

General Terms and Conditions of Sale

of voestalpine Wire Austria GmbH
voestalpine Wire Rod GmbH
voestalpine Special Wire GmbH

version January 2015

Scope (1)

(1) Unless otherwise explicitly agreed in written by voestalpine Austria Wire GmbH, voestalpine Wire Rod GmbH and voestalpine Special Wire GmbH, all deliveries and/or services of these voestalpine companies are provided exclusively on the basis of the following General Terms and Conditions of Sale.

General conditions (2)

- (1) Our General Terms and Conditions of Sale, latest version, also apply to future business and to follow-up orders in the case of ongoing business relationships.
- (2) The customer's General Terms and Conditions of Sale as well as his own contract contents that are not in line with these General Terms and Conditions of Sale are deemed invalid, even without our explicit objection, irrespective of the way they have been made available to us.
- (3) The contracting parties agree to confirm any oral agreements in written without delay. We shall only be bound by any deviating counter-confirmations of the customer when these have been acknowledged by us in written. Silence or non-objection on our part shall under no circumstances constitute an acceptance by us. Any instructions on the part of the customer must be explicitly acknowledged by us in written.
- (4) Our written order confirmation is the sole confirmation as regards the content and scope of our obligations.
- (5) Changes or amendments to the contract, or order cancellations or suspensions are only binding with the written agreement of both parties. Any expenses or disadvantages resulting thereof shall be for the exclusive account of the customer, unless otherwise agreed.
- (6) All our offers are non-binding and subject to confirmation. All prices are net prices in Euro excluding applicable VAT, unless we are in possession of a VAT-conform tax exemption.
- (7) Unless otherwise stated, all offers, place of performance and prices are on an EXW basis, Incoterms 2010, excluding packaging, insurance and transportation.
- (8) Deviations of plus or minus 10% from the total order quantity for reasons of production are accepted. Depending on the volume, the purchase price shall change accordingly.

Payment conditions (3)

- (1) Unless our offer indicates otherwise, our invoices, including those for part deliveries, become due 30 days after the date of the invoice. We reserve the right to cancel the terms of payment.
- (2) In cases of default, we will charge interest on default of 8 % above the applicable base rate of the European Central Bank. In cases of default, the customer is obliged to pay all costs for dunning and legal collection as well as the fees for legal advice.

Delivery Periods (4)

- (1) The customer is obliged to accept the goods supplied on the contractually agreed delivery dates.
- (2) Our liability for goods not delivered on time is explicitly limited to those cases in which we have confirmed the shipping date in written.
- (3) Whenever we determine that the goods cannot be delivered within the delivery period, we will inform the customer without delay and indicate the expected new delivery date.
- (4) The customer is only entitled to withdraw from the contract when the delay in the delivery date is attributable to gross negligence on our side and he has unsuccessfully conceded us a reasonable period of grace. The withdrawal from the contract must be notified by registered letter. All further claims against us for delivery delays are hereby excluded.

Retention of Title (5)

- (1) The goods supplied shall remain our property until the total purchase price, including VAT and all other accumulated expenses such as interest on arrears, dunning and collection expenses as well as legal fees have been paid.
- (2) The customer may only re-sell goods which are subject to retention of title within his normal business activities. The customer is not entitled to dispose of these goods in any other way, such as pledging them or offering them as security. In the event that a third party infringes our rights related to the goods subject to retention of title, the customer shall take all necessary steps to safeguard our rights.
- (3) The customer herewith assigns to us as security for our claims against him, all claims that he has against his customers and that are related to the sale of the goods that are subject to retention of title. Upon our request, which shall not be refused at any time, the customer must inform his customer of such assignments, provide us with all information related thereto and hand over to us the entire documentation required for asserting our claims. The customer is only entitled to collect receivables from the sale of such goods in cases where we have not reserved the right of collection for ourselves.
- (4) The customer is entitled to adapt or process the sold goods. We remain co-owners of the adapted or processed goods to the degree which the goods

subject to retention of title represent in proportion to the value of the end product.

Warranty (6)

- (1) In cases in which the buyer is entitled to notifications of defects, these notifications must be given within 14 days after the delivery of the goods. Defects that cannot be detected within this period, even by careful inspection, must be notified in written immediately after their detection, and the adaptation or processing of these goods must be immediately terminated. The notification of defects must be suitably documented.
- (2) The warranty period for the goods is six months from the date when the risk has transferred to the customer. This period also applies to hidden defects. The period of assumption in accordance with Section 924 of the Austrian Civil Code (ABGB) does not apply. We reserve the right to rectify the claim on warranties, at our discretion, by improvement, by exchange or by price reduction, dependent on the extent that the goods show defects. All ancillary costs in connection with the rectification of defects (cost of fitting and removal etc.) are for the customer's account.
- (3) When the customer raises a timely claim for defects, the customer shall concede us a suitable period of time to inspect the defective goods and/or services to the extent necessary from the moment we have requested to do so. The defective goods and/or services shall be placed at our disposal for inspection upon request. We do not accept any lump sum payments in connection with claims, damages or sorting.
- (4) Minor deviations in quality, form, colour, weight or design, or that are technically unavoidable, or in line with commercial practice are not deemed defects and may not be claimed against. The same applies to deliveries based on samples and specimens.
- (5) Unless otherwise contractually agreed, we do not warrant or accept any liability for the characteristics or the usability of the goods and/or services for specific purposes other than those explicitly agreed to by us. The risk of use and suitability lies entirely with the customer.
- (6) In the case of commissioned work and to the extent permissible by law, we are only liable for defective workmanship up to the amount of the invoiced cost of labour.
- (7) There are no warranty obligations when the defects are attributable to normal wear and tear, improper handling or storage on construction sites, insufficient maintenance, unusual environmental impact or transport damage.

Liability (7)

- (1) We accept no guarantee and no procurement risk, unless we have explicitly agreed in a specific case in written, to accept such a guarantee and/or such a procurement risk.
- (2) To the extent permissible by law, joint and several liability, irrespective of its legal grounds, is limited to the total net value of the order of the individual shipment related to the damage (excl. any surcharges for transport, packaging, storage or duties).
- (3) We are not liable for slight negligence. In the event of gross negligence, the payment of consequential damage, pure economic loss, indirect damage, compensation for loss of profit, compensation for recalls in the automotive industry, compensation for preliminary work as well as, for example, loss of use, lost output or lost contracts as well as claims of third parties against the customer are excluded. Claims on the grounds of gross violation of non-contractual duties, especially in connection with advisory duties or disclosure, are also excluded.
- (4) All claims become time-barred 6 months after the damage and the tortfeasor have become known, but no later than 3 years after delivery.

Force Majeure (8)

- (1) Events of force majeure that include, amongst others, natural catastrophes, non-delivery of input material, breakdown of machinery, interruption of operations of any kind, strike, lockout in one's own company or in companies related to the performance, or hindrances due to official directives or sanctions by international authorities, as well as any causes that would make the delivery unreasonably difficult or impossible, relieve us, taking the severity of their impact into account, from our duty to perform for the duration of these events, or entitle us to withdraw from the contract entirely or from that part that has not yet been fulfilled, without the customer having the right to raise claims against us.

Export controls (9)

- (1) Our goods and services are supplied with the provision that their delivery is not impeded by national or international regulations, especially export control regulations such as embargos or other sanctions.
- (2) The customer commits to not selling the products to third parties whom he has reason to assume will disregard such regulations or circumvent them.
- (3) The customer commits to not using the goods, either directly or indirectly, in any way in connection with the development, production, handling, operation, maintenance, supply, detection, identification or dissemination of chemical, biological or nuclear weapons or other nuclear explosive devices or the development, production, maintenance or storage of missiles capable of delivering such weapons, unless he holds the required official licenses for these purposes.

- (4) The customer shall be liable to the fullest extent for any damages resulting to us from any culpable non-compliance with the European, Austrian or US (re)export regulations by the customer and release us from any liability towards third parties.
- (5) Our offers (contract, order confirmation) and the fulfilment of the contract are subject to us obtaining all required export or transfer licenses or any other permits in connection with export regulations or releases from the relevant authorities and to there not being other legal obstacles in connection with export regulations that would hinder either us as exporters or shippers, or any of our suppliers.

Place of jurisdiction and applicable law (10)

- (1) The place of performance of our goods and services is the respective location of our plant and the exclusive place of jurisdiction is agreed to be Leoben.
- (2) However, we are also entitled, at our discretion, to initiate legal proceedings against the customer at his legal domicile. The customer is obliged to refund any dunning and collection expenses as well as those relating to pre-litigation. Incoterms 2010 and Austrian law under the exclusion of international conflict of law rules as well as of the United Nations Convention on Contracts for the International Sale of Goods (Federal Law Gazette 1988/96) apply.
- (3) If one or more of the provisions are ineffective, the other provisions remain binding.