

General Terms and Conditions for sale/supply agreements concluded by thyssenkrupp Materials Czechia, spol. s r. o. with Went. No. 490 97 016— version valid from Januar 1s', 2017

I. General regulations

1. The following General Terms and Conditions for sale/supply apply for all goods sale/supply agreements concluded by thyssenkrupp Materials Czechia, spol, s r.o.

2. The terminology used in the following General Terms and Conditions has the following meaning:

- Seller — thyssenkrupp Materials Czechia, spol. s r.o. with Ident. No. 490 97 016 (TKM);
- Buyer — an entrepreneur acting as the other party in a sale/supply agreement (contracting party of TKM);
- Parties — Seller and Buyer;
- General Terms and Conditions — This set of "General Terms and Conditions for sale/supply agreements concluded by thyssenkrupp Materials Czechia, spol. s r.o. with Ident. No. 490 97 016 ;
- Goods — commercial goods which are the subject of the agreement concluded with the contracting party.

3. The following General Terms and Conditions are complete and the only contractual regulations binding the parties as far as selling/supply of goods is concerned. Any other regulations (general terms and conditions etc.) used by the Buyer do not apply.

4. The provisions of these General Terms and Conditions can be subject to change only in a written form, otherwise the changes will be invalid. Concluding a separate sale/supply agreement or a framework agreement discards the application of these General Terms and Conditions only in the parts which are defined differently in the new agreement. For issues not regulated by the abovementioned new agreements, these General Terms and Conditions shall apply.

II. Concluding an agreement

1. The basis for concluding an individual agreement is submitting an order by the Buyer in response to the Seller's offer. In the case of any change in the offer or introduction of any stipulations into the offer by the Buyer's **order, the agreement** will be concluded only after the Seller confirms the acceptance of the order containing the changes or stipulations. The lack of such confirmation for an order is tantamount to not concluding the individual agreement. The parties reject any legal possibilities of implied (per facta concludentia) concluding of an agreement.

2. If the Buyer places an order without receiving a prior written offer (for example, on the basis of invitation to negotiations etc.), a written confirmation from the Seller of accepting the order is required for concluding an agreement. The provisions of section 1 point 3 and 4 are applied accordingly.

3. Any oral agreements, assurances, promises and guarantees provided by the Seller's employees in relation to concluding an agreement or making an offer are not binding.

4. In order for an individual agreement to be valid or to change it, all the statements exchanged between the parties in this scope shall be submitted to the other party in a written form by conventional mail, by fax or by email. This regulation particularly concerns offers, orders and order confirmations.

5. In the case when, for reasons not related to the Seller and concerning the manufacturer of the goods, the Seller will be unable to execute the agreement as a whole or in part, he will have the right to withdraw from the agreement as a whole or in part. The Seller is not responsible for possible losses arising from the withdrawal.

III. Property rights

1. The Seller reserves that the property rights to sold goods shall be transferred to the Buyer only after the whole price has been paid to the Seller. In the case when goods are processed or mixed and cannot be restored **to** the previous state **the parties become** co-owners of the new things. Provision of Sec. 1074 - 1082 of the Civil Code do not apply.

2. The risk of losing **or damaging goods is transferred from the Seller** to the Buyer at the moment of handing over the goods to **the Buyer, and in the case** of entrusting a carrier with the goods, at the moment of handing over the goods to the carrier, regardless of who incurs the cost of transportation.

If in contradiction to the agreement the goods will not be taken over, the risk of damage to the goods passes at the time when the goods were ready for handing over.

IV. Price

1. The price for sold goods shall be specified each time in an offer or in an order confirmation.
2. The Buyer is obliged to pay the price of goods in the currency in which the price of goods is provided by the Seller in the offer or in the order confirmation. If the price was provided in a foreign currency, the Buyer cannot make the payment in CZK, unless in the offer or the order confirmation the Seller specified that the payment shall be made in CZK and specified how the foreign currency shall be calculated into CZK.
3. The Buyer commits himself to pay the price within the deadline specified in the VAT invoice issued by the Seller. The payment is considered made at the moment of crediting the money into the bank account of the Seller.
4. If after concluding an agreement circumstances arise which justify raising the price of the goods such as, for example, change of the exchange rate of CZK/USD or CZK/EUR for more than 5% against the exchange rate valid on the day of the conclusion of an individual agreement, raising of the customs charges, introducing additional customs charges, introducing other government and public agency charges, the Seller has the right to raise the price of the goods accordingly providing the reasons for the raise. The raise cannot be higher than the actual raise of the price-shaping elements.
5. The Seller reserves that when selling smelter goods, their quantity (weight) and the price is determined on the basis of theoretical weight, however:
 - a) for the goods whose weight is determined according to their volume, the following theoretical weight is assumed:
 - 2,70 kg/dm³ — for aluminium sheets;
 - 7,20 kg/dm³ —for zinc-titanium sheets;
 - 8,50 kg/dm³ — for brass and bronze sheets;
 - 9,0 kg/dm³ — for copper sheets;
 - 8,0 kg/dm³ —for steel sheets. (made of carbon steel, stainless steel and acid-resistant steel)
 - b) for goods whose weight is calculated according to their length i.e. I-sections, hot rolled channel bars, the theoretical weight is assumed which is specified in the products catalogue available from sales representatives of the Seller and at the Seller's website available at: <http://www.thyssenkruppenergostal.pl/katalogi.html>
6. The quantities of goods specified in the agreement can vary within the limits of +1- 10% in relation to the quantities to be provided, because of quantity tolerance set forth by the manufacturer. The Buyer is obliged to collect the goods in quantity that is within the abovementioned scope of quantity tolerance. The provision of Sec. 2093 of the Civil Code shall not apply.
7. The prices given by the Seller are net prices and the statutory VAT will be added to the prices in accordance with current rates.
- 8, If the Buyer is late with payments of any amounts to the Seller, the Seller has the right to stop carrying out all the concluded agreements (including handing over the goods) until the Buyer makes all due payments with interest. If any payment delay towards the Seller exceeds 60 days the Seller can withdraw from any individual agreement (agreements) binding the parties without specifying additional deadline. The Seller is not responsible for damages arising from such circumstances,
9. In the case of lack of available credit limit the Seller has the right to refuse the handing over the goods until the Buyer provides security that is accepted by the Seller.
10. If price payment was to be made in the form of an advance payment or the Buyer was to pay a down payment, the Buyer's delay in payment authorizes the Seller to withdraw from the agreement in its entirety or in part without any additional deadline.

V. Collecting the goods and their properties

1. The Buyer is obliged to inspect the goods very thoroughly at the moment of collecting them regarding the quantity, the conformity with the technical specification specified in the agreement and regarding possible visible defects. Related technical documentation of the goods is also subject to inspection. After inspecting the goods a delivery note for the goods is signed. Signing the delivery note

is tantamount to acknowledging the conformity of the specified parameters with the agreement and the lack of defects which could be found on a very thorough inspection of the goods at the moment of collecting them. The Buyer cannot exempt himself from the obligations specified in this section or from the repercussions of not fulfilling them by invoking a common practice of trade and receiving.

2. The parties agree that loading the goods for transportation is incurred by the Seller, and the unloading is incurred by the Buyer, regardless of who incurs the cost of transportation.

3. Any technical certificates, certificates of conformity or other documents indicating the quality, parameters or technical properties of the goods submitted by the Seller do not constitute a Seller's confirmation of the data included in them, and therefore they do not constitute a confirmation that the goods are in conformity with the criteria indicated in them. The submitted documents are only information from the Seller that the goods, according to the manufacturer's statement, were produced in accordance with the criteria specified in the documents.

4. In the case of sale of stainless steel and aluminium sheets and in the case of sale of stainless steel and aluminium tubes one side of material (one surface) i.e. the bottom side for stainless steel and aluminium sheets and the inside for stainless steel and aluminium tubes — can have defects, e.g. dents, scratches, smudges of dirt etc. and they shall not be considered as physical defaults within the understanding of the Civil Code.

5. If the Seller obliged himself to submit documents described in section 3 to the Buyer, it is assumed that he can do that within 10 days from handing over of the goods. Submission of documents can also be conducted by sending scans of such documents by email.

VI. Faults of the sold goods

1. The Buyer is obliged to inform the Seller immediately (not later than within 3 days after the receipt of goods) after finding any obvious faults, however no later than 30 days within the receipt of goods should such faults be found which could not be found despite a very thorough inspection at the moment of collecting the goods. Failing to do so may result in losing statutory rights and claims related to the defects of goods including warranty rights.

2. The notification about a fault of the goods, for it to be valid, must be submitted in a written form with a confirmation of receipt, and the Buyer is obliged to make the faulty goods available to the Seller in the same condition as it was at the moment of delivery whenever the Seller requires so. The e-mail exchange is not considered for written form.

3. If in the Seller's opinion finding faults requires an expert opinion, the Seller will take a stance concerning the goods being faulty or not after obtaining an expert opinion.

4. Recognizing a complaint shall be presented in a written form or otherwise it will be invalid, after the batch of the goods that the complaint concerns is inspected by the Seller or after the expert opinion is issued. **In** the case of recognizing the complaint the Seller is obliged to exchange the faulty goods at his own expense for goods free of faults within the period established by the parties. If exchanging the goods is not possible, the Buyer has right to request a reasonable reduction of the purchase price or withdraw from the contract.

5. The Seller does not guarantee usefulness of particular goods for a specific purpose. The risk of using the goods included in the agreement for a particular purpose and its application is in sole responsibility of the Buyer. Any information given by the Seller in this scope is only out of politeness and cannot be treated as the basis for specific application.

6. Starting a complaint procedure does not absolve the Buyer from the obligation of paying the price for the handed over goods. In the case that the complaint proves to be unjustified, the Seller is entitled to require from the Buyer all costs of such unjustified complaint.

VII. Delay in payments and handing over, liability.

1. If the Buyer is late with the payment of the whole or a part of the price for handed over goods, he shall pay the Seller interest provided for in current regulations.

2. If the Buyer fails to collect the goods in time and the delay is longer than one week, he shall pay the Seller a contractual fine in the amount of 0.2% of the price for the delayed goods for each day of the delay, starting from the in advance stipulated hand-over date specified in the agreement. This fine cannot be requested for more than 30 days of delay.

3. If the Buyer does not collect the goods for longer than 90 days after the handing over date specified in the agreement, the Seller is entitled to the contractual fine in the amount of the stipulated purchase price of the goods without VAT.

4. Compensation for damages caused to the Buyer as a result of defaulting on agreement obligations or improper performance of the agreement is always limited to the net price of the goods included in the agreement, however, the Seller shall be only liable for damages caused to the Buyer that are typical and possible to predict.

5. In case when the Seller's receivables are covered by insurance, the Seller has the right to withdraw from the whole agreement or its part immediately if the insurer withdraws the insurance protection for receivables of the Seller from the Buyer. In order to avoid agreement termination, the Buyer can present the Seller with additional form of security which can be accepted or rejected by the Seller at his own discretion.

6. The Seller has the right to refrain from requesting the contractual fine which is defined in this section.

VIII. Jurisdiction and law.

1. The competent court for settling possible disputes will be an appropriate court of general jurisdiction in Prague.

2. Any agreement shall be governed exclusively by the Czech law.

IX. Other regulations

1. 7. The Buyer assumes the risk of change of circumstances according to Sec. 1765 of the Civil Code.

The headings of particular sections of these General Terms and Conditions were chosen only for convenience of using the text and do not have any legal meaning and therefore the text of the General Terms and Conditions cannot be interpreted based on them.

2. If on the basis of these General Terms and Conditions the Seller has the right to withdraw from the agreement it is assumed that he can exercise this right within 90 days from arising of the circumstances allowing him to withdraw. This right is not lost if the Seller executes the agreement after the circumstances justifying the withdrawal arise. The United Nations Convention on international sale agreements established on 11 April 1980 in Vienna and the Convention on statute of limitations in international sale established on 14 June 1974 in New York shall not apply.

3. If individual regulations of these General Terms and Conditions turn out to be invalid or ineffective, this shall not influence the validity and effectiveness of other regulations. In such case, the parties agree to accept such regulations that will reflect the previous regulations in an effective manner.

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