

of AK Steel International B.V., Germany Branch, D-50676 Cologne, Germany ("AK Steel")

**§ 1 Applicability**

All offers, agreements, deliveries and the provision of services of our suppliers are exclusively governed by these purchase conditions. Even if the application of these purchase conditions is not expressly agreed again, these conditions will also apply to all future offers, agreements, deliveries and the provision of services to AK Steel (hereinafter, the terms "delivery" and "supplier" also refer to services and service providers, depending on whether the object of the contract are goods or services). Derogations from these conditions are only valid if made in writing; this requirement also applies to derogations from the requirement of a written agreement itself. With the submission of the order, the supplier agrees to the exclusive application of these purchase conditions. Any contractual terms of the supplier or third parties shall not apply, even if AK Steel has not expressly objected to their application in a particular case. Also a reference made by AK Steel to a written communication of the supplier does not constitute the consent to the application of deviating terms of business or of supply.

**§ 2 Offer and the conclusion of a contract**

Through the request of offers from a supplier, AK Steel shall not be bound by any contract. Offers submitted by the supplier, including the prices indicated therein, are binding on the supplier and, unless there is an express agreement otherwise, AK Steel may accept these offers within a time period of 30 days. Orders and assignments by AK Steel shall be deemed to be accepted by the supplier if the supplier does not reject them within a period of 5 days.

**§ 3 Prices**

Prices have to be stated in EUR or USD and net of VAT and, unless agreed otherwise, shall be inclusive of all costs involved in the delivery to the agreed place of destination.

**§ 4 Invoice and Payment**

The supplier will only invoice the amount payable for the purchase of goods or the provision of services following their delivery to AK Steel. Unless agreed otherwise in writing, invoices are payable by AK Steel within 60 days following receipt of the invoice, provided that the supplier has duly fulfilled all its obligations, including the provision of necessary documents. AK Steel shall be entitled to set off against the payable amount any claims of AK Steel against the supplier. Payment by AK Steel shall not be regarded as a waiver of any rights of AK Steel vis-à-vis the supplier, in particular such payment does not constitute any acknowledgment or confirmation of the contractual conformity of the goods or services supplied or of any claim of the supplier.

**§ 5 Delivery**

Deliveries will be made in accordance with DDP (Delivery Duty Paid) Incoterms 2010 to the delivery address stated in the order. The supplier shall offload the goods at its own risk and in compliance with the instructions of AK Steel or its representatives. Deliveries shall be made during normal working hours. The agreed delivery dates and delivery deadlines are binding. An agreed delivery deadline starts to run with the issuance of the order by AK Steel. If the supplier exceeds the delivery date or the delivery deadline, the supplier shall immediately be in default without any notice of default being required from AK Steel. This also applies in case of default with regard to the delivery or performance of a part of the obligations of the supplier. In case of a delivery default which continues after the expiry of an appropriate additional deadline set by AK Steel, AK Steel shall have all the rights provided for by law, including the right to rescind the contract and the right to claim the compensation of damages in lieu of the performance of the contract.

**§ 6 Force Majeure**

AK Steel reserves the right to postpone the delivery date or to fully or partially rescind the contract, if the operation of AK Steel's business is impeded by circumstances which are beyond its control; these are in particular cases of Force Majeure, governmental actions, war or national emergencies, acts of terrorism, protests, riots, civil commotion, fire, explosion, flood, epidemics, lock-outs, strikes or other labour disputes.

**§ 7 Transfer of risk, Transfer of title**

Title and risk associated with the goods to be delivered will pass to AK Steel upon completion of the delivery.

Any and all materials which AK Steel provides to the supplier for processing shall remain the property of AK Steel. The supplier shall mark such materials as being the property of AK Steel. Once the materials are processed, AK Steel will immediately become the owner of the new materials or objects.

**§ 8 Warranties**

In case of any defects AK Steel is entitled, without limitation, to the claims provided for by law. The supplier undertakes and warrants that all objects or services supplied are free of any defects and encumbrances that may negatively affect their value or their suitability for use, that they comply with all agreed specifications, that they conform to state-of-the-art technology, that they are suited for the contractually envisaged use and purpose and comply with all legal and technical safety requirements. AK Steel is entitled to reject any deliveries which do not conform to the terms of the order of the goods or services. AK Steel may contest any deviations of the delivered goods in terms of quality and quantity and such contestation shall in any event be timely if AK Steel notifies the supplier of the deviations within a period of 10 working days from the day when the goods have been received by AK Steel. As regards hidden defects of the goods, their contestation by AK Steel shall in any event be timely if AK Steel notifies the supplier of the defects within a period of 10 working days following their discovery. The acceptance or approval, by AK Steel, of specimen or samples submitted to it does not constitute a waiver of any of AK Steel's warranty rights or claims. As from the supplier's receipt of a written notification of defects from AK Steel, the limitation period for AK Steel's warranty rights or claims regarding those defects shall stop running.

**§ 9 Product liability**

The supplier shall be responsible for any third party claims concerning personal injury or other damage which are related to a defective product supplied by the supplier. The supplier shall release AK Steel from any liability resulting from such claims. In case AK Steel has the obligation to conduct a product recall vis-à-vis third parties due to a defect of a product supplied by the supplier, the supplier shall bear all costs incurred through the product recall.

**§ 10 Intellectual property rights**

The supplier undertakes and warrants that no intellectual property rights are infringed as a result of or in connection with its supply. The supplier is obliged to release AK Steel from any and all claims that third parties invoke against AK Steel on the grounds of an infringement of intellectual property rights and the supplier shall indemnify AK Steel against all necessary expenditure arising in connection with such claims. This right of AK Steel to release and indemnification exists regardless of any fault of the supplier.

**§ 11 Confidentiality of contract terms**

The agreed price and the other contents of the contract between the supplier and AK Steel shall be treated as confidential. The supplier commits to take all reasonable precautions to ensure that its officers, employees and agents honour the confidentiality of the contract terms.

**§ 12 Assignment, affiliated companies**

The supplier does not have the right to assign to third parties any rights or claims resulting from the contractual relationship. AK Steel may perform any of its obligations and exercise any of its rights under the contract itself or through an affiliated company.

**§ 13 Applicable law, jurisdiction and severability**

All relations between AK Steel and the supplier shall be governed exclusively by the laws of the Federal Republic of Germany and shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods. If the supplier is a merchant within the meaning of the German Commercial Code, a public legal entity or a public fund, the courts at the registered seat of AK Steel shall be exclusively competent to settle any disputes arising out of or in connection with the contractual relationship. In case any provision of these Terms and Conditions or any provision of any other agreements concluded between the parties are or become invalid, this shall not affect the validity of the remaining provisions.