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ANNEX A

To

Terms and Conditions of Sale

1. ACCEPTANCE. We, JSW Steel (USA) Inc. (referred to as either "we," "us" or "Seller") accept your ("you" or "Buyer") order of the goods ("Goods") described on the front of this page (or accompanying this page) The terms and conditions written on our order acceptance and on this page constitute the entire contract between you and us (the "Contract"). All sales by us are made subject to these terms and conditions. We **expressly reject** any different or additional terms or conditions contained in any documents submitted by you. Course of dealing, course of performance and usage of trade, to the extent they modify, add to or detract from this Contract, shall not be binding on us. **OUR PROVISION OF CREDIT, ACCEPTANCE OF ANY PURCHASE ORDER AND/OR SALE OF ANY GOODS ARE EXPRESSLY MADE CONDITIONAL ON YOUR ASSENT TO THESE TERMS AND CONDITIONS.**

Except as otherwise agreed in writing signed by you and us, our order acceptance and these terms and conditions are the entire agreement between the two parties relating to the sale of Goods. Terms or conditions shown in any other document issued by you that in any way purport to alter modify, change suspend or add to any term or condition on this page are rejected and deemed excluded from your document and waived by you. Our failure to object to any term or conditions shown in any of your forms or to enforce any of our rights is not a waiver of the provisions of our terms and conditions.

2. DISCLAIMER OF EXPRESS AND IMPLIED WARRANTIES. SUBJECT TO STANDARD MANUFACTURING VARIATIONS, WE WARRANT THAT THE GOODS SHALL MEET THE SPECIFICATIONS SHOWN ON THE FACE OF OUR ORDER ACCEPTANCE. WE MAKE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, AND WE SPECIFICALLY EXCLUDE ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.


3. LIMITATION OF YOUR REMEDIES/CLAIMS. 1. *Time Limit:* Any claims related to quantity shortages must be noted on the signed delivery receipt. Upon receipt of goods the purchaser shall verify that all goods are free of visual defects. Purchaser shall have 90 days from date of delivery to issue a claim with JSW Steel in regards to any visual defects, including, but not limited to, surface quality issues, size or shape issues. A period of 180 days from date of delivery is allowed for nonconformance and other latent defects which may not be visible, such as internal soundness.

2. *Procedure:* All claims must be made in writing within the above time periods and include the following information: reason for claim, plate or pipe number(s), heat number(s), total weight being claimed, dimensions and grade of material being claimed, and size of defect with photographs when possible. Claims shall be directed to the JSW Sales Account Representative. It is the purchaser's responsibility to provide proof of the defective condition being claimed. JSW Steel has the right to investigate all claims and may request any or all of the following in order to aid the investigation: inspection records, photos or videos, material samples, return of material, or dispatch of an inspector to verify defect. The purchaser should try to include as much information as possible with the original claim submission in order to facilitate the claims process. Purchaser shall have 30 days to respond to a written request for any of the above items. Failure to provide requested information or material may result in denial of claim.

3. *Resolution Options:* JSW Steel reserves the right to request return of defective material to our facility. JSW Steel reserves the right to resolve valid claims by any of the following methods: replacement of material, material repair or rework, or issuing a credit for the cost of the material minus scrap value of material.

4. *"Aim" Specifications:* Order requirements may be agreed upon which are stricter than mill capabilities, failing to meet aim specifications does not constitute a valid claim.

5. *Claim by Association:* Defects are normally restricted to a single plate or region. JSW does not accept claims for entire heats or groups of plates unless evidence can be provided of the defect in each piece claimed.

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6. *Improper Storage and Handling:* JSW Steel has no control over how or where purchaser stores or handles material. We will not accept claims where the damage is a result of poor storage or handling on part of purchaser. It is purchaser's responsibility to inspect plates promptly upon arrival and report any handling damage. Any damage reported after 10 days will be assumed to have occurred on purchaser's premises and will not be the responsibility of JSW Steel.

7. *Third Party Testing:* Any mechanical or chemical properties provided to purchaser by JSW Steel are the result of industry standard tests performed on specimens obtained from product at a specific location. Claims based entirely on third party mechanical or chemical property information will not be accepted in most circumstances.

8. *Claims on Altered Goods:* Any material which has been partially or completely processed by purchaser will require additional documentation which lists all processes the material has undergone in order to determine if the claim is valid or a result of purchaser's processing.

9. *Non-prime Products:* Material may not be claimed if it was purchased in the non-prime condition.

YOUR EXCLUSIVE REMEDY AGAINST US, AND OUR SOLE OBLIGATION FOR ANY AND ALL CLAIMS, WHETHER FOR BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STATUTORY, COMMON LAW, OR OTHERWISE, SHALL BE LIMITED TO OUR REPLACEMENT OF THE GOODS THAT DO NOT CONFORM TO THE SPECIFICATIONS OR, AT OUR OPTION, A REFUND OF THE PURCHASE PRICE. IN NO EVENT SHALL WE HAVE ANY LIABILITY FOR DAMAGES IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE GOODS SOLD UNDER THIS ORDER, NOR SHALL WE HAVE ANY LIABILITY FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES. IT IS EXPRESSLY AGREED THAT YOUR REMEDIES EXPRESSED IN THIS PARAGRAPH ARE YOUR EXCLUSIVE REMEDIES. WE SHALL HAVE NO LEGAL RESPONSIBILITY OR LIABILITY AND WE ARE NOT IN PRIVITY WITH ANY INDIVIDUAL OR ENTITY THAT IS NOT A PARTY TO THIS CONTRACT.

4. LIMITATION OF LIABILITY FOR FAILURE OR DELAY IN PERFORMANCE OR DELIVERY.


Shipment schedules are approximate. No delivery date is guaranteed. We are not responsible for non-shipment of Goods or delays in delivery or performance due to causes beyond our reasonable control, including, but not limited to, acts of God; your acts; strikes or other labor disturbances; our inability to obtain, or material increases in the cost of, fuel, raw materials or parts; delays in transportation; repairs to equipment; governmental regulation or requirement; fire; flood; other casualty or accident. **ACCEPTANCE OF GOODS UPON DELIVERY SHALL CONSTITUTE A WAIVER BY YOU OF ANY CLAIM FOR DAMAGES ON ACCOUNT OF NON-SHIPMENT OR DELAYS IN DELIVERY OR PERFORMANCE.**

5. **SELLER'S RIGHT TO REVOKE CREDIT.** We reserve the right at any time to revoke your credit, to require cash prior to shipment or delivery and/or suspend performance on, or terminate this Contract and/or other sales contracts and/or future shipments.

6. **SHIPMENT / TITLE/ SURCHARGES.** All deliveries are F.O.B. our mill in Baytown, Texas, freight prepaid or freight collect to destination. If shipped freight prepaid, the charge for freight will be added to the invoice. Neither freight charges nor taxes are subject to any discount. Risk of loss or damage in transit is borne by you, and you must make all claims directly with the carrier. You may pick up the Goods at our facility provided you do it within 10 days after you are notified of the availability of the Goods. If you do not pick up the Goods within such period, we reserve the right to ship them to you without further notice at any time after the 10-day period, and/or charge you a storage fee of \$20/ton, to be assessed on a weekly basis. We reserve the right in our sole discretion to add surcharges for increases in raw material costs and increases in fuel and other transportation costs between the date of a quote and shipment.

7. **TAXES.** All taxes of any kind levied by any federal, state, municipal or other governmental authority, which tax we are required to collect or pay with respect to the production, sale or shipment of Goods sold to you, shall be your responsibility. You agree to pay all such taxes and further agree to reimburse us for any such payments made by us.

8. **INTEREST.** In the event you fail to make a payment to us or one of our affiliates, of any amounts due and owing to us or an affiliate (including any applicable surcharge or freight charge), we have the right to terminate any order you have with us, or any unfilled portion of an order, and

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we may terminate any other agreement we, or one of our affiliates, may have with you. We may charge you interest on the outstanding balance at a monthly rate of 1 ½ % or the highest rate allowed by law, whichever is lower. In no event shall interest exceed the highest rate allowed by law. We have the right to employ an attorney to collect any balance due and you agree to pay all collection costs we incur, including reasonable attorneys' fees.

9. RIGHT TO AMEND/CANCEL. You cannot modify, cancel or otherwise alter orders without our prior written consent.

10. DISPUTE RESOLUTION. Disputes shall be resolved in accordance with the procedures in Annex B to these terms and conditions.

11. MISCELLANEOUS. (A) **ASSIGNMENT.** You may not assign this Contract without our prior written consent, which may be withheld for any reason. (B) **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. (C) **APPLICABLE LAW.** This Contract shall be governed by, construed and enforced in accordance with, the laws of the State of Texas.

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ANNEX B


To

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Dispute Resolution

Any and all disputes between Buyer and Seller concerning the purchase and sale of the Goods or any other matter under this Contract shall be resolved by the parties amicably through good faith negotiations, and in the event a dispute is not resolved amicably, through mandatory and binding expedited arbitration as provided below.

- A. Disputes/Negotiation. The parties will attempt in good faith to resolve any controversy or claim whatsoever arising out of or relating to the Contract ("Dispute"). If a Dispute should arise the parties will act in good faith and will attempt to resolve the matter.
- B. Referral to Arbitration. If either a party does not attempt to resolve a Dispute in good faith, or despite good faith efforts on the part of both parties, the Dispute has not been resolved within seven days after one party has first contacted the other party in writing attempting in good faith to resolve the Dispute (the "Dispute Date"), the Dispute shall be resolved by arbitration.
- C. Governing Rules and Arbitrator. Arbitration of a Dispute shall be in accordance with the Federal Arbitration Act (Title 9 of the United States Code) (the "Arbitration Act") and the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association ("AAA"). The arbitration shall be conducted before a single arbitrator (the "Arbitrator"), who shall be neutral and impartial. The Arbitrator shall serve until he resigns, is unable to serve, or is disqualified. The Arbitrator's compensation shall be in accordance with the then current fee schedule of the AAA plus reimbursement of all reasonable and necessary expenses incurred in connection with the arbitration of any Dispute hereunder. Neither party shall have the right to remove the Arbitrator except in accordance with the Rules.
- D. Selection of Arbitrator. The parties will attempt in good faith to agree on the selection of the initial Arbitrator and, in the event that the initial Arbitrator resigns, is unable to serve, or is disqualified, the successor Arbitrator. If the parties have not agreed upon the Arbitrator, whether initial or successor, as the case may be, within ten days from either the Dispute Date or the date that the then current Arbitrator resigns, is unable to serve, or is disqualified, then (i) the parties shall obtain from the AAA a list of five candidates, each of which is approved and deemed qualified and unbiased by AAA and willing to serve if selected, (ii) each party shall rank the candidates in his order of preference and submit the ranked list to the other party within five days after receipt of the AAA list, (iii) the candidate with the highest combined ranking of mutual preference shall be the Arbitrator, (iv) if either party fails to submit a list of candidates within the required five-day period, but the other party does submit a list, the first candidate on the list submitted shall be the Arbitrator.
- E. Submission to Arbitration. To provide a prompt and economical means of settling all disputes that cannot be resolved by the parties by the Dispute Date, all such unresolved Disputes shall be submitted to the Arbitrator for arbitration and binding resolution. The submission of any Dispute to the Arbitrator shall be final and binding on the parties. Any decision of the Arbitrator shall be conclusive as to the matters submitted and shall be final and binding upon the parties. The arbitration shall be conducted in Houston, Texas. The governing law shall be Texas law notwithstanding any conflict of laws. Judgment upon the award rendered by the arbitrator and any other judicial proceeding in aid of arbitration or to enforce these provisions or the award may be brought in any court of competent jurisdiction. Judicial review of any such award shall be limited to the grounds listed in the Federal Arbitration Act, and for purposes of any such review such listed grounds shall be the exclusive grounds for modifying or vacating any such award.
- F. Fees and Expenses of Arbitration. Any and all filing fees and administrative fees by the AAA shall be deposited by the applicable party in accordance with the Rules. Thereafter, upon the final award of the Arbitrator all such fees shall be reallocated according to Paragraph F below.

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- G. Powers of Arbitrator. The Arbitrator may exercise any and all powers authorized under this Annex B, the Rules and the Arbitration Act.
- H. Sanctions. The Arbitrator may impose sanctions if he deems either party failed to act in good faith as required by this Annex B. The Arbitrator may further impose sanctions and take such other actions in connection therewith as he deems necessary to the same extent a judge could pursuant to the Federal Rules of Civil Procedure and applicable law.
- I. Procedure. The Arbitrator may conduct such pre-hearing conference or hearings and grant such orders or relief as the Arbitrator deems reasonable, covering such matters as requests for discovery, review and determination of the amount in controversy, preparation of pre-hearing summaries of issues of fact and law, scheduling, continuances, and other matters. The Arbitrator may decide (by documents only, or with a hearing, as the Arbitrator may determine) pre-hearing motions that are substantially similar to pre-hearing motions to dismiss and motions for summary adjudication. The Arbitrator may permit reasonable discovery and issue any necessary orders and subpoenas. In this connection, the parties agree that all discoveries shall be limited and expedited to the maximum extent practicable.
- J. Summaries. Prior to a hearing on the merits, each party shall prepare a summary setting forth among other relevant matters, facts and matters in dispute, a witness list, a list of documents to be introduced, and applicable points or contentions of fact and law. The Arbitrator may refuse to hear any evidence, witness, or matter not contained in the summaries of any party. The summary shall be submitted to the Arbitrator not less than ten days before the hearing date set by the Arbitrator.
- K. Expedited Arbitration. The arbitration proceeding hereunder shall be concluded within 90 days of the Dispute Date. The Arbitrator shall render his award within ten days following the conclusion of the hearing on the merits. If this deadline is not met due to the action or failure to act of either party, whether or not such act or failure is in good faith, the Arbitrator shall render his award on all issues in favor of the other party.
- L. Fees and Costs. All attorneys' fees and arbitration fees, costs and expenses of both parties shall be borne by the losing party, and the Arbitrator's award to the prevailing party shall include recovery of its attorneys' fees and such other fees, costs and expenses.
- M. Minimization of Discovery and Costs. The Arbitrator shall to the extent practicable minimize discovery and related costs and all other costs attendant to the arbitration.