

1. Introduction

These conditions of sale (the “Conditions”) are an integral part of and are incorporated into all offers and agreements for the sale of goods by Outokumpu (the “Goods”). 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. 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 mill, 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 mill (Incoterms 2010) unless otherwise agreed. Risk of loss and damage to the Goods shall pass to Buyer upon such Delivery (“Risk Transfer Date”).

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, provided that the Goods must be delayed more than eight weeks. Cancellation shall be in writing.

5.4 Limited liability

Outokumpu shall not be liable for any direct or indirect damage or consequences 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) on the Risk Transfer Date. The Goods shall only be regarded as defective if the Goods do not meet the specifications set out in Section 4 of these Conditions. EXCEPT AS EXPRESSLY SET FORTH IN THIS PARAGRAPH, OUTOKUMPU MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, WHICH ARE EXPRESSLY DISCLAIMED.

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 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. Outokumpu must be given a reasonable opportunity to investigate and address any defects or shortages in the Goods.

Instead of correcting a defect or shortage, Outokumpu, at its option, 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. In the alternative, Outokumpu also has the right to credit the Buyer the full price for the missing or defective Goods and Buyer shall then, upon request, hand over such Goods to Outokumpu.

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 any cause outside its reasonable control including war, terrorism, fire, explosion, flooding or other extreme weather, major machine break down, strikes, lockouts and other labor disputes, trade disputes, or refusals to grant licenses (“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 and security interest

(i) Outokumpu holds title to the Goods delivered until the Buyer has made full payment for the Goods, and (ii) the Buyer has made full payment of all other monies due from the Buyer to Outokumpu. To secure payment, Buyer hereby grants Outokumpu a security interest in the Goods and any and all proceeds, accounts, contract rights, bond rights, lien rights, instruments, and general intangibles of Buyer, and all other rights of Buyer to the payment of money, arising from any sale or other disposition of the Goods or a portion of the Goods. Buyer authorizes Outokumpu to file financing statements or other documentation covering the Goods as Outokumpu shall deem necessary or desirable to protect its interest in the Goods.

9. Payments, VAT and overdue interests

Prices do not include any present or future value-added tax (VAT) and/or federal, state, or local taxes, tariffs or duties based upon or measured by the sale, use, manufacture or shipment of the Goods covered hereby. All such taxes, tariffs and duties shall be for Buyer's account, and, if paid by Outokumpu, the Buyer agrees to reimburse Outokumpu on demand the full amount thereof, plus overdue interest as stated below in respect of Outokumpu's payment thereof. Agreed prices are exclusive of Alloy Surcharges. Alloy Surcharge will be added in accordance with Outokumpu's surcharge ruling (set out at www.outokumpu.com) at the date of dispatch for each lot of Goods unless otherwise expressly agreed.

If no payment terms are agreed in writing, 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 interest on the amount outstanding at the Prime Rate (as published by the Wall Street Journal), plus 6 percent from the due date to the payment date. In addition, Buyer shall pay all collection costs and expenses, including reasonable attorneys' fees, incurred by Outokumpu in collecting or

attempting to collect any past due account.

If Buyer fails to make payment in accordance with the terms hereof, Outokumpu may, at its option, in addition to any other remedies, cancel any unshipped portion of an order. Buyer shall remain liable for all unpaid amounts.

10. Entire agreement

These Conditions, the Acknowledgment with its enclosures and any amendments agreed 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

The Agreement shall be governed by and construed exclusively in accordance with the laws of the State of Georgia, U.S.A., exclusive of conflicts of laws rules and any rule that would require the application of the United Nations Convention on the International Sale of Goods (CISG), which shall not apply to the Agreement.

12. Disputes

Any dispute, controversy or claim arising out of or in connection with the Agreement, or the breach, termination or invalidity thereof, shall be settled by arbitration pursuant to the rules of the American Arbitration Association (the “AAA”). The location of the arbitration shall be Atlanta, Georgia and the language of the arbitration shall be English.

Notwithstanding the arbitration clause set out above, Outokumpu shall in its sole discretion for the purpose of collecting debts of the Buyer, be entitled to submit any claim against the Buyer in the courts and execution authorities of the Buyer's country of domicile or country where the Goods are located. In such a case the governing law will be the law of the country where the claim is filed.

13. General limitation of liability

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

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

14. Assignment

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