

## GENERAL TERMS OF SALE AND DELIVERY

1. Our deliveries and services including subsequent orders on the basis of an ongoing business relationship are subject to the valid version of these General Terms. All mutual agreements shall be made in writing. General terms of the customer or divergent counter acknowledgments shall not be binding. Our additional terms apply for mechanical and thermal contract work as well as coating service.
- 2.1 Our offers are not binding. All prices are quoted as net prices not including VAT at the respective applicable rate unless we are exempted from taxes according to the Value Added Tax Act. All prices are quoted ex warehouse and do not include packaging and delivery fees, any extra charges for alloys and extra charges resulting from changes in prices of primary products and raw materials as well as from changes of exchange rate parities. If prices are agreed carriage free, free receiving station or free building site, they shall apply on the basis of full freights and loads and exploiting the maximum loading weight. The customer is responsible for prompt and proper unloading. Waiting periods shall be at the customer's expense.
- 2.2 If no turnover tax is to be charged for deliveries to a buyer in a Member State of the European Union, the buyer shall at our request immediately provide any proofs which we require according to the legal provisions including but not limited to the turnover tax, in order to provide evidence to the tax authorities of the tax exemption of the delivery. This applies including but not limited to the evidence of the introduction of the goods into another Member State of the European Union, to the turnover ID number or a personal exemption of the buyer.
- 3.1 Unless otherwise agreed in writing, our invoices shall become due within 14 days from the time of delivery or when the customer is informed of readiness for delivery. Payment shall be in cash or by transfer free of charge Vienna. In cases where the customer authorized direct debit, the customer consents and we have the right to perform a direct debit when amounts become due. Pre-notification of the customer shall not be necessary in such cases. Bills of exchange and checks shall only be accepted upon express agreement. Discount and collection charges shall be borne by the customer. Cash discount on the freight and on any rebate as specified in the invoice shall not be granted.
- 3.2 If the customer defaults on payment, we shall charge default interest of at least eight percentage points above the applicable base rate of the European Central Bank. In case of default the customer undertakes to reimburse all dunning and collection costs and the cost of the legal assertion of claims including reasonable attorney's fees.
- 3.3 We are not obliged to fulfil the contract until such time as the customer shall have fulfilled their obligations according to the contract, in particular the payment of due invoices. The set-off on the part of the customer against other than non-appealable or legally asserted claims of the customer as well as rights of retention and any other rights to refuse performance are excluded. At our option, we are entitled to set off payments against debts due.
- 3.4 We are entitled to claim immediate payment of all open accounts including invoices not yet due or deferred and to demand payment in advance for all outstanding deliveries and services if (a) the customer partially or entirely defaults on payment, (b) a bill of exchange is not honoured or a check not cashed, (c) we receive information according to which granting a loan to the customer is deemed to be critical, (d) the customer becomes the subject of a petition in insolvency or (e) the customer submits an out-of-court settlement proposal to their creditors. Furthermore, we are entitled to prohibit the resale and processing of the delivered goods and request that they shall be retransferred free of charge.
- 3.5 In the event of a contract concluded in a foreign currency, the conversion shall be effected on basis of the buying rate published by the Austrian National Bank (Österreichische Nationalbank) at the date of our acknowledgment. The currency risk has to be borne by the customer. The purchase price shall be appropriately revalued, if the value of the foreign currency decreases in relation to the Euro until the day of payment.
- 4.1 The content and scope of our obligations are as specified in our written order confirmation, insofar as such confirmation was issued. Otherwise, our delivery notes shall be binding. We reserve the right to make changes to the design and changes to the composition of our products as well as other reasonable changes. Unless otherwise stated, delivery dates are calculated from the date of the order confirmation. Otherwise, a standard business delivery time shall apply. The delivery time is met if the goods are shipped or if the customer has been notified that the goods are ready for collection before the expiration of the period. We are entitled to make partial deliveries and to render separate invoices thereof.
- 4.2 In the event of force majeure such as traffic disruptions, shortage of vehicles or energy, operational breakdowns of any kind, strikes and lock-outs in our plants or in plants related to the fulfillment, hindrances by ordinance of authorities, sanctions imposed by international authorities, epidemics or terrorism, we are entitled under exclusion of any claims for damages of the customer to extend the delivery period or to partially or entirely cancel our delivery obligations through termination of the contract.
- 4.3 We are entitled to refuse performance of the contract or to claim an amendment of the contract or individual contractual provisions, in particular payment in another currency, in application of an escalation clause, modification of terms of delivery etc., taking into account that circumstances under which the contract was concluded have undergone such a change which leads to the assumption that the contract would not have been concluded or concluded on different terms. Such changed circumstances may also be caused by a change in the structure of the customer.
- 5.1 The customer shall indemnify and hold us harmless from and against any claims that might arise from the execution of the customer's order in cases which, due to the execution of the customer's wishes relating to specific quality and/or other properties and/or based on the use of drawings, models, samples, dies and the like made available to us, infringe domestic and foreign intellectual property rights of third parties, in particular copyright, patent rights, trademark rights and copyright in designs.
- 5.2 Documents including cost estimates, plans and drawings furnished to the customer shall remain our property. The production of photocopies or the disclosure to third parties is only admissible with our express written consent.
- 6.1 In the event of refusal to accept the goods, the customer shall bear all costs of transport and storage notwithstanding their payment obligations. The purchase price becomes due immediately on default of acceptance. At our option, we are also entitled to claim damages for non-performance. The customer is not entitled to refuse acceptance due to minor defects which do not affect the customary use of the pieces.
- 6.2 If the customer does not accept the goods until the agreed final acceptance date or the delivery date, we are entitled to charge a penalty in the amount of 0.5% of the purchase price per commenced week from the default of acceptance. Furthermore, we are entitled to deposit the goods at the customer's expense and risk. The right to assert storage costs or another damage exceeding the penalty shall remain unaffected.
- 6.3 The risk passes on to the customer in any case including but not limited to deliveries carriage paid or services free domicile at the time when the delivery item leaves our factory or warehouse. The risk passes on to the customer on our notification of readiness for inspection or dispatch if the shipment or delivery is delayed at the customer's request or due to other reasons beyond our reasonable control. We determine how and the route the goods are shipped and packed. The VDI directive 2700 shall be complied with. Increases in freight rates occurring between conclusion of the contract and shipment can be separately charged to the customer.
- 6.4 After performance of any agreed inspection of goods, the notification of defects which could have been identified at such an inspection is excluded. This also applies if the customer received our acceptable test certificates and waived their right of inspection. The customer is in default of acceptable if the inspection does not take place or does not take place in time or not completely after we have notified our readiness for inspection.
- 7.1 We retain legal title to the delivered goods until the customer shall have completely settled the purchase price including any accrued default interest, dunning charges, collections fees and litigation costs. The customer is entitled to resell the goods being subject to retention of title clause only in the ordinary course of business. The customer is not entitled to dispose of the goods in any other way, in particular to pledge or transfer them by way of security. In the event of violation of our rights by third parties as owners subject to retention of title clause, the customer shall take all necessary measures to protect our rights.
- 7.2 The customer assigns in advance all claims against their customers resulting from the sale of the goods being subject to retention of title clause in order to protect our claims against the customer. At our request, the customer shall at all times notify their customer of the assignment and provide any necessary information thereto and furnish any documents which are necessary to assert our claims. The customer is only entitled to collect claims resulting from the resale provided that we do not reserve the right to collect the claims.
- 7.3 The customer is entitled to process the sold goods. We remain co-owner of the processed goods in relation of the value of our goods being subject to retention of title to the final product. If the customer fails to pay the purchase price or to comply with any provision of this contract, we are entitled, which will not be regarded as rescission of the contract, to access the premises and properties of the buyer without prior notice and to remove the delivered goods under retention of title at the buyer's expense and to take possession of the same. At our option, the buyer shall instead be obliged to send the goods back at their expense. In this event, we shall only be obliged to deliver the goods to the customer again only provided that the fulfillment of their contractual obligations is guaranteed, in particular the payment of the purchase price and any accrued dunning charges, collection fees and litigation costs.
- 8.1 For defects of our deliveries and services that are duly proven to have been caused by us and which exclude the usability of the goods, we guarantee at our option to repair or to replace the defective goods at our expense within twelve months after delivery. If the repair or substitute delivery fails to be successful, the customer is entitled at their option to cancel the sale or to reduce the purchase price. Deviations in quality, shape, dimensional accuracy, colour, weight or equipment which are either customary or of a minor degree or technically unavoidable may not be deemed as a defect and cannot be disputed. This also applies to delivery according to sample and specimen.
- 8.2 Notifications of defects shall be detailed and filed without delay. Defects which cannot be identified at an orderly inspection are to be notified within two weeks of detection. If the notification of defects does not meet these requirements, all warranty and damage claims or any other claims due to defectiveness shall be excluded. Within 12 months after delivery the customer shall prove that the defect was existing at the time of delivery. The customer shall, insofar as possible, ensure that the goods are in the same condition as they were at the time of delivery.
- 8.3 Warranty obligations are excluded for defects that occur in connection with normal use, improper treatment or storage, defective maintenance, unusual environmental influences or damages caused by transport. Our warranty is furthermore excluded when our products are processed with other products not delivered by us or not recommended by us for use. After expiration of the 12 months warranty period, any and all warranty claims by the customer are excluded, despite the scope of warranty given by the customer to their customer.
- 8.4 Damage claims based on slight negligence, negligent or grossly negligent violation of subsidiary obligations, in particular consultancy and information obligations, are excluded. Furthermore, we shall not be liable for any consequential damage or consequential harm caused by a defect nor for loss of profit. Information on processing options and the use of our goods, technical and other advice on the suitability and use, weights, dimensions, shapes, colours, performance and design shall are non-binding.
- 8.5 If the customer is held liable under products liability, they expressly waive their rights of recourse. If the customer resells the goods to another contractor, the customer shall transfer to the contractor the aforementioned exclusion of liability. In the event of failure of such a transfer, the customer agrees to indemnify and hold us harmless and to replace all costs. We do not guarantee that the flawless products (these are the products delivered by us) provided by us to the customer are also flawless as parts of the products manufactured by the customer or their customers in accordance with the product liability act. When using or transferring the product, the customer is obliged to observe the operating instructions, warnings and any other information regarding the product and to refrain from any improper manipulation of the product.
9. The customer/distributor/business partner is aware and shall fully comply with all national and international export and re-export control laws and regulations, sanctions and embargoes, as amended from time to time, including without limitation, any restrictions on domestic transactions, brokering services and anti-circumvention prohibitions, that apply directly or indirectly to its activities (including re-sale of our products), as well as voestalpine Group's internal resolutions – to the extent made available to the customer/distributor/business partner – in regard to the supply of products or services to specified countries, specified end users or for specified end uses.
10. Place of performance for our deliveries and services is our warehouse or factory; the place of performance for the payment obligation of the customer and the exclusive jurisdiction is Vienna. At our discretion, we are entitled to bring any disputes before a court of law having original jurisdiction over our customer. The customer agrees to reimburse us immediately after announcement for any and all accrued dunning costs and collection fees as well as pre-litigation costs for the assertion of our rights. Austrian law and the Incoterms 2010 shall apply. The application of the United Nations Convention on Contracts for the International Sale of Goods, Federal Gazette 1988/96, is excluded.
11. If individual provisions of these General Terms of Sale and Delivery become invalid or inapplicable, the remaining provisions shall remain in full force and effect. The invalid or inapplicable provision will automatically be replaced by a valid and applicable provision which in its economic content comes as close as possible to the invalid or inapplicable provision.

## ADDITIONAL TERMS

For mechanical and thermal contract work as well as coating service in addition to the General Terms of Sale and Delivery

- 1.1 If we receive a work order without prior request for quotation, the respective valid version of our general price list for heat treatment work and coating service shall apply.
- 1.2 The provisions governing the execution of an order accepted by us can only be changed by mutual agreement and require our written confirmation in order to become effective.
- 1.3 Binding confirmation pertaining to the results of mechanical and thermal contract work as well as coating service cannot be provided.
- 1.4 A liability-based confirmation regarding the result of heat treatment or coating service requires a chargeable, commissioned in advance and destructive inspection of the piece itself, in which case it is assumed that the provided pieces shall have the same specification as the test sample.
2. We accept no responsibility for the loss of or damage to provided drawings, models, samples, dies and the like, and shall only take out insurance for the same upon the express wish of the customer and at their expense.
3. Provisions set down by the customer regarding a minimum quantity of output shall only be valid if we have provided an express written declaration containing the accepted quantity of pre-materials, the target minimum output and the extra charge to be agreed in such cases, if necessary. As a matter of principle, process-related losses can be expected with mass-produced articles and small parts so that claims for damages and the entitlement to price reductions for such losses of up to 5% are excluded.
- 4.1 A delivery note shall be included with the pieces provided to us, which contains the following information and enables unique allocation:
  - a) Number of pieces, type of pieces, net weight;
  - b) Information on the steel used (steel brand, material number, analysis) and the desired heat treatment process in accordance with Austrian ONORM standards, DIN or ISO standards;
  - c) Information on the expected mechanical properties or the expected hardness of the steel;
  - d) For hardness values, information on the test specification and test location as well as the allowed tolerance;
  - e) For surface heat treatment processes, information on the desired hardening depth taking a potential subsequent mechanical treatment into consideration (not related to diameter);
  - f) Information on mechanical and thermal pre- and post-treatments as well as the intended operating conditions of the finished piece insofar as this is of significance for the heat treatment;
  - g) For partial heat treatments, clearly specified information on the surfaces requiring heat treatment or corresponding drawings;
  - h) Safety parts must be defined as such in writing prior to awarding the order;
  - i) For coatings: Information on place and type of coating, as well as pre- and post-treatments. In addition, the maximum coating temperature must be provided if standard coating is not allowed.
- 4.2 If this information is missing or incomplete, or cannot be implemented with our heat treatment equipment and coating service, we shall be entitled to decline execution of the order or to perform heat treatment or coating at our discretion and at the risk of the customer, for the result of which we shall not be held liable, meaning that warranty claims and damages claims are excluded in this case. Information that is not provided on the delivery note but through separate correspondence or verbally shall not be considered for operational reasons.
- 5.1 All complaints shall be verified by providing pieces or samples. We are entitled to perform material inspections that may require destroying the piece in some cases. If the result of a material inspection performed by us indicates that the defect is attributable to the customer, they shall bear the cost of the material inspection. Our warranty obligation shall lapse in cases where the post-treatment of disputed pieces has not been authorised by us. We shall be liable for defects in contract work and coating service only up to the amount of the labour cost invoiced by us.
- 5.2 We only guarantee up to the amount of the labour cost that (aliquot) had or has to be paid for the justifiably disputed and provided parts. If post-treatment is not possible, we shall perform the contractually agreed work on the substitute material provided by the customer at no cost.
- 5.3 Any warranty is excluded if the customer failed to provide flawless material or the customer does not use treated pieces according to their quality requirements. We do not perform an incoming goods inspection of the material provided. Warranty is excluded for the coating service in particular in the event of unsuitable surface or heat treatment methods before the coating on the part of the ordering party or third party, as well as diverse causes such as deviations and resistance of the colour of the coating, individual minor defects, damage or stains outside of the functional area.
- 5.4 The piece to be processed by us shall be treated with the greatest care and using modern tools; in view of the fact that, due to the metallurgical nature of the material provided, warping, cracking and breaks during cold and warm straightening originating from so called pre-determined breaking points such as notches, grooves and sharp-edged intersections cannot be ruled out even if the material is processed flawlessly and with care, we waive any warranty or liability, as the aforementioned consequences are attributable to the nature of the piece provided. The same applies for the hardness, surface quality and hardness depth of the metallurgical nature of the piece over which we have no influence.
- 5.5 In the event of rework at our plant, we shall be granted a reasonable period of time in which to perform the rework. Freight and return transport shall be at the customer's expense. If rework is necessary through no fault of our own, the customer shall pay the agreed labour cost for the same separately. The customer shall also pay the agreed labour cost if it transpires after the treatment that it is not possible to achieve the commissioned properties.
- 6.1 Unless otherwise agreed, the piece to be processed shall be delivered to us free of charge and collected from our plant in exchange for payment in cash. If the customer desires shipment, the shipping cost as well as the risk of loss and damage shall be at their expense. In this case, we shall also be entitled to charge both the shipping cost and the labour cost due to us in cash on delivery from the customer for shipment by post or rail. Unless otherwise agreed, loading and shipping shall be at our discretion. Incoming and outgoing goods shall only be monitored based on weight and also by piece if so desired. Unless otherwise agreed, delivery dates shall be calculated from the date of the proper goods receipt at our plant; in the event that clarification of treatment-related questions is required, the delivery date shall count only from then.
- 6.2 Insofar as special packaging was not expressly agreed, the packaging shall be in the original packaging provided with the goods for heat treatment or coating service.
- 6.3 The processed piece shall be randomly inspected before leaving our company. Any further inspection shall only be performed upon special written agreement and payment of the additional cost. Our outgoing inspection shall not release the customer from their obligation to inspect incoming goods.
- 6.4 The coated good is proper if the functional areas are flawlessly coated. Secondary surfaces may show marks from holders, shading, discolouration, flaking or other flaws.
7. Compensation for damages shall in any case be limited to the amount of the labour cost which (aliquot) is or was paid for the justifiably disputed and presented parts.
8. As soon as we accept the pre-material for processing, the customer grants us right of lien to the pre-material as well as to the finished pieces produced from the same. The items subject to lien in our possession serve to secure all of our claims with respect to the customer including those from other business transactions. The provisions of the Austrian Commercial Code (UGB) for legal rights of lien apply to our right of lien accordingly. After the due date and a reminder has been sent, we shall be entitled to sell the items subject to lien at any time pursuant to §368 UGB and §466a et seq. after informing the ordering party in advance.