

U. S. STEEL TUBULAR STANDARD TERMS AND CONDITIONS FOR STORAGE SERVICES

Governing Storage Services Provided by U. S. Steel Tubular Products, LLC and U. S. Steel Oilwell Services, LLC

NOTICE: Services are expressly conditioned on Depositor's assent to these Terms and Conditions. To the extent Seller performs other services or goods are sold in connection with the supply of Services, the terms of the U. S. Steel Tubular Standard Terms and Conditions of Sale and U. S. Steel Tubular Products Standard Terms and Conditions for Services, as applicable, shall apply to the performance of such services or sale of such goods.

The following definitions shall be applicable, unless Seller otherwise agrees:

"Depositor" means the entity to which Seller is providing Services under the Contract.

"Contract" means the documents that comprise the agreement between Depositor and Seller for the supply of Services, including these Terms and Conditions and any other documents incorporated herein by reference, such as, the applicable rate sheets, the Order, final quotation, Seller's order acknowledgement, and invoice.

"Party" or "Parties" means Seller and Depositor individual or together, as applicable.

"Seller" means the entity providing Services hereunder, including, without limitation, any division of such entity.

"Services" means all ordinary storage and handling services Seller performs hereunder, which include, without limitation, receiving Depositor's steel tubular pipe, couplings, and related accessories ("Materials"), documenting shipments, loading and unloading Materials, providing and maintaining a segregated storage area, storing Materials, general Material maintenance, as required, timely reporting of Material movements, and related administrative functions.

"Site" means the premises where Services are performed.

"Order" means any written request of Depositor for Services.

"Terms and Conditions" means these U. S. Steel Tubular Products Standard Terms and Conditions for Storage Services.

1. **Scope of Services.**

(a) Depositor will include in each Order, at a minimum, a description of Materials to be stored, the term of Services, the delivery method to the Site and date of delivery, and, if applicable, the delivery method from the Site at the end of the term. The description of Materials shall include: (i) for Materials consisting of steel tubular pipe or couplings, the total number of pipes and/or couplings to be stored and, for each pipe, coupling, or bundle of the same type of pipes or couplings, the outside diameter, drift diameter, weight, , wall thickness, grade, length (pipe only), end finish, and number of pipes or couplings in each bundle, if applicable; (ii) for Materials consisting of related accessories, the type of Material and number of each different type.

(b) Depositor represents and warrants that Depositor is lawfully possessed of Materials and has the right and authority to store them with Seller. Depositor agrees to indemnify and hold harmless Seller from all loss, cost, and expense (including reasonable attorneys' fees) which Seller pays or incurs as a result of any dispute or litigation, whether instituted by Seller or others, respecting Depositor's right, title, or interest in Materials. Such amounts shall be charges in relation to Materials and subject to Seller's lien.

(c) Depositor will provide Seller with information concerning Materials which is accurate, complete, and sufficient to allow Seller to comply with all laws and regulations concerning the storage, handling, and transporting of Materials. Depositor will indemnify and hold Seller harmless from all loss, cost, penalty, and expense (including reasonable attorneys' fees) which Seller pays or incurs as a result of Depositor failing to fully discharge this obligation.

(d) Seller shall: (i) store Materials in a secure, outdoor location unless otherwise agreed in writing by the Parties; (ii) segregate Materials from items belonging to entities other than Depositor; (iii) mark, or otherwise indicate in a manner to make it evident to Seller's creditors, that Materials belong to Depositor; and (iv) for inbound shipments, notify Depositor of any known discrepancy between the shipping documents and the Order, and protect Depositor's interest by placing an appropriate notation on the delivering carrier's shipping documents; provided, that if Depositor does not object to Seller's notice of discrepancy in writing within three days, Depositor shall indemnify, defend, and hold harmless Seller and its officers, directors, and employees from and against any and all claims, demands, damages, costs, penalties, and fines arising in connection with or related to such discrepancy.

(e) Seller shall, unless otherwise agreed to with Depositor in the Contract, keep and provide an accurate count of Materials which enter into or leave the possession or control of Seller and, if requested by Depositor, an inventory of Materials by location at the end of each month.

(f) Any warehouse receipt issued by Seller shall be non-negotiable.

(g) Seller shall notify Depositor of any loss or damage, however caused, of any Materials.

(h) Seller warrants that the Services shall be performed by Seller in a safe, good, and workmanlike manner, using standard industry practices, and in compliance with all applicable laws. EXCEPT FOR THE WARRANTY SET FORTH ABOVE, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE SERVICES, WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

2. Shipments to and from Seller's Facility.

(a) Depositor agrees that Materials shipped to Seller shall identify Depositor on the bill of lading or other contract of carriage as the named consignee, in care of Seller, and shall not identify Seller as the consignee. If, in violation of these Terms and Conditions, Materials are shipped to Seller as named consignee on the bill of lading or other contract of carriage, Depositor agrees to immediately notify carrier in writing, with copy of such notice to Seller, that Seller named as consignee is the "in care of party" only and has no beneficial title or interest in such Materials. Furthermore, Seller shall have the right to refuse such Materials and shall not be liable for any loss, misconsignment, or damage of any nature to, or related to, such Materials. Whether Seller accepts or refuses Materials shipped in violation of this Section, Depositor agrees to indemnify and hold Seller harmless from all claims, demands, damages, costs, and expenses for transportation, storage, handling, and other charges relating to such Materials, including, without limitation, undercharges, rail demurrage, truck/intermodal detention, customs duties, and other charges of any nature whatsoever together with any and all costs or expenses (including attorneys' fees) incurred by Seller to enforce the provisions hereof.

3. Tender of Materials.

(a) All Materials shall be delivered to Seller's facility properly marked (which markings shall include, for Materials consisting of pipe and couplings, the outside diameter, drift diameter, wall thickness, weight, grade, length (pipe only), and end finish of such Material) and packaged for storage and handling. Depositor shall furnish at or prior to such delivery, a manifest showing marks, brands, or sizes to be kept and accounted for separately, and the class of storage and other services desired.

(b) If Materials tendered for storage do not conform to the description contained in the Order, Seller may refuse to accept such Materials. If Seller accepts such Materials, Depositor agrees to the rates and charges as may be assigned and invoiced by Seller and to these Terms and Conditions. Notwithstanding the foregoing, acceptance of Materials by Seller shall not constitute a representation or warranty by Seller that Materials tendered for storage conform to the description contained in the Order.

4. Delivery Requirements.

(a) No Materials shall be delivered or transferred except upon receipt by Seller of Depositor's complete written instructions. Written instructions shall include, but are not limited to, fax, EDI, e-mail, or similar communication; provided, Seller has no liability when relying on the information contained in the communication as received. Materials may be delivered upon instruction by telephone in accordance with Depositor's prior written authorization, but Seller shall not be responsible for loss or error occasioned thereby.

(b) When Materials are ordered out a reasonable time shall be given Seller to carry out instructions, and if it is unable because of acts of God, war, public enemies, seizure under legal process, strikes, lockouts, riots or civil commotions, or any reason beyond Seller's control, or because of loss of or damage to Materials for which Seller is not liable, or because of any other excuse provided by law, Seller shall not be liable for failure to carry out such instructions and Materials remaining in storage will continue to be subject to regular storage charges.

5. Rates; Storage Period.

(a) No deviation from the rates set forth in the Contract is valid unless a written amendment to the Contract incorporating such derivation is signed by the Parties.

(b) Payment is due net 30 days from receipt of an invoice and supporting documents.

(c) The storage month begins on the date that Seller accepts care, custody, and control of the Materials, regardless of unloading date or date of issue of warehouse receipt.

6. Transfer, Termination of Storage, Removal of Materials.

(a) Instructions to transfer Materials on the books of Seller are not effective until delivered to and accepted by Seller, and all charges up to the time transfer is made are chargeable to Depositor. When Materials in storage are transferred from one party to another through issuance of a new warehouse receipt, a new storage date is established on the date of transfer.

(b) Seller reserves the right to move, at its expense, 14 days after notice is sent by certified mail or overnight delivery to Depositor,

any Materials from the Site where they may be stored to any other of Seller's other facilities. Seller will store Materials at, and may without notice move Materials within and between, any one or more of the buildings or yards which comprise the Site where the Materials were originally received.

(c) Seller may, upon written notice of not less than 60 days to Depositor, require the removal of any Materials. Such notice shall be given to the last known place of business of the person to be notified. If Materials are not removed before the end of the notice period, Seller may sell them in accordance with applicable law.

7. **Liens.** Seller shall have a general warehouse lien for all lawful charges for storage and preservation of Materials; also for all lawful claims for money advanced, interest, insurance, transportation, labor, weighing, and other charges and expenses in relation to such Materials, and for the balance on any other accounts that may be due. In order to protect its lien, Seller reserves the right to require advance payment of all charges prior to shipment of Materials.

8. **Liability and Limitation of Damages.**

(a) SELLER SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE TO MATERIALS TENDERED, STORED, OR HANDLED, HOWEVER CAUSED, UNLESS SUCH LOSS OR DAMAGE RESULTED FROM THE FAILURE BY SELLER TO EXERCISE SUCH CARE IN REGARD TO THEM AS A REASONABLY CAREFUL PERSON WOULD EXERCISE UNDER LIKE CIRCUMSTANCES AND SELLER IS NOT LIABLE FOR DAMAGES THAT COULD NOT HAVE BEEN AVOIDED BY THE EXERCISE OF SUCH CARE.

(b) SELLER SHALL BE LIABLE FOR LOSS OF MATERIALS DUE TO INVENTORY SHORTAGE OR UNEXPLAINED OR MYSTERIOUS DISAPPEARANCE OF MATERIALS ONLY IF DEPOSITOR ESTABLISHES SUCH LOSS OCCURRED BECAUSE OF SELLER'S FAILURE TO EXERCISE THE CARE REQUIRED OF SELLER UNDER SUBSECTION (A) ABOVE. ANY PRESUMPTION OF CONVERSION IMPOSED BY LAW SHALL NOT APPLY TO SUCH LOSS AND A CLAIM BY DEPOSITOR OF CONVERSION MUST BE ESTABLISHED BY AFFIRMATIVE EVIDENCE THAT SELLER CONVERTED MATERIALS TO SELLER'S OWN USE.

(c) MATERIALS ARE NOT INSURED BY SELLER AGAINST LOSS OR DAMAGE HOWEVER CAUSED.

(d) IN NO EVENT SHALL SELLER'S LIABILITY UNDER THIS SECTION EXCEED THE ACTUAL COST TO REPAIR AND/OR REPLACE (AT SELLER'S OPTION) ANY LOST OR DAMAGED MATERIALS. THE REMEDY SET FORTH IN THIS SECTION SHALL BE DEPOSITOR'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACK OF SELLER'S OBLIGATIONS SET FORTH IN THIS SECTION.

(e) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFIT OR REVENUE, INTERRUPTION OF BUSINESS, DOWNTIME COSTS, INCREASED OPERATING COSTS, LOSS OF GOODWILL, LOST OPPORTUNITIES, OR CLAIMS OF DEPOSITOR'S CUSTOMERS FOR DAMAGES, WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT (INCLUDING SELLER'S NEGLIGENCE), STRICT LIABILITY, ANY EXPRESS OR IMPLIED WARRANTY, OR OTHERWISE.

(f) NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT OR ANY OTHER AGREEMENT BETWEEN DEPOSITOR AND SELLER, SELLER'S MAXIMUM AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO SERVICES, WHETHER ARISING FROM CONTRACT, BREACH OF CONTRACT, TORT (INCLUDING SELLER'S NEGLIGENCE), STRICT LIABILITY, ANY EXPRESS OR IMPLIED WARRANTY, OR OTHERWISE, SHALL BE LIMITED TO THE AMOUNT OF FEES PAID BY DEPOSITOR FOR THE PRECEDING 12 MONTHS, BUT NOT TO EXCEED \$35,000.

(g) WHERE LOSS OR DAMAGE OCCURS TO TENDERED, STORED, OR HANDLED MATERIALS FOR WHICH SELLER IS NOT LIABLE, DEPOSITOR SHALL BE RESPONSIBLE FOR THE COST OF REMOVING AND DISPOSING OF SUCH MATERIALS AND THE COST OF ANY ENVIRONMENTAL CLEANUP AND SITE REMEDIATION RESULTING FROM THE LOSS OR DAMAGE TO MATERIALS.

9. **Notice of Claim and Filing of Suit.**

(a) Claims by Depositor and all other persons must be presented in writing to Seller within a reasonable time, and in no event any later than the earlier of: (i) 60 days after delivery of Materials by Seller or (ii) 60 days after Depositor is notified by Seller that loss or damage to part or all of Materials has occurred.

(b) No lawsuit or other action may be maintained by Depositor or others against Seller for loss or damage to Materials unless timely written claim has been given as provided in subsection (a) above and unless such lawsuit or other action is commenced by no later than the earlier of: (i) nine months after date of delivery by Seller or (ii) nine months after Depositor is notified that loss or damage to part or all of Materials has occurred.

10. **Conditions Incorporated by Reference.** Any clause required to be included in a contract of this type by any applicable law or regulation shall be deemed to be incorporated herein. Without limiting the generality of the foregoing, to the extent applicable, Depositor shall abide by the

requirements of 41 CFR 60-1.4(a), 60-300.5(a), and 60-741.5(a). These regulations prohibit discrimination against qualified individuals based on their status as protected veterans or individuals with disabilities, and prohibit discrimination against all individuals based on their race, color, religion, sex, or national origin. Moreover, these regulations require that covered prime contractors and subcontractors take affirmative action to employ and advance in employment individuals without regard to race, color, religion, sex, national origin, protected veteran status, or disability.

11. **Governing Law.** The Contract shall be governed by the laws of Texas, U.S.A., exclusive of its conflicts of laws rules. Seller and Depositor each irrevocably agrees that any legal proceeding seeking the enforcement or interpretation of the Contract shall be brought in the state or federal courts located in Houston, Texas, U.S.A. Each Party hereby irrevocably submits itself to the jurisdiction of any such courts, and waives any objection it may now or hereafter have to the placing of venue in any such courts and any right to remove any such action or proceeding to another court.

12. **Compliance with Laws.**

(a) **General Compliance.** Depositor shall obtain and maintain all necessary licenses, permissions, authorizations, consents, and permits required for Services before the date on which such Services start and comply with all applicable laws, regulations, and ordinances in relation to such Services.

(b) **Anti-Corruption Compliance.** Depositor hereby represents and warrants that Depositor is aware of and familiar with the provisions of the U.S. Foreign Corrupt Practices Act, as amended (the "FCPA"), and its purposes and any other anti-corruption laws applicable in a jurisdiction in which Depositor may have conducted or will conduct business and that neither Depositor nor any of its agents or intermediaries engaged in connection with the Contract has violated any applicable anti-corruption law. Depositor represents and warrants that it, and each of its directors, officers, and employees, as well as any subcontractors, agents, representatives, vendors, and any other intermediaries or third parties engaged in connection with the Contract, will comply in full with the FCPA and any other applicable anti-corruption laws at all times in connection with the Contract.

(c) **Economic Sanctions Compliance.**

(i) Depositor represents and warrants that, with respect to its obligations under the Contract and any other agreement with Seller, it is currently in compliance with, and shall remain in compliance with applicable economic sanctions, including the laws, regulations, and Executive Orders administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") and any other applicable economic sanctions, which prohibit, among other things, engaging in transactions with, and providing services to, certain countries, territories, entities, and individuals. Depositor represents and warrants that neither Depositor nor any person that controls or has a beneficial interest in Depositor is (A) a person whose name appears on the list of Specially Designated Nationals and Blocked Persons published by OFAC or any other list of sanctioned parties (a "Listed Person") or (B) a department, agency, or instrumentality of, or is otherwise directly or indirectly controlled by or acting on behalf of, any Listed Person or the government of a country subject to comprehensive U.S. economic sanctions administered by OFAC (currently Iran, Sudan, Cuba, Syria, and North Korea) (each Listed Person and each other entity and country described in clause (B), a "Blocked Person").

(ii) Depositor further represents and warrants that none of the transactions undertaken pursuant to the Contract nor the Services, including any Materials or information provided as part of such Services, will involve, require interaction with, concern, or relate to, in whole or in part, any Blocked Person or their assets or products. Depositor shall not deliver any Materials to Seller that (A) are of manufacture outside the U. S. or (B) originated in or were transshipped through countries subject to comprehensive United States trade sanctions. Depositor shall supply Seller with a certificate of origin or other document verifying the country of origin for all Materials.

(iii) Depositor further represents and warrants that it has (A) complied with all applicable laws and regulations governing the importation of Materials of foreign origin ("Foreign Materials") into the United States, (B) paid all customs duties, taxes, fees, temporary import bonds, or other expenses required in connection with the importation of Foreign Materials in the United States, and (C) obtained all necessary permits, licenses, authorizations, and clearances for the importation of Foreign Materials in the United States.

(iv) Depositor hereby acknowledges and agrees that Depositor's breach of any of the terms of this Section at any time shall be a material breach of the Contract.

(v) Depositor hereby agrees to indemnify, defend, and hold harmless Seller and its officers, directors, and employees from and against any and all claims, demands, damages, costs, penalties, and fines arising in connection with any alleged breach by Depositor or its agents of this representation and warranty. Seller may reject, suspend, or cancel any transaction involving a Blocked Person without penalty or payment for the rejected, suspended, or cancelled goods or services, and/or cancel or terminate the Contract or any other applicable agreement with Seller, in whole or in part, if it has a good faith basis for believing that Depositor or its agent has violated or intends to violate the above representations and warranties. Depositor will pay all penalties and damages incurred as a result of its breach of the terms of this Section.

13. **Waiver.** No waiver by Seller of any of the provisions of the Contract is effective unless explicitly set forth in writing and signed by Seller. Waiver by Seller of any breach of these provisions shall not be construed as a waiver of any other breach.

14. **Assignment.** Depositor shall not assign its rights or obligations under the Contract without the prior written consent of Seller, which

consent shall not be unreasonably withheld or delayed. Any attempted assignment in contravention of the foregoing shall be void.

15. **Construction.** No provision of the Contract may be construed against Seller as the drafting party. The term "including" means "including without limitation." The term "days" means calendar days unless otherwise expressly stated.

16. **Termination.** Either Party may terminate the Contract at any time, with or without cause upon 30 days' prior written notice of any such termination. Any termination will not affect any rights or obligations that have accrued under this Agreement. Depositor shall remove Materials prior to the end of such 30-day notice period. If Materials are not removed before the end of the notice period, Seller may sell them in accordance with applicable law.

17. **Exclusive Terms and Conditions; Acceptance; Modification.** These Terms and Conditions constitute the complete, exclusive, and fully integrated statement of terms and conditions between Depositor and Seller with regard to the matters contained herein. No terms or conditions (whether consistent or inconsistent) 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 Seller unless expressly agreed upon in writing by authorized representatives of both Seller and Depositor. In the event of a conflict between these Terms and Conditions and any document expressly made a part of the Contract which is signed by both parties, the terms of the signed document shall prevail. Depositor's placement of an Order or release for, or taking delivery of, any Services of Seller that are the subject of the Contract shall constitute acceptance of the Seller's offer under these Terms and Conditions. Unless otherwise specified in the Contract, any quotation by Seller shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Depositor's acceptance. All proposals, quotes, request for quotes, Orders, negotiations, representations, and other communications, if any, made prior and with reference hereto are merged herein.

18. **Change in Control.** Depositor shall notify Seller immediately upon any change in the ownership of more than 50% of Depositor's voting rights or in Depositor's controlling interest. If Depositor fails to do so or Seller objects to the change, Seller may (a) terminate the Contract, (b) require Depositor to provide adequate assurance of performance (including but not limited to payment), or (c) put in place special controls regarding Seller's Confidential Information.

19. **Severability.** If any provision of the Contract is found to be void or unenforceable, the remainder of the Contract shall not be affected. The parties will replace any such void or unenforceable provision with a new provision that achieves substantially the same practical or economic effect and is valid and enforceable.

20. **Third Party Rights.** Other than rights of Seller's affiliates under the Contract, no third parties will have any rights under the Contract

21. **Survival.** Sections 12, 17, and 20 shall survive the termination or cancellation of the Contract.

22. **Relationship of the Parties.** The relationship between the parties is that of independent contractors. Nothing contained in the Contract shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise or employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.