

**GENERAL CONDITIONS COVERING PROCESSING,  
CONVERSION AND WORKMANSHIP SERVICES  
GENERAL CONDITIONS**

1. The term "Purchaser", as used in these General Conditions, shall mean U. S. Steel Corporation and the term "Processor" shall mean the vendor to which Purchaser's subject Blanket Purchase Agreement is issued. The term "Purchase Order" or "Purchase Order Contract" or Blanket Purchase Agreement as used herein shall mean Purchaser's subject Blanket Purchase Agreement, including these General Conditions and all terms, conditions, sourcing plant work orders, instructions and specifications contained in Purchaser's on-line Processor Instructions, Work Orders located at and <https://xnetp.uss.com/EC/AES/J2EELogin> (SteelTrack), as the same may be revised by Purchaser from time to time, which is expressly incorporated herein, and by this reference made a part hereof.
2. These General Conditions Covering Processing, Conversion and Workmanship Services shall be utilized in conjunction with United States Steel Corporations Purchase Order General Terms and Conditions located at <https://www.ussteel.com/doing-business/vendors>, which terms are incorporated herein by reference. In the event of a conflict between these General Conditions and the Purchaser Oder General Terms and Conditions, the Purchase Order General Terms and Conditions shall prevail.
3. It is expressly understood and agreed that title to all materials which Purchaser delivers to Processor's designated plant for processing hereunder and all products produced there from (including scrap generated thereby) shall be and remain with Purchaser at all times; provided however that while such materials and products are in Processor's possession, such materials and products shall be at Processor's risk and Processor shall be solely responsible for any and all loss of or damage to such materials and/or products until redelivery of the same in accordance with Purchaser's directions. In the event of any such loss or damage Processor shall promptly, upon notification from Purchaser, correct or repair such material(s) or product(s) at Processor's sole cost and expense or, at Purchaser's option, reimburse Purchaser the then effective (i.e., Purchaser's published or established) commercial price applicable to the type of material or product lost or damaged and shall reimburse Purchaser for the processing and transportation charge or charges, if any, previously paid on the items lost or damaged.
4. All materials delivered for processing hereunder and the products processed therefrom shall be kept segregated from the property and/or materials of others and Purchaser's bands and labels shall be retained. Processor shall, at all times during the processing and/or storage of such materials and/or products, properly identify the same as Purchaser's, and shall perform all acts required by law to protect the rights of Purchaser as owner of such materials and products. Processor shall not permit or cause to be created any interest, pledge, mortgage, encumbrance or other lien of any kind or nature adverse to Purchaser's interest in materials delivered for processing hereunder or the products produced there from; nor permit the removal of said materials or products from Processor's plant other than as expressly authorized in this Purchase Order; nor permit anything to be done that may impair the value of any of the materials or products or the security intended to be afforded by this Purchase Order contract; nor permit the materials or products to become commingled with the goods or property of others; and will defend said materials and products against the claims or

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demands of all persons. Processor irrevocably waives any rights Processor may now have or which Processor may acquire during the operation of this Purchase Order Contract to file liens or charges against Purchaser, its property or materials delivered for processing hereunder or the products produced therefrom, and agrees to furnish Purchaser immediate written notice of the seizure, by process of law or otherwise, of any of Purchaser's said materials, products or property.

5. Processor hereby acknowledges Purchaser's security interest in and to all materials delivered for processing hereunder and products produced there from, it being expressly understood and agreed that title to all said property shall be and remain with Purchaser, free and clear of all liens or claims whatsoever of Processor and others. Processor hereby expressly authorizes and consents to Purchaser's filing of such additional documents, including UCC financing statements in the United States, and similar security documents in countries outside the United States, as are required by Purchaser (i) for the Protection of Purchaser's ownership interests in its materials and products while in Processor's possession; and (ii) to secure Processor's redelivery thereof in full compliance with Purchaser's instructions.
6. In the event of default by Processor in the observance or performance of any of the provisions of this Purchase Order Contract, or in the event of an assignment by Processor for the benefit of creditors, the filing by or against Processor of a petition under any section of the bankruptcy or insolvency laws, state or federal, or upon the filing, by or against Processor, of any petition for a receiver or a trustee for Processor, or in the event of dissolution or full or partial liquidation of Processor, or should Processor's operations be interrupted for any consecutive five (5) day period, whether by reason of labor dispute or otherwise, or the fact that this contract has been made results in acts by third parties which interfere with or disrupt Purchaser's operations in any manner, then Purchaser shall, at Purchaser's election and without liability to Processor, in any such event, have the right to terminate this Purchase Order Contract and may enter upon the premises of Processor's processing plant and take possession of all Purchaser's property stored or located thereon, and without limitation of any rights granted hereunder, taken such actions as permitted by law to protect Purchaser's interests and enforce Processor's obligations hereunder.
7. Processor shall not assign this Purchase Order Contract or sublet any part of the work to be performed hereunder without the prior written consent of Purchaser. In case such consent is given, it shall not relieve Processor from any of the obligations of this contract, and any transferee or subcontractor shall be considered the agent of processor and, as between the parties hereto, Processor shall be and remain liable as if no such transfer or subletting had been made.
8. The contract price(s) and terms of payment applicable to the services rendered by Processor hereunder shall be as designated in this Purchase Order Contract and shall exclusively govern Purchaser's payment to processor for such services. Payment to the Processor for services rendered shall be paid at the time of shipment in accordance with the terms and conditions as attached to Purchaser's Purchase Order and as stated herein.

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9. Unless otherwise specifically stated in the US Steel Purchase Order or Pricing Attachments all payments will be made on a net processed unit weight (ton, hundred weight, pound, metric ton, etc.) basis. Scrap credits and debits shall be on a gross ton basis, in the Purchase Order defined scrap market city, based on the Fastmarkets steel scrap prices effective on the 10<sup>th</sup> of each month for #1 dealer bundles (high) less a negotiated handling fee, offset by one month (i.e. the June Fastmarkets reported value is used for July production). Any "non-market adjustments" reflecting actual transaction prices which are not reflected in the published scrap prices shall be taken into consideration for determining the scrap credits and debits. USS will debit the processor for any and all scrap other than predetermined-engineered scrap. Engineered scrap is defined as the scrap that is contained within the gross shape of the blank being processed and is removed from the blank only as a result of the die design. All other forms of scrap including heads, tails, line thread up, etc. will be debited by USS in accordance with the terms stated herein.
10. Processor shall be solely responsible for the selection and operation of equipment and processing to carry out its obligations hereunder, and shall indemnify, save harmless and defend Purchaser unconditionally and regardless of cause or alleged cause from and against any and all suits, actions, legal proceedings, claims, demands, damages, costs, expenses and attorneys' fees arising from or incident to any infringement or claimed infringement of any patent or patents or intellectual property of any kind arising from the equipment used or the methods practiced by Processor in its performance of this order or in any way connected herewith. Provided, however, that Purchaser may be represented in any such suits, actions or legal proceedings by attorneys of Purchaser's own selection at Purchaser's own expense.
11. Processor shall prepare load tallies, advanced shipping notices and bills of lading required by Purchaser for each outbound shipment of materials or products processed hereunder, detailing the order number, heat number, piece count and weight. Copies of load tallies, advanced shipping notices and bills of lading shall be provided to Purchaser on the date of shipment via electronic data interface, facsimile machine or express mail. Processor shall follow all transportation guides provided by Purchaser on outbound shipments.
12. If any materials received by Processor hereunder are damaged at the time of receipt, Processor shall note such damage on the delivery receipt and shall provide (i) oral notice of such damage to Purchaser and (ii) written confirmation thereof to Purchaser within three (3) days of such receipt or as detailed in the Traffic Manual located on the SteelTrack Website (<https://xnetp.uss.com/EC/AES/J2EELogin>). Claims made outside of the requirements in the Traffic Manual may be denied.
13. Processor shall be liable for all truck detention and/or rail or barge demurrage arising out of delays to carrier equipment at Processor's facility on shipments originating at or terminating at such facility hereunder. Processor shall indemnify and hold harmless Purchaser from all expense or liability, including attorney's fees, arising out of claims for demurrage incurred at Processor's facility for shipments hereunder. Purchaser may, at its option, pay demurrage claimed by any carrier for delays at Processor's facility and obtain reimbursement from Processor hereunder.

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14. Processor, at its sole cost and expense, shall procure and maintain in full force and effect Commercial General Liability insurance coverage (under an "occurrence" policy form) and, if applicable, automobile liability insurance coverage with an insurance company or companies acceptable to Purchaser and possessing an A.M. Best Company rating of A-, class vii or better. Said policies of insurance (i.e., Commercial General Liability and umbrella/excess liability policies) shall be endorsed to include purchaser as an additional insured on a primary and non-contributory basis, and the insurance carrier shall promise to defend Purchaser and/or Purchaser's agents, servants and employees and provide insurance coverage of not less than two million dollars (\$2,000,000.00) for personal injury, bodily injury or death arising out of any one occurrence and not less than two million dollars (\$2,000,000.00) for property damage arising out of any one occurrence with minimum aggregate limits of four million dollars (\$4,000,000.00). Said insurance policies shall be endorsed so as to provide purchaser the broadest form of coverage generally available, and the insurer shall include a waiver of subrogation in favor of purchaser.

Processor shall also, at its sole cost and expense, procure and maintain in full force and effect throughout the term of this agreement insurance coverage with an insurance company acceptable to Purchaser and possessing an A.M. Best Company rating of A-, class vii or better insuring for all risks of physical loss or damage at full replacement value for any and all of Purchaser's property on processor's premises. Such coverage should be applicable to Purchaser's materials, products or property in Processor's possession, custody or control, and while in transit to or from Processor's facility. Said policy shall include Purchaser as an additional insured and loss payee, as Purchaser's interest may appear, and the insurer shall include a waiver of subrogation in favor of Purchaser.

Prior to processor's commencement of any services hereunder, processor shall furnish to Purchaser satisfactory certificates of insurance evidencing full compliance with the insurance requirements of this Purchase Order Contract; however, any failure on the part of Purchaser to pursue or obtain the certificates of insurance required hereunder from processor and/or the failure of Purchaser to point out any non-compliance of such certificates of insurance shall not constitute a waiver of any of the insurance requirements set forth herein nor relieve processor of any of its obligations or liabilities hereunder.

All insurance coverage carried by Processor shall extend to and protect Purchaser to the full amount of such coverage, and all deductibles and self-insured retentions (if any), including those relating to defense costs, are the sole responsibility of Processor.

In the event Processor or its insurance carrier defaults on any obligations under these insurance provisions, Processor agrees that it will be liable for any and all reasonable expenses and attorney's fees incurred by Purchaser to enforce the requirements of these insurance provisions.

15. As a supplier of a key commodity to Purchaser, Processor's quality system shall conform to (or Processor should have a development plan to meet) the requirements of

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ISO 9001:2015 or IATF 16949:2016 for automotive customers. Processors for automotive customers shall obtain certification, at a minimum, of ISO 9001:2015 but preferably TS 16949:2016. Processors for automotive customers shall, even if not certified to TS 16949:2016, conform to the requirements stated therein and be prepared to provide evidence of compliance. Non-automotive customers are encouraged to attain ISO 9001:2015 certification. All Processors are, however, required to comply with Purchaser's 100% On Time Delivery requirements. Purchaser reserves the right to audit Processor's facility to assure compliance with these standards.