



## General Delivery Terms and Conditions of U. S. Steel Košice, s.r.o.

### Article 1. Introductory provisions

- 1.1. These General Delivery Terms and Conditions of U. S. Steel Košice, s.r.o. (hereinafter referred to as "GDTC") constitute an attachment to the Frame Contract, Contract, Order Confirmation or Firm Bid (hereinafter referred to as "Contract") and are an inseparable part of the Contract. Buyer's submission of an Order implies Buyer's complete consent with these GDTC without any reservation. Buyer's alternative terms and conditions shall not apply unless specifically accepted by the Seller in writing. The Buyer's Order requires confirmation by the Seller. No other special terms prevail over the GDTC, unless they are accepted by the Seller in writing.
- 1.2. The Parties shall be bound by the following order of precedence:
  - 1.2.1. Provisions in the body of the Contract,
  - 1.2.2. GDTC,
  - 1.2.3. Recommendations for Customers, Care of Tinplate during transport, storage and inspection; Recommendations for Customers, Care of hot rolled and cold rolled sheets when transporting, storing and inspecting; or Recommendations related to transport and storage of organic coated sheets, if Buyer is provided with it (collectively referred to as "Recommendations for Customers"),
  - 1.2.4. Incoterms® 2010, unless otherwise stated in the Contract,
  - 1.2.5. United Nations Convention on Contracts for the International Sale of Goods passed in Vienna 1980 ("CISG") and United Nations Convention on the Limitation Period on International Sale of Goods passed in New York in 1974, including the Supplementary protocol from 1980 ("Limitations Convention"), if applicable,
  - 1.2.6. Directive 2006/112/EC on the Common System of Value Added Tax,
  - 1.2.7. Law of the Slovak Republic, primarily Slovak Commercial Code.
- 1.3. The provisions of the Contract, including the GDTC, and the Recommendations for Customers replace inconsistent and otherwise incompatible provisions of the CISG, the Limitations Convention and the Law of the Slovak Republic, whether or not so expressly provided.

### Article 2. Payment and delivery conditions

- 2.1. Delivery conditions and price are stated according to Incoterms® 2010 (unless otherwise stated in the Contract) upon agreement of both Parties. No amount shall be deducted from payment of the price of Goods.
- 2.2. Prior to entering into the Contract with the Seller, the Buyer shall be obliged to submit the authenticated copy of the decision of the tax office on assignment of the VAT identification number and in each Contract state the valid VAT identification number under which the Goods shall be bought when the Goods are delivered within the territory of the Slovak Republic (hereinafter referred to as "SR"), and also on intercommunity delivery of the Goods to the member-states of the European Union (hereinafter referred to as "EU"). The Buyer shall be obliged to immediately notify the Seller of any change or cancellation of the Buyer's VAT identification number. Should transportation of the Goods be provided for or performed by the Seller, the Buyer shall be obliged to confirm acceptance of delivery of the Goods directly on the shipping document proving transportation of the Goods to the other member-state of EU (except for SR). If transportation is provided for or performed by the Buyer, immediately after the Goods are delivered, the Buyer shall be obliged to provide the Seller with the documentation related to shipment of the Goods (if transportation is provided for - the shipment document containing the place of destination with the name and address of forwarder; if performed - confirmation of the Buyer that it shipped and accepted the Goods in the other member-state of EU containing the statutory essentials as follows: name and address of the Buyer, quantity and kind of the Goods, address of the place and date of completion of transportation, name and surname of driver of motor vehicle (in block letters) and his/her signature, number plate of motor vehicle; on exporting the Goods outside EU - Unified Customs Declaration (JCD) on export of the Goods by means of truck to be confirmed by the competent customs office). Unless agreed otherwise by the Parties (e. g. electronic transfer of data), after the end of a calendar month, the Seller shall issue the confirmation on acceptance of the Goods the part thereof shall also be the list of all shipments of the Goods for a calendar month in the course thereof the Goods were delivered to the Buyer. Such a document must be confirmed by the Buyer within the term of five (5) days as from the date of its delivery and mailed to the Seller by return. Should the Buyer violate its obligations as determined in sub-section 2.2, it shall be obliged to settle any additional VAT and sanctions as imposed upon the Seller by the competent tax authorities within the term of ten (10) days as from the date of delivery of the Seller's statement to the Buyer at the latest.
- 2.3. In case of deliveries of the Goods to the Buyer paying VAT in another European Union member State, and an delivery condition according to Incoterms® stating the place of delivery within the territory of the Slovak Republic, Seller shall invoice delivery of the Goods with Slovak VAT if Seller does not have at the time of issuance of the invoice the declaration of transport or documents confirming transport of Goods to another European Union member State.
- 2.4. If Buyer submits to Seller documents confirming transport of the Goods to another European Union member State, but Buyer fails to transfer the Goods to another European Union member State, and makes either reprocessing of the Goods or another evaluation of the Goods within the territory of the Slovak Republic, and consequently the Tax Authority charges Seller additional VAT together with sanctions due to the inability to document the delivery of Goods to another European Union member State, Buyer shall pay Seller the additional VAT and sanctions imposed on the Seller by the relevant Tax Authorities no later than ten (10) days from the date of delivery of Seller's bill to Buyer.
- 2.5. If export of Goods to a third country (outside the European Union) shall be provided for by the Buyer, it shall perform such export no later than the end of the sixth (6th) calendar month following the month in which the invoice was issued. If the Goods shall not be exported within the period stated herein, the Seller shall charge additional VAT to Buyer, according to the Law of the Slovak Republic. The Buyer shall pay additional VAT to the Seller, as well as sanctions imposed on the Seller by the relevant Tax Authorities due to delays in VAT as compensation for damages, no later than ten (10) days from the date of delivery of Seller's bill to Buyer.
- 2.6. If deliveries of the Goods are realized in combined mode (directly and through a warehouse), the VAT ID assigned in the Slovak Republic will be used by the Seller in case of direct delivery of the Goods, and, in case of delivery through a warehouse located within a European Union member State, in which Seller is registered as the payer of VAT, the VAT ID of the State where the warehouse is located will be used.
- 2.7. The Seller has no obligation to deliver Goods to the Buyer unless the Buyer shall provide the Seller upon request of the Seller with one or more of the following collateral: an irrevocable bank guarantee; irrevocable documentary letter of credit; promissory note; advance payment; corporate guarantee; or some other form of security required and approved by the Seller in writing or according to Contract.
- 2.8. If the Buyer is in delay with the payment of any of Seller's receivables (regardless of the cause of its legal origin) against Buyer arising under any contract, the Seller has no obligation to deliver the Goods to the Buyer and the Seller is entitled to stop production of ordered Goods or to declare the Contract avoided and Seller is not in default.

- 2.9. If the Buyer is in delay with the payment of the price of Goods, the Seller is entitled to unilaterally change the payment conditions and at the same time, the Seller reserves the right to repossess the Goods or re-export the Goods. The Buyer shall provide to the Seller all reasonable assistance requested by the Seller to repossess or re-export the Goods. The cost of repossessing or re-exporting the Goods shall be borne by the Buyer.
- 2.10. The Seller has no obligation to deliver the Goods to the Buyer unless the Buyer submits transport instructions for the Goods to the Seller in writing no later than ten (10) days prior to the agreed time of delivery of the Goods.
- 2.11. In the event of a claim, the Buyer is not entitled to withhold any payment to the Seller or to withhold the Goods to be returned to the Seller or unilaterally set off its claims towards Seller. Buyer's claim(s) will be solved separately, with no impact on Buyer's duty to pay the purchase price of the Goods on or before the agreed upon due date.
- 2.12. Partial deliveries of the Goods are allowed.
- 2.13. Weight of the Goods ascertained on Seller's scales is binding for both Parties.
- 2.14. If the Goods are not delivered to the Buyer despite delivery of the dispatch advice for the Goods, the Buyer is obliged to inform the Seller immediately in writing no later than twenty-one (21) days from Buyer's receipt of the dispatch advice.
- 2.15. If the Buyer is obliged to procure transportation for the Goods, the Buyer is obliged to take over the Goods from the Seller no later than five (5) days from the date of receipt of Seller's Advice Note.
- 2.16. If the Buyer violates previous section 2.15., the Seller is entitled to:
  - Dispatch the Goods on the costs and risk of Buyer, or,
  - Store the Goods on the costs and risk of Buyer in the warehouse of the Seller or in a warehouse of any third party. If the Seller stores the Goods in the Seller's warehouse, the Seller is entitled to charge the Buyer the cost of storage in the amount of EUR 0.08 per each ton of Goods for each started day of storage. If the Goods are stored in a third party's warehouse, Seller is entitled to charge the Buyer the cost of storage charged by such third party.
- 2.17. It is expressly understood and agreed that any credit and payment terms extended to Buyer by Seller are expressly contingent upon periodic credit review of Buyer's overall financial condition and approval by Seller in its sole and absolute discretion. Credit review requires the disclosure of financial information. Buyer shall provide financial information to Seller as reasonably requested that is sufficient to complete the required credit review and approval. If at any time Seller reasonably believes that Buyer is, or may become, unable to perform its obligations hereunder, Seller may alter the payment terms or require that Buyer provide Seller with security for, or other assurance of, performance, in either case acceptable to Seller, acting reasonably. If Buyer fails to provide such security or assurance or fails to make payment in accordance with the payment terms, any such failure will constitute a substantial breach of Contract by Buyer permitting Seller or United States Steel Corporation, its subsidiaries and affiliated companies to suspend scheduling, production, shipment or delivery of goods under Contract or any other contract between Buyer and Seller or United States Steel Corporation, its subsidiaries and affiliated companies. Such conditions are binding for the Buyer from the date of notification by Seller.
- 2.18. Buyer agrees that as a condition of (i) selling a material portion of its assets, or (ii) selling or exchanging, or causing to be sold or exchanged, a sufficient amount of its stock that effects a change in the control of Buyer, the prospective purchaser must agree to assume the Contract, without modification, including, without limitation, increases to the prices of steel supplied pursuant to the Contract. In the event of a change of control, Seller may require Buyer to provide to Seller financial data to assure Seller of the Buyer's continuing ability to fully discharge its payment obligations hereunder and perform for the remainder of the Contract duration after the change in control. In addition, if Buyer (i) sells a material portion of its assets, or (ii) sells or exchanges, or causes to be sold or exchanged, a sufficient amount of its stock that directly or indirectly effects a change in the control of Buyer, Seller may terminate the Contract upon written notice to Buyer, without liability of Seller to Buyer, except for the liabilities arising out of the Contract up to the date of the Contract termination.
- 2.19. The Buyer's date of payment completion is the date when the due amount is credited to Seller's bank account.
- 2.20. The Buyer cannot assign or trade in any way any rights, claims or obligations arising from the Contract without Seller's prior written consent.
- 2.21. In case of reasonable and documented changes in the prices of energy media, raw materials, services, or changes in legislation which affect the price of the Goods, Seller is entitled to unilaterally adjust the price of the Goods by written notice to the other Party.
- 2.22. In case of any increase or decrease of actual market transport prices exceeding the amount of five percent (5%), Seller is entitled to unilaterally make the same change to transport prices by written notification delivered to the Buyer.
- 2.23. All bank charges outside Seller's bank are for Buyer's account.

### Article 3. Title to and risk of loss of the Goods

- 3.1. The risk of loss to the Goods shall pass from the Seller to the Buyer according to agreed delivery conditions.
- 3.2. Title to the unprocessed Goods will pass from the Seller to the Buyer at the moment when the payment of price of Goods is credited to Seller's bank account.

### Article 4. Transport tools and transport dispositions

- 4.1. Tarpaulins, tops and any packing materials of the Goods are considered non-returnable transport aids, and the cost of their disposal and storage shall be borne by the Buyer.
- 4.2. If the delivery of the Goods is provided on Seller's steel cradles ("Cradles") or metal pallets ("Pallets"), the Buyer is obliged to return the Cradles or Pallets to the Seller in a usable condition no later than thirty (30) calendar days from delivery date, unless otherwise agreed.
- 4.3. The return of the Cradles shall be performed by one of the following procedures:
  - 4.3.1. Return by railway transport - the Seller shall provide to the Buyer binding railway transport instructions. The Buyer shall dispatch the Cradles or the Pallets to the Seller at the expense of the Seller by railway wagons according to Seller's transport instructions.
  - 4.3.2. Cradles must be free laid as follows:
    - 4.3.3. small Cradles - weight 580 kg - 24 pieces/4-axle wagon
    - 4.3.4. large Cradles weight 870 kg - 16 pieces/4- axle wagon
  - 4.3.5. Return by truck transport - the Seller shall provide the truck (LKW) at its own costs and Buyer must load such truck according to the Seller's instructions.
- 4.4. The loading area of the wagon and truck must be fully loaded and the Cradles must lie in a horizontal position and the Pallets must be laid at each other.
- 4.5. Each dispatch of the wagon or truck loaded with Cradles or Pallets must be notified in advance to Seller's Transport Division to fax No.: 00421/55/6754330.
- 4.6. Transport of Cradles or Pallets will be procured by Seller's Transport Division tel. No.: 00421/55/6734330, fax No.: 00421/55/6754330.

- 4.7. If the Buyer violates the obligations stated in this Article, the Seller is entitled to invoice the Buyer for the cost difference between the full transport Tariff and the rebate.
- 4.8. If the Buyer violates its obligation to return the Cradles or the Pallets to the Seller as per this Article 4, Seller is entitled to charge the Buyer for the Cradle/Pallet purchase price as follows: small Cradle – weight 580 kg – purchase price EUR 450, large Cradle - weight 870 kg – purchase price EUR 555, Pallet – purchase price EUR 480/pc and the Buyer is obliged to pay the invoice. Prices are stated without VAT, which will be added to the price upon invoicing of Cradles or Pallets according to valid legal regulations.
- 4.9. In case of goods dispatch by private wagon (i.e. wagons beginning with 33 56...,33 72...,33 80,...) the Buyer is undertaking to unload the wagon and to submit the empty wagon to the back transport within 24 hours from its acceptance in the loaded state. The Buyer shall ensure, at its own expenses, the submission of empty wagon according to the CUV specimen which the Buyer receives from the Seller mail to: MGalajda@sk.uss.com mail to: AStritzova@sk.uss.com. In case the empty private wagon is not submitted within the mentioned period or the CUV instructions for the return of empty private wagon are not observed, the Seller can charge Buyer for the wagon's idle time amounting to EUR 24/day.
- 4.10. The Buyer is obliged to handle carefully and safely with private wagons so that the wagons are not damaged. In case the Buyer damages the wagon, the Buyer must immediately contact the Seller to e-mail address: MGalajda@sk.uss.com (fax number: 00421556754284).
- 4.11. The Seller reserves the right to charge Buyer for all expenses connected with the repair of the wagon.
- 4.12. If the Buyer accepts the Goods by the private wagon and finds out that the wagon is damaged, it is obliged to report this damage to the Seller to e-mail address: MGalajda@sk.uss.com (fax number: 00421556754284), and must attach a photo documentation of the damaged wagon. If it doesn't do so and this damage is found out after the return of empty private wagon, the Seller reserves the right to charge Buyer for all expenses connected with the repair of damaged private wagon.
- 4.13. If the Seller delivers the Goods to the Buyer by truck, the free time for Goods unloading from the truck is two hours free of charge from the arrival of the truck to the unloading. In case the free time of truck unloading is exceeded, the Seller reserves the right to charge Buyer for the truck's idle time amounting to EUR 30 also for each started hour.

#### Article 5. Liability for defects of Goods

- 5.1. Seller manufactures the Goods according to agreed (international, domestic or other) technical specifications for dimensional, mechanical, physical, surface or other agreed characteristics. In order to make them contractually binding, the technical specifications and/or any additional requirements of the Buyer must be set forth clearly in the Contract. Such technical specifications constitute the exclusive and sole representations of the Seller concerning the quality, capabilities and features of the Goods, and there are no other warranties or obligations of the Seller concerning the quality, capabilities and features of the Goods. The Parties agree that Article 35(2) of the CISG shall not be applicable to the contractual relation between them. The Seller does not guarantee that the Goods are fit for the ordinary purposes for which such Goods are generally used, nor for any particular purposes of the Buyer, and the Buyer agrees that it is not relying on the Seller's skill and/or judgment. If the purpose of use of the Goods is stated in a Contract, such a statement is of an informative nature only.
- 5.2. The Buyer must examine the Goods, or cause them to be examined as soon as is practicable after delivery of the Goods.
- 5.3. If Buyer breaches any of its obligations with respect to the care of Goods during transport, warehousing, examination or inspection as set forth in the Contract, Recommendations for Customers or related regulations, Seller reserves the right to reject any claim for defective Goods caused by or related to breach of such obligation.
- 5.4. The Seller provides to the Buyer a warranty with respect to the quality of the Goods for a period of six (6) months from the date of delivery of the Goods. The quality warranty covers the defects that resulted from natural change of the physical or chemical features of the Goods (such as corrosion, material aging etc.).
- 5.5. The Buyer is obliged to notify Seller of the nature and specifics of the defects of the Goods as follows:
  - a) obvious defects of the Goods as well as differences in quantity of the Goods without undue delay (no later than 8 days) from the day of the Goods examination that Buyer is obliged to perform under section 5.2.,
  - b) all hidden defects and defects covered by the quality warranty without undue delay after discovery by Buyer, but not later than within the period of time stated by the law or for the defects covered by quality warranty, within the warranty period.
- 5.6. Each such notice shall be sent by courier, registered letter or other appropriate means that confirm receipt by Seller and shall include copies of the following documents and data:
  - Duplicate of Bill of freight (CMR, CIM, B/L),
  - The number of both the relevant Contract and invoice,
  - Identification data of the allegedly defective Goods (coil/bundle number, steel grade, dimensions, claimed amount, etc.),
  - A description of defects including their accurate and complete photo documentation, including the photo documentation of the damaged Goods loaded on the relevant transport vehicle (truck, wagon, ship, etc.), if the defect was detected during transport, and
  - Buyer's preliminary evaluation of the damage on the allegedly defective Goods.
- 5.7. If the Goods were damaged during transport, or damage was detected during transport and if according to the Contract Seller will be assumed to be liable for such damage, then Buyer is obliged to notify Seller of damage to the Goods and enclose with such notice the following documents:
  - A damage report including a preliminary evaluation of the damage to the Goods,
  - A commercial report confirmed by the forwarder,
  - The Bill of freight (CMR, CIM, B/L),
  - Any existing survey report,
  - The number of both the relevant Contract and invoice,
  - Identification data of the allegedly damaged Goods (coil / bundle number, steel grade, dimensions, claimed amount, etc.).

Buyer must follow the instructions stated on the applicable Certificate of Insurance. If the damage exceeds five thousand EUR (EUR 5000.-), Buyer must provide for evaluation of the damage of the Goods by an accident officer appointed by Seller.

- 5.8. No claim entitles Buyer to refuse to make payment or to refuse to take over the other deliveries from Seller.
- 5.9. Buyer shall separately store all the Goods on which it is making a claim against Seller separately in their original condition for review by representatives from Seller's Customer Technical Service Department (CTS Department). At a minimum, Buyer shall inspect ten percent (10%) of each coil or bundle. Buyer is not entitled to use or sell the Goods on which it is making a claim without Seller's prior written consent - any such use or sale

- without Seller's prior written consent shall be conclusive evidence that the Goods were delivered without defects and in accordance with the terms of the Contract. Buyer is not entitled to compensation for defective Goods if it has not provided Seller with a reasonable opportunity to inspect them or if the Goods are not available for inspection.
- 5.10. If Seller recognizes Buyer's claim, Seller is entitled to either (a) replace the defective or missing Goods within a reasonable amount of time, or (b) provide an adequate price discount.
  - 5.11. No quality claims are acceptable for "not the first-class" or "non-prime" Goods.
  - 5.12. If the Contract specifies that the Goods are to be delivered not packed or not oiled cold rolled or hot rolled or hot dip galvanized Goods, Seller shall not be responsible for any corrosion.
  - 5.13. Goods delivered to Buyer as Cold Roll Full Hard are shipped directly off the cold rolling mill with residual cold rolling mill oil on the strip surface. The thickness of the Goods at the strip ends on the outside is considered to be in compliance with the agreed tolerance.
  - 5.14. Seller guarantees ninety-seven percent (97%) of prime quality for individual coils delivery.
  - 5.15. Seller is not liable for defects of the Goods caused (a) by a breach of Recommendations for Customers, (b) by non-standard, unqualified or unsuitable storage, use, installation or testing of the Goods, (c) by reasons related to assembly of Goods with other non-authorized Goods, (d) by attempts to modify or repair the Goods without Seller's prior written authorization, (e) by reasons related to unsuitable handling, transport or storage of the Goods, or (f) by any reason other than the standard use of the Goods.

#### Article 6. Force Majeure

- 6.1. Neither Party shall be liable for delay or complete or partial failure to perform its obligations under the Contract, to the extent that its performance has been prevented, delayed or hindered due to an event of extraordinary nature beyond the reasonable control of the affected Party, which could not have been reasonably foreseen or avoided, including but not limited to natural disasters, wars, war operations of various kinds, rebellions, civil commotion, sabotage, revolutions, acts of piracy, explosions, fires, flooding, general strikes, lockouts, official interventions of legal as well as illegal nature, or other circumstances occurring independently of the will of the Parties, outside of control of the Parties and which could not have been prevented, avoided or overcome (each a "Force Majeure Event").
- 6.2. The Party affected by complete or partial inability to perform its obligations arising from the Contract due to a Force Majeure Event is obliged to inform the other Party in writing about occurrence/termination of such Event within ten (10) days, with fax/email advice being confirmed by original advice sent within next ten (10) days after occurrence/termination. The affected Party shall, if requested, provide confirmation of such Force Majeure Event from the Chamber of Commerce of the location thereof.
- 6.3. If a Force Majeure Event lasts for less than sixty (60) consecutive calendar days, the Parties shall retain their rights and obligations under the Contract, and the time for performance of such obligations, as well as the validity of the Contract, shall be extended by the duration of such Force Majeure Event.
- 6.4. If a Force Majeure Event lasts for sixty (60) or more consecutive calendar days, any Party shall be entitled to terminate the Contract effective at the moment when such notice is delivered to the other Party, without any further right or obligation for compensation of damages, except for damages which occurred prior to the commencement of, or which are unrelated to the such Force Majeure Event.
- 6.5. A Party that fails to provide notice to the other Party, as required in section 6.2. herein, shall be obliged to compensate the other Party for all damages caused as a result of such failure.

#### Article 7. Sanctions, Confidentiality and Publicity

- 7.1. If Buyer fails to pay the price for the Goods within the agreed upon payment term, the Seller is entitled to charge the Buyer delay interest in the amount of 0.07% of the outstanding sum per each day of delay.
- 7.2. The Seller shall be entitled to A contractual penalty (in addition to full compensation for damages) to be paid by the Buyer in the amount of twenty percent (20%) of the price of the total volume of Goods according to the Contract for every single violation of the Contract by Buyer with the due date thereof on the day following the day of delivery of the bill for contractual penalty to the Buyer.
- 7.3. The Seller shall be entitled to compensation for damages against the Buyer in the fullest extent (in addition to contractual penalty) with the due date thereof on the day following the day of delivery of the bill to the Buyer, if the Buyer has assigned or traded in any way the Contract claims without Seller's prior written consent.
- 7.4. The Seller considers any data stated in the Contract and any information or documents submitted to Buyer in relation to the Contract confidential and Buyer shall be obliged not to supply them or allow access to them in any form to any third person except as stated by law, required by state authority, court (including arbitration) or Seller's insurance contract. Disclosure of the confidential information submitted by Buyer within United States Steel Corporation, its subsidiaries and affiliated companies shall not be considered as a breach of this provision.
- 7.5. Seller is not liable for compliance with the law valid in the State of import or transit of the Goods, unless such compliance is stated clearly in the Contract.
- 7.6. Except with prior written consent of the Seller, the Buyer is not entitled to present in any form the Seller as Buyer's business partner or use the Seller's trade name or Seller's logo for Buyer's promotion, propagation or advertisement of Buyer's business activities or in any declarations of Buyer for media.
- 7.7. Buyer takes due note of the fact, that Seller, within the frame of Customer relationship management (CRM) and with the aim of continuous improvement of services provided to Buyers and their satisfaction, records whole sales process as of the first contact with Buyer, especially via automated archiving of whole bilateral e-mail communication, all in accordance with valid legal enactments.

#### Article 8. Contract avoidance

- 8.1. Either Party is entitled to declare the Contract avoided by written notice to the other Party if:
  - a) the other Party repeatedly violates the Contract or,
  - b) the other Party commits a substantial breach of the Contract. Substantial breach of the Contract shall mean a violation of payment conditions, Buyer's delay with payment of any of Seller's receivables (regardless of the cause of its legal origin) against Buyer arising from any contract, violation of obligation to secure payment of purchase price of the Goods or non-takeover of stated volumes of the Goods in agreed terms as well as refusal to assist during delivery, or,
  - c) upon reasons stated in the Contract.

- 8.2. The avoidance of the Contract shall be effective on the day of delivery of written notice of avoidance of the Contract to the other Party.

#### Article 9. Liability for damages, inspections and audits

- 9.1. The liability of the Seller towards Buyer for any damages is at all times limited to the amount of purchase price paid by Buyer according to the respective Contract.
- 9.2. In no event shall the Seller be liable to the Buyer for indirect damages, including, without limitation, damages related to loss of production, loss of profit or expected profit, loss of expected future sale, good will damages, extra costs (e.g., costs of retransport of products, costs of products recall, etc.), loss of use, attorney's fees and expenses and contractual penalties, other sanctions or any claims imposed on Buyer by third parties, whether based upon breach of Contract, warranty or due to other reasons. The Seller is not liable for damages that could not have been foreseen. This limitation of liability is not applicable if the damage was caused by Seller to Buyer as a result of willful misconduct or gross negligence of Seller.
- 9.3. Except in the case of Seller's intentional misconduct or Seller's gross negligence, Seller accepts no liability for damage suffered by Buyer's personnel or damage suffered by any third persons participating in the performance of the Contract.
- 9.4. Buyer is responsible towards Seller for the compliance of any of Buyer's employees or any persons assigned by Buyer who are located within Seller's premises with all valid regulations related to Safety Work, Fire Protection, Seller's Work Order or Seller's Ethical Code. In case of violation of this obligation, Seller is entitled to expel any such non-compliant persons from Seller's premises and confiscate their entrance permits to Seller's premises. Buyer is also liable towards Seller for all damages suffered by Seller due to violation of such obligation of Buyer.
- 9.5. Buyer shall ensure that all of its employees or other persons assigned by the Buyer entering the Seller's premises in relation to the loading of the Goods use the personal protection aids in accordance with the applicable legal regulations and Seller's regulations. The vehicle will not be allowed to enter the premises of the Seller without the following required equipment for each person entering: safety helmet, safety glasses, work gloves, work clothing (boilersuite), work shoes. Before entry into the individual discharge places, each person must be wearing and use the required equipment. If a person is not wearing the required equipment, such person will be escorted from the Seller's premises. In the case of a failure or refusal to meet the said safety regulations, the Buyer's employees or other persons assigned by the Buyer shall not be allowed to enter the premises of the Seller.
- 9.6. If fulfillment of the subject matter of the Contract requires entry of passenger vehicles, trucks or other utility motor vehicles of the Buyer to the premises and facilities of the Seller, the Buyer shall be required to notify its employees and persons authorized by Buyer about the prohibition to transport other persons (including minors and juveniles) as well as passengers in these motor vehicles who are not employees or authorized persons of the Buyer. If this prohibition is violated the vehicles shall be prohibited from entering the premises of the Seller and facilities of the Seller. The Buyer shall be held responsible for damage resulting from violation of this prohibition. The Buyer shall be required to enforce this prohibition with its subcontractors via its respective subcontracts.

#### Article 10. Economic sanctions

- 10.1. Buyer represents and warrants that, with respect to its obligations under the Contract and any other agreement with Seller, it is currently in compliance with, and shall remain in compliance with, the laws, regulations and executive orders issued and/or administered by (i) the Slovak Republic or (ii) the European Union and its authorities or (iii) the United Nations Security Council or (iv) the Office of Foreign Assets Control ("OFAC") of the U.S. Department of the Treasury (see: [www.treasury.gov/resource-center/sanctions/Pages/default.aspx](http://www.treasury.gov/resource-center/sanctions/Pages/default.aspx)) and any other applicable economic sanctions, which prohibit, among other things, engaging in transactions with, and providing services to, certain countries, territories, entities, and individuals. Buyer represents and warrants that neither Buyer nor any person having a beneficial interest in Buyer is (i) a person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC or any other similar list published by any of the above mentioned regulatory authorities (a "Listed Person") or (ii) a department, agency or instrumentality of, or is otherwise directly or indirectly controlled by or acting on behalf of any Listed Person or the government of a country subject to comprehensive economic sanctions administered by any of the above mentioned regulatory authorities, including Iran, Sudan, Cuba, Burma, Syria and North Korea (each Listed Person and each other entity and country described in clause (ii), a "Blocked Person").
- 10.2. Buyer further represents and warrants that none of the goods or services that it is receiving from Seller will involve, require interaction with, concern, or relate to, in whole or in part, any Blocked Person or their assets or products.
- 10.3. Buyer hereby acknowledges and agrees that Buyer's breach of any of the terms of this Article at any time during the term of the Contract shall be considered a material breach of the Contract.
- 10.4. Buyer hereby agrees to indemnify, defend, and hold harmless Seller and its officers, directors, and employees from and against any and all claims, demands, damages, costs, penalties, and fines arising in connection with any alleged breach by Buyer or its agents of this representation and warranty. Seller may reject, suspend, or cancel any transaction to a Blocked Person without penalty or payment for the rejected, suspended, or cancelled goods or services, and/or withdraw from or terminate the Contract, or any other agreement with Buyer, in whole or in part, if (i) Buyer or its agent has violated the above representation and warranty, or (ii) Seller has a good faith basis for believing that Buyer or its agent intends to violate the above representation and warranty, and Buyer, in response to Seller's request, does not provide without undue delay an adequate and satisfactory assurance of its full compliance with this Article. Buyer will pay all penalties and damages incurred as a result of its breach of the terms of this Article.

#### Article 11. Anti-bribery commitments

- 11.1. Buyer affirms that it, and each of its owners, directors, employees and every other person working on its behalf, has not and will not, in connection with the work or transactions contemplated by the Contract or in connection with any other business transactions involving USSK, give, offer, or promise any money or any other thing of value, directly or indirectly, (i) to any Government Official; (ii) to any political party, official of a political party, or candidate for political office; (iii) to a third party with knowledge or suspicion that all or part of the money or thing of value will be given, offered, or promised to any of the foregoing; or (iv) to any other person or entity, if such payment or transfer would violate the laws of the country in which made or the laws of the Slovak Republic, European Union or the United States. It is the intent of the Parties that no payments or transfers of money or

anything of value shall be made which have the purpose or effect of public or commercial bribery, acceptance of or acquiescence in extortion, kickbacks or other unlawful or improper means of obtaining business. This Article shall not, however, prohibit the giving of business mementos of nominal value, or provision of normal and customary business entertainment, provided that any such business memento or entertainment is lawful in the country in which it is provided, offered for a legitimate business purposes, reasonable under the circumstances, and not provided for any improper or corrupt purpose. For the purposes of the Contract, "Government Official" means any officer or employee of (i) any local, state, provincial, or national government or any department, agency or instrumentality thereof, (ii) wholly or partially state/government-owned or state/government-controlled corporation, or (iii) public international organization, or any other person acting in an official capacity for or on behalf of any such government, department, agency, instrumentality, corporation or public international organization.

- 11.2. Laws implementing the Organisation for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the "OECD Anti-bribery Convention"), including the anti-bribery laws of the Slovak Republic and the U.S. Foreign Corrupt Practices Act (collectively the "applicable anti-bribery legislation"), prohibit direct and indirect bribery and attempted bribery of public officials. Both Parties are familiar with, understand, and agree to comply with the applicable anti-bribery legislation and to take no action that might be or cause a violation of the applicable anti-bribery legislation or a violation of the laws of other countries that prohibit the same type of conduct.

#### Article 12. Final provisions

- 12.1. Any and all previous agreements, or understandings of any nature whatsoever made between the Parties which relate to these GDTC shall be superseded by these GDTC.
- 12.2. Each Party shall immediately notify the other Party in writing regarding any changes to its business license or company register data which have a direct impact on terms and performance of the Contract, or any official commencement of liquidation, bankruptcy procedure or other similar procedure
- 12.3. Amendments to the Contract shall be in writing and signed by duly authorized representatives of both Parties.
- 12.4. Legal relations arising out of Contract, not treated herein, as well as all out-of-contract claims arising in connection with Contract are fully governed by the law of the Slovak Republic, without respect to its other conflict of law principles. Parties have agreed that the courts of the Slovak Republic have exclusive jurisdiction over the resolution of all disputes arising out of or in connection with Contract, including, without limitation, disputes over the validity, interpretation or termination of Contract, and any dispute, not resolved by the agreement of the Parties, shall be submitted for decision to:
- the District Court Kosice II, as the locally competent court of the Seller in the Slovak Republic, if the Buyer has its home address or seat outside the Slovak Republic, or
  - the materially and locally competent court in the Slovak Republic, if the Buyer has its home address or seat in the Slovak Republic.
- 12.5. Should any provision of these GDTC be invalid, this shall not affect the other provisions hereof.

Košice, 1<sup>st</sup> February 2015



Christian Korn  
Executive and Vice President Commercial  
U. S. Steel Košice, s.r.o.



C. James Bond  
Executive and General Counsel  
U. S. Steel Košice, s.r.o.