

## **ACEROS INOXIDABLES OLARRA, S.A.**

### General Conditions of Sale

#### **Quotations and orders**

These conditions will form an integral part of all offers and agreements relating to the sale of Aceros Inoxidables Olarra, S.A. (OLSA) products. In the event of discrepancy with the purchasing conditions proposed by the Purchaser, these general conditions will prevail in all cases.

The quotations made by OLSA will not be binding and shall remain valid for a period of fifteen (15) days from the date of issue, except if otherwise stated in the quotation. OLSA may revoke a quotation at any time prior to the Purchaser placing the order. Any order placed by a Purchaser on the basis of a prior quotation from OLSA shall have to be confirmed in writing by OLSA. Orders shall be binding following confirmation, and in the event of discrepancy between the order and its confirmation, the conditions of the confirmation shall prevail.

Quotations, orders and confirmations may be issued in any written form, including fax and electronic mail. The same shall apply in relation to any other documents related with the sale/purchase (i.e. quality certificates, delivery notes, etc.).

Any modification to the order shall be deemed a new order, and shall therefore require written confirmation by OLSA. Any additional term or condition that the Purchaser introduces into the order on the prior quotation from OLSA shall be binding only if OLSA expressly confirms it in writing.

#### **Specifications**

The goods must comply with the specifications agreed in the order. If none were specified, the products shall comply with the characteristics described in the quality certificate issued by OLSA.

The Purchaser shall be solely responsible for defining the specifications, together with any other special feature required of the order. OLSA shall not be responsible for the suitability of the product for specific purposes of which it had not been notified in advance.

#### **Price and Payment**

The base price shall be that stated in the order. Extra charges will be placed on the base price for alloys current at the time of delivery. The prices do not include Value Added Tax (IVA) or any other tax, levy or fee, except as expressly stated in the order. Unless other payment conditions or interest in arrears are agreed in the order, payment shall be made within thirty (30) days from the invoice date, and interest in arrears shall accrue automatically without need for prior summons for the purpose, at an annual rate of 7% above the EURIBOR at three months, as published by Reuter on the date on which the payment was due.

OLSA may require that the Purchaser pay for all or part of the order in advance, and provide a suitable financial guarantee of fulfilment of its obligations. The offsetting or deferment of any payment by the Purchaser will only be possible subject to written agreement of OLSA.

#### **Delivery**

Delivery periods shall be reckoned from the date of confirmation of the order by OLSA (or receipt of the technical specifications, if later), up to the date set for making the product available at the factory for loading with the first transportation carrier. The delivery period shall be considered as approximate, and may be altered by OLSA when justifiable reasons of any kind exist that prevent delivery within that period. If no delivery date had been set, the delivery will be made in accordance with the availability of OLSA, and partial deliveries may be made.

OLSA shall not be responsible for any direct, indirect or consequential damages attributable to delay in delivery.

Were the Purchaser to request postponement of the confirmed date of delivery, OLSA may charge the Purchaser all expenses incurred due to such postponement (i.e. warehousing, insurance, carriage cancellation, formalities).

#### **Transport, insurance, packing**

Irrespective of the place of delivery agreed in the order, OLSA shall transfer the risk of the goods upon delivery at the factory. The parties shall in each case agree the form of delivery of the goods in accordance with INCOTERMS, bearing the costs that arise in each case. If OLSA arranges the transportation insurance for the goods in transit, it shall be deemed to be making the arrangement as agent of the Purchaser.

The product will be sent without packing or protection, unless expressly agreed otherwise in the order. If the product is shipped with packing, when the packing become a waste, according to the First Additional Provision of Law 11/1997 on 24 April of packing waste, the buyer will be responsible for the disposal of the packing, always complying with the relevant legislation.

#### **Complaints**

A product shall be defective if it does not comply with the specifications expressly agreed for the specific delivery, or if it does not comply with the characteristics described in the quality certificate issued at the factory, at the time of delivery. OLSA is not responsible for any other quality or property of

the product, and all legally or otherwise implicit terms relating to quality or fitness for purpose are excluded hereby.

The dimensions, quality and weight of the product may vary within the usual parameters normally accepted by the market. The weight or amount printed or otherwise stated on the delivery note shall be taken to be correct.

Any defect, shortage or anomaly in the product shall have to be notified in writing to OLSA by the Purchaser within seven (7) days of arrival of the goods at the destination agreed with the Purchaser. In the case of defects that cannot be detected upon reception of the product, the Purchaser shall have to notify same to OLSA within a period of seven (7) days from the date on which the Purchaser notices the defect. Once six (6) months have elapsed from delivery, OLSA shall not be responsible for any defect nor have to pay any compensation.

In the event that the Purchaser had detected some defect, shortage or anomaly in the product and had served the mandatory notification to OLSA within the established periods, then OLSA, if it accepts the claim, may at its own cost and within the shortest possible time choose between correcting or repairing the defects or delivering a new product free from defects or, in the event of shortage, delivering the missing amounts to the agreed destination. Alternatively, OLSA may pay the Purchaser compensation for the reduction in value of the goods or the missing amount thereof.

OLSA will only guarantee delivery of goods under the usual delivery conditions normally accepted in the steel-industry goods market, and particularly the stainless steel goods market. OLSA does not guarantee the properties and specifications of the goods subject to processing and/or finishing or coating operations, nor their suitability for other types of operations and uses.

#### **Force majeure**

The Parties shall not be responsible for breaches due to causes beyond their control, such as natural disaster, wars, labour or trade disputes, problems due to third parties (such as suppliers, carriers) energy-supply failures or other interferences that affect production.

In such circumstances, failure or delay in performance shall not be deemed to be breach of contract, and the period for performance shall be extended by a period of time equivalent to that for which performance of the obligation had been delayed. If such delays or failure to perform continue for a period exceeding three months, either party may terminate the agreement in relation to the products that had not yet been delivered to the Purchaser. In the event of termination under such circumstances, neither of the parties may claim indemnities or compensation of any kind, although any payment in advance made for non-delivered products shall be refunded, and goods in transit that have not yet been delivered shall be returned.

#### **Retention of ownership**

OLSA shall retain ownership of goods delivered until such time as the Purchaser has paid for all of them. OLSA reserves the right to recover any goods that have not been paid for and that are in the possession or control of the Purchaser, and to gain access to any site or building on/in which the goods are stored, for the purpose of recovering the goods.

If the Purchaser were to process or mix the goods not paid for into or to form part of a new object, OLSA shall be granted ownership thereof in proportion to the value of the goods not paid for in that new object until such time as it has received full payment for the original goods.

If the Purchaser sells any goods that have not been paid for or have been made into a new object, the Purchaser hereby assigns the credit of the Purchaser from said resale or a proportion of its right against the third party, equivalent to the debt for sole goods that had not been paid for.

Similarly, in the event of nonpayment for the goods, OLSA may proceed to hold up each and every one of the pending deliveries of the Purchaser, reserving the right to recourse to such remedies as it deems appropriate.

#### **GENERAL LIMITATION OF LIABILITY**

WITH THE EXCEPTION OF THE MATTERS EXPRESSLY PROVIDED FOR IN THESE GENERAL CONDITIONS OR MATTERS OTHERWISE AGREED, OLSA SHALL UNDER NO CIRCUMSTANCES BE DEEMED LIABLE FOR LOSSES OR INCIDENTAL, INDIRECT OR DERIVED DAMAGES, INCLUDING, BY WAY OF NON-RESTRICTIVE EXAMPLE, LOSS OF PROFIT, LOSSES OF PRODUCTION OR RELINQUISHED PRODUCTION, AS WELL AS CLAIMS BY THE CLIENT OF THE PURCHASER.

OLSA SHALL BE HELD HARMLESS OF LIABILITY FOR ANY CLAIM ONCE SIX (6) MONTHS HAVE ELAPSED FROM DELIVERY, AND ITS TOTAL LIABILITY SHALL NOT EXCEED THE LOWER AMOUNT OF THE INVOICE FOR DEFECTIVE GOODS IN QUESTION OR THE AMOUNT RECEIVED BY OLSA FROM ITS INSURANCE COMPANY (NET AMOUNT FOLLOWING DEDUCTIONS).

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**Termination**

OLSA may postpone or refuse delivery of all orders pending and/or terminate any contract signed with the Purchaser with immediate effect and without need for judicial order, as well as claim immediate payment of any debt, including those that have not yet fallen due, without prejudice to any agreement signed beforehand and any right or compensation from which OLSA might benefit under the Contract or the Law, in the following cases:

- i. in the event of total or partial nonpayment of an invoice within the proper period
- ii. in the event that the Purchaser does not comply with the conditions for maintenance, handling and use that are usual in the sector
- iii. in the event that the Purchaser does not comply suitably or in time with any other obligation under the Contract
- iv. if the Purchaser is affected by causes of insolvency or dissolution.

**Regulating law and Courts**

This agreement shall be governed by Spanish legislation, with the exclusion of the Vienna Convention on the international sale of goods. Any dispute, disagreement or claim shall be resolved by the Courts and Tribunals of the domicile of OLSA. Alternatively, OLSA shall have the right to bring the proceedings in the jurisdiction of the Purchaser. In event of doubt over interpretation, the Spanish-language version of these conditions shall prevail.