

OSM TUBULAR PORTLAND & CAMROSE

EVRAZ OREGON STEEL MILLS

TERMS AND CONDITIONS OF SALE

- Purchase and Sale.** Buyer may, from time to time, place orders for tubular steel products (the "Goods") from OSM Tubular Portland or OSM Tubular Camrose (each, "OSM"), and OSM may, in its sole discretion, agree to sell such Goods to Buyer. If Buyer's order for Goods is accepted by OSM by its issuance of its Order Acknowledgment, these Terms and Conditions of Sale, together with the Order Acknowledgment, shall constitute the terms of such sale and purchase. Buyer's purchase order for any Goods shall be deemed to be Buyer's acceptance of the these Terms and Conditions of Sale, notwithstanding the fact that Buyer's purchase order may contain terms different from or additional to the terms contained herein; in such event, such different or additional terms shall not be included within the parties' agreement. OSM reserves the right to modify, amend, or submit new Terms and Conditions of Sale, and, if OSM so elects, OSM shall provide to Buyer such modified, amended, or new Terms and Conditions of Sale. Thereafter, Buyer's subsequent submittal to OSM of a purchase order shall operate as Buyer's acceptance in their entirety of OSM's modified, amended, or new Terms and Conditions of Sale.
- Purchase Price.** The purchase price ("Purchase Price") for the Goods shall be OSM's prices and transportation charges prevailing at the date of shipment and in the currency as shown on OSM's invoice for the Goods, unless otherwise agreed to in writing by OSM. The Purchase Price shall be exclusive of sales, use, excise, or any other taxes or duties imposed by any governmental authority. OSM may add such taxes and duties due to the amounts due under OSM's invoice, and they shall be paid by Buyer.
- Terms of Payment.** Invoiced amounts are due in full within 30 days from the date of invoice, unless otherwise agreed to in writing by OSM.
- Warranties.** OSM warrants good title to the Goods. OSM warrants that the Goods (a) shall meet the standard specifications and tolerances allowed by either the American Petroleum Institute ("API") or the Canadian Standard Association ("CSA"), whichever is specified in the Order Acknowledgment; and (b) shall conform to such other specifications as agreed upon in writing by OSM. Conformance with the foregoing tolerances and specifications shall be conclusively established by tests performed in OSM's laboratories absent manifest error. OSM MAKES NO OTHER WARRANTIES REGARDING THE GOODS.
- DISCLAIMER OF OTHER WARRANTIES.** THE WARRANTIES SPECIFIED ABOVE ARE THE EXCLUSIVE WARRANTIES RESPECTING THE GOODS. OSM SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY IMPLIED WARRANTIES THAT MIGHT BE ASSERTED THROUGH COURSE OF DEALING OR USAGE OF TRADE. OSM does not warrant that API or CSA specifications shall meet Buyer's requirements for the Goods.
- Limitations on Buyer's Remedies.** Buyer shall promptly inspect the Goods at the time and place of delivery. Claims for breach of warranty (if any) must be reported in writing by Buyer to OSM within 30 days after delivery of the Goods and in sufficient detail to fully apprise OSM of the claimed defect. Failure to provide such written notice within 30 days after delivery of the Goods shall conclusively bar Buyer from any claim for such alleged breach of warranty. In the event OSM verifies a breach of the warranty after such written notice, Buyer shall make the defective Goods available to OSM and, thereafter, Buyer's exclusive remedy shall be limited to OSM's choice of the following: (a) OSM will repair or replace F.O.B. OSM's Mill the portion(s) of the Goods that do not conform to OSM's warranty; (b) OSM will credit Buyer's account a reasonable amount in allowance of the defect; or (c) OSM will refund the purchase price of the defective portion(s) of the Goods, less the scrap or salvage value of the Goods. Any action by Buyer against OSM for breach of warranty or for any other claim, whether in tort or contract, must be commenced within one year after delivery of the Goods. IN NO EVENT SHALL OSM HAVE ANY LIABILITY TO BUYER IN CONTRACT, TORT, OR OTHERWISE, FOR ANY OF BUYER'S INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE WHATSOEVER, INCLUDING WITHOUT LIMITATION ANY OF BUYER'S LOST REVENUES, LOST PROFITS, LOSS OF CONTRACTS OR BUSINESS, OR COSTS INCURRED WORKING ON OR ALTERING NON-CONFORMING GOODS. OSM's limited liability shall apply whether Buyer's claim is for breach of warranty or contract or for negligence, tort, strict liability, professional liability, or any other cause of action, and shall extend to any of OSM's design, engineering, manufacture, sale, or delivery of the Goods.
- Shipment and Delivery of Goods.** Unless otherwise stated in OSM's Order Acknowledgment, all Goods sold: (a) shall be sold and shipped F.O.B. OSM's Mill; (b) may be shipped and delivered in installments; and (c) may be invoiced with separate invoices, which invoices shall be due without regard to issuance of subsequent invoices. All shipments shall be continuously subject to the approval by OSM's Credit Department. OSM reserves the right, even after partial shipment or partial payment to withhold shipments of Goods, to

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require from Buyer assurances satisfactory to OSM for the due performance of Buyer's obligations. Failure to furnish such assurances to OSM's satisfaction shall entitle OSM to withhold or cancel any further shipments of Goods.

8. **Drawbacks.** All drawbacks of duties paid on any materials used in the manufacture of the Goods shall accrue in favor of OSM. Buyer shall furnish OSM all documents necessary for OSM to obtain payment of such drawbacks and shall cooperate with OSM in obtaining such payment.
9. **Risk of Loss.** Risk of loss of the Goods shall be upon Buyer at all times after OSM's delivery of the Goods to a carrier at OSM's Mill. Buyer shall procure all insurance for all Goods at the time at which risk of loss passes to Buyer.
10. **Inspection.** All Goods shall be inspected under the standards of OSM's regular mill practices. Any additional inspection or analysis required by Buyer shall be requested at the time Buyer places its order and made only if agreed to in writing by OSM. If not so agreed to by OSM, Buyer shall not have any claim that the Goods fail to meet such additional inspection or analysis. Any expense of such additional inspection or analysis shall be paid by Buyer.
11. **Delivery Dates; Delays and Force Majeure.** Delivery dates set forth in OSM's Order Acknowledgment are estimates only and subject to change. OSM shall not be held responsible for any loss or damage of any kind or nature whatsoever caused by any delay in delivery irrespective of the cause of such delay. Delay in shipment or delivery for any reason of any portion of the Goods shall not relieve Buyer of its obligations on any issued invoice. OSM shall not be deemed in default, nor shall OSM be responsible or liable in any way to Buyer, for any delay in performance, delay in delivery, or for any loss or damage to the Goods from causes beyond OSM's reasonable control, including without limitation fires, strikes, labor disputes, war, civil commotion, epidemics, embargoes, floods, delays in transportation, shortage of railcars, fuel, or other materials, default or failure of carriers or contractors, shortage of labor, acts of God, or acts, demands, requirements, or requests of any governmental authority. In the event any such event causes a delay in OSM's performance, all dates for OSM's performance shall be extended as is necessary to accommodate OSM for such delay.
12. **Cancellation.** Buyer may not cancel orders that have been accepted by OSM after the date of OSM's Order Acknowledgment.
13. **Default.** Buyer shall be in default to OSM upon the occurrence of any of the following: (a) If Buyer fails to make on or before the due date any payment due OSM; (b) if Buyer fails to make, keep, or perform any provision of these Terms and Conditions or any Order Acknowledgment issued by OSM to Buyer; (c) if Buyer makes or has made any false representation to OSM; (d) if Buyer becomes insolvent, commits an act of bankruptcy, or makes an assignment for the benefit of creditors; (e) if Buyer discontinues business, dissolves, sells, or otherwise ceases doing business; or (f) if OSM otherwise deems itself or the prospect of payment by Buyer to be insecure.
14. **Indemnity.** Buyer shall indemnify and hold harmless OSM from and against all claims, damages, actions, suits, proceedings, demands, costs, and expenses arising from or connected in any way to the Goods, or any use or sale of the Goods. Buyer assumes all liability (including, without limitation, liability for injury to person or property, economic loss, or business interruption) for all claims arising from the Goods or their use or sale.
15. **Remedies.** Upon default by Buyer, OSM shall have all the rights and remedies available to it at law and in equity. OSM may accelerate all indebtedness due now or in the future from Buyer. OSM may defer further shipments to Buyer or may cancel any unshipped balance of Goods without prejudice to any other rights that OSM may have against the Buyer. OSM's remedies shall be cumulative and may be exercised singly or concurrently.
16. **Severability.** If any clause or provision herein shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, it shall not affect the validity of any other clauses or provisions, which shall remain in full force and effect.
17. **Entire Agreement; Amendments in Writing; No Verbal Commitments.** These Terms and Conditions, together with OSM's Order Acknowledgment, and OSM's invoices, constitute the entire and complete agreement of the parties, and shall be conclusively considered as containing and expressing all the terms and conditions agreed upon by the parties, notwithstanding any prior or contemporaneous oral or written agreement. Oral promises, statements, or agreements, either before or after the execution of this Agreement, purportedly made by OSM, shall not be valid or shall it or they affect or modify any of the terms or obligations of these

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Terms and Conditions, Order Acknowledgment, Credit and Security Agreement, or any invoices. Additions to, deletions from, or modifications of the parties' agreement shall be valid only if in writing and signed by both Buyer and OSM.

18. **Choice of Law.** These Terms and Conditions and all of the parties' agreements shall be governed by (a) the laws of the Province of Alberta, Canada, for Buyers placing orders for Goods with OSM Tubular Camrose; and (b) the laws of the State of Oregon, USA, for Buyers placing orders for Goods with OSM Tubular Portland.
19. **Arbitration.** Any conflict, claim, or dispute between the parties arising under or related in any way to these Terms and Conditions, to the sale of or in any way concerning the Goods, or either party's performance or nonperformance of its agreement with the other party, shall be resolved by binding, mandatory arbitration under the authority of the American Arbitration Association using the Commercial Arbitration Rules. Such arbitration proceeding shall be conducted in Portland, Oregon.