

# General Conditions of Sale of German Special Steel S.L.

## I. General

- These General Conditions of Sale (Conditions) shall apply to all present and future contracts in regard to deliveries and other services. In case of direct sales ("Streckengeschäfte"), the producer's conditions as laid down in its price list shall apply in addition to these conditions. The Buyer's purchase conditions shall not be binding even if we do not expressly object to them again after their receipt.
- Our offers are not binding to us. Purchase orders of the Purchaser shall become binding to us only once confirmed by us in writing. The same shall apply to modifications of purchase orders. We shall, however, have the option to accept a purchase order by commencing performance without prior order confirmation. Acceptance may be made within a reasonable period after receipt of the order. Any documents transmitted by fax or other means of electronic communication (e.g. e-mail) are considered to be in writing.
- Oral agreements, promises, assurances and guarantees made or given by our sales staff shall not be binding unless confirmed by us in writing.
- Any trade terms shall, in cases of doubt, be interpreted according to the Incoterms as amended from time to time.

## II. Prices

- Unless otherwise agreed to, only such prices and terms shall apply as contained in our price lists effective at the time when the contract is concluded. The merchandise will be invoiced "gross for net".
- Unless otherwise agreed to, prices shall be understood ex works plus costs of delivery and VAT and import duties.
- In case our total external costs included in the agreed price change after more than four weeks upon conclusion of the contract, we shall be entitled to adjust the agreed price accordingly at the beginning of each month concerned.
- In case the adjusted price exceeds the agreed price by more than 10 % the buyer may withdraw from the contract as far as it is concerned by the price adjustment. The withdrawal must be communicated to us within one week after the reception of our price increase.

## III. Payment and Set-Off

- Payments shall be effected in such currency as the price is expressed in the invoice.
- Payment shall be made without cash discounts immediately so that we can dispose of the sum on the due date. Any payment transfer costs shall be borne by the Buyer.
- Any agreed cash discount always relates to the invoiced value excluding freight and will only be granted if and in so far as the Buyer has completely paid all payables due at the time of the discount. Unless otherwise agreed to discount periods shall begin with the date of the invoice.
- Should it become evident after the conclusion of the contract, that payment is jeopardised by the Buyer's lack in financial means, or should the Buyer be in default with a considerable portion of the amount due or should other circumstances arise which show a material deterioration in the Buyer's financial position after the conclusion of the contract, we shall be authorised to make use of our statutory rights to refuse performance and to make due any and all of our non statute-barred accounts receivable resulting from the same legal relationship.
- Should the Buyer default in payment, he will be liable to pay interest at the statutory interest rate, unless higher rates have been agreed upon. We reserve the right to claim additional damages resulting from late payment.
- The Buyer may retain or set off any counterclaims only in so far as his claims are undisputed or have become legally binding.

## IV. Delivery Times

- Our commitment to deliver is subject to our correct and timely self-delivery and, in case of import deals, to the receipt of the surveillance documents and import licence unless we are responsible for the deficient or late self-delivery.
- Any confirmation as to delivery times shall only be approximate. Delivery times shall commence with the date of our order confirmation and are subject to the timely clarification of any details of the order as well as of the fulfilment of any of the Buyer's obligations, e.g. to produce official certifications or to pay agreed instalments.
- Any agreed delivery time shall be considered to be met if and in so far the goods have left the works or our warehouse at such time or date. If and in so far the goods fail to be despatched at the agreed time for reasons not attributable to us, the agreed delivery time shall be considered to have been met at the day on which the goods are notified to be ready for dispatch.
- Within events of force majeure we shall be entitled to postpone deliveries for the period of the impediment and for a reasonable time necessary for adaptation. The same shall apply to such events which arise during prevailing delays. Force majeure shall include measures affecting currency, trade policy and other governmental acts, strikes, lockouts, operating shutdowns not caused by us (for example fire, machinery and rolls breakdown, deficiency in raw material or energy), obstruction of traffic routes, delay in customs/import clearance, as well as any other circumstance which, not due to our fault, either substantially jeopardises our deliveries and services or makes them impossible for us to fulfil, no difference whether such circumstances will affect us or our supplier(s). Should, in consequence of the aforementioned circumstances, the performance of the contract become unreasonable to fulfil to one of the contractual parties, such party may then declare the contract avoided.

## V. Retention of Title

- All goods delivered to the Buyer shall remain our property (Reserved Property) until all of the Buyer's accounts resulting from the business relationship with him, in particular any account balances have been settled. This condition shall apply to any future as well as any conditional claims including accepted notes and such cases where the Buyer will affect payments on specifically designated claims. As soon as the Buyer has settled his accounts with us in full, he shall obtain title to those goods which were delivered to him before such payment was effected.
- With regard to processing or manufacturing of the Reserved Property, we shall be deemed to be manufacturer within the meaning of § 950 BGB (German Civil Code) without committing us in any way. The processed or manufactured goods shall be regarded as Reserved Property within the meaning of clause V/1 of these Conditions. If the Buyer manufactures, combines or mixes the Reserved Property with other goods we shall obtain co-ownership in the new goods in proportion to the invoiced price of the Reserved Property to the invoiced price of the other goods. If, by such combining or mixing, our ownership expires, the Buyer herewith transfers to us any rights which the Buyer will have in the new stock or goods in proportion to the invoiced price of the Reserved Property, and he will keep them in safe custody free of charge. Our co-ownership rights shall be regarded as Reserved Property within the meaning of clause V/1 of these Conditions.
- The Buyer may resell the Reserved Property only within the normal course of his business in accordance with his normal business terms and provided he is not in default of payment and provided also that any rights resulting from such resale will be transferred to us in accordance with clause V/4 through V/6 of these Conditions. The Buyer shall not be entitled to dispose of the Reserved Property in any other way.
- The Buyer hereby assigns to us any claims resulting from the resale of the Reserved Property. Such claims shall serve as our security to the same extent as the Reserved Property itself. If the Reserved Property is resold by the Buyer together with other goods not purchased from us, then any receivables resulting from such resale shall be assigned to us in the ratio of the invoiced value of the other goods sold by the Buyer. In the case of resale of goods in which we have co-ownership rights according to clause V/2 of these Conditions, the assignment shall be limited to the part which corresponds to our co-ownership rights.
- The Buyer shall be entitled to collect any receivables resulting from the resale of the Reserved Property. This right shall expire if withdrawn by us, at the latest if the Buyer defaults in payment; fails to honour a bill of exchange; or files for bankruptcy. We shall exert our right of revocation only if and in so far as it becomes evident after the conclusion of the contract that payment resulting from this contract or from other contracts is jeopardised by the lack of Buyer's ability to pay. The Buyer shall - upon our request - immediately inform his customers of such assignment and to forward to us any information and documents necessary for collection.
- The Buyer shall immediately inform us of any seizure or any other attachment of the Reserved Property by a third party. He shall bear any costs necessary to suspend such seizure or attachment or removal of the Reserved Property, if and in so far as such costs are not borne by a third party.
- Should the Buyer default in payment or should he fail to honour a draft we shall be entitled to take back the Reserved Property, to enter, for this purpose, the Buyer's premises and to sell the Retained Property best possible by crediting the proceeds to the purchase price. The same shall apply should, after the conclusion of the contract, it become evident that payment resulting from this contract or from other contracts is jeopardised by the Buyer's lack of ability to pay. If we take back the Reserved Property, this shall not be regarded as withdrawal from the contract. The statutory regulations of the Insolvenzordnung (= German Insolvency Act) shall remain unaffected.
- Should the total invoiced value of our collateral exceed the amount of the secured receivables including additional claims for interest, costs etc. by more than 50 %, we shall - upon the Buyer's request - release pro tanto collateral at our discretion.

## VI. Grades, Sizes and Weight

- Grades and sizes of the goods shall be determined in accordance with the DIN and EN-standards or mills' standards. Any reference to such standards and to works certificates as well as reference to grades, sizes, weights or usage of the goods shall not be regarded as a statement of condition nor as a warranty of fitness for a special purpose nor as a guarantee. The same shall pertain to any declaration of origin or conformity, to mills' confirmations and to any related marks such as „U“-marks, CE and GS.
- The weight of the goods shall be determined on our or our suppliers' scales and shall be evidenced by the presentation of the pertinent weight check. Where provided by law, the weight may be determined without weighing in accordance with the standards, whereby any supplements as provided by trade usage ("Trade Weight") shall apply. Deviations from the agreed weight up to 0.5 % shall not be subject to a claim.

- Any indications given in the delivery notes as to the number of pieces, bundles etc. are not binding, if and in so far as the goods are invoiced by weight. Where, in accordance with trade usage, the goods are not weighed piece by piece, the total weight of the delivery shall prevail. Any difference with regard to the calculated weight of the single pieces shall be proportionally allocated to them.

## VII. Testing and Inspection

- Where testing and inspection of the goods has been agreed upon or stipulated by mills' standards, the goods must be inspected in the mill or in our warehouse immediately after the Buyer has been informed that the goods are ready for dispatch. The Buyer shall bear his personal inspection costs, whereas the costs of inspection will be invoiced to him in accordance with our price list.
- Should, through no fault of ours, an agreed upon inspection of the goods fail or be delayed or be incomplete, we shall be authorised to dispatch the goods without prior inspection or to store them at the Buyer's expense and risk and to invoice the goods to him.

## VIII. Dispatch, Passing of Risk, Packaging, Partial Delivery

- We shall be entitled to choose the route and mode of dispatch as well as the forwarding agent and the carrier.
- The Buyer shall immediately request delivery of those goods which have been notified to him as ready for dispatch. Otherwise we are entitled, upon reminder, to ship such goods at the Buyer's cost and risk or to store them at our discretion and to invoice them to the Buyer.
- Can, by reasons not attributable to us, the goods not be shipped or will it become substantially difficult to ship the goods via the designated route or to the designated place within the designated time, we reserve the right to ship them via a different route or to a different place. Any additional costs will be borne by the Buyer. In such cases we will ask the Buyer for his prior comments.
- The goods will be delivered unpacked and not be protected against rust. Only where so provided by trade usage will the goods be packed. Any package, protection and/or transport device will be supplied according to our experience and at the Buyer's cost. We will take back such devices only at our warehouse. We will not bear any costs for their re-transport or disposal.
- In all transactions, including freight prepaid and freight-free deliveries, the risk of loss or damage to the goods shall pass to the Buyer at the time where we hand them over to the forwarding agent or to the carrier, at the latest with their departure from our warehouse. We will buy insurance only if requested to by the Buyer and at his cost.
- We shall be entitled to make partial deliveries with reasonable quantities. Where and in so far as allowed by trade usage, we may exceed or reduce the agreed quantities up to 10 % of the contractual quantity.
- Where the contract provides for continuous deliveries, the Buyer shall divide the quantities and grades of the goods into approximately equal monthly shipments. Otherwise we shall be entitled to specify them at our own fair and just discretion.
- Where the individual calls for delivery exceed the total contractual quantity, we shall be entitled, yet not committed, to deliver the surplus quantity and invoice it at the prices applicable at the time of the call or the delivery.
- Unless otherwise agreed to, contracts providing continuous deliveries shall be completed within 365 days upon conclusion of the contract. After expiry of this term, we shall be entitled to store the residual goods at the Buyer's cost and risk and to invoice them to the Buyer.

## IX. Warranty Provisions

- The Buyer shall immediately notify us in writing of any defects of the goods, at the latest seven days after their delivery. Defects which, even upon careful inspection, cannot be discovered within this period must be notified to us in writing immediately upon their discovery, at the latest before the elapse of any agreed or statutory warranty period. In such cases the Buyer must suspend any processing or manufacturing of the goods.
- If and in so far the Buyer's claim for defects is justified and has been made in time, we may, upon our discretion, remedy the defect ("improvement") or deliver non-defective goods ("substitution"). Should we fail or decline the substitution, the Buyer may, upon the elapse of an adequate additional period of time set to us, withdraw from the contract or reduce the purchase price. In cases where the defect is only minor or where the goods have already been processed or transformed, he may only reduce the purchase price.
- We will reimburse the Buyer for his expenditures in connection with the substitution only in so far as such expenditures are reasonable and proportional to the value of the goods, in no case more than 150 % of the purchase price. We will not reimburse the Buyer for any expenditures in connection with the redelivery of the goods to any other place than the place of performance.
- If and in so far the goods are subject to contractually agreed testing and inspection by the Buyer, such testing and inspection shall bar any claims for such defects which might have been determined by the agreed type of testing and inspection.
- If the Buyer fails to immediately give to us the opportunity to inspect the defect, especially if he fails - upon our request - to immediately make the goods or samples hereof available to us, he will lose all of his warranty rights.
- No warranty shall be given to goods sold as declassified material with regard to such defects either specified in the contract or to those normally to be expected. Goods classified as "Ila-Ware" ("secondaries") are not subject to any warranty.

## X. Restriction of Liability and Limitation Periods

- Our liability for breach of contractual or extra-contractual obligations, in particular for non-performed or deferred deliveries, for breach of duties prior to the contract ("Verschulden bei Vertragsanbahnung") as well as for tortious acts - including our responsibility for our managerial staff and any other person employed in performing our obligations - shall be restricted to damages caused by our wrongful intent or by our gross negligence and shall in no case exceed the foreseeable losses and damages characteristic for the type of contract in question.
- The aforesaid restriction shall not apply to such cases where we breach our fundamental contractual obligations and where such a breach of contract will endanger the contractual purpose; it shall neither pertain to damages to life, to the body or to health caused by our fault nor to any cases where we have guaranteed certain characteristics of the goods. Nor shall such clause affect our statutory liability laid down in the Product Liability Act (Produkthaftungsgesetz) of 15/12/89. Any statutory rules regarding the burden of proof shall remain unaffected by the aforesaid.
- Unless otherwise agreed to any contractual claims which the Buyer is entitled to in connection with the delivery of the goods shall fall under the statute of limitations within a period of one year after the goods have been delivered to the Buyer. This restriction shall not apply to our liability resulting from breaches of contract caused by our wrongful intent or by our gross negligence; neither to damages to life, to the body and to health caused by our fault nor to any statutory recourse claims.

## XI. Inadmissible delivery to a third party/misdirection/export certificate

- Products that are not sold expressly for export to non-EU countries may not be delivered in unprocessed condition to countries outside the European Union. At our request the Customer must provide evidence as to the location of such goods.
- The Customer shall pay to us a contractual penalty of 30 % of the agreed purchase price if he should act in contravention of these obligations. In such cases we are entitled to demand compensation for the actual damage involved rather than the aforementioned contractual penalty.
- The Customer shall ensure that the products are not delivered to destinations or recipients other than those agreed upon with us.
- Should the Customer act in contravention of this obligation and - gain unfair advantage therefrom in the calculation of freight charges then he shall pay to us a contractual penalty of three times the value of such advantage; - gain an unfair price advantage therefrom then he shall pay to us a contractual penalty of three times the value of such advantage.
- Upon our request, the Buyer shall provide evidence that he has fulfilled his obligations under paragraph No 1 of this section.
- In the event shipment of goods to non-EU is permitted, the Buyer shall provide us with the export certificate necessary for tax purposes. Failing this, the Buyer is obliged to pay us the value added tax on the invoiced amount pursuant to the value added tax rate applicable for domestic deliveries.

## XII. Place of Performance / Jurisdiction / Applicable Law

- The place of performance for our deliveries shall be the supplying work in cases of ex-work deliveries, in all other cases it shall be our office. The place of jurisdiction shall be Denia (Alicante).
- All legal relationships between us and the Buyer shall be governed by the non-standardised laws of Spain supplementing these Conditions, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).

## XIII. Applicable Version

In cases of doubt, the German version of these General Conditions of Sale shall apply.

## XIV. Partial Invalidity

If individual provisions of these conditions or other contractual agreements should prove to be ineffective or unenforceable, this does not affect the validity of the remaining clauses. Ineffective provisions are to be immediately replaced with clauses whose sense and purpose comes closest to the commercial effect intended by the ineffective or unenforceable clause.