

## GENERAL CONDITIONS OF SALES

Aperam Stainless Services & Solutions Poland Sp. z o.o.

### I. Concluding agreements. General Provisions.

1. General Conditions of Sales (hereinafter GCS) determine principles of concluding purchase and sales agreements offered by Aperam Stainless Services & Solutions Poland Sp. z o.o., hereinafter referred to as the Seller. These Conditions apply to all purchase and sales agreements concerning goods and services concluded by the Seller and constitute an integral part of the agreement.
2. It is hereby excluded to apply any other sample agreements than those General Conditions of Sales with regards to sales of goods and services offered by the Seller, in particular general conditions of agreements, sample agreements and regulations applied by the Buyer. No express objection on part of the Seller against any other sample agreements than the General Conditions of Sales, as well as the actual delivery of goods or performance of service by the Seller cannot be interpreted in any way as acceptance of other sample agreements than the General Conditions of Sales. The failure on part of the Seller to use any right resulting from an infringement of any provisions of the agreement by the Buyer cannot be interpreted as a waiver of such right.
3. The Parties may exclude the binding power of the GCS, wholly or in part, as well as change some provisions, only in writing, under pain of nullity. Any changes in the GCS or separate arrangements apply only to a given commercial transaction. The Seller makes the GCS available on its webpage, the exact address is stated on the document that confirms the order placed by the Seller. Moreover, the Seller will provide the Buyer - by e-mail - with a PDF (Portable Document Format) file containing the GCS, together with a confirmation of the first order. If the Buyer maintains permanent commercial relationships with the Seller, a delivery of the GCS - by e-mail - and their acceptance by the Buyer while executing the first order shall be deemed as their acceptance for all remaining orders and sales agreements until changes of their content have been introduced or their application cancelled.
5. No information contained in the Seller's catalogues, folders and advertisements constitute an offer, within the meaning of the Civil Code. Unless explicitly specified otherwise, information referring to sizes or weights, as well as illustrations, descriptions or drawings, included in or attached to commercial materials delivered to the Buyer by the Seller are exclusively of informative nature.
6. An agreement for the sale of goods or services shall be concluded on the basis of an order placed by the Buyer in writing, or sent through e-mail or fax and against an order confirmation on part of the Seller, or through agreement conclusion. It is assumed that any modifications introduced in an order placed or enquiry submitted are treated as a new order or enquiry.
7. Order confirmation is not required if an order placed by the Buyer is consistent with the previous offer of the Seller.

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8. An order sent to the Seller by the Buyer shall contain the Buyer's data, detailed information concerning the ordered product in the scope necessary for its identification (e.g. quoting the Seller's offer, if such offer was made before order placement) and data concerning the conditions for order execution required by the Buyer.
9. An order placement is not binding upon the Seller and no answer on the part of the Seller shall not mean a „silent order acceptance”, unless the Seller started to execute it immediately. In the remaining cases, placing an order requires a written confirmation or a confirmation sent by e-mail or fax. In case the Seller accepts a given order with reservations, the Buyer is bound by the content of such reservations, unless it immediately presents its possible remarks. Immediate reporting of remarks is treated as placing a new order, while the provisions of preceding sentences shall apply, respectively.
10. The Seller shall not be bound by an order acceptance if, due to reasons outside the Seller's scope of responsibility, in particular due to force majeure events or actions undertaken by the Buyer or third parties (including the Seller's suppliers), the delivery and sale of goods proves impossible or excessively hindered.
11. The Seller shall not be bound by an order acceptance either when the Buyer's total liabilities towards the Seller exceed the amount of a trade credit, possibly granted to the Buyer by the Seller or when the Buyer delays with payment of any liabilities in favour of the Seller.
12. Unless otherwise stated in writing, the delivery and sale of goods by the Seller is executed according to management system based on the ISO 9001 standard.
13. In cases not governed or only partially governed in the GCS, legal provisions - in particular the Civil Code - shall apply.

#### **II. Payment deadlines and terms**

1. The parties hereby determine that VAT invoices will be issued and delivered without the obligation of their signing by the Buyer, as their recipient. By placing an order, the Buyer authorises the Seller to issue VAT invoices without its signature.
2. The Buyer shall make payments towards the price of the goods onto the Seller's bank account by deadline stated on the invoice. In case of any doubts, the payment period shall be 14 days following the date of a VAT invoice issue.
3. Payment for the invoices issued by the Seller shall be made with no set offs or mutual deductions unless the Seller gives its consent in writing for such set off or deduction, under pain of nullity.
4. The Seller may offer a postponed payment period for the Buyer, provided that it insures the receivables at its insuring agency. If such insurance has not been provided, the commonly binding form of payment is 100%

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advance. When the value of an order exceeds the insured sum, the Buyer is obliged to overpay, in a form of an advance, the difference between the insured sum and the order value.

5. Taking into account the fact that the Seller's receivables are subject to insurance, the Seller is entitled to withdraw from the agreement, in whole or in part, with an immediate effect if the insurer withdraws insurance cover towards the Seller's receivables towards the Buyer and the Buyer does not provide the Seller with a satisfactory security towards such receivables or does not pay an advance in the scope corresponding to the withdrawn insurance cover, within the period shorter than 5 days. The Seller is not bound by an offer presented by the Buyer to secure the receivables, thus its acceptance remains at its sole discretion. The Seller shall not be held liable for any damages towards the Buyer in case of partial or total withdrawal from the agreement.
6. The parties assume that the date of payment shall be the date of an actual receipt of cash at the Seller's account.
7. If the Buyer delays in payment, the Seller is entitled to calculate statutory interest for delay.
8. Under pain of nullity, on the basis of a written statement, the Buyer may withdraw, wholly or partially from the concluded agreement. Partial or total withdrawal requires the Seller's consent. In such case, the Seller will charge the Buyer with a contractual penalty as follows:
  - a) 25% of the gross value in a part of unexecuted order;
  - or
  - b) 100% of the gross value of the goods in case of withdrawing an order involving delivery of goods at the customer's individual request.

In such case, any advances made by the Buyer will be recognised against contractual penalties.

9. If the Buyer delays in accepting the goods, wholly or in part, the Seller is entitled to charge a contractual penalty per each commenced day of delay, amounting to 0.5% of the gross value of the order placed. Calculation of contractual penalties for delay does not exclude charging contractual penalties towards the Buyer's later withdrawal from the agreement in cases referred to in items 8 or 10.
10. It is hereby assumed that the Buyer's delay in accepting the goods within the period of 7 days means that the Buyer makes a statement of withdrawal from the agreement, which entitles the Seller to charge contractual penalties pursuant to item 8.
11. The Seller is entitled to claim damages exceeding the value of contractual penalties, covering, in particular, the costs relating to the execution of the order placed by the Buyer.
12. In case of any delay in payments, regardless the delivery schedule agreed with the Buyer, the Seller is entitled to suspend deliveries for the Buyer. The Buyer is not entitled to claim any damages against the Seller for damages arising when the Seller uses the aforementioned right.

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13. If there are reasonable grounds to suspect that the Buyer will fail to perform its payment obligation, the Seller may demand to get the whole payment in cash or to receive specific guarantees or securities towards the payment before it releases the goods, regardless the formerly determined payment deadline.
14. The fact that the Buyer has reported possible reservations, remarks or complaints and these are being considered, does not postpone the payment deadline.

#### **III. Prices**

1. All prices quoted in offers are net prices (excluding tax on goods and services).
2. Prices quoted in the offers are binding in the period stated in a given offer. If such period has not been stated, it is assumed that the validity is 3 days counting from the day of offer announcement. Apart from an expiration of a fixed deadline, an offer becomes invalid also in case the offered article is out of stock.
3. All additional costs resulting from order execution, affecting its value, e.g. repacking, cutting, laminating and transport must be agreed before order placement.
4. Any changes in the value of the order after its placement, e.g. a discount, require separate written arrangements, under pain of nullity.

#### **IV. Transfer of risk, delivery, shipment**

1. Unless specified otherwise in writing, the risk of an accidental loss or damage of the goods shall be transferred onto the Buyer at the moment the goods are handed down to the forwarder or carrier from the producer's plant or warehouse and the Seller shall not be held liable for any losses or shortages in the goods or their packaging occurring after that. In case of applying Incoterms (specified in an order confirmation, an offer or an agreement), the risk shall be transferred onto the Buyer, on principles determined in terms of delivery, pursuant to the latest version of Incoterms published by ICC. If the Buyer does not accept delivery of goods on a given day, the Seller may place the goods in a warehouse, at the Buyer's cost and risk, after the Seller has notified the Buyer that the goods are ready for acceptance; in such case the Seller may issue a VAT invoice for the goods, deeming them delivered.
2. Unless an order confirmation specifies otherwise, the sale of goods in the quantity exceeding 5 tons includes delivery of goods to the place of destination, whereas, the Seller selects the routes and means of transport, forwarders and carriers. Transport of goods in the quantity not exceeding 5 tons shall be performed pursuant to the afore-described provisions, but at the Buyer's cost. The Buyer shall provide the Seller all necessary information, at a reasonable notice period, enabling the Seller to undertake necessary preparations for delivery, including the following:

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- a) instructions regarding labelling and shipment,
- b) import licences, documents required to get necessary permits to be issued by state agencies and any other documents required for shipment of the goods, as well as
- c) confirmation that a letter of credit has been opened in favour of the Seller, if required.

Unless the Seller receives such instructions, documents or confirmations on time or if, in the Seller's opinion their acquisition would involve unreasonable costs and delay on its part, the Seller may - at its sole discretion - postpone the shipment deadline and/or withdraw from the agreement, whereas it does not exclude the Seller's right to use other remedies available.

3. If the Buyer has decided to accept delivery of the goods executed by the Seller's means of transport (or those of its suppliers), the following mutual arrangements shall apply:
  - a) the Buyer ensures necessary means enabling efficient unloading of the goods. If the unloading of a given means of transport proves impossible or is delayed due to reasons falling within the Buyer's scope of responsibility, the Seller will be entitled to charge the Buyer with any typical costs involved.
  - b) the Buyer undertakes to notify the Seller, in advance, about any technical and temporary restrictions concerning the unloading of a means of transport. In case of any difficulties in unloading which were caused because the aforementioned information has not been received until the moment of loading the goods onto the means of transport within the Seller's premises or in other place, from which the goods are to be delivered directly to the place specified by the Buyer, the Seller is entitled to charge the Buyer with all the resulting costs.
4. If the Buyer has decided to accept a delivery of the goods executed by the Buyer's own means of transport (or those of its suppliers), the following mutual arrangements shall apply:
  - a) the Buyer shall notify the Seller about its intention to take the goods, at least 24 hours in advance, stating information necessary to transfer the goods in a safe manner; vehicle and driver's data;
  - b) unless specified otherwise, the Buyer ensures a means of transport enabling it to load the ordered goods in a safe manner, according to the following guidelines:
    - Rings weighing more than 4000kg and/or sheets more than 1500mm wide or more than 4000mm long shall be loaded only onto vehicles enabling loading from the top, whereas the rings weighing more than 6000kg - only onto vehicles adjusted to transport rings of „coilmulde” type,
    - Rings weighing less than 4000kg and/or sheets less than 1500mm wide or less than 4000mm long shall be loaded only onto vehicles enabling loading from the side,

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- The Seller does not handle vehicles loaded from the back side.
  - c) In case of providing a vehicle that does not comply with the arrangements or that has insufficient loading space or does not have a proper notification, the Seller may refuse to load it.
5. The stated delivery dates are of informative nature. If the Seller does not meet the delivery date, the Buyer may raise claims it is entitled to only when the Seller still does not execute the delivery despite the Seller has determined an additional deadline. The delivery date shall be deemed as met if the goods have left the producer's premises or the Seller's warehouse or the Buyer has received a notification saying that the goods are ready for shipment, before the said deadline. The Buyer cannot refuse to accept partial deliveries.
  6. Delivery date shall be extended by the period of occurrence of obstacles caused by circumstances falling outside the parties' scope of responsibility, e.g. force majeure events, unpredictable disruptions of the company's work, transport and customs delays, transport damages, including blockades on roads, temporary restrictions in the road transport of goods, power cuts, shortages of materials and raw materials. If the delays caused by reasons referred to in the preceding sentence exceed 90 days, counting from the delivery execution deadline, each party is entitled to withdraw from the agreement.
  7. In case of sales performed outside Poland, the buyer shall provide necessary documents confirming that the goods have been delivered to the place destination, under pain of being changed by the Seller with the VAT.

#### **V. Compliance with specification - inspection of the goods**

1. All technical information concerning goods, qualities of steel, sizes, conversion factors, dimensions, size and weight tolerances and qualities, resulting from catalogues, brochures and advertising materials presented by the Seller are only approximates and are binding only to such extent, in which they are accepted by both parties in an agreement or order confirmation.
2. With regards to deliveries of goods - current European and national standards shall apply. If a given order does not provide for any special product parameters or does not explicitly specify its purpose, the goods will be delivered as typical commodities, in compliance with accepted standards.
3. The Seller is obliged to deliver the goods in accordance with the Buyer's order and does not assume any responsibility for their further use. The Seller's advice do not release the Buyer from its obligation to check the goods delivered by the Seller towards its fitness for expected ways of processing and intended use. The Buyer undertakes to use and process the goods only at its own risk.
4. The Seller is exempt from any liability towards warranty.

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5. The Seller ensures the quality of one side of the material. Unless specified otherwise, it is the outer side in case of sheets and the external side in case of rings.
6. A correctly submitted complaint shall provide for a detailed description of the fault, a statement regarding the faulty quantity, a photo of the label where all information have been provided to enable identification of the material and a photo of the fault itself, if possible to take. A notification that does not contain all the data mentioned in the preceding sentence will not be processed as a complaint. The Buyer undertakes to provide the Seller with the sample faulty materials, if requested. The goods covered by the Buyer's complaint shall be made available at the Buyer's premises for the Seller's disposal, in the form enabling it to inspect them and perform tests until the Seller sends a written information. If it turns out while describing the faults reported by the Buyer that there are no faults at all, the Buyer undertakes to cover all the costs of performed tests and expert opinions.
7. The Seller undertakes to answer the complaint within 5 working days. The answer referred to in the preceding sentence constitutes only the Seller's initial position (as the Guarantor). The deadline to send an answer for the complaint shall be calculated only after the date, on which the complaint has been correctly submitted (and provided it contains all the data set out in item 6).
8. The Seller's final position as to whether it accepts or rejects the fault shall be expressed within 5 working days, counting from the day, on which the Seller expressed its initial position referred to in item 7 of the article hereto. However, if the Seller thinks it necessary to perform expert opinion involving the fault in question, the Seller's final position will be given with 5 working days, counting from the day, on which the Seller receives such expert opinion.
9. In case the Seller undertakes to exchange the purchased goods with the faultless ones, such exchange will be performed immediately after the Seller has acknowledged its guarantee responsibility, if the faultless goods are available at the Seller's warehouses. Otherwise, the exchange will be performed within ninety days following the date on which the fault has been reported. If the faultless goods have not been delivered by stated deadlines, the Buyer is entitled to withdraw from the agreement corresponding to the execution of this specific order.
10. If the Buyer resigns from receiving paper or foil, the Seller shall not be held liable for any faults of the material, caused by improper protection for the 2R/BA surface area, polished or glazed surface.
11. While performing deliveries with regards to the nature of the products offered, the Seller reserves itself the tolerance towards the quantity of the delivered goods per an order at the level of plus/minus **5%** in case of sheets and in case of rings - plus/minus **10%**. Any complaints concerning the quality must be submitted immediately upon the goods acceptance, however, not later than within **1 working day** since the day of goods acceptance, otherwise the entitlements due to quantity tolerance shall be lost.

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12. The Buyer is obliged to check the compliance of the goods received with the information stated in a corresponding Order Confirmation and to check whether the goods show no visible damages.
13. In case of doubts concerning the weight of the goods, the weight stated by the Seller shall be decisive.
14. If, within **3 working days** since the date of goods receipt, the Buyer has not reported any reservations in writing, the goods shall be deemed accepted by the Buyer. Following expiration of the said deadline, the responsibility for any faults detectable while performing typical inspection, pursuant to any legal basis, shall be excluded.
15. The Seller will not acknowledge reservations involving faults, shortages or non-compliance of the goods with a given order, if it has been possible to detect the said faults while performing typical inspection, and such inspection has not been performed.
16. The faults which - due to their nature - could not be detected upon the delivery, shall be immediately reported by the Buyer to the Seller in writing (in a registered letter, fax or e-mail), against an acknowledgement of receipt, immediately upon their detection, however, not later than within **6 months** from the date of delivery (the Customer has an obligation to check the goods carefully). Following an expiration of the said period, the responsibility for the faults, pursuant to any legal basis, shall be excluded.
17. If the goods have been processed, the Seller's responsibility for possible faults expires.

#### VI. Liability, claims for damages

1. The Seller warrants that the goods are compliant with the specifications provided for in an Order Confirmation. The Buyer shall provide the Seller with all information (a) necessary to draw up such specification and (b) concerning processing and/or final use of the goods. The Buyer acknowledges that the obligation to ensure compliance with the specification is fulfilled if the goods are compliant with such specification at the time of delivery. Any technical advice given by the Seller in the period preceding the use of goods or during their use, either in oral or written form or in the form of tests performed, shall be given in good faith, but with no guarantee on part of the Seller. The Buyer shall be solely responsible for the risk of using such advice. The Seller's responsibility for damages occurring when the Buyer uses such advice is excluded.
2. The Buyer undertakes to familiarise with the technical parameters, physicochemical features and principles of storing the ordered goods. The Seller shall not be held liable for the goods used contrary to their intended use, technical parameters or physicochemical features, as well as for the goods damaged as a result of their incorrect storage, improper maintenance, cleaning, technological processing, wrong workmanship and design mistakes performed by third parties.

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3. Unless an Order Confirmation specifies otherwise, the Seller may deliver materials from various metallurgic heats. In such case, the Seller shall not be held liable for any visible differences (e.g. colour shades) in delivered materials.
4. If the Seller has undertaken to provide the Buyer with technical documentation (certificates, attestations), it is assumed that the Seller may do so within 5 working days since release of the goods.
5. The Seller shall not be held liable for the materials described at the moment of their sale as „lower-quality” goods (e.g. 2<sup>nd</sup> grade), even when the Buyer has been provided with the related technical documentation.
6. A prerequisite of the return of goods is the Seller’s written consent, on the basis of which the materials are to be returned to the warehouse. A prerequisite of the acceptance of goods is their full identifiability (Seller’s label), no damages (excluding complained faults), proper protection of the materials against further loss of their value and making the unloading of goods compliant with the principles of industrial safety and hygiene.
7. The Seller may withdraw from unloading the goods if, at least, one of the said conditions has not been met, while the Buyer shall incur all the related costs.
8. The Seller shall not be held liable for the loss of expenses incurred to process goods, for production losses, loss of income or/and other losses or damages, consequential or special, incurred directly or indirectly by the Buyer or third parties. The Seller shall be held liable only for the damages resulting from a gross negligence or wilful act, provided that the Customer is able to give proper evidence, whereas the amount damages claimed cannot exceed 100% of the value of faulty or damaged goods, stated on invoices. The foregoing reservation does not affect the remaining provisions of the GCS, totally excluding the Seller’s responsibility for damages.

#### **VII. Retention of the ownership title**

1. Unless parties specify otherwise, the sales of goods shall be performed with the retention of ownership title to the sold goods in favour of the Seller until the moment a full payment has been made onto the Seller's account.
2. Upon release of the goods, the Seller shall retain the ownership title on an Order Confirmation, an invoice or a document confirming the release of goods from a warehouse. Retention of the ownership title is effective if a relevant note is made on, at least, one of the aforementioned documents.
3. Any modifications, combination or mixing of the goods, against which the ownership title was retained causes the Seller to become a co-owner of the new goods, to the extent relating to the whole value of retained combined, mixed or modified goods. Retention of the ownership title is also effective towards a share in co-ownership right. If the combined, mixed or modified goods become an element of new goods, the Buyer shall immediately pay the price of ensure security against the payment, according to the Seller's instructions. If the Buyer processes, combines, reclassifies or exchanges the goods with extended ownership title with the goods that do not belong to

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the Seller, the latter becomes a co-owner of the newly processed goods, to the extent corresponding to the value of invoiced prices of the Seller's goods. Any claims submitted by the Buyer, resulting from the sale of goods subject to extended ownership title shall be transferred and assigned to the Seller, whereas such transfer shall be understood as a security, to the extent corresponding to the value of goods with the extended ownership title. If the retention of the ownership title or transfer of claims have proved to be ineffective, within the meaning of legal provisions of the country where the goods are placed, any security corresponding to the protection of the ownership title or transfer of claims with regards to its value shall be deemed as previously agreed by the parties of such agreement. If the Buyer is required to cooperate in order to ensure such security, it will be obliged to undertake any possible actions to establish or protect such rights.

4. The Buyer shall immediately notify the Seller about the fact of retaining the lien or any other burden charged upon the goods sold with the retention of the ownership title. The provisions of article III.3. shall apply, respectively.
5. In case bankruptcy or composition proceedings have been initiated against the Buyer, the latter undertakes to mark the goods showing the retention of the ownership title in favour of the Seller. If the goods belonging to the Seller have been seized during an enforcement procedure initiated against the Buyer's property, the latter shall immediately notify the Seller about the fact. At the Seller's request, the Buyer is obliged to immediately pass any information concerning the location of goods, the ownership title of which is retained in favour of the Seller. The Seller is entitled to inspect the goods in the place of their storage, as well as to accept them.

#### **VIII. Force Majeure**

1. The Seller shall not be held liable for any delays in production, shipment and delivery of the goods or non-performance of any contractual obligations, wholly or partially, due to warts (declared or not declared), strikes or other labour disputes, accidents, fire, flood, acts of God, delays in transport, incomplete supplies, failures of machinery or other reasons, falling completely outside the Seller's scope of liability, as well as in case performance of the Seller's contractual obligations proved excessively burdensome due to occurrence of circumstances, the exclusion of which has been an important precondition for order Confirmation.
2. In such case, the Seller is entitled to get an additional deadline to perform its obligations, as well as to divide production among its customers, at its sole discretion.
3. The foregoing provision also applies - providing for relevant changes - to the Buyer.
4. A party affected by a force majeure event undertakes to notify the other party about the fact.

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### IX. Final Provisions

1. Legal relationships with the Buyer are governed by the Polish law. The place of performance of all obligations resulting from these Conditions shall be the Seller's seat.
2. The Seller and the Buyer undertake to make each and every effort to settle all disputes occurring during the performance of the agreements covered by these Conditions amicably. If it proves impossible to settle a given dispute amicably, any disputes resulting indirectly or directly for these Conditions shall be settled by the common courts competent for the Seller's seat. The Seller reserves itself the right to file a petition also to the court competent for the Buyer's seat.
3. Any assignments of the rights resulting from the concluded agreement or an order placed in favour of third parties are hereby excluded.
4. If some of the provisions of the GCS become invalid because contrary regulations have been introduced, the remaining provisions remain valid.
5. The language relevant for these GCS shall be Polish. The Seller may translate these GCS into English or another foreign language.
6. In case of any discrepancies between the Polish and English language version or possible translation of the GCS into another language, the Polish language version shall prevail for the sake of interpretation of the provisions of the GCS.