



GENERAL CONDITIONS OF SALE AND PURCHASE CONTRACT / AGREEMENT

Valid as from 01 JAN 2015

Scope: Complete agreement and / or contract

Steelmont GmbH, maintains the general and standard terms of sale and delivery for steel and other goods and updates them from time to time electronically . These terms are intergal part of our sales/ and or order confirmations, (AUFTRAGSBESTATIGUNG) agreements and / or contracts and are legally binding to all the parties for each delivery and to all successive transactions.

Kinldy note that Steel Mont GmbH offers are non binding and are only sent for purpose of estimation and information only.

We do not accept any conflicting or deviating terms and conditions of the Customer, unless we consent to their applicability explicitly and in writing and signed and stamped by both parties in Original.

Buyers failure to reject in writing the general terms and conditions of this contract within 3 working days from the receipt of order confirmation / sales confirmation from seller thereof shall constitute buyers clean and complete acceptance all the terms defined below:

Important Note: In case buyer send their purchase confirmations / order confirmations to seller then they are treated null and void by the sellers.

The company **STEEL MONT GMBH**, hereinafter referred to as a "Seller", on the one hand, and the company "**CUSTOMER / BUYER** (companies, legal entities organised under public law and special estates governed by public law , hereinafter referred to as a "Buyer" on the other hand.

1. Subject of the Contract, delivery and payment terms

1.1. On conditions stated in the clauses of the present Contract, the Seller is obliged to sell, and the Buyer is obliged to accept and to pay for metal products, further called as "Goods", in price, assortment, steel grade, quantity and other characteristics stipulated in this Contract.

1.2. Any changes to the present Contract are made up as Appendixes to the present Contract and should be signed by the authorised representatives of both of the Parties. All the appendixes are the integral part of the present contract.

Description of goods: as per the revelant sales confirmations

Quality: as per the relevant sales confirmations

Total quantity : as per the relevant sales confirmations

Unit price : as per the relevant sales confirmations unless expressed in net cash free of taxes and any cost such as transportation , insurance , vat , storage , handling , marking , packing and similar items and any such increase or change in charges from sales confirmation is to be added on the agreed unit price .

Total Amount : as per the relevant sales confirmations +/- 15 pct on quantity tolerance as per sellers option

Packing : standard export packing of the producer (bare and loose) exposed to open conditions

Delivery terms : as per the relevant sales confirmations and / or sellers option

Partial delivery : allowed at seller option

Invoicing : on actual net weight basis or as per the relevant sales confirmations

Shipment : as per the relevant sales confirmations

Payment terms : as per the relevant sales confirmations or at sellers option

And / Or 100% value of the goods is to be effected by 100 pct at sight letter of credit available at the counters of sellers bank / or bank guarantee - against presentation of scan-copies of the following documents:



- a) Transport documents like Bill of Lading, Rail transport document / CMR , Barge loading , Truck loading documents or transport document except in case of ex works when transport is organised by buyers .
- b) Commercial Invoice (1 original and 2 copies)
- c) Packing List (1 original and 1 copy)
- d) copies set of mill test / quality certificates certificates only in case of prime quality, no MTC to be provided in case of stock lots or secondary quality .
- e) the seller reserves full right to compensate buyers debts and / or use payments for the settlement of the outstanding invoices , plus any cost not limited to interest , storage , handling , legal etc .
- f) all banking fees and cost are on account of buyers .
- g) in case sellers has doubts as to customer solvency or credit worthiness and buyer is not willing to pay cash advance payments or provide security as per sellers request then the seller has full right to cancel the contract and or retain the portion of contract which is not yet performed without the consent of the buyer even those which are not yet matured, becoming immediately payable without notification on the part of seller .

Other conditions:

Transport documents can contain clauses and remarks such as: slight atmospheric rust on surface/materials rusty edges, wet before shipment, unprotected cargo, said to weight, loaded from open area, stored in open area prior to loading, rust stained, some straps/bands broken/missing/loose, some coils slightly damaged, quality as per shipper declaration, goods descriptions as per shipper declaration, weight as per shipper declaration are acceptable or any other remarks related to the goods and/or packing condition thereof prior to, during or after loading are acceptable.

2. Delivery - Loading - Discharging terms / rail / truck / barge / vessel : free out.

The goods under the present Contract is delivered on conditions ex works/ FCA/FOB/ CIF / in accordance with Incoterms — 2010 as per the relevant sales confirmation . In case of CFR/ CPT all discharging costs and import taxes at discharge port/ place / point to be for Buyer's account.

2.1 Delay in delivery of goods shall not entitle the buyer to cancel the contract once they are produced or are in manufacturing process. Buyer is not entitled to claim any damages or replace the goods by buying them at higher prices than what agreed with seller as per the order confirmation.

Buyer shall have the sole responsibility and liability and shall bear the risk and cost associated with loading , unloading , discharging , handling and proper and suitable storage of the goods under this contract .

2.2 In case of shipment by vessel or barge , the Seller will inform to the Buyer/Receiver the name and description of the vessel by e-mail. The Seller has right to nominate as performing vessel without any flag or class or age restriction. If nominated vessel is more than 30 years of age any overage premium for insurance will on Seller's account.

2.3 The Buyer/Receiver guarantees to provide always safe berth / port where vessel can be always afloat and able to accommodate the nominated vessel. Any port / berth restriction such as LOA / draft /beam / aircraft buyer should advise to the seller at the time when the contract is concluded. Buyer/Receiver will be responsible for all costs and/or consequences whatsoever arising due to unsuitability of the berth. Min guaranteed draft at discharge port is 12 m. Before accepting a vessel Seller will contact Buyer for vessel acceptance.

2.4. In case that the berth is not suitable to accommodate the vessel the Buyer/Receiver is fully responsible for all delays / demurrage and whatsoever consequences arising due to non suitable of berth such costs to be for the Buyer/Receiver account. Vessel shifting time from anchorage to port not considered as lay time unless vessel already not in detention on demurrage.

2.5. The Buyer/Receiver guarantees discharge rate 8000 MT, aiming 10000 MT per weather working day (PWWD) SSHINC.

2.6 The lay time for detention or demurrage shall commence counting after vessel has given a notice of readiness NOR. Such NOR should be given WIPON, WIBON, WIFPON, WCCON. Laytime to count from



14:00 hours if NOR tendered before noon or next day at 08:00 hours if NOR tendered after noon. Time lost waiting for berth to count as lay time.

2.7. In case the Buyer/Receiver does not fulfill the above mentioned condition, demurrage if any will be for Buyer's/Receiver's account. Buyer/Receiver to pay demurrage at a rate to be advised along with vessel nomination. Payment of demurrage is to be settled within 5 calendar days after discharge and presentation of demurrage related documents (NOR, SOF, fax copies acceptable). Free Dispatch.

2.8. Buyer/Receiver shall provide appropriate shore cranes availability at discharge port. Cost of shore cranes to be for the Buyer/Receiver account.

2.9. Upon vessel's arrival at discharge port Buyer/Receiver should provide all relevant documents for the discharging of the cargo as per port authorities regulations. In case Buyer/Receiver will not provide above mentioned documents upon vessel's arrival detention clause to be applied at the rate of demurrage on Buyer's/Receiver's account.

2.10. Stevedores shall discharge the cargo under master's instructions, any stevedore damage to the vessel to be settled direct between stevedores/receivers and owners/master at stevedores time and expense prior to the vessel sailing. In case of any damage claim from master Buyer has right to call join survey in order to determine the discharge port damage. In the case if the damage to vessel or transport is not settled by stevedores – then the buyer is ultimately responsible for the settlement of all the claims .

2.11. All local dues, taxes, wharfage, quay dues, port dues, port rates or levies on vessel and/or freight to be for the Owners account.

2.12 Any loss, damage, expense caused by the failure on the part of the Buyer/Receiver and/or stevedores and/or discharge port authorities to comply with the requirements of the international code of international cod ISM and port facilities are on buyer's account.

2.13. All other terms as per relevant Charter Party between Charterers and Owners.

3. Acceptance of the Goods

The Goods are considered to be delivered by one Party and accepted by the other Party:

- by weight – the final quantity of the goods is as per transport documents weight.
- by quality – according to Mill's Test Certificate indicated in Seller's Certificate to be final.

In case Seller has applied for Credit insurance for payment under present agreement, the Buyer has right to inspect the cargo in loading port / place / ware house or accept report of independent inspection company in loading port and Buyer is obliged to issue separate letter to Seller or Seller's insurance company, that cargo is accepted and there are no quality or quantity claims applied for Goods under present Contract.

4. Quantity franchise.

4.1. Final weight to be determined as per transport documents. Franchise in steel it is determined at +/- 1 pct.

5. Claim.

5.1. The Buyer has right to submit quality claim to the Seller not later than 14 days from the date of arrival at final destination for visible defects, and not later than 21 days from the date of arrival at final destination - for internal defects. If the Buyer fails to submit a claim within the above period of time, the Buyer has no right either to claim or apply to arbitration. The postal stamp will be governed as the date of claim's presentation.

5.2. Such claim to be properly substantiated with proper documentation issued by SGS or any other inspection organization agreed upon with the Seller beforehand at discharge port.

5.3. Such claim to be sent by courier mail in two originals along with original Claim Report issued by independent inspection company. All documents must contain the following data:

- a) Contract number;
- b) Transport document no / in case of vessel B/L number and date,



- c) Name and marking of goods in accordance with the Contract, in respect of which the claim is submitted;
- d) Heat number related to the goods claimed;
- e) Subject of the claim (detailed description of defects, nonconformity of the goods to the technical conditions etc.);
- f) Total number of pieces/bundles
- g) The Buyer's request (abatement of the price; replacement of the goods, etc.).

5.4. The Seller is entitled to check up the justification of the claim in regarding quality or quantity by themselves and with the representatives of Producing Mill. This checking must include but not be limited to re-weighing, re-testing, re-surveying. 100% of the claimed material must be kept separately under cover free of cost to seller and at the disposal of the Seller until such re-checking is completed. The Buyer has no right to use the goods until Claim consideration by the Seller. Seller should revert to the Buyer regarding groundness of claim within 15 days from the day of Claim notification is received by the Seller by registered courier at Seller's office.

5.5. All documents in regarding the claim including Claim Report to be issued in English. In case the documents are not in English language then the translation and legalisation cost is on buyers account.

5.6. If the Seller establishes the groundlessness of the Buyer's declaration on the discovered defects in the arrived Goods, the Buyer compensates all reasonable expenses, connected with the inspection and the departure of the Seller's representative (representatives) for the participation in the consideration of debatable problems, to the Seller. The reasonable expenses are compensated on the basis of the Seller's calculation by transfer of the corresponding sum by the Buyer to the Seller's account within 3 (three) banking days according to the made claim.

5.7. The Sellers shall carry on with consideration of the Claim until it is studied completely and then the Sellers is obliged to present a conclusion to the Buyer showing either their refusal or partial acceptance or complete acceptance of the Buyers' Request.

5.8. The Buyer, having made the claim, has no right to sell or use Goods till the end of the period of the claim consideration (taking into account a postage time).

5.9. Any claims do not give the right to the Buyer not to pay the Seller's invoices in part or in full, violate terms of payment, or make any changes in payment amounts according to invoices issued by the Seller.

5.10 The statutory provisions concerning payment shall remain unaffected and Seller's invoice should be paid by the Buyer in full at maturity date.

6. Insurance:

6.1. Insurance of the Goods during transportation by sea , vessel , barge or truck / rail is to be done by the buyers if not agreed in the sales confirmation . If required at option of seller the buyer is responsible to share the insurance policy with the sellers and must declare the sellers as beneficiary in case of loss and /or partial loss and / or damage to goods .

6.2. In case the payment terms are deferred payment terms for sale of goods , then this contract is subject to approval of Credit limit for the Buyer by Insurance Company and Financing bank of the Seller.

7. Force-majeure

7.1. The parties shall not be held responsible for complete or partial non fulfilment of contractual obligation caused by circumstances beyond their control, such as fires, earthquakes, act of God, wars, flood, blockade, mobilization, military operation, confiscation, embargoes, or any other accident of similar nature.

7.2. If force-majeure circumstances prevent the Seller/Mill from producing or the Buyer from fulfilling of their contractual obligations the time period for shipment shall be extended for the period equal to that during which such circumstances last up to a maximum of 30 days. If the force-majeure circumstances last for more than 120 days and continue to prevent performance, either party may, subject to the prior written approval of the other party (not to be unreasonable withheld), terminate this Contract by given written



notice to other party.

7.3. In case of such contingencies, the party incapable of complying with the provisions of the agreement shall notify by fax the other party immediately after its commencement and confirm within 15 days, through a certificate issued by the local Chamber of Commerce.

7.4. The Seller shall be released from responsibility for a failure to supply (partially or wholly) or a delay in supply if it is a consequence of prohibition of exports and imports, breakdown of machinery, problems with supply of raw materials, non-performance by the mill due to regulatory and/or bank/lenders action, strikes, any labor disputes, non-availability of transport or some other contingencies beyond the Seller's control if such circumstances affect the execution of the present Contract. In such cases the time for the fulfillment of the Seller's obligations under the present Contract shall be extended for the period during which such circumstances last (and the Buyer, shall if necessary accept and extend the delivery date of the contract and LC). Alternatively, the Seller may choose to treat the contract as being brought to an end by such circumstances and shall be under no liability if he so chooses. Where appropriate, certificates issued by the any Chamber of Commerce of countries or any competent authority, independent inspection company shall be sufficient proof of the existence of such contingencies and their duration or appropriate letter from the factory. Should the rate of excise duty on the goods or other taxes affecting the Seller increase between the date of this contract and the date of delivery, the Seller may elect, either that the amount of such increase be shared between the parties or to treat the contract as at an end (without liability).

8. Arbitration

8.1. In the event of any dispute arising out of or in connection with this Agreement the Parties shall attempt to resolve such dispute by reference to members of the senior management of the Parties.

8.2. The governing law of this Agreement shall be the substantive laws of Switzerland.

8.3. Any dispute arising out of or in connection with or in relation to this Agreement including any question regarding its existence validity or termination which cannot be so resolved according to Article 11.1 of this Agreement shall be referred to and finally resolved by arbitration in accordance with the Swiss Rules of International Arbitration of the Swiss Chambers' Arbitration Institution in force on the date on which the Notice of Arbitration is submitted in accordance with such Rules which Rules are deemed to be incorporated by reference. The award shall be final and binding and may be enforced in any appropriate jurisdiction.

8.4. The number of arbitrators shall be 3.

8.5. The seat or legal place of arbitration shall be Geneva, Switzerland.

8.6. The language to be used in the arbitration shall only be English.

9. Anti-dumping caution

The buyer incurs the full responsibility for observance anti-dumping norms, rules and procedures in the national market and markets of further realisation of a subject of the contract, and is obliged to pay in full volume the duty, dues and other collection, imposed on the goods, being a subject of the present contract, according to anti-dumping legislation of country of importation.

10. Retention of Title and Transfer of Risk – VAT

10.1. Subject to any Incoterms expressly incorporated into the contract by any of the Contract Documents, risk in the goods shall pass to the Buyer when the goods are delivered to the Buyer. The delivery is confirmed by the transport document as per the relevant clause of the terms and conditions. except in case of exworks / ex ware house, FCA sales terms the risk shall pass before loading of buyers transport.

10.2. The Seller and the Buyer expressly agree that the title of goods shall remain with sellers until fulfilment of all the payment obligations as described below :

- until the Seller has been paid in full for the good and
- until all other monies due or which become due from the Buyer to the Seller on any account whatsoever



have been paid in full (in cash or cleared funds) the following provisions shall apply:

- (i) legal and beneficial ownership of such goods remain with the Seller;
- (ii) the Buyer shall have a right to possession (but not ownership) of such goods for the Seller and ensure that the goods shall be clearly marked and identifiable as being the Seller's property;
- (iii) the Seller may recover all or any part of such goods at any time from the Buyer if they are in the Buyer's possession and any of the events in Clause 11 has occurred and for that purpose the Seller, its servants and agents may enter upon any land or building upon or in which such goods are situated: and

10.3. Each sub-Condition shall be construed and have effect as a separate Condition and accordingly in the event of any of them being for any reason whatsoever unenforceable according to its terms, the others shall remain in full force and effect.

10.4. If the goods are processed combined and / or mixed by the buyer with the other goods belonging to him then the seller has the entire ownership of the new goods. If the goods are processed and / or mixed with goods belonging to other suppliers then the seller has joint ownership right in the whole value of the new goods with such suppliers. In such case the ownership will be calculated on the basis of ratio of the invoiced value of the goods to the invoiced value of all the goods, which were used for making the new goods.

10.5. The Seller reserves the right to offset any payments received from the buyers in case of buyers default as per clause no 12.

10.6. In the event that the supply of goods is entitled to VAT exemptions due to intra-community sales or the export destination of good delivered and the buyer takes at his own risk and expenses for the whole or the part of the carriage or transport (delivery terms Ex works, FOB, FCA, etc) seller shall only be bound to apply for VAT exemption if the buyer provides it with substantial proof all transport documents CMR, B/L, CIM, export declarations signed by customs etc, carriage or transport documents to country of destination. In case the buyer is not able to provide such proof then the seller has right to charge the Buyer with penalty and VAT amount of the delivery value expressed in Euros. The buyer is obliged to inform the seller in case of any change (1-2 days) of VAT no or VAT regulations and any changes in the company name or address.

11. Termination and Suspension

11.1. A Party (the "Terminating party") shall be entitled without prejudice to its other rights and remedies either to terminate wholly or in part any or every contract between itself and the other Party or to suspend any further deliveries under any or every contract in any of the following events:

- if any debt is due and payable by the other Party to the Terminating Party but is unpaid;
- if the other Party has failed to provide any letter of credit, bill of exchange or any other security required by the Contract Documents provided that in such event the Terminating party's rights of termination or suspension under this Condition shall apply only in regard to the particular contract in respect of which the other Party shall have so failed;
- if any guarantee or other security for trading in respect of the other Party's obligations under the contract or under the Contract Documents is cancelled, suspended or amended in any respect;
- if, in the reasonable opinion of the Terminating Party, the delivery (or any steps required in connection with the delivery) would involve a level of risk to the health or safety of any person that would constitute a breach, or potential breach, of any legal obligation by any Party or would be excessive or unreasonable;
- if the other Party has failed to take delivery of the goods or has otherwise breached or defaulted under any contract between it and the Terminating Party otherwise than in accordance with the relevant Party's contractual rights;
- if the other Party becomes insolvent or enters into any composition or arrangement (including a voluntary arrangement) with its creditors or, being a body corporate, has passed a resolution for voluntary winding up except where solely for the purpose of reconstruction or if a petition has been presented for an order for its winding up or for a receiver (including an administrative receiver) or administrator to be appointed or if



any such order or appointment is made or if, being an individual or partnership, the other Party suspends payment of his or their debts in whole or in part or if an application has been made for an interim order or a petition has been presented for a bankruptcy order or if any such order is made or if the other Party, whether or not a body corporate, shall carry out or be subject to any analogous act or proceedings under any law;

- the imposition of any new, additional or increased tax, public charge, freight, tariff or duty which may after the date of the quotation or contract be levied on or imposed on the goods to be sold, or upon any sale, delivery, or other action taken under or in connection with any contract to which these Conditions apply, or upon the export or import of such goods or materials required to produce the goods; or
- if the other Party fails to comply with any reasonable request by the Terminating Party for advance payment or security pursuant to terms and conditions under present contract.

11.2. The Terminating Party shall be entitled to exercise its rights of termination or suspension under this Condition at any time during which the event giving rise to such rights is continuing and has not been remedied and, in the event of a suspension, the Terminating Party shall be entitled, as a condition of resuming delivery under any contract between it and the other Party to require prepayment of, or such security as it may require for the payment of, the price of any further goods.

11.3. If the Terminating Party is entitled to exercise its rights of termination or suspension under this Condition, the Terminating Party shall further be entitled by notice to the other Party to treat all sums which are then due to the Terminating Party under any contract between the Terminating Party and the other Party but which are not then payable, as being immediately due and payable.

12. Buyer's default.

12.1. Buyer shall be in default hereunder upon the occurrence of any of the following events:

- 1) Buyer fails to make any payment under the Agreement when due or to comply with any other terms and conditions of the Agreement; and/or
- 2) Buyer becomes insolvent or unable to pay its debts as they mature or is generally not paying its debts as they mature; and/or
- 3) Buyer makes a general assignment for the benefit of its creditors; and/or
- 4) Buyer makes a general assignment for the benefit of a trustee, receiver or other custodian is appointed for any of the Goods or all or a substantial portion of Buyer's property.

12.2. If Buyer is in default hereunder, Seller, in addition to any other rights it has under applicable law, shall have the right to do any one or more of the following:

- 1) Cease or suspend its performance under the Agreement
- 2) Terminate the Agreement as to any Goods not yet delivered;
- 3) Declare, without demand or notice of any kind, the entire outstanding balance owing by Buyer for goods already delivered under the Agreement immediately due and payable, whereupon the same shall become immediately due and payable;
- 4) Recover all and any damages arising from Buyer's default, without limitation, costs, interest and losses;
- 5) Recover all costs of collection, including reasonable attorneys' fees.
- 6) Lien the goods and/or withhold delivery until Buyer has paid in full, and/or a right of stoppage of the goods in transit (whether such right would otherwise exist at law or not),
- 7) Re-sell the goods and the Buyer should compensate price difference if any,
- 8) Repossess the Goods. Buyer hereby waives any and all rights to notice and hearing prior to repossess/seizure of the Goods.

12.3. Seller's rights hereunder shall be cumulative and in addition to any and all other rights available to Seller under applicable law.

12.4. Notwithstanding anything to the contrary herein, legal title to the goods shall not pass to the Buyer until full payment has been received by the Seller.



13. Responsibility of the Parties

13.1. This agreement is governed, constructed and interpreted by the laws of Switzerland in every respect.

13.2. The Seller is responsible to pay all the duties, collections and other taxes which are imposed on the Goods being a subject of the present Contract in the export country.

13.3. The procurement of the Import License, if required, is the Buyers' responsibility.

13.4. Neither of the Parties has the right to assign its rights and obligations under the present contract to any third party without written consent of the other Party with the exception of seller's financing bank.

13.5. If Buyer will not effect advance or balance payment as per terms of the present Contract and fails to remedy such failure within 10 days after having received written notice of the Seller of the failure, the Seller has right to revise the price, cancel the Contract or delay supply of the Goods.

13.6. Risk of loss and title: Risk of loss to pass from Seller to the Buyer as material passes transport / carrier / truck / rail / ship's rail at loading port; title of goods to pass from the Seller to the Buyer when the Seller received and confirmed 100% payment of goods from the Buyer at their account.

14. Other conditions

14.1. The present terms and conditions comes into force from the moment of its electronic publication on the web site of the company www.steelmont.de and are updated from time to time .

14.2. After agreeing to accept the order confirmations (Auftragsbestätigung –) all the preliminary arrangements and correspondence is considered no longer valid until unless signed and stamped by both the parties .

14.3. While executing the present Contract the Parties follow "Incoterms" rules of 2010 edition. In case of a discrepancy-/cies/ between the conditions of the Contract and the delivery conditions as per Incoterms-2010, preference is to be given to the conditions of the present Contract.

14.4. Contract is effective from the date of email transmission of order confirmations and / or issuance of relevant invoices in favour of the buyers / customers.

14.5 The Management of SteelMont reserves their right to update the change the general terms and conditions of sale / purchase / contracts and in case of any conflict the English version shall Prevail .

THE SELLER:

STEEL MONT GMBH

Adersstrasse 59,
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Germany