

General Terms of Sale

I. Terms of the Agreement

The following terms and conditions apply exclusively to our deliveries unless no other agreement has been made expressly in writing. Incompatible or conflicting purchasing terms of the purchaser do not apply and are not considered as content of the agreement. Additional terms must be mutually determined in written form. All supplies and services, including those in the future and including any additional services, are in compliance with the following terms and conditions. This also applies to all adjustment transactions. Our offers are without obligation. Images, drawings and brand information are non-binding. The agreement is not valid until the order placed by the purchaser has been confirmed by us in written form or has actually been fulfilled by us. Supplementary agreements are subject to written form in order to become effective.

II. Prices

All prices are net prices without any deduction.

III. Delivery

1. Deliveries are generally ex works. The risk for accidental loss of or damage to the goods passes to the purchaser at the time the goods leave our works. In the event that an agreement has been made to deliver the goods to the customer, the risk for accidental loss of or damage to the goods passes to the purchaser at the agreed place of delivery.

2. Any other terms of delivery deviating from this are to be agreed separately, in which case the respective INCOTERMS apply as amended.

3. The delivery is generally considered to be completed at the time the goods are declared ready for shipment.

4. At the time the goods are declared ready for shipment, the purchaser is obligated to accept delivery immediately. In the event the purchaser does not accept delivery immediately, the risk for accidental loss of or damage to the goods passes to the purchaser and the value of the goods may be invoiced. Thereafter we are solely obligated to store the goods at the risk and expense of the purchaser and will be held liable only for gross negligence.

5. The EURO standards apply as amended to all deliveries. Business practices customary in Austria apply in the event of any doubt to all foreign business transactions.

6. In the event the order does not specify otherwise, the goods are delivered in unpackaged condition.

7. The supplier is responsible for securing the load in accordance with the VDI 2700 -2702 standards and is responsible for supplying the required equipment for securing the load.

IV. Delivery Time

1. Delivery times are generally undefined.

2. The delivery time begins on the day the order is confirmed by us, however not until all details of order completion have been fully clarified. In the event the purchaser is responsible for fulfilling preconditions (such as the provision of documentation, approvals, releases or downpayments) the delivery time does not begin until these preconditions have

been fulfilled. This also applies whenever delivery times and delivery dates have been expressly agreed.

V. Payment

1. The net purchase price is paid by the 15th of the month following delivery, without any deduction. Supplementary agreements are subject to written form.
2. Non-compliance with the terms of payment or other circumstances which are apt to reduce the purchaser's creditworthiness will result in the maturity of all our claims. Moreover, these claims entitle us to effect outstanding deliveries only upon advance payment or security or to withdraw from the agreement and claim damages for non-performance.
3. In the event of payment default, the purchaser is obligated to secure all outstanding receivables through assignment, the issue of pledges or other collateral to be selected by us.
4. In the event of payment default, we will be remunerated 5% interest above the base lending rate of the national bank of each receiving country, but at least 9% p.a.
5. Offset and retention are only permitted against our claims in the event that the purchaser asserts valid and applicable counterclaims.

VI. Reservation of Title

1. The goods remain our property until the respective payment has been received in full. Purchase prices already paid are applied to outstanding debts.
2. All delivered goods remain our property until satisfaction of all claims, including, in particular, the respective balance claims to which we are entitled regardless of the legal basis. This also applies in the event that payments were made toward specially defined claims. In the event of machining or processing, the supplier is entitled to the co-ownership share of the new product in relation to the value of the delivered goods at the value of the processed product. Purchase prices already paid are applied to outstanding debts.
3. The purchaser does not have the right to other disposal of the conditional goods, including but not limited to pledging or transferring them by way of security. Assignment is not permitted.

VII. Warranty

The contractual condition of the goods is determined by the point in time at which the risk is transferred (see Item IV). Claims are issued immediately by the purchaser in written form (fax or e-mail) within 14 days at the latest after arrival of the goods at their final destination.

1. Defects that even upon most careful inspection cannot be detected within this period are promptly reported upon detection, but no later than three months after receipt of the goods. In the event of defects, any processing of the goods is terminated immediately. After expiration of this period, liability for defects, for any reason whatever, are excluded. The purchaser bears the burden of proof for any defects already evident at the time of transfer and receipt.
2. In the event the delivered goods are defective or if defects occur within the warranty period, the purchaser has a right to claims for repair or replacement within an appropriate period of time. Further claims, particularly with regard to reduced price, regardless of the legal basis, do not apply to the extent that this was not previously agreed upon. Further claims to damages are limited to direct damages and may not be asserted by the purchaser

unless gross negligence or malice can be proven by us or our subsupplier. Claims for damage resulting from defects are not accepted.

3. In the event the purchaser does not provide us with the opportunity to inspect the defect, all claims to damage are null and void.

4. Claims expire one month at the latest after written rejection of the claim by us.

5. Declassed material (IIa-Material) and special goods sold at special prices may be inspected by the purchaser prior to shipment. Warranties are excluded for declassified material or special goods.

VIII. Product Liability

Our liability is exclusively limited to the agreements stipulated in the above items and specifically does not include claims to damage resulting from defects (especially resulting from production downtime or interruptions to operations), lost profit, non-achieved savings, interest losses or pure financial loss, irrespective of the legal basis. Liability is limited to the material value of the delivery that led to damage. The afore-mentioned limitations to liability are not applicable in the event of personal injury or death, physical integrity or the physical health of a human being.

IX. Reservation of Supply

Our delivery obligation is subject to the correct and punctual supply of materials to our works. Any event that impedes a delivery or makes it impossible for us to deliver on time will entitle us to stop delivery for the duration of the impediment in addition to a reasonable grace period or to withdraw totally or partly from the agreement with respect to the unfulfilled portion.

X. Force Majeure and Similar Events

Events of force majeure, such as strikes, major operational interruptions and any other circumstances which make it considerably more difficult or impossible to effect delivery, regardless of whether these occur in our operations or in the operations of our subsuppliers, entitle us to stop delivery for the duration of the impediment in addition to a reasonable start time or withdraw from the agreement with respect to the unfulfilled portion. The purchaser reserves the right to demand an explanation from us whether we intend to withdraw or deliver within a reasonable period of time. In the event we fail to present an explanation, the purchaser is entitled to withdraw from the agreement.

XI. Data Security, Change of Address, Copyright

a) Customers agree that all the data transmitted to us in the course of our business relationship may be used by us. Changes to the residential or business address are to be reported immediately to us. Information sent to the customer's most recently known address is considered to be received.

b) Drawings, sketches and other technical documentation, samples, catalogs, brochures, images and the like remain our property. Customers are not granted any usufructuary or exploitation rights.

XII. Impossibility, Contractual Penalty

a) Our liability and obligation expire in the event that our performance becomes completely or partially impossible for reasons not attributable to us or our subsuppliers, particularly

when based on force majeure, including strikes and major interruptions to operations. In the event that we are temporarily prevented from fulfilling our full obligation, we are entitled to withdraw from the agreement with respect to the unfulfilled portion.

b) In the event that a customer opts to withdraw from or terminate the agreement without any entitlement, we decide whether we insist on continuation of the agreement or agree to terminate the agreement. In the latter case, the customer is obligated at our request to pay a lump-sum compensation amounting to 15% of the gross invoice balance or the actual amount of the incurred damage, even in the event that no fault is attributed to the customer.

XIII. Place of Performance

The place of performance is A-4020 Linz.

XIV. Applicable Law, Place of Jurisdiction

This agreement is subject to Austrian material law to the exclusion of the UN Conventions Relating to a Uniform Law on the International Sale of Goods. All disputes arising from the subject agreement, specifically those related to effectiveness, execution and interpretation, are judged by the legally competent court in A-4020 Linz.

XV. Replacement of Cost

The purchaser commits to repay the extrajudicial pre-trial recovering charges in the event of default to voestalpine Anarbeitung GmbH.

XVI. Severability

In the event that individual provisions of this agreement become invalid, the remaining content is not affected. The provision that has become ineffective is replaced by the respectively applicable dispositive law. In the event that such a law is not available, the provision is replaced by the customary business practice or commercial custom at our headquarters. Contractual loopholes in the agreement are filled in the same manner.

voestalpine Anarbeitung GmbH

(April 2005)