related to the subject matter of this order, shall be brought exclusively in an appropriate court of competent jurisdiction (state or federal) located in Butler County, Ohio (if the action is brought in state court) or in the Southern District of Ohio (if the action is brought in federal court). Any action brought within such courts shall not be transferred or removed to any other state or federal court. It is further understood and agreed by the parties that by this clause, they consent to the exercise of jurisdiction by the above named courts as the freely negotiated choice of forum for all actions arising out of or in any way related to the subject matter of this order.

23. PARTIES: This order shall be binding upon each of the parties hereto and their respective permitted legal representatives, trustees, successors, and assigns.

24. FACSIMILES, EMAIL AND ELECTRONIC DATA INTERCHANGE: The parties hereby stipulate that legible executed facsimile or email copies of this order shall be admissible as evidence of the originals under any federal or state rules of evidence. If the parties have executed an Electronic Data Interchange Agreement this order may be transmitted electronically. The electronic identification consisting of symbols or codes affixed or contained in this order shall be sufficient to verify the signature of the parties.