

CONDITIONS OF PURCHASE

Our (purchase) orders are exclusively subject to the following conditions unless something deviating has explicitly been agreed between us and the client in writing.

1. Purchase order

The contractual relationship between the client and contractor is based on our purchase order. Acceptance of each purchase order shall be acknowledged by the contractor in writing on the enclosed acknowledgement of order without repeating the text of the purchase order. If the contractor starts to execute the order within 14 days – as counted from the date the purchase order was sent – the purchase order will be deemed accepted without reserve even without an acknowledgement of order. Deviations from the text of the purchase order in technical or commercial terms shall be stated on the acknowledgement of order and require our written recognition to become legally effective, just like later supplements made by the contractor. The contractor's terms of delivery shall only apply if they have explicitly been recognised by us in writing.

2. Prices and packaging

In default of other agreements, passing of costs is subject to INCOTERMS 2010 while pricing must be based on fixed prices. Domestic prices are net prices without VAT. Except for special requirements, the goods will have to be packed in a manner that is customary in trade and commerce, expedient, rational and perfect. Unless agreed differently, loading agents and packaging material will have to be disposed of appropriately. Returns shall be made at the contractor's risks and costs and expenses. Passing of title shall be simultaneous to passing of costs defined according to INCOTERMS 2010.

3. Delivery time

Dates and times for delivery shall be kept strictly. In case of earlier delivery, the times for payment will not start until the date agreed originally. In the event of delay in delivery, even relating to part of the delivery, we shall be entitled to declare repudiation of the contract relating to the delivery as a whole or the outstanding part or continue to demand fulfillment without granting a grace period. In case of premature delivery without our consent, we reserve the right to charge the commensurate costs (storage rent, etc.) to the contractor's account.

Foreseeable delays in delivery shall be communicated to us while stating the reasons immediately and notwithstanding our legal claims. In the event of predictable delays in delivery, above all also in the event intermediate dates are exceeded, we shall be entitled to provide replacement at the contractor's costs and expenses and while maintaining further claims while granting a grace period. Furthermore, we shall be entitled to deduct or demand a penalty to the amount of 1% of the basic value of the purchase order but no more than 10% for each week of exceeding of the date that has started. Asserting damage going beyond the penalty or other claims remains reserved beside or instead of the penalty. Dates for delivery shall not be deemed fulfilled until all the required documentation (e.g. technical inspection and test documentation) has been delivered completely.

4. Shipping

Unless shipping arrangements or shipping conditions have been specified, the contractor shall choose the shipping mode that can guarantee us that the dates can be kept and is most cost effective. In case of consignments with critical dates, our Purchasing Department shall be consulted before a special transporting measure (e.g. air freight, express service) is taken. Unless specified differently in the purchase order, the following delivery conditions shall apply:

At home:	FCA named place acc. to INCOTERMS 2010
Abroad:	FCA named loading point acc. to INCOTERMS 2010 cleared for export

Furthermore, a commercial invoice (in two copies) and valid evidence of preference (such as attestation of movement of goods or certificate of origin) shall be enclosed or stapled to the freight papers. Shipping advice (delivery notes, delivery messages, packing slips, lists of packing items, original bills of lading) shall be sent to the address named in the text of the purchase order upon departure of the consignments and enclosed to the freight bill without stating the value or, in case of forwarding consignments, handed over to the forwarding agency with the remark "Destined for the recipient".

The complete order number and the stated loading point shall be clearly visible on the freight bills, the delivery papers destined for the recipient and the packing items themselves (marking, sticker).

On all the shipping papers, invoices, etc., the overall weight (gross and net weight) shall be stated. If a contract position number occurs on the purchase order, it will have to be stated on each document and all the delivery papers.

In case of deliveries out of EU-countries, the customs will be made by the recipient with e-Zoll. On the delivery note, the ARA License Number (Austria Recycling Agency) shall be stated. In case of packaging material that is not licensed, the type and mass of the packaging material shall be indicated (in kg).

Costs and expenses for transport insurance will only be borne by us if this is agreed explicitly. Incidental expenses, which are neither regulated in agreements nor in INCOTERMS 2010, shall be borne by the contractor.

For the rest, the shipping and packaging guidelines and directives and rules or additional burdens relating to customs, which separately serve as a basis, are deemed integral part of the Conditions of Purchase.

If our requirements relating to shipping, packaging, customs clearance or documentation are not kept, all the resulting risks, damage and costs and expenses shall be borne by the contractor while the due date for paying the invoice will correspondingly be postponed until the requirements have been met or missing documentation has been submitted.

5. QUALITY MANAGEMENT

The contractor's quality management system must be capable of fulfilling the technical specification to be applied to the business transaction and specified quality safety standards. Upon request, the contractor shall have reviews of the contractor's quality management system conducted without being relieved of the contractor's responsibility for the quality of the contractor's products.

All the required quality documentation forms an important part of the delivery. Therefore, delayed provision of this documentation will have the same effects on payment, penalty and our further claims as delay in delivery of the goods themselves.

6. VOESTALPINE - CODE OF CONDUCT

The contractor acknowledges the code of conduct for voestalpine business partners, which is enclosed as an annex, and undertakes to observe this code of conduct.

6. Safety regulations

The latest Material Safety Data Sheet, which has been created acc. to 93/112/EC or, at least, 91/155/ECC, shall be enclosed. This sheet forms a part of quality documentation.

If it is not possible to deliver a Material Safety Data Sheet with the goods, the handling, storage, risk and disposal hints shall be delivered with the goods in writing.

7. Warranty

As for defects of the delivery, the warranty period will be two years from commissioning or start of use unless agreed differently. If the contractor fails to meet the contractor's obligations within the period necessary for us, we shall, notwithstanding our other rights, be entitled to eliminate defects or damage ourselves or have them eliminated by third parties at the contractor's costs and expenses. The contractor's obligations won't be affected by this. Notification of defects is deemed given in due time as follows:

(a) up to six weeks upon takeover in case of open defects;

(b) up to six weeks upon detection in case of hidden defects

As for goods that are usually kept packaged until their use, defects that do not become visible until the goods are taken out of packaging are deemed hidden defects. Upon substitute delivery and repair, the warranty period will start again.

8. Liability

Exclusion of the contractor's liability for negligence, consecutive damage and any restriction in case of product liability won't be accepted by us, in any case. The contractor pledges 12 years upon delivery to hold us harmless of any third-party product liability claims, name the respective manufacturer, importer or the party that has delivered the product to the contractor upon our request and to provide us with all the documentation helping to avert third-party product liability claims in due time. Furthermore, the contractor pledges to provide us with all the documentation enabling us to meet any additional burdens relating to the environment.

9. Invoicing

Invoices shall be presented in four duplicates while copying the delivery message or delivery note while invoices for building work shall be presented in five duplicates. On the invoice, the order number, order item, allocation to accounts, partner number with us, etc., shall be stated. In addition, invoices for services shall be provided with acknowledgements of service. Notwithstanding this, Art. 4 shall apply to consignments to be declared.

In case of domestic business, the invoice shall be presented while stating the VAT percentage and openly stating the VAT amount in principle, i.e. even if the invoice value is below € 150,-. The invoice shall be addressed to us. In case of different addressing, the invoice will not be deemed entered if it is received by us.

10. Payment

Unless agreed differently, we will make the payment within 45 days upon receipt of the invoice and adequate delivery/service with a discount of 2% or within 90 days net and, at our discretion, in cash, in an own 3-month acceptance or change of customer. We reserve the right to prolong our acceptance for additional 3 months.

The contractor agrees to a compensation of claims and accounts payable of any kind. This right for compensation shall also apply to claims and accounts payable of companies belonging to the same company group as the client (voestalpine Group). Assignments of the supplier claims shall only be admissible with our explicit written consent. Cash-on-delivery consignments won't be accepted (except for written special agreements). Complaints about the delivery/service shall entitle us to retain due payments.

11. RFQ's (Requests for Quotation), purchase-order documentation, secrecy

All the enclosures to our RFQ's or purchase orders (e.g. plans, patterns or models) will remain our property and must not be used for different purposes without our written approval. This documentation shall be returned to us without being asked along with the quotations or after the purchase order has been carried out. Use of the purchase order for advertising purposes is not allowed.

The purchase order and all the relevant data, documentation, etc., shall be treated confidentially as our business secrets. Based on our RFQ, no remuneration will be granted for elaborating quotations, plans, etc. Handling in the quotation implies the consent that technical RFQ documentation, etc., can be made available to engineering partners, etc., for purposes of technical review, secrecy and transferability being guaranteed and there being no right to put claims on us. RFQ documentation won't be returned.

12. Other

(a) We reserve the right to ourselves, the final buyer and/or the final buyer's inspection bodies to conduct reviews relating to schedule effectiveness and technical in-process and final inspections (even packaging reviews) in the contractor's offices, production sites and storage rooms at any time during design, planning, production and preparation for delivery and to reject nonconforming documentation as well as insufficient material. These reviews and inspections do not relieve the contractor of the contractor's responsibility.

(b) Possible sub-suppliers, except those for standard parts, shall be named, and we shall be asked to approve them.

(c) The contractor shall hold us harmless of any claims arising from third-party patents, brands, patterns, copyrights and other rights, which are connected with the purchase order.

13. Place of jurisdiction

The place of jurisdiction is the technically competent court in Vienna. The contractor shall be obliged to acknowledge the existence of this agreement about the place of jurisdiction towards us upon our request and at any time. However, we shall also be entitled to bring an action against the contractor on the contractor's general place of jurisdiction.

14. Applicable law

This agreement as well as the ordering process as a whole are exclusively subject to Austrian right.

15. Correspondence

In correspondence, the complete order number (or RFQ number) as well as reference symbols and date of preliminary correspondence shall be stated. Inquiries shall exclusively be addressed to US.



Code of Conduct for voestalpine Business Partners

This Code of Conduct defines the principles and requirements voestalpine imposes on its suppliers of goods and services and on business intermediaries, advisors, and consultants and other business partners. These principles and requirements are based on voestalpine's Code of Conduct and on the principles set forth in the UN Global Compact.

Compliance with the legal regulations

- The Business Partner undertakes to comply with the legal regulations of the applicable legal system(s).

Fair competition

- The Business Partner undertakes not to restrict free competition and not to infringe on national or international antitrust law rules.

Prohibition on active or passive corruption/prohibition on granting benefits (e.g., gifts) to employees

- The Business Partner undertakes that it shall not tolerate any form of active corruption (offering and granting benefits; bribery) or passive corruption (demanding and accepting benefits), nor shall it collude with such conduct in any manner whatsoever.
- The Business Partner undertakes that it shall not offer gifts or other personal benefits (e.g., invitations) to voestalpine employees or their close family members, where the total value of such benefits and the specific circumstances create the impression that a particular action is expected from the recipient of the benefit in return. The question of whether this is the case will depend on the specific circumstances of the individual case.

Gifts of de minimis value and hospitality falling within the range of what is customary in business will, in any event, be permissible.

- The Business Partner furthermore undertakes that it shall offer customary market prices to employees procuring goods or services for their own personal use, and/or that it shall only grant rebates or other price reductions if they are granted to all voestalpine employees.

Respect and integrity

- The Business Partner hereby undertakes that it shall respect and comply with human rights as fundamental values on the basis of the European Convention for Human Rights and the UN Charter. In particular, this applies to prohibitions on child labor and forced labor, equal treatment of all employees, and the right of employee representation and collective bargaining.
- The Business Partner furthermore undertakes that it shall assume responsibility for the health and safety of its employees.

Supply chain

- The Business Partner will appropriately promote compliance with the substance of this Code of Conduct by its own business partners.