

**GENERAL CONDITIONS APPLICABLE TO THE SALE AND DELIVERY OF PRODUCTS BY VILARES METALS INTERNATIONAL B.V.,  
as fixed at the Chamber of Commerce of Dordrecht**

**1. GENERAL**

- 1.1 These conditions apply to all offers by and all orders to Villares Metals International B.V. for the sale and delivery by Villares Metals International B.V. of products (hereafter: goods), and to all agreements with Villares Metals International B.V. with respect thereto.
- 1.2 The applicability of conditions of the other party or customer (hereafter: customer) of Villares Metals International B.V. is hereby expressly excluded.
- 1.3 Provisions that deviate from these conditions can be invoked by the customer only if and to the extent that these provisions are accepted by Villares Metals International B.V. in writing.

**2. OFFERS, ORDERS AND AGREEMENTS**

- 2.1 All offers from Villares Metals International B.V. are non-binding ("vrijblijvend").
- 2.2 Orders and acceptances of offers by the customer are irrevocable.
- 2.3 Villares Metals International B.V. is only bound when it has accepted an offer in writing or has begun implementation. Villares Metals International B.V. is moreover only bound as was accepted in writing. Verbal commitments or agreements by or with its personnel do not bind Villares Metals International B.V. except and insofar as Villares Metals International B.V. confirms these in writing.

**3. DRAWINGS, STATEMENTS, DOCUMENTS**

- 3.1 Catalogues, brochures, pictures, diagrams, statements of weights and of measures and similar disclosed data are only binding if and insofar as that has been expressly agreed in writing. Minor deviations do not constitute liability of Villares Metals International B.V..
- 3.2 Documents and data originating from Villares Metals International B.V. may not be passed along or disclosed to third parties, except with the express permission of Villares Metals International B.V..

**4. PRICE**

- 4.1 Prices set by or agreed to with Villares Metals International B.V. are net, therefore exclusive of V.A.T., among other things, and are valid only for the delivery ex factory or warehouse of unpacked goods. They are also exclusive of the costs of packaging, loading, transport, unloading, insurance, installation, assembly and/or other services.
- 4.2 Prices set by or agreed to with Villares Metals International B.V. are based on the cost price at the time of the offer or acceptance of an order by Villares Metals International B.V.. If the cost price increases thereafter (for example because of a change in the exchange rate), even if this happens as a result of circumstances that were foreseeable to or contemplated by parties at the time of the conclusion of the agreement, Villares Metals International B.V. is entitled to charge the customer a corresponding price increase.

**5. VAT LEVY IN CASE OF DELIVERY WITHIN EC**

- 5.1 The customer will be charged with VAT unless the customer requests application of the zero tariff and at the same time establishes to the satisfaction of the supplier that all conditions for applicability of the zero tariff have been satisfied.
- 5.2 The customer is required to make the request for application of the zero tariff no later than at the occasion of the order or acceptance of an offer, with mention of his VAT identification number.
- 5.3 If, regardless of the application of the zero tariff, VAT is levied, the customer shall pay the amount of the charge, increased with costs, interests, or fines, to the supplier at his first request, regardless of the grounds for the levy and without any obligation for the supplier to dispute the levy in any way.

**6. DELIVERY PERIOD AND DELIVERY**

- 6.1 The delivery period starts after the conclusion of the agreement, and after Villares Metals International B.V. has received all items, documents and data to be provided by the customer, and after any agreed upon advance payment has been received by Villares Metals International B.V., or any agreed upon security for payment has been put at its disposal.
- 6.2 Goods to be delivered by Villares Metals International B.V. are deemed to be delivered as soon as they have left the factory or warehouse of Villares Metals International B.V. or third parties brought in by it for transport to or for the benefit of the customer.
- 6.3 The customer shall accept delivery at the time at which the goods to be delivered are ready for transport or despatch. Villares Metals International B.V. is entitled to compensation from the customer for damage and costs which are the consequence of refusal of or delay in acceptance.
- 6.4 Failure to deliver within the delivery period does not entitle the customer to damages, nor to non-fulfillment by it of any of its own obligations arising from the agreement. The customer is, however, entitled to rescind the agreement by a written declaration, if and insofar as after the above mentioned failure to deliver, Villares Metals International B.V. still fails to deliver the agreed upon goods within a reasonable period as agreed to with the customer in writing.
- 6.5 Delivery periods will be extended by the amount of time that the implementation of the agreement is delayed by force majeure. They will also be extended by the time that the customer is later in the fulfillment of any obligation than is agreed to or could reasonably be expected by Villares Metals International B.V..
- 6.6 Villares Metals International B.V. has the right to deliver in parts. Each partial delivery will be deemed an independent delivery with respect to the applicability of these conditions.
- 6.7 Villares Metals International B.V. is entitled to deliver 10% more or less than is agreed upon.

**7. RISK AND TRANSFER OF TITLE**

- 7.1 Goods to be delivered by Villares Metals International B.V. are at the risk of the customer from the moment the goods are deemed to be delivered as referred to in article 6.2.
- 7.2 Loading, despatch or transport, unloading and insurance of the goods to be delivered take place at the risk of the customer, even if these are handled by Villares Metals International B.V..
- 7.3 All goods delivered by Villares Metals International B.V. remain the property of Villares Metals International B.V. until such time as the customer has paid in full all that is owed to Villares Metals International B.V. in connection with the underlying agreement, including damages, costs and interest. The customer has no right of retention with respect to those goods.
- 7.4 The industrial and intellectual property rights to or associated with the goods delivered remain with Villares Metals International B.V. or third parties entitled thereto, and are never transferred to the customer.

**8. FORCE MAJEURE**

- 8.1 Villares Metals International B.V. is entitled to invoke force majeure if the implementation of the agreement is, in whole or in part, temporarily or not, prevented or impeded by circumstances reasonably out of its control, including site or building blockades, strikes, specific work interruptions or work-to-rule slowdowns and lockout, fire, delay in the provision to Villares Metals International B.V. of parts, goods or services ordered from third parties, accidents, disruptions in transport, import and export impediments and interruptions of business operations.
- 8.2 In the case of force majeure on the part of Villares Metals International B.V., its obligations are suspended. If the force majeure lasts longer than three months, Villares Metals International B.V. and the customer are both authorized to rescind the non-feasible parts of the agreement by a written declaration, without prejudice to the provision of article 12.

**9. WARRANTY**

- 9.1 Villares Metals International B.V. guarantees the good quality of goods it delivers to the extent that in case of defects which appear during the guarantee period and for which claims are submitted in a timely fashion, it will either redeliver at no cost, or repair the good in question at no cost, or credit the customer as far as reasonable in whole or in part for the invoice value of the good in question, all of this at Villares Metals International B.V.' option.
- 9.2 The guarantee period is 6 months after delivery.
- 9.3 With respect to defects in measurements, dimensions, weights and quantities, and/or with respect to noticeable defects, the customer must submit a claim in writing within 14 days after delivery, failing which all claims on Villares Metals International B.V. will lapse.
- 9.4 Claims with respect to other defects must be made in writing within 14 days after their appearance, on penalty of loss of all claims on Villares Metals International B.V..
- 9.5 Any right to a guarantee lapses if:
  - a. the directions given by Villares Metals International B.V., among others for storage, placement, testing, installation, assembly, monitoring, maintenance, and/or use are not followed exactly;
  - b. the delivered goods are used improperly or other than in conformity with the agreed to or usual purpose;
  - c. the customer or third parties not brought in by Villares Metals International B.V. has/have performed operations on the goods delivered by Villares Metals International B.V. without Villares Metals International B.V.' permission;
  - d. the customer fails to fulfil any one or more of its obligations toward Villares Metals International B.V. arising from the underlying agreement, or fails to fulfil them adequately or on time.
- 9.6 For goods or parts of goods which Villares Metals International B.V. procures from third parties, the guarantee obligations of Villares Metals International B.V. toward the customer are never greater or of longer duration than the guarantee obligations of those third parties toward Villares Metals International B.V.. Villares Metals International B.V. will be discharged with respect thereto when it transfers its claim on the third party to the customer.

**10. LIABILITY AND INDEMNIFICATION**

- 10.1 Villares Metals International B.V.' liability in connection with any defects in goods it delivers is limited to the fulfillment of the guarantee described in the previous article.
- 10.2 Villares Metals International B.V. is never obliged to pay damages except if and insofar as the damage suffered was inflicted intentionally or by the gross negligence of Villares Metals International B.V. or its own employees. Villares Metals International B.V.' liability for loss of profits, consequential or indirect damages is, however, at all times excluded, except in the case of intention on the part of Villares Metals International B.V. itself.
- 10.3 In all cases in which Villares Metals International B.V. is obliged to pay damages, these will never be higher than, at its option, either the invoice value of the goods delivered whereby or in connection with which the damage was caused, or, if the damage is covered by an insurance policy of Villares Metals International B.V., the amount that is actually paid out by the insurer with respect thereto.
- 10.4 Any claim toward Villares Metals International B.V., except those recognized by Villares Metals International B.V., lapses after a period of 12 months from the time the claim arose.
- 10.5 Conditions which limit, exclude or determine liability, which Villares Metals International B.V. is subject to by Villares Metals International B.V.' suppliers or subcontractors in connection with the delivered goods, can be imposed on the customer by Villares Metals International B.V..
- 10.6 Villares Metals International B.V.' employees, or third parties brought in by Villares Metals International B.V. for the implementation of the agreement, can, towards the customer, invoke all means of defence afforded by the agreement as if they themselves were party to that agreement.
- 10.7 The customer will hold harmless and indemnify Villares Metals International B.V., its employees and others brought in by it for the implementation of the agreement for each claim by third parties in connection with the implementation by Villares Metals International B.V. of the agreement, insofar as those claims are greater than or different from those to which the customer is entitled from Villares Metals International B.V..

**11. PAYMENT AND SECURITY**

- 11.1 Payment must take place within 30 days after the invoice date. Villares Metals International B.V. has however at all times the right to claim full or partial payment in advance, and/or otherwise to obtain security for payment.
- 11.2 The customer relinquishes any right to set off amounts charged by and between parties. Guarantee claims do not suspend the payment obligations of the customer.
- 11.3 If the customer does not pay any amount it owes pursuant to the foregoing, it is in default without notice. As soon as the customer is in default on any payment, all Villares Metals International B.V.' remaining claims on the customer are due, and the customer is immediately in default without notice with respect to those claims.
- 11.4 As from the day on which the customer is in default, he owes to Villares Metals International B.V. late interest based on the interest rate which is charged by a bank to Villares Metals International B.V. on overdrafts consisting of the amounts owed by the customer to Villares Metals International B.V. in the (country of the) currency in question, augmented by 4%, it being understood that the interest shall never be less than 1½% per month.

**12. RESCISSION**

- 12.1 If the customer does not fulfil one or more of its obligations, does not fulfil them on time or adequately, is declared bankrupt, requests (temporary) moratorium, or proceeds with the liquidation of its business, as well as when its assets are attached in whole or in part, Villares Metals International B.V. has the right to suspend the implementation of the agreement or to rescind the agreement in whole or in part, without prior notice of default, by written declaration, at its option and always reserving any rights to which it is entitled with respect to compensation for costs, damage and interest.
- 12.2 The customer is authorized to rescind only in the cases referred to in articles 6.4 and 8.2 of these conditions, and then only after payment to Villares Metals International B.V. of all amounts owed to Villares Metals International B.V. at that time, whether or not due.
- 12.3 If the agreement terminates pursuant to article 12.1 before the agreed goods are finished or delivered, Villares Metals International B.V. is entitled to the full agreed price for those goods, decreased by the savings arising directly from the termination. If the agreement ends pursuant to article 12.2, Villares Metals International B.V. is entitled to a part of the agreed price in proportion to the ratio in which the scope of the activities already performed and the goods delivered stand in relation to the agreed goods and the activities required therefor, decreased by the savings arising directly from the termination. Costs already incurred or investments already made at the time of the termination of the agreement must always be completely reimbursed by the customer.

**13. DISPUTES AND APPLICABLE LAW**

- 13.1 All disputes existing between parties shall be heard exclusively by the competent Rotterdam court (the Netherlands), unless Villares Metals International B.V. prefers another competent forum.
- 13.2 The agreement is subject to Dutch law, unless Villares Metals International B.V. prefers the law of another country to be applicable.

According to the resolution of the Management Board of voestalpine AG dated January 21, 2011, the Division Special Steel (Böhler-Uddeholm AG) to which Villares Metals International B.V. is a 100% daughter company, following amendment is applicable:

**Amendment to the General Conditions  
applicable to the sale and delivery of products by  
Villares Metals International B.V.  
as fixed at the Chamber of Commerce of Dordrecht:**

The customer (representation by the customer) is aware of

- (i) the Regulation (EC) No 961/2010 on restrictive measures against Iran replacing Regulation (EC) No 423/2007,
- (ii) the U.S. Iran Sanction Act of 1996, as amended by the Comprehensive Iran Sanction, Accountability, and Divestment Act 2010,
- (iii) similar regulations and statutory provisions in this respect in place globally and
- (iv) our group policy to control that none of our products are delivered into the oil and gas industry of the Islamic Republic of Iran (collectively "Regulations").

The customer will fully obey these Regulations no matter if they are applicable on him or not and will not deliver the products, directly or indirectly, into the oil and gas industry of the Islamic Republic of Iran or resell the products to anyone he knows will do so or to circumvent this agreement in any other way.