

## Terms and Conditions of Sale



All sales by Majestic Steel USA, Inc. ("Majestic") of the goods which are the subject of any purchase order made by the buyer identified thereon (the "Buyer") are made subject to the following terms and conditions. Acceptance of any purchase order and/or sale of any goods are expressly made conditional on Buyer's assent to these terms and conditions. All orders by Buyer may be accepted only upon issuance of Majestic's Sales Order Acknowledgement. Acceptance of delivery of any or all goods ordered by a Buyer shall constitute assent by the Buyer to these terms of sale. Any terms of the Buyer which purport to reject some or all of Majestic's terms by virtue of standard form language or otherwise shall not be sufficient objection. Buyer shall be required to set forth each objection to Majestic's terms in a separate writing signed and dated by Buyer and delivered to Majestic prior to or contemporaneous with Majestic's shipment of the goods, which objections Majestic must accept in writing prior to such objection constituting an amendment to these terms and conditions.

1. **Prices.** The purchase price of the goods shall be as reflected in and agreed to by the parties in the Buyer's Purchase Order and Majestic's Sales Order Acknowledgement.
2. **Surcharges.** Documented surcharges imposed by Majestic's suppliers including but not limited to raw materials, scrap, fuel, and natural gas shall be paid by Buyer.
3. **Taxes.** Any documented taxes, existing or under future law, that Majestic may be required to pay or collect shall be paid by Buyer to Majestic on demand. The foregoing shall not apply to any taxes the payment or collection of which by Majestic is excused by reason of delivery to Majestic of valid tax exemption certificates.
4. **Payment.** Buyer shall pay the net invoice amount in full within 30 days from the date of invoice, less ½% if paid in full within 10 days of the invoice date. Majestic reserves the right to charge interest on all amounts not paid within 45 days at the current prime rate. Majestic shall retain and Buyer hereby grants to Majestic a security interest in the goods until payment in full is received. Majestic authorizes Buyer to file any and all financing statements and other documents required to attach, perfect, or otherwise protect Majestic's security interest.
5. **Set-Off.** Buyer authorizes Majestic to apply toward payment of any monies that become due Majestic hereunder any sums which may now or hereafter be owed to Buyer by Majestic, or by any subsidiary or affiliated entity of Majestic.
6. **Quantities.** On certain goods, Majestic's producing mills reserve the right of shipping over or under the ordered quantity in accordance with established percentages (as shown in their price books) as standard industry practice. Majestic's subsequent shipment to Buyer of such over or under shipments will constitute Majestic's full and complete shipment of the material specified and shall not constitute a breach or default under any purchase order or other document submitted by Buyer.
7. **Shipment.** Shipment terms are (1) F.O.B. Majestic's place of business at Bedford Heights, Ohio, or (2) F.O.B. storage facility, as may be designated by Majestic, and Buyer shall pay all shipping costs. Title and risk of loss passes to Buyer after Majestic delivers the goods to the carrier.
8. **Inspection.** Buyer shall promptly inspect the goods upon delivery. If, upon receipt by Buyer, goods shall appear not to conform to the contract, Buyer shall immediately notify Majestic of such condition and afford Majestic a reasonable opportunity to inspect the goods. No goods shall be returned without Majestic's prior consent.
9. **Warranty.** Majestic's warranties do not apply to damage resulting from accident, casualty, alteration, or misuse. Majestic is not responsible for any charges relating to warranty work that have not been authorized by Majestic in writing. **ENTIRE WARRANTY: MAJESTIC MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, AND MAJESTIC EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, AND ALL OTHER WARRANTIES ARE HEREBY EXPRESSLY EXCLUDED. MAJESTIC SHALL HAVE NO OTHER LIABILITY, DIRECT OR INDIRECT, OF ANY KIND, INCLUDING LIABILITY FOR SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES.**
10. **Limitation of Liability.** Buyer's sole and exclusive remedy for breach of the foregoing warranty shall be the replacement of defective goods (with the exception of items normally considered to be expendable), or, at the Majestic's option, to refund the purchase price; provided (1) the goods have not been altered or modified by other than Majestic, (2) they have been

properly stored, and (3) Buyer promptly sends to Majestic notice of defect and satisfactory proof thereof, and in the event of replacement, returns the goods to Majestic, freight prepaid. Defective goods replaced by Majestic shall become the property of Majestic. Replacement goods will be shipped to the Buyer F.O.B. point of shipment.

11. **Claims.** Majestic distributes only prime flat rolled steel unless otherwise represented. In the absence of any other commitment, goods will conform to commercial and industry standards for tolerances and quality (e.g. - ASTM). Normal scale error may result in discrepancies between weight measured by the Buyer and the billed weight. Delivered goods should be inspected at the time of receipt, and notification of non-conformances should be made immediately. Claims for shortages and damaged material, including water intrusion and/or rust, must be made within three (3) days of receipt. Majestic will not consider claims for any reason after six (6) months past the shipment date. In the event of an accepted claim, Majestic will pay for material cost only, not costs related to downtime, damaged equipment, or lost opportunity, and ownership of the goods reverts to Majestic. Claimed goods should not be sold, scrapped, or returned without Majestic's authorization, and it should be handled and stored as if it were prime. Majestic will respond to claims in a manner consistent with industry practices and standards as stated in our Material Quality and Claims Policy. Any action for a breach of contract arising out of Majestic's acceptance of an order or arising out of Buyer's acceptance of goods supplied must be commenced within one year after the cause of action has accrued.
12. **MAJESTIC SHALL NOT BE LIABLE TO THE BUYER FOR SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS OR FOR DAMAGES FOR LOSS OF USE ARISING DIRECTLY OR INDIRECTLY FROM ANY BREACH OF CONTRACT, MATERIAL OR OTHERWISE, OR FROM ANY TORTIOUS ACTS OR OMISSIONS OF ITS EMPLOYEES OR AGENTS, AND IN NO EVENT SHALL THE LIABILITY OF MAJESTIC EXCEED THE PRICE OF THE GOODS PROVIDED HEREUNDER.** Buyer agrees to indemnify and hold Majestic harmless from and against any and all claims, demands, causes of action, and damages, including attorney's fees and costs, arising out of or in any way related to the order.
13. **Majestic Assistance.** If Majestic, without separate compensation therefor, furnishes the Buyer with advice or other assistance concerning any goods supplied hereunder or any system or equipment in which any such goods may be installed which is not required hereunder, the furnishing of such advice or assistance will not subject Majestic to any liability whether in contract, tort (including negligence and strict liability) or otherwise.
14. **Accumulation & Storage.** Except where and only to the extent that Majestic has agreed in writing to accumulate goods for Buyer's account for later shipment, and without otherwise limiting Majestic's remedies available under the law, if Buyer requests a delay of a shipment of goods otherwise ready for shipment, or Buyer fails to release goods for shipment, or otherwise Buyer fails to provide information of documentation necessary for the delivery of goods otherwise ready for shipment, then Majestic shall have the following rights and remedies: (i) goods may be placed in storage and Majestic may charge Buyer reasonable storage fees commencing 3 days after Majestic's notice to Buyer that the goods are available for shipment, or if the contract release period has ended, and (ii) Majestic may immediately invoice Buyer for the goods. Majestic reserves the right to receive payment of all invoices and storage fees in full prior to final shipment of material.
15. **Tolerances.** All goods shall be subject to tolerances and variations consistent with usages of the trade and regular mill practices concerning dimension, weight, straightness, section, composition and mechanical properties, normal variations in surface, internal conditions and quality, deviations from tolerances and variations consistent with practical testing and inspection methods, and regular mill practices concerning over and under shipments.
16. **Suspension.** In the event Buyer fails to make payment of the purchase price or any portion thereof when due, Majestic shall have the right to (i) suspend performance with respect to any pending order or shipment of goods, and (ii) employ an attorney to collect the balance due and Buyer agrees to pay all collection costs and expenses incurred by Majestic, including Majestic's reasonable attorneys' fees.
17. **Cancellation.** Buyer's insistence upon cancelling or suspending processing or shipment, or Buyer's failure to furnish specifications when required, may be treated by Majestic as a breach of contract by Buyer, and Majestic may cancel any

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unshipped balance without prejudice to any other remedies Majestic may have. An order or contract may be cancelled or modified only by written agreement between Majestic and Buyer. Buyer's written notice must be sent via US Mail Certified, return receipt requested to Majestic's corporate offices at 31099 Chagrin Boulevard; Suite 150; Cleveland, Ohio 44124; and to the attention of the "Director of Sales". The termination will not change or modify the obligations or rights of the parties with respect to the sale of Goods that were agreed upon prior to the effective date of the termination.

18. **Patent Infringement.** If any of the goods are to be furnished to Buyer's specifications, Buyer agrees to indemnify Majestic and its successors and assigns, against all liabilities and expenses resulting from any claim of infringement of any patent or other proprietary right in connection with the production of such goods.
19. **Government Contracts.** Unless otherwise expressly provided, Buyer's order has not been placed under a prime contract with the United States Government or a subcontract thereunder and none of the clauses contained in the Armed Services Procurement Regulations as presently in effect, are incorporated herein.
20. **Location.** These terms and conditions of sale shall be governed by the laws of Ohio. Buyer, acting for itself and its successors and assigns, hereby expressly and irrevocably consents to the jurisdiction of the state and federal courts of Ohio for any litigation which may arise out of or be related to these terms and conditions of sale.
21. **Notice.** Any notice required or contemplated hereunder shall be in writing and shall be delivered personally or sent by fax, email or by prepaid registered mail. Notice by email or fax shall be deemed to have been received when transmitted and any notice sent by registered mail shall be deemed to have been received on the second day following the date mailed.
22. **Delays.** Majestic shall not be liable for loss, damages, or nonperformance resulting from force majeure, including but not limited to strikes, labor disturbances, material shortages, non-manufacturing conditions, delays or failures of carriers or communication, epidemics, fire, flood, acts of terror, storms, accident, riot, war and invasion, governmental requisition or priorities, acts of God, or other causes beyond Majestic's reasonable control.
23. **Electronic Signatures.** The parties agree that signatures given by electronic means and over each party's internet websites shall constitute legally binding signatures of such parties, and no party shall object on the basis that such signatures were given by electronic means.
24. **Entire Agreement.** Except as otherwise agreed in writing signed by Buyer and Majestic, the applicable Majestic Sales Order Acknowledgement, together with these terms and conditions of sale constitute the entire agreement between Majestic and Buyer relating to the sale of such goods by Majestic.