

Terms of Delivery

For the sale and delivery of goods from the seller ("Ovako") to the buyer, the following terms of delivery shall apply.

The buyer shall acknowledge the application of these terms of delivery by a written confirmation thereof by letter, fax or email. In case these terms of delivery have been invoked in a quotation, then the buyer confirms the application of the terms by accepting the quotation.

General provisions

General Conditions, ALBIF 2000, for Delivery of Iron and Steel Products, etc. (Appendix 1) shall apply between the parties with the additions and adjustments set forth below.

Delivery clause, ALBIF 2000 Clause 4

Stated delivery clause, according to INCOTERMS 2010, in quotation or order acknowledgment, shall apply. The risk to the goods is transferred to the buyer when the goods have been delivered by Ovako according to INCOTERMS 2010.

Conditions for late payment, ALBIF 2000 Clause 24

Instead of *Clause 24) of ALBIF 2000*, the following shall apply.

In the event of late payment, penalty interest shall be payable with 18 % annual interest from the date of the invoice. In the event of late payment Ovako will issue two notices of delay and the claim will thereafter be submitted to debt collection. Ovako will charge a fee in connection with an issued notice of delay and, in the event that actions for debt collection are being taken, Ovako have the right to charge reasonable costs for such actions.

Disputes, ALBIF 2000 Clause 26

Instead of *Clause 26) of ALBIF 2000*, the following shall apply.

Any dispute, controversy or claim arising out of or in connection with these delivery terms, or breach, termination or invalidity thereof, shall be finally resolved through arbitration administered by the Arbitration Institute of the Stockholm Chamber of Commerce (the "SCC"). The Rules for Expedited Arbitrations shall apply, unless the SCC in its discretion determines, taking into account the complexity of the case, the amount in dispute and other circumstances, that the Arbitration Rules shall apply. In the latter case, the SCC shall also decide whether the Arbitral Tribunal shall be composed of one or three arbitrators. The site of arbitration shall be in Stockholm, Sweden.

The parties undertake and agree that all arbitral proceedings conducted shall be kept strictly confidential, and all information, documentation, materials in whatever form disclosed in the course of such arbitral proceeding shall be used solely for the purpose of those proceedings.

ALBIF 2000, General Conditions for Delivery of Iron and Steel Products

Introduction

- 1) These conditions shall form an integral part of all contracts for the sale of goods entered into by the Seller. Inconsistent conditions put forward by the Buyer in orders or otherwise shall be of no effect. Additions to and changes in these conditions are valid only if agreed in writing by and between Seller and Buyer.
- 2) Unless otherwise stated, written offers are binding 14 days from date of issue.
- 3) If an offer, order or order acknowledgement of an order has been made or given in writing, agreements collateral to the contract are not binding until they have been confirmed in writing.

Delivery

- 4) If delivery terms have been agreed, these shall be interpreted in accordance with the INCOTERMS in force on the date of the contract. If no specific delivery terms have been agreed, the term "Ex Works" shall apply.
- 5) In regard to deliveries of goods not stocked by the Seller, the Seller shall, unless otherwise agreed, be entitled to make excess delivery or short delivery in accordance with the practice generally applied in the sector of Swedish industry for the category of goods concerned.

Product information, etc.

- 6) Statements in product information or price lists are binding only if expressly restated in the contract. The Seller does not warrant that the goods are fit for a particular purpose unless expressly agreed in writing.
- 7) Unless otherwise agreed, samples provided are to be regarded as type samples and complete conformity of delivered goods with samples is not promised.

Drawings and technical documents

- 8) All drawings and technical documents supplied by either party to the other shall remain the property of the supplying party and may not by the receiving party be improperly used, reproduced, or disclosed to third parties.

Inspection

- 9) Prior to delivery, the Seller shall inspect the goods to verify compliance with the contract. Any testing, inspection or documentation requested by the Buyer after the conclusion of the contract shall be for the Buyer's account unless otherwise agreed. The Buyer shall inspect the goods upon delivery, as set out in Clause 17.

Delivery time

- 10) If a delivery time is stated as a certain period, that period shall be deemed to commence on the date of the contract.

Delivery delays

- 11) If the Seller or the Buyer finds that he cannot observe the agreed time for the delivery or receipt of the goods, or if a delay appears probable, he shall within a reasonable time give notice to that effect to the other party (notice of delay), stating when delivery or receipt of the goods can be expected.
- 12) If a notified or actual delay in delivering the goods or part of the goods is attributable to the Seller, and if, as the Seller has understood or should have understood, such delay would cause the Buyer

material inconvenience, the Buyer shall have the right to cancel the contract with respect to the goods whose delivery is delayed, by giving notice in writing thereof to the Seller. If the Seller has given notice of the delay, the Buyer shall exercise his right to cancel the contract within ten days from receipt of that notice; otherwise the time stated in the notice shall be deemed to be a new agreed time of delivery. If no notice has been given, the right to cancel shall be exercised within ten days from the agreed time of delivery.

13) If a notified or actual delay in delivering the goods or part of the goods is attributable to the Buyer, the Seller has the right to extend the delivery time by a period that is reasonable in consideration of the circumstances. If the delay, as the Buyer has understood or should have understood, causes the Seller material inconvenience, the Seller shall have the right to cancel the contract with respect to the goods whose delivery is delayed, by giving notice in writing thereof to the Buyer. If the Buyer has given notice of delay, the Seller shall exercise any cancellation rights within ten days of receiving notice thereof. If no notice has been given, the right to cancel shall be exercised within ten days from the agreed time of delivery.

14) If delivery cannot be made at the time stipulated for reasons attributable to the Buyer, the Buyer shall nevertheless be liable to fulfill all payment obligations as if delivery had been made. The Seller shall arrange for storage of the goods at the Buyer's risk and expense. At the Buyer's request, the Seller shall insure the goods at the Buyer's expense.

15) If delayed goods are related to goods already delivered, or goods to be delivered later in such a way that the party entitled to cancel the contract would suffer material inconvenience if he were partially to stand by the purchase, the contract may be cancelled in its entirety by that party.

16) If delivery of the goods is delayed, damages or liquidated damages shall be payable by the party who has caused the delay only to the extent agreed upon by the parties in writing. However, this limitation does not apply to a party who is guilty of gross negligence.

Claims

17) When the goods have been delivered, the Buyer shall verify them in the manner prescribed by sound business practice. Claims regarding any faults in the goods shall be made in writing, specifying the nature and extent of the fault. Claims shall be issued within a reasonable time after the Buyer discovered or should have discovered the fault. The liability of the Seller is limited to faults in respect of which claims in accordance with the above provisions are made within one year of delivery. Claims regarding any fault in the goods caused by damage during transportation carried out by an independent carrier shall be addressed directly to the carrier in accordance with the terms and conditions applicable to the carriage, and, if the damage occurred when the Seller bore the risk for the goods, also to the Seller in accordance with the preceding paragraph. The above-mentioned provisions regarding faults in the goods shall also in their relevant parts apply with respect to shortages in quantities.

Remedies in respect of faults or shortages

18) If there is in goods delivered any fault for which the Seller is liable and in respect of which a claim has been made in accordance with the provisions of section 17, the Seller shall at his own expense and with the promptness demanded by the circumstances at his own option, but after consultation with the Buyer, either rectify the fault (e.g. by repair or reprocessing), reduce the price in proportion to the fault, or deliver new and faultless goods in return for the faulty goods. The Seller shall there by defray the necessary costs of transportation, but not any expenditure incurred for dismantling, installation or processing, unless otherwise agreed.

If the Seller neglects to fulfill his obligations in accordance with the provisions of the first paragraph of this section, the Buyer has the right – after notification in writing to the Seller, but not subject to his consent – to remedy the fault himself and receive justifiable compensation from the Seller in respect

thereof, or, if such a remedy is impossible and the fault is substantial, to cancel the contract in so far as the faulty goods are concerned. If faulty goods are related to goods already delivered, or goods to be delivered later in such a way that the Buyer would suffer material inconvenience if he were partially to stand by the purchase, the Buyer may cancel the contract in its entirety.

Apart from the remedies expressly set out in the contract or in these conditions, no other remedies can be invoked in respect of a fault in the goods. The Seller is not liable for direct or indirect damage or losses suffered in consequence of a fault in the goods. However, this limitation of the Seller's liability does not apply if the Seller is guilty of gross negligence.

The above-mentioned provisions regarding faults in the goods shall also in their relevant parts apply with respect to shortages in quantities.

Grounds of discharge from liability (force majeure)

19) The Seller and the Buyer have no right in relation to each other to appeal to negligence in the fulfillment of the contract, if such fulfillment is substantially rendered difficult by industrial action, or by circumstances beyond the control of the party that could not have been anticipated when the contract was concluded, such as, but not limited to war, mobilization, political disturbances, governmental intervention of various kinds, currency restrictions, fire, act of God, power shortages, interference with transport, extensive operational breakdowns, or substantial scrapping of goods by a party, or by deficient performance on the part of sub suppliers owing to any circumstance such as is referred to in this section. If a party has not immediately notified the other party in writing that such a circumstance has occurred, he has no right to appeal to this as grounds for discharge from liability. If any circumstance such as is referred to in this section has the effect that the contract cannot be fulfilled within a reasonable time, either of the parties has the right to cancel the contract in writing to the extent that it has not been fulfilled. If, in such a case, the Buyer cancels the contract, the Seller shall be entitled to receive compensation for the costs incurred by discharging delivery obligations up to the time of the contract's cancellation; but not for what he can gain in the course of his business.

Infringement of rights of third parties

20) If goods are delivered in accordance with drawings, models or other patterns submitted by the Buyer, or in accordance with analysis prescriptions or descriptions given by him, the Buyer shall indemnify the Seller for any infringement of the rights of third parties, such as patents, patterns, or trademarks.

Tools and models

21) Repairs of tools and models, belonging to the Buyer and in the custody of the Seller, shall be paid for by the Buyer, if such repairs are caused by wear and tear or reasons not attributable to the Seller. The Seller shall be liable for keeping such tools and models during the agreed period of delivery. If they remain with the Seller after the period of delivery, the Seller shall keep them at the expense of the Buyer, unless otherwise agreed. All storage of such tools and models shall be at the risk of the Buyer. After three years have lapsed since completion of delivery of the goods, the Seller has the right – after notification to the Buyer in writing – to discard or return such tools and models unless otherwise agreed. Transportation of such tools and models shall be effected at the risk and expense of the Buyer. The term "tools and models" in this context includes other equipment required for the production of the goods and belonging to the Buyer.

Cancellation

22) The Buyer may not without the consent of the Seller cancel any contracted deliveries.

Retention of title

23) The Seller reserves the title to and property in goods delivered until full payment thereof.

Payment

24) Amounts overdue for payment will entitle the Seller to charge the Buyer interest. Such interest shall be calculated on a day-to-day basis on the amount outstanding from the date of maturity until paid at a rate 6 % above the official Repo Rate of the European Central Bank.

Governing law

25) The contract shall be governed by Swedish law, with exclusion of its conflicts of law rules as well as the International Sale of Goods Act (1987:822).

Disputes

26) Any disputes shall be settled by arbitration in Stockholm, Sweden, in accordance with the provisions of the Swedish Act on Arbitration. Either party may, however, initiate legal proceedings against the other in a court of law that has jurisdiction to collect sums of money that are indisputably due and outstanding under the contract.