

1 Introduction

These conditions of sale (the “Conditions”) are incorporated as an integral part and are incorporated into of all offers and agreements for the sale of goods (the “Goods”) by Outokumpu Pty Ltd (“Outokumpu”). Amendment of the Conditions is only valid if confirmed in writing by Outokumpu. Any condition specified by the Buyer in its order or otherwise, is rejected and will only have effect if accepted by Outokumpu in writing. Outokumpu will confirm the Buyer’s orders by an order acknowledgment. An agreement for sale of Goods will be concluded only upon the issuance of such an order acknowledgment (“Acknowledgment”) or a signed agreement.

2 Offers

An offer from Outokumpu is valid for a period of 7 days from the date of issue, unless otherwise expressly stated in the offer. Notwithstanding the foregoing, Outokumpu may revoke an offer at any time prior to receiving the Buyer’s written acceptance.

3 Material selection

Any advice on material selection or other similar assistance by Outokumpu is furnished for convenience only and free of charge and Outokumpu makes no representation or warranty and Outokumpu shall have no liability for any such advice or assistance.

4 Specifications

The Goods shall meet the agreed specifications. If no specifications are agreed, the Goods shall meet the general specifications of Outokumpu at the time of delivery. Statements presented in product information, handbooks, web sites, price lists or other information regarding the Goods will only be binding on Outokumpu if expressly referred to in an offer, Acknowledgment or agreement.

5 Delivery of the Goods

5.1 Delivery time

The agreed delivery date of the Goods shall mean the dispatched date from Outokumpu Service Centre in Melbourne, irrespective of Incoterm agreed. Outokumpu is entitled to divide the delivery into separate lots. If no delivery time is agreed, delivery shall be made according to Outokumpu’s capacity planning. Delivery will be made Ex Works Outokumpu Service Centre in Melbourne, (Incoterms 2010) unless other Incoterm is agreed.

5.2 Adjustment of volume

In the event that the quantity of the Goods is agreed on the basis of weight, the quantity to be supplied can be adjusted by Outokumpu to deviate up to 10% (+/-) from the agreed weight of the total delivery for each type of product/steel grade, and the price shall be adjusted accordingly. The lengths of any tubes or the number of any tube fittings may also be adjusted by Outokumpu in the same manner. The weight or quantity printed or otherwise stated on the Goods, packing or documents supplied by Outokumpu, shall be deemed to be correct, unless proven otherwise.

5.3 Delay in delivery

Should the delivery be delayed, the Buyer’s sole remedy is to cancel the purchase of the Goods which are delayed more than eight weeks. Cancellation shall be in writing.

5.4 Limited liability

The Buyer is not entitled to any compensation or remedies other than set out above, attributable to any delay in delivery of any Goods, except in the event of Outokumpu’s gross negligence.

6 Defective Goods and shortages

6.1 Outokumpu warranty

Outokumpu warrants that the Goods delivered are free from defects (faults) and in agreed quantity when the risk for loss and damage to the Goods transfers on the Buyer according to the Incoterm agreed (“Risk Transfers Date”). The Goods shall only be regarded as defective if the Goods do not meet the specifications set out in clause 4 above. Outokumpu is not liable for any function, quality or property of the Goods other than as expressly stated above, and any terms implied whether by statute or otherwise relating to quality or fitness for purpose are hereby excluded.

6.2 Buyer notice

In the event of any defects or shortages in the Goods delivered for which Outokumpu is liable, the Buyer shall give notice to Outokumpu in writing within (i) one week of the Goods arriving at their named point of destination under the Incoterm agreed (the “Destination”) or (ii) within two weeks from the day the Buyer noticed or should have noticed any defect or shortage which was not reasonably possible to detect upon arrival of the Goods at the Destination. If notification is made after the dates stated above or more than one year after the Risk Transfer Date, Outokumpu is not obliged (liable) to perform any remedy or pay any reduction in price related to defects or shortages in the Goods.

6.3 Remedy

In the event of any defects in the Goods for which Outokumpu is liable under these Conditions, Outokumpu shall at its own expense and at its sole discretion either rectify the defect or deliver new and faultless Goods. In the event of a shortage Outokumpu shall deliver the missing quantities. Delivery of new or missing Goods shall be made within the reasonable time it will take Outokumpu to produce new Goods (if needed) and transport it to the Destination. Defective Goods shall be handed over to Outokumpu at the Destination at the same time as any new Goods are delivered.

Instead of correcting a defect or shortage, Outokumpu has the right to reduce/credit the price for the Goods with an amount equal to the price for the missing or defective Goods less the latter’s scrap value.

6.4 Limited liability

Apart from the remedies and compensation expressly set out above the Buyer is not entitled to any compensation or remedies with respect to any defect or shortage in the Goods, except in the event of Outokumpu’s gross negligence.

7 Force majeure

Neither party shall be liable for delay in performing or failure to perform its obligations if the delay or failure results from an impediment outside its reasonable control including war, terrorism, fire, explosion, flooding or other

extreme weather, major machine break down, strikes, lockouts and other labour disputes, trade disputes, refusals to grant licences ("Force Majeure"). Delay or failure by a party to perform its obligations due to Force Majeure shall not constitute a breach of contract with the effect that the affected party is relieved from liability and any other contractual remedy for breach of contract during the time the Force Majeure persists. The time for performance shall be extended by a period equivalent to the time the Force Majeure persists. If Force Majeure persists for more than three months, either party shall be entitled to terminate the Agreement in respect of Goods not yet delivered to the Buyer. In the event of such a termination, neither party will be entitled to any compensation, except that any prepayment for Goods not delivered shall be refunded to the Buyer and any Goods in transit not delivered shall be reverted to Outokumpu.

8 Retention of title

(i) Outokumpu holds the title to the Goods delivered until the Buyer has made full payment for the Goods. (ii) Outokumpu also holds title to the Goods delivered until the Buyer has made full payment of all other monies due from the Buyer to Outokumpu. (iii) Until the title passes Outokumpu has the right to recover any Goods in the Buyer's possession or control to which it holds the title and Outokumpu is hereby given the right to enter any land or building where the Goods are stored to collect such Goods. (iv) If the Buyer processes the unpaid Goods into/or to form part of a new object, Outokumpu is granted title to the new object proportionate to the value of the unpaid Goods in the new object until such time as it has received full payment for the original Goods. (v) If the Buyer sells any unpaid Goods or new object, the Buyer hereby assigns to Outokumpu a proportion of its claim on any third party equivalent to the debt for the unpaid Goods/new object sold. (vi) Each sub clause (i)-(v) above shall have effect as a separate clause and accordingly in the event of any of them being unenforceable for any reason the others shall remain in full force and effect.

9 Payments, GST and overdue interests

Agreed prices are fixed and exclusive of Goods and Services Tax (GST) and any other taxes or duties unless otherwise expressly agreed. If Outokumpu is required pay GST and GST related penalties due to Buyer not providing correct GST number or sufficient evidence of export, the Buyer shall reimburse Outokumpu such costs.

If no payment terms are agreed in writing, the Buyer's

payment under the Agreement shall be made within 30 days from the date of invoice. If Buyer at date of dispatch is not approved for credit insurance by Outokumpu credit insurance company, Outokumpu is entitled to request advance payment or other security as a condition for delivery of the Goods. If the Buyer has not made payment in accordance with the Agreement, the Buyer shall pay overdue interest on the amount outstanding at a rate of 7 percent per annum above the three-month Australian Reserve Bank offered rate, from the due date to the payment date. The overdue interest shall be determined according to the Australian Reserve Bank offered rate quoted on the banking day following the due date and shall be adjusted at three month intervals.

10 Entire agreement

These Conditions, the Acknowledgment with its enclosures and any agreement confirmed in writing, constitutes the entire agreement between the parties (the "Agreement"). The Agreement will supersede all previous and contemporaneous negotiations, commitments and understandings between the parties, whether written or oral, with respect to the Goods covered by the Agreement.

11 Governing law and jurisdiction

The Agreement shall be governed by the laws of the State of Victoria, Australia, excluding its conflicts of law rules and the United Nations Convention on the International Sale of Goods (CISG). Each party irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of the State of Victoria (and any court of appeal) and waives any right to object to an action being brought in those courts.

12 General limitation of liability

Under no circumstances shall Outokumpu or Buyer be held liable for any special, indirect, incidental or consequential loss or damage including, but not limited to, loss of profit, loss of production, lost sales or claims from the Buyer's customer. This limitation, however, does not apply in the event of gross negligence or wilful misconduct.

Outokumpu shall have no liability for any claim whatsoever when notification is made more than one year after the Risk Transfer Date.

13 Assignment

The Buyer may not assign the Agreement without Outokumpu's written consent.