

TERMS AND CONDITIONS OF SALE (PRIME)

All sales by USS-POSCO Industries ("UPI") are made subject to the following terms and conditions. UPI expressly rejects any different or additional terms or conditions contained in any documents submitted by Buyer. UPI's provision of credit, 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 UPI's order acknowledgement.

1. **PRICE:** The purchase price of the goods shall be as stated on the face of the applicable UPI order acknowledgement; provided, however, that if UPI announces a general price increase, the purchase price shall be revised to include such price increase. UPI may in its sole discretion add a surcharge to the price of goods predicated upon increases in the cost of raw materials or energy. Such surcharge may be adjusted by UPI periodically to reflect a change in such costs.
2. **PROPERTY:** In the event Buyer fails to make payment to UPI of any amounts due and owing to UPI (including any applicable surcharge or freight charge), UPI shall have the right to terminate any Buyer order or any unfulfilled portion thereof, and UPI may terminate any other agreement between UPI and Buyer. UPI may charge interest on the outstanding balance at an annual rate of 12% or the highest rate allowed by law (whichever is less). UPI shall have the right to employ an attorney to collect the balance due, and Buyer agrees to pay all collection costs incurred by UPI, including its reasonable attorneys' fees.
3. **RESERVATION OF RIGHTS:** Checks or payments, whether full or partial, received from or for the account of Buyer, regardless of writings, legends or notations upon such checks or payments, or regardless of other writings, statements or documents, shall be applied by UPI against any amount owing by Buyer with a full reservation of all of UPI's rights, and without an accord and satisfaction of Buyer's liability.
4. **BUYER'S CREDIT:** If, in UPI's opinion, Buyer's credit becomes impaired, UPI may suspend performance until such time as UPI has received full payment for any goods already delivered or in process and is satisfied (in its sole discretion) as to Buyer's credit for future deliveries. If UPI suspends performance and later proceeds with such order, UPI shall be entitled to such extension of time for performance as is necessitated by the suspension.
5. **TAXES:** All taxes of any kind levied by any federal, state, municipal or other governmental authority, which taxes UPI is required to collect or pay with respect to the production, sale, shipment, storage, use or consumption of goods sold to Buyer, shall be the responsibility of Buyer. Buyer agrees to pay all such taxes and further agrees to reimburse UPI for any such payments made by UPI.
6. **TITLE; RISK OF LOSS; CHARGES:** Unless otherwise agreed, all deliveries are EXW (Incoterms 2000) UPI's facility. Title to goods shall pass to Buyer upon tender of delivery, and Buyer bears all costs and risks involved in taking the goods from UPI's premises to the desired destination. Any claims regarding loss or damage in transit shall be made directly to the carrier. Buyer shall indemnify and hold harmless UPI from and against any claims, damages or liabilities suffered by UPI resulting from any acts or omissions of the carrier. Any charges at the destination for spotting, switching, handling, storage and/or demurrage shall be for Buyer's account. UPI shall have the right to assess a storage and handling charge for goods left in UPI's possession after notification to Buyer that the goods are available to ship.
7. **SHIPPING:** Delivery dates are approximate, and time is not of the essence hereunder. Each shipment is to be considered a separate sale. UPI reserves the right to ship all or any part of

the goods from any shipping point of UPI other than the shipping point or points specified herein.

8. **INSPECTION:** Where Buyer performs inspections at UPI's facility, Buyer's inspector shall be deemed the agent of Buyer with authority to waive specified tests and details of test procedures and to accept goods as conforming to this contract.
9. **FORCE MAJEURE; ALLOCATION OF PRODUCTION:** UPI shall not be responsible for non-shipment of goods or delays in delivery or performance due to causes beyond its reasonable control, including, but not limited to, acts of God, acts of Buyer, strikes or other labor disturbances, UPI's inability to obtain, or material increases in the cost of, fuel, raw materials or parts, delays in transportation, repairs to equipment, fires, earthquakes or accidents. In addition, if due to force majeure or any other cause, UPI is unable to produce sufficient goods to meet all demands from customers, UPI shall have the right to allocate production among its customers in any manner which UPI may determine to be equitable.
10. **PATENT INDEMNITY:** UPI shall indemnify Buyer (a) for all direct and actual damages recovered from Buyer by a third party in a legal action for infringement of a U.S. patent claim covering goods furnished hereunder, on condition that Buyer promptly notifies UPI of the alleged infringement, affords UPI the opportunity to assume defense thereof, and cooperates with UPI in defense of the action and in any feasible mitigation of damages; and (b) for Buyer's directly and reasonably incurred expenses in defending such legal action if, after such notice and opportunity given by Buyer, UPI elects not to assume such defense, provided that such election by UPI shall not otherwise affect Buyer's aforesaid obligations. In like manner, Buyer shall indemnify UPI, and UPI's indemnity of Buyer hereunder shall not apply, with respect to a claim arising out of UPI's compliance with special designs or specifications furnished by Buyer, now or hereafter forming a part of this contract, or with other written instructions given by Buyer for the purpose of directing the manner in which UPI shall perform this contract. In no event shall a party hereto have any liability hereunder for indirect or consequential losses or damages suffered, or other expenses incurred, by the other party hereto or any third party by reason of any patent infringement claim.
11. **WARRANTY; DISCLAIMERS:** UPI WARRANTS THAT THE GOODS FURNISHED HEREUNDER WILL BE PRODUCED AND TESTED IN ACCORDANCE WITH THE SPECIFICATIONS SET FORTH IN THE ORDER ACKNOWLEDGEMENT. HOWEVER, ALL GOODS, INCLUDING THOSE PRODUCED TO MEET AN EXACT SPECIFICATION, SHALL BE SUBJECT TO UPI'S MILL TOLERANCES AND TO STANDARD MANUFACTURING VARIATIONS. NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, NOR ANY OTHER REPRESENTATION OR WARRANTY, WHETHER EXPRESS OR IMPLIED, IS MADE RESPECTING SAID GOODS OR THE PRODUCTION THEREOF, AND THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION IN THE ORDER ACKNOWLEDGEMENT. IT IS BUYER'S RESPONSIBILITY TO ENSURE THAT THE GOODS FURNISHED HEREUNDER ARE SUITABLE FOR THEIR INTENDED USES AND THAT ALL SAFEGUARDS AND/OR WARNINGS REQUIRED BY LAW ARE PROVIDED.
12. **LIMITATION OF REMEDIES:** No claim for damages relating to goods that do not conform to specifications will be allowed unless UPI is given immediate notice after delivery of the goods to the first destination to which they are shipped and is allowed an opportunity to inspect them. Goods for which damages are claimed shall not be returned, repaired, or discarded without UPI's written consent. BUYER'S EXCLUSIVE REMEDY AGAINST UPI, AND UPI'S SOLE OBLIGATION, FOR ANY AND ALL CLAIMS, WHETHER FOR BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, SHALL BE LIMITED TO UPI'S REPLACING GOODS THAT DO NOT CONFORM TO SPECIFICATIONS OR, AT UPI'S OPTION, REFUNDING THE PURCHASE PRICE. IN NO EVENT SHALL UPI HAVE ANY LIABILITY FOR

DAMAGES IN AN AMOUNT EXCEEDING THE PURCHASE PRICE OF THE GOODS SOLD HEREUNDER, NOR SHALL UPI HAVE ANY LIABILITY FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

13. **EXCLUSIVE TERMS AND CONDITIONS; ACCEPTANCE; MODIFICATIONS:** No terms or conditions other than those stated herein and no agreement or understanding, oral or written, in any way purporting to modify these terms and conditions shall be binding on UPI unless hereafter made in writing, specifically stating that it is a modification of these terms and conditions, and signed by UPI's authorized representative. Acceptance of the goods sold hereunder by Buyer shall constitute assent to these terms and conditions, and UPI hereby objects to and rejects any and all additional or different terms or conditions proposed by Buyer, whether contained in Buyer's purchase order or shipping release forms, or elsewhere.
14. **CONDITIONS INCORPORATED BY REFERENCE:** Any clause required to be included in a contract of this type by any applicable law or administrative regulation having the effect of law shall be deemed to be incorporated herein.
15. **WAIVER:** UPI reserves the right to enforce these terms and conditions at any time, and none shall be deemed waived unless such waiver is in writing signed by a duly authorized officer of UPI. All rights and remedies granted herein are in addition to all remedies available at law or in equity.
16. **ASSIGNMENT:** Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.
17. **TITLES:** The titles used in these terms and conditions are for convenience of reference only and are not to be considered in interpreting the substance of the term or condition.
18. **GOVERNING LAW:** This Agreement shall be governed by the laws of the State of California.
19. **DISPUTES AND ARBITRATION:** Without limiting the rights of UPI under this Agreement, the parties agree as follows:
 - a. In the event of disputes regarding the performance of any obligations under this Agreement, UPI and Buyer agree that they will promptly meet and confer to attempt to resolve the matter between themselves.
 - b. If the parties are not successful in resolving their disputes, then such disputes shall be finally resolved through a binding arbitration which shall take place in either San Francisco County or Contra Costa County in the State of California. Any party may elect by written notice to the other party to submit such disputes to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (except to the extent such rules conflict with the express terms of this Agreement), using three impartial, neutral arbitrators, one selected by each party to the dispute and the third arbitrator selected by the two arbitrators selected by the parties. If any vacancy in the arbitration panel goes unfilled for more than thirty (30) days, the American Arbitration Association shall select an arbitrator to fill such vacancy. The decision of a majority of the arbitrators shall be binding.
20. **ATTORNEYS' FEES:** Should either Seller or UPI institute an action to enforce any of their rights under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs of said action as determined by the court having jurisdiction over the action.