

**GENERAL TERMS AND CONDITIONS OF SALE**  
of the trading company  
**LAYDE STEEL, S.L.U.**

**I. GENERAL OVERVIEW**

1. Irrespective of the manner in which they are brought about, all preliminary bids, offers, promises, purchase orders, contracts, agreements and sales of products to be supplied by LAYDE STEEL, S.L.U. (hereinafter referred to as “**the Company**”) and all related services are subject to these General Terms and Conditions of Sale (hereinafter referred to as “**GTC**”) and which shall be incorporated into each purchase agreement, which are acknowledged and accepted by the Customer and shall prevail over any other terms or conditions. The placing of a purchase order shall imply the full acceptance of these CTC without any reservation whatsoever by the Seller.
2. The Company is entitled to amend these GTC at any given moment by means of written notice to the Customer. Said amendment shall not affect the purchase orders already confirmed by the Company.
3. The invalidity or unenforceability of any term of these GTC shall not entail the invalidity or unenforceability of any other of its terms
4. In the event of any conflict between the Spanish version and any translation of same into another language, the Spanish version shall prevail.

**II. PRELIMINARY OFFERS, PURCHASE ORDERS AND CONFIRMATION**

1. Preliminary offers are subject to unilateral changes by the Company in terms of delivery deadlines, product availability, quality and price. The preliminary offer shall be void if it is not accepted by the Customer via the placement of a purchase order within 14 days from the date of the preliminary offer except in the deadline specified by the Company in said preliminary offer.
2. Customer purchase orders shall only be accepted and binding on the Company when confirmed in writing by the Customer within 30 days following the date of the purchase order.
3. In the event of any conflict between the terms of a purchase order and the terms of its confirmation, the Customer shall be entitled to notify the Company of their objections in a reliable manner within 3 days following the date of purchase order confirmation. In the event that the Company does not receive notice of the objections within said period, the supply shall be deemed to be agreed under its terms of confirmation.
4. Broadening of the purchase orders shall be deemed as the placement of new purchase orders. Any other modification whatsoever of a purchase order shall take effect only when expressly accepted in writing by the Company and a notice of such acceptance has been delivered to the Customer.
5. The cancellation, withdrawal or amendment by the Customer of a purchase order, either in whole or in part, shall not be valid once the purchase order has been confirmed by the Company.
6. In the event that the Customer cancels, withdraws or amends a purchase order once it has been confirmed in the manner specified above, the Company shall be entitled to compensation for all costs and losses of any kind whatsoever, incurred in connection with said cancellation, withdrawal or amendment.

**III. PRICE**

1. Unless expressly agreed otherwise in the confirmation, the listed prices are made under the DDU, clause, INCOTERMS 2010 of the International Chamber of Commerce. The prices do not include taxes, fees and charges of any kind, which shall be borne by the Customer.

2. The prices shown on the purchase orders which have confirmed by the Company shall be final except when there is a price revision clause foreseen. Prices shown on the purchase orders pending confirmation shall be subject to change by the Company.

#### **IV. PAYMENT**

1. Unless the parties have agreed otherwise, the invoice shall be issued on the date on which the product is made available to the carrier for delivery to the Customer.

2. The payment of the products, pursuant to the amounts listed on the corresponding invoice, must be made within thirty (30) calendar days from the receipt of the products, unless the parties have agreed to a different deadline, which, in either case, shall comply with the maximum payment deadline established by law. The Company may require the Customer to prepay all or part payments of the products.

3. Unless otherwise agreed, payment must be made by means of promissory note.

4. Payment must be made in the currency specified on the invoice. The prices quoted in any currency other than that used by the Company must be paid using the currency exchange rate of the quotation and the currency used by the Company on the date of the purchase order confirmation or on the payment date, if it this proves more favourable for the Company.

5. The Company shall be entitled to charge default interest on all amounts due but not paid at a rate equivalent to EURIBOR at one month (or the interest rate which may replace said rate) plus the interest rate established by law, which shall accrue daily without need for prior payment claim notification, and without prejudice to any legal action that may be brought to seek compensation for damages and losses.

6. All costs, expenses and fees incurred by the Company in connection with the claim and payment of amounts due and not paid shall be reimbursed by the Customer.

7. The issuance and/or acceptance of bills of exchange and other negotiable instruments shall not entail the substitution or imply any change in these GCS. All costs, charges and fees generated in connection with the repayment of bills of exchange or other negotiable instruments shall be borne by the Customer.

8. In the event of a delay in payment, the Company, without prejudice to its rights under the provisions of these GTC or by law, shall be entitled to cancel, suspend or delay pending product deliveries or to rescind, with immediate effect, the agreement. The Customer shall not make use of the products supplied for which no payment has been made.

9. The existence of any claims whatsoever in connection with goods supplied shall not exempt the Customer of his/her obligation to pay the Company in accordance with the convened terms and conditions. The Customer is not entitled, under any circumstances, to withhold payment of the price of the products supplied or pending supply.

#### **V. WEIGHT**

1. Given the decrease resulting from manufacturing, processing, handling and production processes, the Company shall be entitled to deliver up to approximately ten percent (10%) of the confirmed amount or number of products.

2. The weights shall be fixed with binding effect on the ticket of the Company's weighing scales.

3. The invoice price shall include the weight of the products and standard packaging in accordance with weighing system stipulated in Clause V.2. above.

#### **VI. PRODUCT AVAILABILITY**

1. The Company shall advise the Customer of the date on which the products shall be made available to the carrier for delivery and the scheduled delivery date to that Customer.

2. In the event of the Customer's unavailability to take delivery on the scheduled date, the Customer must advise the Company within three (3) days following the notification mentioned in the foregoing paragraph. Customer Silence shall be construed that the Customer is available to take delivery of the goods on the scheduled delivery date.

3. If for any reason whatsoever the Customer fails to take delivery of the products when delivered by the carrier, the Company shall be entitled to charge the Customer all extraordinary costs incurred, including transport and storage of products, among others.

**VII. DELIVERY**

1. It shall be understood that the goods shall be supplied by the Company under DDU (ICC Incoterms 2010) clause, unless otherwise stated and thus specified in the acceptance of the corresponding purchase order.
2. Delivery dates shall be specified in the purchase order confirmation and are furnished as approximate dates, under the condition precedent of the delivery deadlines by the suppliers of the Company. The delay in delivery shall not entitle the Customer to rescind the agreement, cancel the sale or to file a claim for compensation, except where there is gross negligence committed by the Company.
3. The circumstances of force majeure<sup>1</sup>, shall be understood as understood as any circumstance beyond the reasonable control of the Company which renders it impossible or difficult to meet or deliver a purchase order, including, but not limited to, breaches by the suppliers of the Company, shall entitle you, at your sole discretion and by giving written notice to Customer, (i) to rescind the agreement, in the event that it is impossible to deliver all or part of the products, or (ii) delay compliance of or delivery of the products. The Customer shall not be entitled to any compensation in neither of the aforementioned events.
4. The Company shall be entitled to meet every purchase order over one or several deliveries, unless expressly agreed otherwise with the Customer.
5. In addition to the circumstances contemplated in these GTC, in the event that the equity, economic or financial situation of the Customer is negatively varied and said variance which materially impairs its ability to meet its obligations, causes the cessation of its activity, or upon insolvency or when submissions are filed to initiate bankruptcy proceedings or other similar insolvency proceedings, the Company shall be entitled to suspend delivery of products and to rescind, with immediate effect, the agreement, without prejudice to any compensation to which it may also be entitled to.

**VIII. QUALITY CONTROL**

1. Materials shall be delivered in accordance with quality standards and tolerances specified in the purchase order confirmation. Unless expressly agreed otherwise, the Company does not warrant that the products are suitable for any particular purpose or for particular use in operations which constitute the Customer's commercial activity.
2. The supply of materials subject to national or foreign standards with additional or special conditions regarding that stipulated in said standards shall require prior consultation.
3. The inspection, testing, analysis and certification of products shall be carried out by the Company and in accordance with its internal standards. In some cases, some parameters defined by the standard might be omitted if these are not certified by the supplying mill or if these are not explicitly required by the customer; as example: bend test in the case of high strength low alloy steels, or coating of steels.
4. The Company will issue, by defect, 3.1 certificates according to EN10204:2006. There might be agreements of full coil sales with certificates 2.2 according to EN10204:2006.
5. The natural oxidation of the surface caused by weather conditions shall not entitle the Customer to refuse delivery or make payment of the products or to claim any reduction in price whatsoever.
6. In the event of discrepancies between the Company's certification and the quality verification that, where appropriate, the Customer has obtained, both parties agree to submit the material to the Official College of Engineering in Bilbao or failing that, an independent laboratory with ENAC recognition in the Spanish territory for final certification and whose results shall be binding on both parties.

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<sup>1</sup> Force majeure is deemed as including, but not limited to, strikes, lockouts, breakdowns, shortage of supplies that cause the shutdown of the facilities or reduce the normal manufacturing capacity, floods, earthquakes, hurricanes and other natural disasters.

**IX. PACKAGING**

1. The products must be supplied with the suitable protective packaging that is normally used in trade, depending on the nature of the product and agreed means of transport.
2. The standard packaging is included in the price as set forth in Clause V.3. In the event that the Customer requests special packaging, the related costs shall be borne by the Customer.
3. According to Royal Decree 782/1998, the final holder is responsible for the disposal of packaging waste for proper environmental management.

**X. RISK**

All risk, including theft, damage, loss and breakdowns, shall pass to the Customer when the carrier delivers and makes available the material to the Customer at the agreed delivery location.

**XI. RETENTION OF TITLE**

1. The Company shall retain ownership of the products until the Customer has paid the purchase price in full. Non-payment by the Customer in a timely fashion shall make the obligation to transfer ownership of the products null and void. Upon verification of payment, ownership of the products shall pass to the Customer.
2. Where the products which are subject to retention of title have been processed or mixed with other products by the Customer, the Company shall have ownership thereto in proportion to the value that those products had over those in which ownership is retained in the new products.
3. Any claim corresponding to the Customer as a result of the resale of the products on which there is retention of title shall be assigned to the Company.
4. The Customer shall be entitled to resell the products which are subject to retention of title under normal market conditions provided that it is not in arrears of payment to the Company. In either case, if the Customer sells any product subject to retention of title, the Customer shall assign to the Company by virtue of these GTC, the accounts receivable which it had against his/her Customer, in an amount equivalent to the debt for products pending payment to the to Company.
5. In the event that a third of the products is subject to retention of title or in the event that the Customer or a third party solicits that the Customer be declared bankrupt, the latter shall be under the obligation to notify the Company immediately, which may (i) recover all unpaid product in the possession or control of the Customer, accessing buildings or property where products are stored, and (ii) stopping pending deliveries Furthermore, the Customer is under the obligation to apprise the receivers regarding the Company's retention of title of the products.
6. The assignment of accounts receivables described previously shall not entail the extinguishment, in whole or in part, of the claims of the Company against the Customer.

**XII. CLAIMS**

1. If the products are delivered by the carrier to the Customer have undergone a loss, defect or apparent damage, the Customer hereby undertakes to notify in writing the damage to the carrier and the Company on the date of delivery. If the loss, defect or damage was not apparent or the delivered products do not meet the agreed specifications, the Customer must give notice within three (3) days following delivery.
2. The absence of the delivery of said notice by the Customer within the deadline specified in the previous paragraph shall entail a waiver of any claim that the Customer may be entitled to against the Company for any of the reasons described in the preceding paragraph.
3. No claim whatsoever shall entitle the Customer to breach his/her obligations with respect to other products that are not affected by a claim.
4. Once notice has been given to the Company in accordance with the preceding points, it shall be entitled, at its discretion, to remedy the defect or to deliver items free of defect. Alternatively, the Company shall pay to Customer, the decrease in value of the product or that corresponding to the decrease.

5. Nonetheless, any liability of the Company for any reason shall be limited to that specified in Section XIII.

### **XIII. LIMITATION OF LIABILITY AND STATUTE OF LIMITATIONS**

1. The Company's liability is limited in all cases to the provisions stipulated in this clause, which is expressly accepted by the Customer, who waives any right that he/she may be entitled to in regard to claims over the limits of liability set forth in this clause.

2. The Company shall not under any circumstances be held liable for damages or loss or indirect, incidental, or consequential damages, including, by way of example but not limited to, loss of profits, loss of production or scrapped production, both the Customer as well as the Customer's customer, or in cases of minor negligence.

3. Likewise, Customer claims against the Company shall be subject to a statute of limitations and shall expire six (6) months after delivery date to customer. The statute of limitations shall apply to all claims except those caused by rust; for those ones, no claim will be accepted for dry material or non oxidant oil ones, and a maximum of three (3) months for oiled material.

### **XIV. WARRANTIES**

1. Prior to or during the execution of the agreement between the parties, the Company shall be entitled to require the Customer to provide sufficient guarantees to ensure full payment and due maturity of the amounts payable by the Customer under the Agreement. The Company reserves the right to suspend or rescind the agreement in the event that the guarantees provided by the Customer do not comply with the guarantees required by the Company.

2. The fact that the Company does not require sufficient guarantees to ensure the full compliance of the Customer's payment obligations, shall not preclude or limit in any way whatsoever the Company's right to demand such guarantees at any given moment if deems appropriate to do so.

### **XV. PROPERTY RIGHTS AND COPYRIGHT**

The Customer has no right whatsoever on all property rights and copyrights on each and every product, drawings, illustrations, designs, cost estimates, technical specifications, trademarks, patents and other accompanying documents to any offer, confirmation or delivery which are the exclusive property of the Company. Accordingly, none of the above may be made accessible to any third party nor be used by the Customer or any third party under any circumstances whatsoever.

### **XVI. RESCISSION**

A serious breach of the contract by the Customer (in particular, non payment of invoices, breach of the economic terms and conditions agreed or the acceptance or non-payment of bills of exchange drawn by the Company) releases the Company from the obligation to meet its commitments regarding purchase orders before their delivery and shall entitle the latter to demand payment of the amounts corresponding to the work performed to date, the damages for loss of profit and interests, and in which case, the Customer shall be entitled to, upon payment, to demand the delivery of the materials or products obtained from such work.

### **XVIII. APPLICABLE LEGISLATION AND JURISDICTION**

1. The parties hereby expressly submit to the jurisdiction of the Courts of Bilbao (Biscay, Spain) for the resolution of any disputes which may arise regarding the interpretation or compliance of these GTC and all legal relationships established thereunder, and expressly waive any other jurisdiction which they may be entitled to.

2. The applicable legislation shall be Spanish law, excluding the 1980 Vienna Convention on Contracts for the International Sale of Goods.