



Terms and Conditions

Last update June 21st 2023

ARCELORMITTAL MEXICO

TERMS AND CONDITIONS OF SALE OF HSM FLAT PRODUCTS

ALL SALES BY ARCELORMITTAL MÉXICO S.A. DE C.V., ITS AFFILIATES AND/OR SUBSIDIARIES (COLLECTIVELY THE "SELLER"), AND THE INDIVIDUAL OR LEGAL ENTITY MAKING THE PURCHASE (HEREINAFTER THE "CUSTOMER" AND/OR THE "BUYER") AND COLLECTIVELY REFERRED TO AS THE "PARTIES", ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS (T&C).

THESE TERMS AND CONTIDIONS SHALL OVERRIDE ANY ADDITIONAL TERMS, INCLUDING, BUT NOT LIMITED TO, THE TERMS AND CONDITIONS OF CUSTOMER PURCHASE ORDERS, QUALITY MANUALS OR REQUIRED TO ACCESS OR PARTICIPATE IN ONLINE BUYER PORTALS, UNLESS ACCEPTED BY THE VENDOR IN WRITING IN ADVANCE. Acceptance of the purchase order or commencement of performance does not constitute and shall not be construed as acceptance of Customer's Terms and Conditions. Buyer's consent to these T&Cs shall be deemed exercised and valid when (i) Buyer receives Seller's order confirmation and does not raise a written objection within 10 (ten) calendar days after receipt of the order confirmation, or the purchase order is accepted, (ii) when Seller is directed to commence production or ship any material after the order confirmation or acceptance of the purchase order, (iii) acceptance of part or all of the required goods, (iv) when Buyer has made previous purchases subject to these same T&Cs. BUYER AND SELLER AGREE TO THE T&C CONTAINED HEREIN AND ARE ACCEPTED IN GOOD FAITH AS THE APPLICABLE AND FINAL T&C.

1. **ENTIRE AGREEMENT.** Buyer and Seller expressly agree that Seller may modify these T&Cs from time to time, and such modifications shall be binding on Buyer upon written notice, unless otherwise stated in writing.
2. **TONS SHIPPED.** For each order the volume to be shipped may have a tolerance of +/-10%, unless otherwise agreed in writing between buyer and seller.
3. **PURCHASE PRICE.** The purchase price for material shall be stated in the order confirmation and/or applicable purchase order accepted by Seller; the parties agree that Seller may indicate an increase in price, for energy, raw material cost or any other production expense, effective for material scheduled for shipment as of the date indicated in Seller's announcement of such increase or, if no such date is indicated, effective immediately upon such announcement. Buyer agrees that Seller shall at all times have the right to modify all of its quotations. Notwithstanding the foregoing, Seller is obligated to deliver upon issuance of the order or shipping confirmation, and Seller's acceptance of part or all of the material ordered. The parties further agree that Seller's price list may be updated at any time without notice.
4. **MODIFICATION/CANCELLATION OF THE PURCHASE ORDER.** Buyer may not modify, cancel and/or alter the purchase order in any way after it is received by Seller, without Seller's prior written consent by updating the purchase order, which must be accepted by Seller. Any modification, cancellation and/or alteration shall be subject to the terms and conditions negotiated at such time, which include Seller's protection against loss.
5. **LIMITED WARRANTY.** EXCEPT AS EXPRESSLY SET FORTH IN SELLER'S ORDER CONFIRMATION, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, BY AGREEMENT OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE, AND THE PARTIES AGREE THAT THESE ARE DISCLAIMED RESPECTIVELY. SELLER ACCEPTS NO LIABILITY OR RISK TO BUYER OR ANY THIRD PARTY RELATING TO OR ARISING OUT OF THE PERFORMANCE, NON-PERFORMANCE, FAILURE, EFFICACY, DURABILITY OR ANY DEFECT IN THE WHOLE OR ANY PART OF THE PRODUCT OR PRODUCTS MANUFACTURED, OR INCORPORATING OR USING THE PRODUCTS SOLD HEREUNDER.
6. **LIMITATIONS OF LIABILITY.** SELLER'S LIABILITY, WHETHER IN CONTRACT, TORT, WARRANTY, NEGLIGENCE, OR OTHERWISE, SHALL BE LIMITED TO THE PURCHASE PRICE OF THE PRODUCTS AGAINST WHICH THE CLAIM IS MADE. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DEMURRAGE CHARGES, SHIPPING COSTS, DOWNTIME, LOST PROFITS OR LOST SALES. AT SELLER'S SOLE AND EXCLUSIVE DISCRETION, THE SOLE AND EXCLUSIVE

BUYER'S REMEDY, WITH RESPECT TO THE PORTION OF MATERIAL PROVEN NOT TO CONFORM TO THE MATERIAL SPECIFICATION IN SELLER'S ORDER CONFIRMATION, SHALL BE LIMITED TO: (I) REPLACEMENT OF THE MATERIAL ON THE SAME TERMS OF SALE PREVIOUSLY AGREED UPON, (II) REPAIR OF THE MATERIAL AT A DIFFERENT LOCATION DETERMINED BY SELLER, OR (III) REFUND OR CREDIT OF THE SALES PRICE OF SUCH PRODUCTS UNDER THE RETURN AUTHORIZATION. IN THE EVENT SELLER HAS GIVEN BUYER AUTHORIZATION TO DISCARD ALL OR PART OF THE MATERIAL, THE SCRAP SHALL BE CREDITED TO SELLER.

7. **LIMITATION OF LIABILITY FOR DELAYS IN DELIVERY.** Except for the parties otherwise agreed, delivery dates are approximate. In no event shall Seller be liable for any claim for labor or for any special, indirect, incidental or consequential damages, including but not limited to demurrage charges, shipping costs, downtime, loss of profit or sales, or any other damages resulting from delay in delivery. BUYER'S ACCEPTANCE OF THE GOODS CONSTITUTES A WAIVER BY BUYER OF ANY CLAIM FOR DAMAGES ON ACCOUNT OF DELAY IN DELIVERY.
8. **TRANSPORTATION CHARGES.** Unless specified in Seller's order confirmation, price quotations do not include shipping costs. Unless otherwise agreed, in writing, delivery prices are calculated by adding transportation costs to the destination and by any taxes paid by Seller. If goods are shipped freight prepaid, the freight charge may be added to the invoice. Buyer may elect to pick up the material, provided Buyer does so within ten (10) calendar days after Seller notifies Buyer of the material availability date, and Buyer notifies Buyer 24 hours prior to picking up the material. Seller reserves the right to deliver and/or charge reasonable storage charges after the ten (10) day period above. In the event such method of transportation is not available as requested, Seller reserves the right to use an alternate method of transportation, whether or not an extra charge applies. In any event, Seller shall notify Buyer of any such changes as soon as practicable.
9. **PROPERTY OF THE GOODS, RISK OF LOSS.** Unless expressed in the order confirmation by the Seller, all deliveries will be with the incoterm that has been previously agreed between Buyer and Seller (Incoterms©2020), considering the freight cost according to the freight rate in force for ArcelorMittal Mexico. The freight charge as well as the risk of loss or damage of the product will be borne by the Buyer and/or Seller depending on the Incoterm that has been negotiated between both parties. For those products where the price will be established at destination, any charges for changes, handling, storage, demurrage or other additional services shall be borne by Buyer, unless otherwise stated in Seller's order confirmation. Seller shall retain title to the goods delivered until full payment of the agreed price for the material delivered is made available to Seller. With respect to freight collect shipments, it shall be Buyer's responsibility to select and notify the carrier involved and the details of the prepaid freight, or freight collect, or other arrangement, and it shall be Buyer's responsibility to document and follow up any claims with the carrier relating to loss, damage or delay in transit. Buyer shall not have the right to reroute such shipment without Seller's prior authorization, except as otherwise provided in Seller's order confirmation. Buyer agrees that Seller reserves the right to select the method of transportation.
10. **TAXES AND DUTIES.** Prices quoted do not include taxes or other levies. All taxes of any kind levied by any governmental authority, whether federal, state, municipal, foreign or otherwise, which Seller may be required to pay in connection with the production, sale, or other business activities of Seller,



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- purchase, delivery, storage, processing, use, consumption or shipment of the material sold shall be the responsibility of Buyer. This shall also apply in the case of export orders, where responsibilities for any duties, as well as the handling of any special import restrictions or other customs forms associated with the importation of the material shall be the responsibility of the Buyer. Buyer agrees to pay all such taxes, and therefore agrees to reimburse Seller for any payments made by Seller in connection therewith. Buyer affirms that it may purchase products from Seller for resale and/or in the event that Buyer is not the end user of the goods, it will be exempt from any applicable sales tax, except as otherwise provided by the tax provisions.
11. **PACKAGING.** Seller shall use all reasonable means to comply with any packing, loading or bracing requirements specified in Buyer's purchase order. Any extra charges due to compliance with such requirements will be charged in accordance with Seller's price list of extras. If no packing, loading or bracing requirements are specified, Seller shall comply with its standard packaging and shipping procedures normally used in each method of transportation of these materials.
 12. **STANDARDS AND TOLERANCES.** Unless otherwise agreed in writing by Seller, all goods sold hereunder shall comply with industry standards and tolerances as described by the American Society for Testing and Materials ("ASTM"), the American Iron and Steel Institute ("AISI", "AISI"), the Society of Automotive Engineers ("SAE"), the American Petroleum Institute ("API") and the American Society of Mechanical Engineers ("ASME").
 13. **CLAIMS BY BUYER.** Claims by the Buyer for missing or damaged material must be filed in writing by e-mail to the assigned Technical Service Engineer and/or to the seller, with the characteristics of the product including in the body of the e-mail as evidence: photos, videos, coil number, invoice, purchase order, quality certificates, grade data sheets, as applicable. For visual damage to unpackaged goods, missing material, or any deviation that can be identified with the naked eye, no later than thirty-five (35) calendar days after receipt of the goods, and for all other circumstances including damage to packaged goods, non-visual defects and all nonconformities with respect to specifications ordered, no later than one hundred eighty (180) calendar days after receipt of the goods. All claims must be made for substantial cause only, must be in writing and must specify the reason or reasons for the claim. FAILURE TO NOTIFY SELLER OF ANY CLAIM DURING THE TIME SPECIFIED IN THIS SECTION SHALL CONSTITUTE A WAIVER OF THE RIGHT TO CLAIM AND SHALL THEREFORE BE IMPROPER AND INVALID. SELLER SHALL NOT INCUR LIABILITY FOR SHORTAGES OR DAMAGE TO MATERIAL ALLEGED TO HAVE OCCURRED OR EXISTED DURING OR PRIOR TO DELIVERY TO BUYER UNLESS BUYER HAS GIVEN FULL DETAILS ON THE CARRIER'S DELIVERY RECEIPT, WHICH MUST BE SIGNED BY THE CARRIER'S OPERATOR. THE SELLER MUST BE GIVEN REASONABLE OPPORTUNITY TO INVESTIGATE THE CLAIM BEFORE THE BUYER DISCARDS THE MATERIAL. ANY DAMAGED MATERIAL MUST NOT BE RETURNED, REPAIRED OR DISPOSED OF WITHOUT THE PRIOR PERMISSION OF THE SELLER. The Buyer agrees that the provisions of Seller's claims handling policy shall govern all claims submitted to Seller by Buyer for merchandise sold, unless otherwise stated in Seller's order confirmation. No charges by Buyer for storage, movement, or rework not previously agreed upon with Seller will be accepted. When the buyer observes that a non-conforming condition remains when processing up to a maximum of 10% of the roll, the process should be stopped until discussed with an AMM representative (use a maximum of 3 rolls of the same casting and/or lot if a non-conforming condition is occurring). A return of nonconforming material which is processed more than 10% of the material without prior authorization from the seller will not be acceptable. Material accepted as non-conforming by Seller will be disposed of by Buyer as scrap. With the exception of complete material that is returned. Note: See Annex 1 for specific and technical details on material complaints and claims.
 14. **MECHANICAL PROPERTIES.** For HRC products, the possible variation of mechanical properties that could result in non-conformity to the applicable specification is not claimable for the sections known as tips and tails (5 meters from each end of the coil). For all products, certain steel grades may present variations in mechanical properties according to the aging period, therefore the seller will guarantee the mechanical properties only during the warranty period. Any data concerning mechanical properties are the result of tests performed on samples obtained from specific locations on the products, according to the prescribed sampling procedures; any warranty is limited to the values obtained by such procedures performed, in case of discrepancy with the buyer's results, the results of the re-sampling obtained at the mill of origin will be taken as valid.
 15. **FORCE MAJEURE.** Seller shall not be liable for cancellations or delays in delivery or performance resulting, in whole or in part, from causes beyond its reasonable control, including, but not limited to acts of force majeure and acts on the part of Buyer; strikes, road or other lockouts, labor disturbances regardless of whether Seller is able to resolve such strikes or disturbances; mill conditions; temporary or permanent mill shutdown; failure in the equipment; inability to obtain power, material or parts; war; acts of terrorism; riots; transportation delays; equipment repairs; epidemics; floods; fires; unusual severe weather conditions; accidents; or other contingency not planned for at the time the purchase order was placed.
 16. **PAYMENT TERMS.** Unless otherwise agreed in writing in the credit document by Seller, payment terms are net 30 (thirty) calendar days from the date of the invoice payable in U.S. dollars (USD) or the equivalent. Interest shall accrue on unpaid invoices after the net due date. The interest charge for invoices in USD will be calculated using the LIBOR (London Interbank Offered Rate) rate plus 300 (three hundred) basis points and for invoices in Mexican pesos (MXN) the TIIE (Tasa de Interés Interbancaria de Equilibrio) will be used plus 300 (three hundred) basis points. If Buyer fails to make full or partial payments or refuses to make any extra charges or price increases, Seller shall have the right to: (i) immediately suspend performance and cancel those portions of orders not yet completed, or (ii) continue with the order, given the extension of time for performance, necessitated by the time of suspension. Seller has the right to demand payment of the full purchase price, including any increase or extra charge in price, for products that have already been delivered or are still in process. Seller has the right to hire an attorney to collect the balance due and Buyer agrees to pay all collection costs incurred by Seller, including Seller's attorney's fees. Payment and therefore invoicing shall be made in the currency in which the material was quoted, respecting the amount and currency of the purchase order. Buyer agrees and undertakes to pay the full amount of the invoice in the currency of the legal tender in which the invoice was issued. At the Buyer's request, the Seller may accept payment in a currency other than that of the invoice, in which case the exchange rate shall be that of the date of the invoice in question.
 17. **OFFSETS.** Buyer hereby authorizes Seller to credit any funds now or hereafter due from Seller or any of its subsidiaries, affiliates or parent to Buyer for the payment of any funds which may become due to Seller hereunder.
 18. **AGREEMENT AND SATISFACTION.** Checks or payments, whether in full or in part, received from or on account of Buyer, regardless of writings, endorsements or notations on such checks or payments and regardless of other writings, statements or documents, shall be applied by Seller in favor of Buyer's indebtedness, subject entirely to Seller's rights and shall not be construed as an agreement and/or satisfaction of any liability Buyer may have.
 19. **CREDIT.** Buyer represents and warrants that it is creditworthy and that it can and will pay for the products sold to Buyer in accordance with these Terms and Conditions. All credit information provided to ArcelorMittal Mexico shall be available for use by any affiliate, subsidiary and/or insurers designated by ArcelorMittal Mexico for the purpose of determining creditworthiness. The production, shipment and delivery of goods shall at all times be subject to the approval of the Seller's credit division. Seller may, at its discretion, suspend production or terminate the agreement if, in Seller's opinion, Buyer's credit is affected, until Seller has received payment in full, including any general price increases or extra charges, or satisfactory security for deliveries made and is satisfied with Buyer's credit for future deliveries. The credit limit may be decreased based on the customer's payment terms. Seller reserves the right, by written notice, to cancel any order, reassess payment terms, or request full or partial payment or adequate assurance of Buyer's performance without Seller's liability in the event of an adverse change in Buyer's financial condition.
 20. **CONFIDENTIALITY.** Any information relating to prices, products, processes, quotations, trade secrets, business relationships, including but not limited to the foregoing (the "Confidential Information"), which is provided to Buyer by Seller is the property of Seller and Buyer agrees to keep confidential during the term of the parties' business relationship and until one year after the termination of the business relationship, and until one year after the termination thereof, and shall only be used by Buyer in connection with the sale and shall not be used for any other purpose or disclosed or disclosed to any third party without Seller's prior written consent. All of the foregoing is subject to the Federal Antitrust Law. Competition Law. Buyer shall be liable for any loss to Seller or commercial benefit to others for unauthorized use of confidential information caused by Buyer's failure to comply with this provision.
 21. **TECHNICAL ADVICE.** Seller assumes no obligation or liability for technical advice provided to Buyer, including without limitation technical advice regarding the use of Seller's goods and services, all technical advice to be given and accepted at Buyer's risk. Seller shall not be liable for any damages arising out of or relating to the use or inability to use the information provided, including without limitation demurrage charges, cost of shipping, downtime, loss of profits or sales, whether foreseeable or not, and whether or not Seller has been advised of the possibility of damages.



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22. **GOVERNING LAW.** This agreement shall be governed, interpreted and enforced in accordance with Mexican law by the federal civil code, federal commercial code and its correlatives in force on the subject matter in accordance with the applicable jurisdiction of the state of Nuevo Leon.
23. **MEDIATION.** Buyer and Seller will attempt, in good faith, to negotiate and resolve any dispute arising out of or relating to the sale. In the event a dispute arises, representatives of Buyer and Seller will meet at least once and attempt, in good faith, to resolve the dispute. For this purpose, Buyer and Seller may request a meeting to be held within fifteen (15) calendar days after written notice from either party, specifying time and place. The meeting shall be attended by representatives of both parties with the power to resolve the dispute. IF BUYER AND SELLER CANNOT MEET WITHIN FIFTEEN (15) CALENDAR DAYS, OR IF BUYER OR SELLER DO NOT RESOLVE THE DISPUTE WITHIN THIRTY (30) CALENDAR DAYS AFTER THE FIRST MEETING, BUYER AND SELLER AGREE TO SUBMIT THE DISPUTE TO MEDIATION IN THE CITY OF MONTERREY, NUEVO LEÓN. BUYER AND SELLER FURTHER AGREE THAT THEIR PARTICIPATION IN MEDIATION IS A CONDITION PRECEDENT TO ANY OTHER PARTY SEEKING ANY OTHER MEANS IN CONNECTION WITH THE DISPUTE. Mediation involves both parties sitting down with an impartial person, the mediator, to attempt to reach a voluntary agreement. Mediation does not involve formal court proceedings or rules of evidence, and the mediator does not have the power to make binding decisions or to force an agreement between the two parties. Buyer and Seller agree that the entire mediation process is confidential. Buyer and Seller shall give written notice of their desire to commence mediation and the mediation session must be held within forty-five (45) calendar days of such notice. Buyer and Seller together shall summon the agreed upon mediator. If Buyer and Seller are unable to agree on an appointment with the mediator within seven (7) calendar days after notice of the desire for mediation, Buyer and Seller may apply to the arbitration center in the city of Monterrey, Nuevo Leon, to request an appointment with a mediator. The mediation shall be held in Monterrey, Nuevo Leon. The Buyer and the Seller agree that the expenses derived from the mediation shall be divided in equal parts for both parties.
24. **JURISDICTION.** BUYER EXPRESSLY AND IRREVOCABLY CONSENTS TO THE JURISDICTION OF THE STATE AND FEDERAL COURTS OF MONTERREY, NUEVO LEÓN, AND WAIVES THE RIGHT TO ASSERT THAT THE ACTION IN THIS COURT IS INCONVENIENT OR INCOMPETENT OR SHOULD BE TRANSFERRED TO A MORE CONVENIENT FORUM.
25. **STATUTE OF LIMITATIONS.** BUYER AND SELLER AGREE THAT ANY ACTION, REGARDLESS OF FORM, ARISING OUT OF THE SALE SHALL BE DEALT WITH WITHIN ONE (1) YEAR AFTER THE GOODS ARE DELIVERED TO BUYER.
26. **NON WAIVER.** Seller reserves the right to enforce these Terms and Conditions at any time and nothing shall be deemed waived unless such waiver is in writing and signed by an officer authorized by Seller.
27. **SEVERABILITY.** If any provision or portion of these Terms and Conditions is held to be invalid, illegal or unenforceable under applicable law, the parties agree that the applicable provision shall be deemed omitted or modified in accordance with applicable law, provided that the validity, legality and enforceability of the remaining provisions or portion of the provisions shall remain in full force and effect.
28. **AUDIT.** Unless otherwise agreed in writing by Seller, Buyer does not have the right to audit any books or records of Seller, including, but not limited to, applicable purchase orders or order confirmations.
29. **INDEMNIFICATION.** Buyer shall indemnify Seller against any loss, damage, judgment, liability or claim (including costs and attorneys' fees) caused by Buyer's acts not authorized by these Terms and Conditions or by any act of Buyer that is wrongful, negligent, or in bad faith.
30. **ANTI-CORRUPTION LAWS.** Buyer and Seller agree at no time, either during the performance and fulfillment of the Terms and Conditions and/or any business relationship, to offer, promise or give by itself or through an intermediary person, money, valuables or any other gift, to any public servant, their employees or any person under their charge, where such action or omission may constitute a breach of law, such as theft, fraud, bribery or trading in influence and any analogous that may exist respectively.
31. **INTERNATIONAL TRADE SANCTIONS.** THE PARTIES AGREE THAT THE SALE OF PRODUCTS IN COMPLIANCE WITH THE INTERNATIONAL LAWS TO WHICH MEXICO IS A PARTY, INCLUDING THOSE LAWS ON INTERNATIONAL TRADE, THE PARTIES AGREE THAT THEY SHALL COMPLY WITH INTERNATIONAL TRADE IN COMPLIANCE AT ALL TIMES WITH THE APPLICABLE LEGISLATION. BUYER REPRESENTS AND WARRANTS COMPLIANCE AT ALL TIMES WITH APPLICABLE TRADE SANCTIONS LAWS. BUYER SHALL ENSURE THAT: (I) NO GOODS, SERVICES OR TECHNOLOGY (IN ANY FORM, BY SALE, LEASE, RENTAL, PROCESSING OR OTHERWISE) WILL BE PROVIDED IN VIOLATION OF SUCH LAWS, (II) THE GOODS, SERVICES OR TECHNOLOGY ARE NOT DIRECTLY OR INDIRECTLY DESTINED OR POSSIBLY NOT DESTINED FOR A COUNTRY IN WHICH SANCTIONS ARE IMPOSED WITH RESPECT TO SUCH GOODS, (III) NO PERSON OR ENTITY THAT HAS BEEN PLACED ON THE OFFICIAL SANCTIONS LISTS UNDER THE APPLICABLE TRADE SANCTIONS LAWS IS INVOLVED IN OR COULD BENEFIT FROM THE SALE. BUYER FURTHER REPRESENTS AND WARRANTS THAT IT WILL NOT DIVERT THE CARGO TO DESTINATIONS OTHER THAN THE DESTINATION STATED IN THE SALE. ANY DIVERSION TO ANOTHER DESTINATION IS SUBJECT TO SELLER'S PRIOR WRITTEN CONSENT. IF THE BUYER BECOMES AWARE OF ANY POSSIBLE DIVERSION, IT SHALL IMMEDIATELY NOTIFY THE SELLER. THE SELLER MAY TERMINATE THE SALE OR THE BUSINESS RELATIONSHIP, WITHOUT NOTICE AND WITHOUT ANY LIABILITY, IF THE BUYER HAS ACTED IN BREACH OF THE PROVISIONS OF TRADE SANCTIONS OR INTERNATIONAL LAWS, OR HAS BREACHED THE REPRESENTATIONS REFERRED TO ABOVE, WITHOUT PREJUDICE TO ANY CLAIM OF THE SELLER FOR DAMAGES SUFFERED AS A RESULT OF SUCH BREACH FOR WHICH THE BUYER SHALL HOLD THE SELLER HARMLESS, OR IF THE PERFORMANCE OF THIS CONTRACT VIOLATES OR IS LIKELY TO VIOLATE APPLICABLE TRADE SANCTIONS LAWS.
32. **EXPORT CONTROL COMPLIANCE.** THE BUYER AGREE TO NOTIFY THE SELLER WITHIN THE FIRST TEN (10) CALENDAR DAYS OF EACH MONTH, A LIST CONTAINING THE FOREIGN TRADE OPERATIONS (EXPORT AND/OR TRANSFER THROUGH THE IMMEX PROGRAM) OF THE ALIENATED GOODS COMING FROM THE SELLER IN TONNAGE, PRICE AND DESTINATION, IN ORDER TO ANALYZE THE COMPLIANCE WITH ARTICLES 68, 69, 70 AND 74 OF THE CUSTOMS LAW ON DECLARED VALUE AND ALIENATION OF GOODS BETWEEN RELATED PARTIES; THIS IN RELATION TO THE PROVISIONS OF ARTICLE 28 OF THE FOREIGN TRADE LAW ON UNFAIR TRADE PRACTICES, AS WELL AS ARTICLE 37 OF THE SAME LAW ON SUBSIDIES, AND TO BE ABLE TO COMPLY WITH THE PROVISIONS OF ARTICLE IV OF THE GENERAL AGREEMENT ON TARIFFS, CUSTOMS AND FOREIGN TRADE OF 1994 OF THE WORLD TRADE ORGANIZATION (WTO). IN THE EVENT THAT THE BUYER FAILS TO COMPLY WITH THE MONTHLY NOTIFICATION TO THE SELLER AND THIS AFFECTS ARCELORMITTAL MEXICO IN AN INTERNATIONAL LAWSUIT FOR DUMPING, SUBSIDIES AND/OR DAMAGE TO THE FOREIGN INDUSTRY AS A PRODUCER, THE BUYER MUST COVER THE COSTS INCURRED BY THE SELLER IN ITS COMMERCIAL DEFENSE. The Seller may advise the Buyer limited only to the review of the tariff and non-tariff regulations of the goods to be sold, exported and/or transferred.
33. **PERSONAL INFORMATION.** The parties agree that during the business relationship they are obliged to comply with and respect the principles of legality, consent, information, quality, purpose, loyalty, proportionality and any other indicated by the Federal Law on Protection of Data in Possession of Individuals ("LFPDPPP"), also accepting hereby that they have read and agree with the privacy notice of ArcelorMittal, which for practical purposes may be consulted at any time on the website: https://mexico.arcelormittal.com/sito/aviso-de-privacidad?sc_lang=es. Each party undertakes to adopt the necessary measures, mechanisms and procedures for the protection of personal data and/or sensitive personal data of the owners, as well as to ensure and be responsible for the treatment of these in terms of the LFPDPPP.
34. **ASSIGNMENT OR DELEGATION.** BUYER SHALL NOT ASSIGN OR DELEGATE ANY OR ALL OF ITS DUTIES OR RIGHTS WITHOUT SELLER'S PRIOR CONSENT.
35. **GENERAL PROVISIONS.** Buyer and Seller are independent parties and nothing contained in these Terms and Conditions, or the accepted purchase order or order confirmation, shall make either party the agent, partner, joint venturer, joint obligor, joint obligee, substitute employer or legal representative of the other in terms of the law. The parties agree to hold each other free and harmless from any controversy that may arise between them respectively.
36. **INCORPORATION BY REFERENCE.** Any provision required to be included in any such agreement by any federal, state or local law or administrative rule having the effect of law shall be deemed to be incorporated herein.
37. **INTEGRATION/MODIFICATION.** These Terms and Conditions may be modified only by a writing signed by Seller and Buyer, which writing shall form an integral part of these Terms and Conditions.



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38. PATENTS. Seller shall indemnify Buyer for attorneys' fees and for any damages or costs awarded against Buyer in the event any legal proceeding is brought against Buyer by a third party claiming that the delivered material infringes any patent of Mexico, provided that Buyer gives Seller prompt notice of any such claim, gives Seller an opportunity to defend, and cooperates with Seller with respect to such defense, unless the material is made in accordance with materials, design or specifications required by Buyer, in which case Buyer shall similarly indemnify Seller.
39. INSPECTION. When Buyer desires to make inspections of Seller's facilities, it shall be upon written request made to Seller, and provided that Buyer is in compliance with Seller's regulations and guidelines, including the carrying of indispensable safety equipment, where Buyer's inspector shall be deemed to be Buyer's agent, with authority to waive specific test and test procedure details and to accept goods in accordance with the Terms and Conditions with respect to all characteristics of such goods for which inspection is made. In all cases, Buyer shall make a timely inspection of the goods upon receipt or within a commercially reasonable time and in a manner not to exceed ten (10) calendar days from such receipt. Buyer's use of goods in its production operations will be deemed an acceptance of the goods involved and in accordance with the Terms and Conditions, unless Buyer provides Seller with written notice of rejection or nonconformity with respect to prior or concurrent goods with Buyer's use thereof. Buyer's inspection or failure to inspect shall in no way delay or suspend payment obligations.
40. NUCLEAR APPLICATIONS EXCLUSION. It is expressly understood and Customer agrees that Customer shall not use, cause to be used or make available for use the products described herein in any nuclear application, including but not limited to use in connection with any nuclear reactor, any nuclear power production system or any nuclear waste (or spent fuel) disposal project, unless Seller is notified in writing with clear intentions and/or proposals for the specific nuclear application at the time of negotiation of the products. Unless such notice has been given, any subsequent nuclear application of the product(s) is not authorized at all and shall be deemed unknown, unforeseeable and unintended by Seller. If notice was given, the customer specifically agrees that, as to nuclear applications, the product or products supplied by Seller are supplied without any warranty, either express or implied, including, but not limited to, all implied warranties of merchantability and fitness for a particular purpose. It is further specifically agreed that, with respect to any nuclear application activity of the product or products for which no such notice has been received the customer waives all remedies and any claims, whether in contract or in tort, including any statute or common law claim for contribution or indemnity, against Seller, and shall indemnify and hold Seller harmless.
41. SELLER'S RIGHT OF TERMINATION. If Buyer is in breach of any governmental rule or regulation, plan, order or other directive, including breach of these Terms and Conditions, Seller shall have the right to terminate any purchase order early in whole or in part, without judicial declaration or liability to Seller, without prejudice to any rights of recovery or those it may have at law or as set forth in these Terms and Conditions of sale.



ANNEX I - 12. CLAIMS BY THE PURCHASER

1. **RUST AND/OR STAINS.** ArcelorMittal Mexico will not accept claims for rust and/or stains under the following conditions:
 - Material shipped to a different location from where the initial delivery was made.
 - When the buyer requests packaging that does not meet the minimum requirements recommended by ArcelorMittal.
 - Any product ordered as dry or with an amount of oil less than that recommended by the mill (regular oil).
 - Dry ordered coated product (without oil and/or chemical treatment).
 - After 75 days from invoicing:
 - Coated passivated chromium (CR+6) coated product.
 - Product chemically treated according to RoHS regulations (CR+3).
 - Oiled product.
 - HRC products that may present cosmetic rust conditions (not stung and/or corroded).

Note: A stain claim that is determined to be caused by inadequate process conditions will be an exception to this policy and the extent of the defect will be evaluated based on the specific evidence of the claim.
2. **VARIATION IN WEIGHT.** A variation in weight between Seller's and Buyer's scales of up to one percent (1%) up or down will be allowed. Any amount outside the tolerance will be subject to claim during the above time period. Buyer waives any opportunity for claim at the time it processes, handles or cuts delivered material. The Buyer will be required to present evidence of weighing on its scale and a current and traceable calibration certificate at the time a claim is requested. Weight variation requests involving several rolls shall be evaluated over a defined period of time (weekly, monthly, quarterly, etc.). Likewise, both the coils with lower weight as well as those with higher weight should be considered. If during the defined period of time, the resulting difference is greater than 1%, the difference will be credited to the Buyer. Orders for an exact weight will not be accepted.
3. **SHIPPING DAMAGE.** For all shipments, the purchaser or his designee is responsible for inspecting and reviewing documentation of the condition of the material during receipt and unloading. The deviation and/or defect must be reported within the warranty period for visible defects (maximum 35 days from invoice). ArcelorMittal will not accept complaints or claims for possible deviations and/or defects originating in transportation for an EXW sale, the Buyer will be responsible for any damage or defects that may originate in transportation.
4. **DIMENSIONAL TOLERANCES ON INITIAL AND FINAL COIL LENGTHS.** HRC products are shipped directly from the mill without further processing, therefore, the Buyer shall accept without complaint the possible variations in thickness and width dimensions requested for the sections known as tips and tails, which are approximately 5 meters from each end of the coil.
5. **CHEMICAL COMPOSITION.** Unless otherwise agreed in a specific technical data sheet and/or technical protocol, the chemical composition shall be under the full tolerance as established in the applicable standard.
6. **SURFACE QUALITY.** ArcelorMittal guarantees 98% of satisfactory product for all products (HRC, HRPO, CRFH, CRC, HDG, GAL). The top face of the coil shall be provided as the primary surface. Unless otherwise agreed in a specific data sheet and/or technical protocol, Unexposed Quality shall be the production standard. (No claims will be accepted on ends and tails, approximately 5 meters from each end).
 - Unexposed Quality: may contain surface defects that can be seen and felt, but should not be detrimental to the structural integrity of the part's manufacturability.
 - Unexposed quality should only be requested where appearance is not critical. Some hot rolled and coated products may contain coil break marks and tiger marks respectively.
 - Semi-critical quality: may contain surface defects that do not affect malleability or the application of coatings, some visible surface defects are allowed which may appear through the paint as reflections and/or shadows.
 - Critical quality: the surface must be free of defects that affect the uniform appearance of a quality paint or electrolytic coating (non-automotive quality).
Note: The claim may be rejected if the material involved was used by the purchaser for an end use or application other than that specified in the technical data sheet, technical protocol or initial purchase order.
7. **FLATNESS, CAMBER, UNBALANCE.** Unless otherwise agreed in a specific data sheet and/or technical protocol, the tolerance for the above mentioned characteristics shall be under full ASTM tolerance according to the applicable standard (A568, A635, A924, A6) editions in force.
8. **EDGES.** For mill edge products, there is a possibility that there may be handling damage. Each case will be reviewed depending on the magnitude of the defect and the percentage affected (minimum claimable 2% of the total weight of the roll. The first 5 meters of each end of the roll are not guaranteed).
9. **TELESCOPE OR TELESCOPING.** Unless otherwise agreed in a specific data sheet and/or technical protocol, the standard tolerance for telescoping shall be as follows: Mill Edge: maximum 4" and Cut Edge: maximum 1".
10. **SCRAP PRICE.** For claims where a scrap bonus is applicable, it will be determined using the reference of "SB01001 - Scrap / #1 Busheling Midwest / US domestic Del. Mill". \$/ton" from the SBB Platts platform, corresponding to the average billing month and currency (pesos or dollars) of the claimed material. No material should be discarded without prior approval from ArcelorMittal.
11. **NON-PRIME PRODUCTS.** ArcelorMittal México will not accept complaints or quality claims for products marketed with a non-prime quality; no quality certificate will be issued; if necessary, only a product report will be issued.