



WARRANTY

P20 Modified and Holder Steel

Ellwood Specialty Steel Company ("ESS") warrants to the initial intended user ("Buyer") of an ExELL P20 Modified or ExELL Holder specialty steel product ("Product") that Product sold by ESS Group Companies are free from defects in material and workmanship. If, within one year of shipment to Buyer and prior to Buyer completing a plastic mold from Product, Buyer notifies ESS of a claim against the Product, and the claim is, in the reasonable judgment of ESS, the result of a defect in material or workmanship, ESS will, at its option, either (i) reimburse Buyer for direct costs of manufacture in correcting the defect or (ii) replace the defective Product, which then becomes the property of ESS, and reimburse Buyer for reasonable direct labor expenses incurred by Buyer in the machining or other work performed on the Product, up to the date of such claim by Buyer. Product supplied from Ellwood-produced ingots larger than 77 tons and Product purchased from the ESS website listing are excluded from this warranty.

Under this warranty ESS must be notified within 30 days after the detection of a claim against the Product, along with a written statement of the nature and extent of any claim discerned by Buyer. Upon the request of ESS, Buyer must supply ESS with financial records and other information reasonably establishing Buyer's direct costs of manufacture in correcting the claim and/or Buyer's direct labor expenses in machining or performing other work on the Product. ESS reserves the right to inspect Product before any attempt is made to correct the claim and to withhold settlement pending the completion of an investigation of the claimed product. ESS' investigation may require a period of up to 60 days. In the case of disagreement between ESS and the Buyer a mutual third party evaluation may be employed.

The liability of ESS to Buyer arising out of the sale of Products and Buyer's machining thereof or other work thereon, whether such liability is based upon warranty, contract, tort, negligence, strict liability, or other principle, shall in no event exceed the lesser of (i) Buyer's direct cost of manufacture in correcting the claim in the Product or (ii) the purchase price of the Product plus Buyer's reasonable labor expenses in machining or performing other work on the Product. In no event shall ESS be responsible for incidental, special, liquidated, punitive, or consequential damages, including, without limitation, expenses, downtime, costs, penalties, or fines imposed upon or otherwise owed or paid by Buyer to any third party.

ESS's obligation under this warranty shall terminate if the Product has been metallurgically altered by welding, heat treating, or other processes or if the Product has been mishandled or misapplied by the Buyer. This warranty does not cover claims relating to Buyer's choice of design or of grade of Product. Except for an obligation to replace the claimed Product, this warranty does not extend to defects which were known or should have been known to Buyer upon delivery or which were discovered or should have been discovered in the course of inspection. This warranty does not cover damage caused by Buyer intentionally, recklessly, or negligently including, without limitation, by disregard of instructions or other product information given by ESS, and does not cover costs of investigation or analysis performed by Buyer.

The foregoing warranty is exclusive and is expressly made in lieu of any and all other warranties, whether written or oral, expressed or implied, including any warranties of merchantability or fitness for a particular purpose.

Unless otherwise agreed in writing by ESS, the foregoing warranty applies only to Buyer and is non-transferable and non-assignable either directly, indirectly, or by operation of law, and any such purported transfer shall be null and void.

The foregoing warranty supersedes and replaces the "Warranty", "Limitations of Warranty and Damages", and "Claims" provisions of ESS' forms of Quotation and Order Acknowledgment, but such forms remain in effect in all other respects. This warranty also supersedes terms and conditions imposed via customer purchase orders or separately by the Buyer.