

**1. GENERAL INFORMATION**

1.1. The present General Sales and Delivery Terms (hereafter referred to as "the GSDT") define the rights and obligations of the company ERASTEEL SAS, its subsidiaries Erasteel Champagnole SAS, Erasteel Commentry SAS, Erasteel Kloster AB, Eramet Alloys UK and Erasteel Stubs Ltd (hereafter referred to as "the Vendor") and its clients (hereafter referred to as "the Purchaser"), and apply to all contracts between the parties concerning the sale of products and/or services. Consequently, the present GSDT may not be modified by any stipulations to the contrary contained in the Purchaser's documents, regardless of the wording, without the Vendor's express, written agreement.

**2. THE CONSTITUTION OF THE CONTRACT OF SALE**

- 2.1. The Purchaser is solely and entirely responsible for ensuring that his order is subject to a technical schedule of conditions detailing the various specifications of the Product to be defined, the items to be produced, or any other information vital to the production of the Product.
- 2.2. Except in the event that another validity period is expressly defined in the Vendor's proposal, the said proposal is only considered firm and irreversible for a period of one month as from its date of issue.
- 2.3. Each proposal is considered as being issued for an indissociable group of products/services, with regard to the various Products detailed in the proposal.
- 2.4. Any order sent to the Vendor and referring to his latest proposal will only be considered binding upon the Vendor if the order in question conforms to the said latest proposal.

**3. JURISDICTION – APPLICABLE LAW**

- 3.1. Any party to this contract shall have the right to have recourse to and shall be bound by the pre-arbitral referee procedure of the International Chamber of Commerce in accordance with its Rules for a Pre-Arbitral Referee Procedure.
- 3.2. All disputes arising out of or in connection with the present contract shall be finally settled in Paris and conducted in English under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules of Arbitration, the law of procedure being French law.

**4. DELIVERY LEAD TIMES**

- 4.1. The delivery lead time will begin as from the date on which the order is accepted by the Vendor.
- 4.2. In situations in which it has been arranged that the Purchaser should approve the production programme, the lead time will begin from the moment that the Vendor is notified of this approval by the Purchaser.
- 4.3. Moreover, the Vendor will automatically be released from all commitments concerning delivery lead times and deadlines if the Purchaser fails to supply the Vendor with the required information within the necessary time frame.
- 4.4. If the Purchaser is unable to physically take possession of the products on the agreed date, the Vendor may act as a custodian for these, subject to payment by the Purchaser of the storage charges, without this in any way modifying the payment terms detailed in Article 9 below. These costs will be equivalent to twice the Euribor 1 month interest rate, and will be payable as compensation for the delay in payment for the Products and the storage of the said Products.

**5. TRANSPORT**

- 5.1. Except in the event of stipulations to the contrary agreed with the Purchaser, the Products will be delivered "Ex Works" as per INCOTERMS 2000.
- 5.2. In the absence of instructions concerning the delivery destination, or in the event that shipment of the Product is found to be impossible for causes outside the Vendor's control, the delivery will be considered to have been carried out simply by making the products available for collection. The items will then be stored at the Purchaser's risk, with the Vendor reserving the right to bill the Purchaser for storage costs.

**6. THE TRANSFER OF RISKS**

- 6.1. The transfer of risks takes place at the time of delivery.
- 6.2. With the exception of cases of DDP delivery (INCOTERMS 2000), the products will travel at the Purchaser's risk, and it is the responsibility of the latter to submit any claims against the carriers, whether or not the latter have been appointed by the Vendor. This may not result in liability being incurred by the Vendor.

- 6.3. Unless the Purchaser has requested otherwise, the shipment of the Products on behalf of the Purchaser will be carried out via the means of transport considered by the Vendor to be best suited to the Products in question. This may not result in liability being incurred by the vendor.

**7. LATE DELIVERIES**

- 7.1. The contractual delivery lead times may be extended for any reason making it impossible for the Vendor to fulfil his obligations, and particularly in cases of force majeure. For the purpose of the present GSDT, the term "force majeure" refers to any event over which the Vendor cannot reasonably exercise control, including among others strikes, embargoes, tooling accidents, riots, war, natural disasters, or fires, etc., in addition to similar incidents such as poor weather conditions, supply difficulties, accidental stoppage of production, and unforeseeable changes in the market, etc.
- 7.2. Except in the case of other, explicit definitions being agreed, the Parties agree that the term "late performance penalties" or any other similar term, when specified, refers to compensation for losses suffered following late delivery.
- 7.3. In the event of delays concerning the delivery of a product, in cases in which a penalty clause has been agreed between the Parties, this may only be applied to the Products affected by this delay.
- 7.4. With regard to losses following a late delivery, the Vendor formally limits his liability to any possible late delivery penalties which may have been agreed with the Purchaser.
- 7.5. Under no circumstances may a late delivery be used as grounds to justify the cancellation of the order.

**8. PRICES**

- 8.1. All prices are: net, and exclusive of tax and various duties, for Products made available unpacked in our factory. All duties and taxes which the Vendor is required to pay on behalf of the Purchaser will be re-invoiced to the latter. The packaging, all handling costs, land, sea or air transport, boarding charges, insurance and miscellaneous costs will be invoiced as extras.
- 8.2. Unless stipulated to the contrary in the terms of the acceptance of the order, the prices are EX WORKS, as per Incoterms 2000 C.C.I.
- 8.3. Any increases in duties, taxes and stamps following the conclusion of the contract will be borne by the Purchaser, even in the case of "duty paid" sales.
- 8.4. Unless stipulated to the contrary, prices may be revised in order to take account of variations considered as being beyond the Vendor's control, including among others variations in the market price of raw materials, energy costs, and labour costs occurring between the dates on which the prices are drawn up and the contractual delivery dates.

**9. PAYMENT**

- 9.1. Except in the event of stipulations to the contrary, detailed among others on the proposal, the prices are payable either net, at 30 days from the invoice date, or subject to a discount of 0.3% per month for early payment.
- 9.2. The Vendor reserves the right to transfer his receivables to a factoring company.
- 9.3. The payment method and the terms concerning the payment of any possible down payments must be subject to an explicit agreement to the contract.
- 9.4. In all circumstances, the Vendor reserves the right to demand that the Purchaser pays by bank transfer or by an accepted and domiciled bill. The Vendor accepts payments by promissory notes in application of article L.512-8 of French Commercial Code.
- 9.5. The Vendor reserves the right to demand payment by cheque at the time the Products are delivered in the event that the Purchaser already has debts due for payment to the Vendor or presents any risk of insolvency.
- 9.6. The non-payment of a fraction of the price at its payment due date or a failure to meet any payment due date will automatically lead to all outstanding sums immediately becoming due, whatever their nature (even if drafts have already been issued for these), and the retention of both the down payments received, and the tooling and items in the Vendor's possession until payment in full of the sums due.
- 9.7. As a penalty clause, and in application of French law number 2008-776 dated August 4, 2008 (art.441-6 al.8 of French Commercial Code), the purchaser will be required to pay a penalty in the event of late payment, calculated via the application of 3 times the legal interest rate in effect to all sums remaining due, with this penalty payable on the day following the payment date shown on the invoice, and with no reminder being necessary.

**10. RETENTION OF TITLE CLAUSE**

- 10.1. The transfer of the delivered products will only take place after the payment in full of both the main sum and the accessory charges, in conformity with EX WORKS, as per Incoterms 2000 C.C.I. This clause in no way prevents the transfer of the risks of loss and deterioration of the Products sold to the Purchaser at the time of delivery, in addition to any losses which they may themselves cause.
- 10.2. Should the Purchaser fail to make any of his payments on the payment due dates, the Vendor will be entitled to demand the return of these Products or of any product of the same type and same quality held by the Purchaser.

- 10.3. Should these Products be recovered by the Vendor, the Purchaser will be credited for the price of the said Products, following the deduction of sums corresponding to the costs arising as a result of the recovery of the Products, and additionally any possible reduction in the price of the Products between the date of the contract and the date of their recovery.
- 10.4. For as long as the ownership of the Products has not been transferred to the Purchaser, the latter agrees that he will not use the products in question as surety vis-à-vis any third party, and will not sell them without the prior agreement of the Vendor.
- 10.5. As the transfer of risks takes place at the time of delivery, the Purchaser is required to support the Vendor fully if the latter finds it necessary to protect his right of ownership. The Purchaser agrees to insure the products on the Vendor's behalf against all risks to which they are exposed or which they themselves may pose following delivery. Except in the event that the Products become unidentifiable following activities which form a normal part of the Purchaser's business operations, the latter agrees to store the Products in such a way that they may not be confused as being the property of the Vendor.

#### **11. GUARANTEE AND CIVIL LIABILITY**

- 11.1. The Vendor's liability is limited to the production of the Products in conformity with the drawings and requirements of the schedule of conditions agreed between the parties.
- 11.2. The Vendor's liability under no circumstances extends to the design work for the items, with the Purchaser retaining full liability regarding the industrial results of a Product. Any liability concerning errors or omissions with regard to the specifications detailed in the schedule of conditions will be incumbent upon the Purchaser. Unless expressly agreed otherwise in writing, all liability regarding the choice of the Product is incumbent upon the Purchaser.
- 11.3. In all circumstances, the Vendor's liability is limited to the replacement of the substandard Product shipped carriage paid. Under no circumstances will the Vendor be considered liable for any consequential or indirect losses of any kind including among others loss of profit, loss of production, or trading losses originating or resulting from the present agreement.
- 11.4. All repairs to the products performed without the Vendor's agreement, even if the said products are considered as defective, will automatically result in the loss of all guarantees in addition to a renunciation of any claims or legal action against the Vendor.

#### **12. QUALITY – QUANTITY – WEIGHT**

- 12.1. Except in the event that it is agreed that prices will be based on the number of items, the Products are sold by weight, and all quantities will be invoiced based on weight records.
- 12.2. Any contestation based on another means of measuring quantity will be inapplicable to the Vendor.
- 12.3. Whether the delivery has been agreed in terms of weight or length, or in numbers of bulk items, the Vendor reserves the right to deliver a quantity varying significantly from that shown on the order, without the said variation exceeding +/- 10%.

#### **13. REACH**

- 13.1. Pursuant to REACH Regulation no.1907/2006, the Purchaser undertakes to communicate to the Seller, in writing, all the Utilizations contemplated by the Purchaser itself, identified by its own clients or, as the case may be, by Downstream Users. To this end, the Purchaser shall provide at least a brief general description of each Utilization, so as to contribute to the preparation of any Registration application and Safety Data Sheets. Should the Purchaser fail to do so, the Seller shall not be held liable, on any grounds whatsoever, for not taking into account a given Utilization in view of such Registration or of the preparation of Safety Data Sheets.
- 13.2. The Seller handles, or will handle, the process of Pre-registering and/or Registering the Substances contained in or composing the goods it produces or imports with the European Chemicals Agency, taking into account the Utilizations identified by the Purchaser and communicated to the Seller.
- 13.3. The Seller shall make its best effort to ensure, within the limit of its REACH obligations, that the Substances contained in or composing the goods produced or imported by its own suppliers are or will be Preregistered and/or Registered by its own suppliers within the required time periods, and taking into account the Utilizations identified by the Purchaser. In any event, the Purchaser may not, in any event, seek to hold the Seller liable for any failure by its suppliers to fulfill their obligations under the REACH regulation which may cause the Seller to be temporarily or permanently incapable of supplying the goods.
- 13.4. If a Substance contained in or composing the goods sold becomes subsequently subject to an Authorization or Restriction, the Seller shall so inform the Purchaser. The Seller and the Purchaser shall come together as quickly as possible to analyze the availability of replacement solutions, to examine any risks they entail as well as their technical and economic feasibility, and to contemplate what future consequences this should have on the contract (whether to continue its performance, whether the client will be able to continue the Utilization). In any event, the inability to continue performing the contract, whether temporarily or permanently, due to a Restriction or absence of Authorization of the Substances contained in or composing the goods produced or imported by the Seller or by one of its own suppliers, shall be deemed an event of force majeure.
- 13.5. The capitalized terms referred to above shall have the meaning ascribed to them by REACH or by the present GTSD.

**14. ACCEPTANCE – RETURNS – COMPLAINTS**

- 14.1. The Purchaser is considered to have accepted the Products within a period of 15 days as from the date of the physical delivery. Following this deadline, in conformity with Article 1642 of the French Civil Code, the Purchaser is considered to have accepted any possible visible defects affecting the Product.
- 14.2. All complaints must be sent to the Vendor's sales manager with responsibility for handling the Purchaser's account, or to the quality manager at the factory which has delivered the Products. All Products returned by the Purchaser must be sent to the Vendor's factory which delivered the Products. All risks related to the return of the Products will be borne by the Purchaser, until the Products in question have finally arrived at the Vendor's factory.
- 14.3. Both parties should be involved in work to ascertain the defective nature of the Product. Should the Product be found to be defective, the Vendor reserves the right to resolve the problem based on one of the following three methods: a/ by replacing the defective products in the Purchaser's factory, or b/ by means of repairs carried out by the Vendor in his factories, or c/ by means of a refund of the invoiced price paid by the Purchaser for the Product recognised as being defective. In scenarios b/ or c/, the Product replaced or refunded will become the property of the Vendor if required.
- 14.4. The Company shall not be liable for any claims for less than one percent (1%) of total delivery quantity or 10Kg minimum weight, whichever is the greater.
- 14.5. any discrepancies in weight unless the Buyer shall have given to the Company a written notice thereof within five (5) days after the receipt of the Goods and the Company admitting such discrepancies after the Buyer has afforded to the Company a reasonable opportunity of witnessing a re-weigh thereof before such Goods have been used, worked or sold.
- 14.6. The Company shall not be liable for any defects in the quality or state of the Goods which would not be apparent on a reasonable examination unless such defects shall have been discovered within thirty (30) days after the receipt of the Goods and the Buyer shall have given notice to the Company forthwith upon such discovery a written notice specifying the matters complained of and the Company admitting such complaints after the Buyer has offered to the Company a reasonable opportunity of inspecting the Goods in their alleged defective state.

**15. CONFIDENTIALITY**

- 15.1. The documents supplied by the Vendor including proposals, quality plans, schedules of conditions, approval files and any other documents drawn up by the Vendor remain the intellectual property of the Vendor and may not be passed to third parties without the prior, express and written permission of the Vendor.
- 15.2. The data and information contained in individually issued inspection and conformity certificates is supplied solely with the aim of demonstrating the conformity of the delivered Product. Any statistical analysis results, regardless of their author, carried out based on a compilation of this data will remain the property of the Vendor and may not be communicated to a third party.

**16. CANCELLATION**

- 16.1. Simple delivery delays, failure to observe a procedure, cases of force majeure or any other cause making it impossible for the Vendor to fulfil his obligations may not be used as grounds to justify a cancellation.
- 16.2. The contract may be automatically cancelled by the Vendor in the event that the Purchaser is declared to be in a state of bankruptcy or liquidation. The same will apply in the event of significant changes to the Purchaser's legal situation, which have the effect of reducing his solvency. The cancellation of the contract will not affect debts already due between the parties.
- 16.3. In the event of any unilateral cancellation at the Purchaser's initiative, regardless of the grounds for this the Vendor reserves all rights to seek redress for the losses caused by this decision. The corresponding compensation will take account in particular of the costs of replacing lost turnover, fixed costs for facilities incurring stoppages, and unrecoverable outstanding amounts.