

GENERAL TERMS AND CONDITIONS OF PURCHASE

- 1. DEFINITIONS.** In these conditions the following definitions are used:
 - “AK Steel” means AK Steel International B.V., a Dutch limited liability company with registered address at Rat Verleghstraat 2A, 4815 NZ Breda, and registered with the Trade Registry of the Chamber of Commerce of South-West Netherlands under number 20082595;
 - “Conditions” are defined as the standard terms and conditions of purchase set out in this document, including any special terms and conditions explicitly agreed to in a separate written agreement between AK Steel and Supplier;
 - “Delivery” means the delivery of the Goods at the time and to the place specified in the Order or otherwise specified by AK Steel;
 - “Goods” mean the goods and/or services, as the case may be, described in the Order;
 - “Order” means AK Steel’s purchase order to which these conditions are annexed;
 - “Price” means the price of the Goods stated in the Order; and
 - “Supplier” means the person to whom the Order is addressed.
- 2. APPLICABILITY.** All Orders, agreements, as well as all pre-contractual relationships, between AK Steel and Supplier, both written and oral, will be governed exclusively by these Conditions, unless the parties have otherwise agreed in writing. By accepting the Order, Supplier has agreed to the Conditions. Any contrary terms and conditions imposed by Supplier will only be applicable if formally accepted by AK Steel in writing.
- 3. QUOTATIONS AND ACCEPTANCE OF ORDERS.** AK Steel shall not be bound by any written or oral request for quotations. The offers, quotations and prices stated by Supplier will be binding on Supplier at all times, and shall be, unless explicitly mentioned otherwise, valid for a period of at least sixty (60) days. If AK Steel issues an Order, this Order will be deemed to have been accepted by Supplier, unless Supplier rejects said Order in writing within five (5) business days. If Supplier sends a confirmation of the Order, this confirmation will not be binding unless AK Steel has confirmed the contents of Supplier’s confirmation in writing.
- 4. PRICE OF THE GOODS.** The Price will be in EUR or USD and net of VAT and, unless otherwise stated, shall be inclusive of all costs involved in the Delivery.
- 5. INVOICE AND PAYMENT.** Supplier will not invoice the amount payable by AK Steel before the Delivery. Unless agreed otherwise in writing, the said invoice, drawn up in accordance with all applicable laws, will be paid by AK Steel within sixty (60) days after receipt of the invoice, subject to the condition that all required documents have been provided to AK Steel completely and correctly, and provided that Supplier has fulfilled all its obligations in relation to the Goods and the Delivery. AK Steel shall be entitled to set off against the Price any sums owed to AK Steel by Supplier. Payment by AK Steel may not be regarded as a waiver of any rights by AK Steel, especially with regard to the conformity of the Goods and the acceptance thereof.
- 6. DELIVERY.** The Goods will be delivered in accordance with DDP (Delivery Duty Paid) Incoterms 2010 to the delivery address on the date stipulated in the Order, or as otherwise agreed in writing between AK Steel and Supplier. Supplier shall offload the Goods at its own risk as directed by AK Steel or its representative. Delivery will be done during normal working hours. If a delivery term has been agreed upon, it will commence on the date on which the Order was issued by AK Steel. Unless the parties have explicitly agreed otherwise in writing, the parties acknowledge that the agreed delivery date or delivery term is definite and of the essence. If Supplier exceeds the delivery date or the delivery term, or is in default with respect of the quantity or quality of the Goods to be delivered, Supplier will immediately be in default without any notice of default being required. AK Steel may in that case, at its sole discretion, cancel the Order or dissolve the relevant agreement in full or in part, without any judicial intervention, without prejudice to any other rights AK Steel might have, and without incurring liability for any damages towards Supplier.
- 7. ACCEPTANCE OF DELIVERED GOODS.** AK Steel shall be entitled to reject any Goods delivered that do not comply with the specifications of the Order. No goods shall be deemed to have been accepted until after AK Steel has had a reasonable time to inspect the Goods following Delivery, and if defective or missing Goods are discovered after the initial inspection, then there is no acceptance until a reasonable time after such a discovery. AK Steel shall notify Supplier, within reasonable delay, of any damage to Goods or missing Goods and shall have the right to claim against Supplier in respect of any damage. Any rejected or incorrectly delivered Goods shall be collected at Supplier’s expense within thirty (30) days of notice.
- 8. FORCE MAJEURE.** AK Steel reserves the right to defer the date of Delivery or to cancel the Order or to reduce the volume of the Goods ordered, if AK Steel is prevented from or delayed in the carrying on of business due to circumstances beyond the reasonable control of AK Steel, including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labor disputes.
- 9. TRANSFER OF RISK AND TRANSFER OF TITLE.** Title to and risk associated with the Goods will pass to AK Steel upon completion of the Delivery. If AK Steel rejects the Goods, title to the Goods will be deemed at all times to have continued to be vested in Supplier. In the event of payment of the Price, or any portion thereof, before the Delivery, title to the Goods will pass on to AK Steel at the time such payment is made. In all cases, the risk to the Goods will in no event pass on to AK Steel before the completion of the Delivery. If AK Steel provides any materials to Supplier, which need to be processed by Supplier, AK Steel will remain the owner of any such materials, and these will be clearly marked as solely owned by AK Steel and AK Steel will immediately become the owner of the newly formed Goods, once these are produced.
- 10. WARRANTIES AND LIABILITY.** Supplier undertakes and warrants to AK Steel that:
 - the Goods will be of good merchantable quality and/or the best available design as applicable, and for the purpose held out by AK Steel or made known to Supplier at the time the Order is placed;
 - the Goods will be free of all defects, liens, encumbrance and liabilities whatsoever and from any other defect in design, material, construction and workmanship;

- the Goods will comply with any relevant specifications mentioned on the Order or otherwise given by AK Steel, and will be consistent with any samples approved by AK Steel;
- the Goods will comply with all statutory and classification requirements and all applicable laws and regulations relating to the sale of the Goods; and
- the services will be performed by suitably qualified, experienced and skilled persons. If AK Steel has not stated any descriptions, quality standards, results and/or purposes, the Goods must meet the quality standards, results and/or purposes that may reasonably be expected of the Goods in question. Supplier shall indemnify AK Steel in full against any liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by AK Steel as a result of, or in connection with:
 - breach of any warranty given by Supplier in relation to the Goods; and/or defective workmanship;
 - any claim that the Goods infringe, or their importation, use or re-sale infringes, the patent, copyright, design right, trademark or other intellectual property rights of any other person;
 - any claim made against AK Steel with respect to any liability, loss, damage, injury, or cost, or to the extent that such liability, loss, damage, injury, or cost was caused by, relates to or arises from the Goods as a consequence of a direct or indirect breach or negligent performance or failure or delay in performance of the terms of these Conditions and/or the Order;
 - any act or omission of Supplier or its employees, agents, or sub-contractors in supplying and delivering the Goods, including, without prejudice to the generality of the foregoing, any wrongful act, neglect or default with respect to the installation of the Goods.
- 11. REMEDIES.** Without prejudice to any right or remedy which AK Steel may have, if any Goods are not supplied in accordance with, or Supplier fails to comply with, any of the terms of these Conditions and/or the Order, AK Steel shall be entitled to avail itself of any one or more of the following remedies at its discretion, whether or not any part of the Goods have been accepted by AK Steel:
 - to rescind the Order;
 - to reject the Goods (in whole or in part) and return them to Supplier at the risk and cost of Supplier, and to be fully refunded for the Goods so returned;
 - at AK Steel’s option, to give Supplier the opportunity, at Supplier’s expense, either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the obligations of Supplier are fulfilled;
 - to refuse to accept any further deliveries of the Goods by Supplier;
 - to carry out at Supplier’s expense any work necessary to make the Goods comply; and
 - to claim such damages as may have been sustained in consequence of Supplier’s breach or breaches of these Conditions and/or the Order, including pay unforeseen, indirect or consecutive damages, including (without making this list exclusive) loss of earnings, the loss of goodwill or the loss of any other operations.
- 12. TERMINATION.** In addition to AK Steel’s right to cancel the Order in the event of force Majeure or late Delivery, AK Steel shall be entitled to immediately cancel the Order and/or terminate any relevant applicable agreement without any compensation and payment of outstanding amounts, by giving notice to Supplier at any time, if:
 - Supplier commits a material breach of any of the Conditions or any conditions under the Order or other applicable agreement between the parties; or
 - any distress, execution or other process is levied upon any of the assets of Supplier; or Supplier has a bankruptcy order made against him or makes an arrangement or composition with its creditors, or enters into liquidation, or a resolution is passed or a petition presented to any court for the winding up of Supplier or for the granting of an administration order in respect of Supplier, or any proceedings are commenced relating to the insolvency or possible insolvency of Supplier; or
 - Supplier ceased, or threatens not to continue, its business.

In the event of termination, AK Steel shall have the right to recover and Supplier shall refund any and all advance funds or payments made by AK Steel to Supplier. The termination, however arising, shall be without prejudice to the rights of AK Steel accrued prior to termination.
- 13. HAZARDOUS PRODUCTS.** Supplier must comply with all applicable laws and regulations relating to the packaging, labeling and carriage of hazardous product, as well with all applicable safety measures applied in the sector and with all reasonable specific instructions or requests made by AK Steel.
- 14. CONFIDENTIALITY.** The Price and terms of the Orders are confidential. Supplier shall take all reasonable precautions to insure that its officers, employees and agents do not disclose Price and terms of the Order.
- 15. TAXES.** Unless expressly provided otherwise, all taxes on the production, Delivery or sale of the Goods shall be paid by Supplier.
- 16. ASSIGNMENT.** Unless agreed otherwise in writing, Supplier will not have the right to assign its rights, including any claims or future claims against AK Steel, or its obligations. AK Steel may perform any of its obligations or exercise any of its rights by itself or through an affiliated company.
- 17. SEVERABILITY.** In case any provision of these Conditions 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.
- 18. APPLICABLE LAW AND JURISDICTION.** These Conditions, as well as the Order and/or any agreement or pre-contractual relationship governed by these Conditions, shall be exclusively governed by, and construed and enforced in accordance with, the laws of the Netherlands and shall not be governed by, construed or enforced in accordance with, the United Nations Convention for the International Sale of Goods. AK Steel and Supplier specifically agree that all disputes arising out or in connection with the Order and/or any agreement or pre-contractual relationship governed by these Conditions shall be exclusively settled by the Court of Breda, the Netherlands.