MANNESMANN LINE PIPE
A Member of the Salzgitter Group

International Terms & Conditions of Sale

Section 1. Sphere of application; conclusion of contract

(1) These International Terms & Conditions of Sale ("ITCS") shall apply subject to Section 1 (2) ITCS to our sale of goods, including goods to be produced, to customers, including entrepreneurs, merchants or legal persons, as well as legal persons governed by public law or special funds under public law ("Buyer"). The Buyer's conditions of purchase or other general terms and conditions of business do not apply, even if we do not refute them or render or accept services. In the context of an ongoing business relationship, these ITCS shall also apply to all future business conducted with the Buyer.

(2) These ITCS do not apply if all the elements relevant to the situation within the meaning of Article 3 (3) of Regulation (EC) No. 593/2008 dated June, at 17, 2008 (Rom-I-VO) are located in the country of our principal place of business at the time when the contract is concluded or if we expressly exclude the application of these ITCS.

(3) Our offers are subject to change and non-binding.

(4) Unless otherwise agreed, orders placed by the Buyer in whichever form shall only be deemed accepted once we have issued an explicit written declaration. Similarly, after a contract has been concluded, any modification desired and communicated by the Buyer requires our confirmation. Our silence with regard to an order or a desired modification shall not be deemed as acceptance or consent.

(5) Our statements concerning the conclusion, modification or termination of contracts must be set down in writing pursuant to Section 13 (2) ITCS.

Section 2. Scope of performance and purpose

(1) The Buyer shall only be entitled to demand the goods from production of the supplying plant specified in the contract of sale and/or in our confirmation of the order. We reserve the right to arrange delivery from another plant or subsupplier in the domestic territory or abroad. We will cover the actual additional costs incurred for the Buyer through this arrangement.

(2) The quantity, quality and type of goods shall be determined exclusively in accordance with explicit agreement in the individual contract and, if such agreement is lacking, then in accordance with the DIN and EN standards effective upon conclusion of the contract and applicable to the goods and, in the absence of this, in accordance with trade practice and usage. Any production-related minor variations within the tolerance range customary for the industry shall not constitute a defect.

(3) The risk of the suitability of the goods we deliver for the intended purpose that is brought to our attention by the Buyer or the customary intended purpose or customary use rests exclusively with the Buyer. Any liability for a defined intended purpose, specific purpose or a specific suitability of the goods will only be assumed by us to the extent that this is explicitly agreed in writing. This being the case, the Buyer shall undertake to examine the suitability of the goods for the purpose he intends for the goods and, in particular, conduct all the relevant tests and safety inspections, as well as observing all application-specific duties of care. This applies especially to samples and other sales documentation that we deliver.

The Buyer shall bear the risk that the protected industrial rights of third parties may contravene the import of the goods into the country of destination. Special duties of care and the subject, number and the extent of the safety and/or material inspections to be conducted by us require explicit agreement in the contract.

(4) The properties of the goods expressly confirmed by us pertain exclusively to the as-delivered condition and will be partly subject to massive change through downstream processes (e.g. molding/forming part, further treatment or processing). The Buyer is explicitly advised that, with respect to the goods we produce, process or deliver, especially steel products, material-related faults or irregularities (e.g. scales, tears, voids, inclusions, microstructure disruption, orange-peel effect) may occur that are unavoidable in the production process and that, despite our greatest care, we are not always able to detect prior to delivery. Such faults or irregularities often only become visible during further processing or forming (e.g. pressing, welding or bending). It is therefore the responsibility of the Buyer to undertake a special duty of care and inspection before, during and after further processing and forming processes. All products produced from goods delivered by us must be carefully examined and inspected by the Buyer before any further treatment or processing, prior to being embedded in other objects, and before they are placed on the market. In the event of selling on our goods in a worked or processed state or in their original state, the Buyer shall undertake to advise his customer and other third parties that further process the goods in line with the intended purpose of the safety instructions and to impose on them the aforementioned duties of care and inspection.

(5) Work test certificates, quality certificates, the content of agreed specification or other explicitly agreed and intended purpose do not constitute a guarantee. All guarantees shall be subject to an explicit written agreement and be denoted as "guarantee". We shall bear no liability toward third parties to whom the Buyer has made our inspection documentation and/or quality certificates available in respect of the correctness of these documentation or certificates.

(6) For goods sold as degraded material – e.g. so-called IIa material – the properties indicated and such faults that the Buyer must customarily expect with this kind of material shall not constitute a lack of conformity. If an agreement has not otherwise been explicitly concluded, IIa material is only worth its scrap value. Degraded material may only be sold on as IIa material or scrap. The Buyer must ensure that all further customers in the supply chain are informed accordingly.

(7) A legal entitlement to a supply of goods originating in the European Union within the meaning of the provisions on preferential customs duties does not exist unless such origin of goods has been expressly agreed.

Section 3. Packaging

(1) If not otherwise agreed, the goods shall be delivered unpacked and unprotected against corrosion. Any resulting external corrosion, transport-related soiling and surface damage effects shall not be regarded as lack of conformity with the contract. Special packaging or protective measures (e.g. for longer-term storage, shipment by sea or shipment under wintry conditions) shall only be provided if expressly ordered and at a further charge. In any case, transporting the goods in a dry state is recommended, as is checking at delivery for moisture that may have penetrated, and ensuring

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immediate drying and quick processing in the event of moisture ingress.

(2) We take back packaging as well as protective and/or other auxiliary transport devices. We do not bear the Buyer's costs for the return transport or disposal of the packaging. Box pallets and other reusable packaging that we provide shall remain our property and are to be transported back to the supplying plant without delay.

Section 4. Delivery, part delivery, passing of risk, transport

(1) Irrespective of Section 3 (1) ITCS, and if not otherwise agreed, delivery shall be made in accordance with Incoterms-FCA at the supplying plant and/or warehouse specified in the order confirmation. With each mode of shipment (also if the Incoterms clause DDP Incoterms is agreed), the Buyer is responsible for unloading.

(2) We are entitled to make part deliveries and to invoice these part deliveries separately.

(3) The risk shall pass in accordance with the agreed Incoterms conditions. Should the Buyer not take over the goods despite an obligation to take over, the risk shall pass latest at the time when the Buyer does not comply with its obligation of acceptance. If the goods are to be delivered to or prepared for the Buyer at his request only upon the Buyer's call-off, the risk shall pass either when the goods are transferred or upon expiration of an agreed period that starts with notice of the readiness for dispatch being issued, whichever is earlier. In case of any removal by the Buyer of the goods from a warehouse or store made available by us in terms of a further contractual arrangement, transfer of risk to the Buyer shall take place at the latest upon removal.

(4) We are entitled to refuse to load any means of transport that do not appear to be suitable for the correct and safe transport or which do not possess the necessary cargo securing devices even if the transport is the Buyer's responsibility.

(5) The Buyer shall undertake to comply with requirements on safety and reliability issued by the customs authorities competent for our supplying plant for certification as an "Authorized Economic Operator" ("Zugelassener Wirtschaftsbeteiligter"; ZWB/AEO). If the Buyer himself is not certified as an Authorized Economic Operator, or if he has not applied for such certification, he shall undertake to provide us with a separate declaration in the form available from the customs authorities that it will comply with safety and reliability requirements. The Buyer shall inform us immediately if either he or auxiliary persons he has deployed in the context of performing the contract contravene compliance with the safety and reliability requirements or if compliance is no longer ensured.

We have the right to terminate the respective agreement on important grounds if the Buyer does not fulfill the requisite safety and reliability requirements for recognition as an Authorized Economic Operator or does not provide us with a security declaration upon our request, or if the Buyer or the auxiliary persons he deploys for the performance of the contract culpably and gravely contravene or repeatedly infringe these safety and reliability requirements.

Section 5. Delivery dates and deadlines; impediments to delivery

(1) Delivery periods commence at the earliest on the date on which we confirm the order but not, however, before complete and timely clarification of all the necessary details of the contract, as well as timely and sufficient supply to us of necessary raw materials, input materials and third-party services; the same applies to delivery dates. Conditionally confirmed delivery periods and dates only become binding after the explicit lifting of the proviso. If only a delivery period has been agreed, we reserve the right to determine the exact time of delivery within this period.

(2) A framework agreement on a fixed delivery quantity obligates the Buyer to accept and pay the whole delivery quantity within the agreed period; the supplying plant is authorized to determine the performance date at its own reasonable discretion. We are authorized to undertake regular part deliveries. A framework agreement that only comprises prices for undetermined delivery quantities within an agreed period but does not include obligations of the Buyer to accept does not establish any delivery obligations for us either; delivery obligations only arise from individual contracts whose conclusion remains reserved.

(3) If the Buyer does not fulfill contractual obligations, also duties to cooperate or incidental obligations (e.g. the lodging of a security, production of domestic or foreign certificates, remitting of an advance payment, authorizations or confirmations or the like) in a timely manner, we shall be entitled to extend our delivery periods and delivery dates, without prejudice to our rights arising from the default of the customer, in accordance with the requirements of our production operations.

(4) Should the loading or shipment of the goods be delayed or significantly impeded for reasons for which the Buyer is responsible, we shall be entitled to place the goods in a warehouse at our reasonable discretion at the expense and risk of the Buyer, to undertake all measures deemed appropriate for preserving the goods, and to invoice the goods as if delivered. Notwithstanding Section 6 (1) ITCS, our payment claim shall in such case be due and payable fifteen (15) calendar days after the invoice date. The same shall apply if the goods that have been notified as ready for shipment are not called off within six (6) calendar days despite expiration of the agreed delivery date or delivery period, as well as in cases when, after we have notified readiness for dispatch, the Buyer does not issue an agreed release for the shipment of goods ordered within the requisite period agreed. The legal provisions regarding the default of acceptance shall remain unaffected.

(5) The time of the dispatch ex works or ex stock shall be authoritative for determining adherence to binding delivery dates and delivery periods (also in the case of agreeing an Incoterms D clause). Delivery periods and dates will be deemed to have been adhered to if the goods cannot be dispatched in a timely manner after notified readiness for dispatch through no fault of ours.

(6) If we or our own suppliers are prevented from fulfilling our obligations due to circumstances that are beyond our control, e.g. war, unrest, terrorist attacks, intervention by government authorities (including embargoes on goods, import or export restrictions), inability to obtain official approvals or certificates (e.g. negative certificates), natural events, storm, epidemics, accidents, fire, explosions, strike and lock-outs in our own and in third party companies, grave impediments to transport, serious machinery breakdown, other disruptions to operations and delays in the delivery of essential raw materials or input materials, our contractual duties shall be suspended and we shall be entitled to extend the delivery period, deadlines and dates, taking account of our

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production capacities and other delivery obligations, as well as an appropriate start-up time. Such impediment to performance must be communicated to the other party without delay. If delivery becomes impossible or unreasonable for us due to the impediment, or if the circumstances prevail at least six (6) weeks beyond the agreed delivery time, we can declare the contract avoided to the exclusion of any duty to substitute inasmuch as such impediment exists; the Buyer has the same right if and insofar as acceptance is not reasonable for him due to the delay. The same applies if circumstances outside our sphere of influence materially hamper the fulfillment of our obligations or significantly reduce our delivery capacities.

(7) Non-compliance with the delivery date or delivery deadline does not constitute a fundamental breach of contract within the meaning of Art. 49 (1) lit a) CISG, and the Buyer shall have the right to declare the contract avoided only under the conditions set out by Art. 49 (1) lit b) CISG after the expiration of an additional period of time without delivery. The entitlement to avoid the contract shall generally only cover the part of the contract that has not been fulfilled and presupposes that our non-compliance with the delivery date or exceeding the deadline is due to us causing such non-compliance deliberately or through gross negligence. After delivery has been made, the Buyer is not entitled to avoid the contract due to delayed delivery. Furthermore, Section 11 ITCS shall apply. Any further liability for delay is excluded. Without prejudice to his legal obligation to avert or minimize damage, the Buyer is obliged to inform us in writing without delay of any foreseeable pending delay damage.

Section 6. Purchase price and payment terms and conditions

(1) Purchase prices are quoted plus any statutory turnover tax and/or value added tax in the respective statutory amount. The purchase price and all other payments to be remitted by the Buyer must, if not otherwise agreed, be paid without deduction of discount by the 15th calendar day of the month following delivery from the supplying plant or the warehouse in a manner that ensures that we can dispose of the amount by the due date of the payments. The Buyer shall bear the cost of the payment transactions. The place of fulfillment for the payment is the place of the bank account details indicated in our invoice. The granting of the aforementioned payment terms is subject to the proviso of our right to demand the furnishing of security in accordance with Section 7 ITCS.

(2) Unless otherwise agreed, the price is determined by unit of length in EUR/m. For export transactions, the price is also possible in the respective currencies and customary national units of length.

(3) If the Buyer exceeds an agreed term of payment, or if the Buyer is in arrears with his payments, he shall be obliged to pay us interest on arrears in an amount of nine (9) percentage points above the three-month Libor CHF of Schweizerische Nationalbank SNB for the duration of the delay. In in all other respects statutory provisions shall apply to the delay in payment.

(4) In the event of a delay in payment pursuant to Section 6 (3) ITCS, as well as in the case that it becomes apparent after the contract has been concluded that our claim for compensation is at risk due to the Buyer's inability to honor his commitments, or in case of fundamental subsequent impairment of the Buyer's creditworthiness, we shall be entitled to immediately call due our claims to payment to the extent that we have already delivered and (insofar as no security has yet been furnished in accordance with our agreement) to demand security pursuant to Section 7 ITCS or advance payment for deliveries not yet made. We are then also entitled to rescind a direct debit authorization in accordance with Section 8 (9) ITCS. Moreover, we shall be permitted to assert the right of retention with regard to deliveries not yet made. If, within an appropriate period, the Buyer does not furnish any security or remit advance payment, we shall be entitled to declare the contract avoided, either in part or in its entirety. The statutory provisions due to late payment shall remain unaffected.

(5) Cross-border deliveries shall be carried out without customs clearance and duty unpaid. Customs, consulate fees, freight, insurance premiums and other costs incurred in connection with performing the contract will be invoiced separately to the Buyer. If otherwise agreed that such costs are included in the price, any increase in costs following the conclusion of the contract will be invoiced to the Buyer. The same applies to the introduction of new expenses, such as customs duties, fees or levies.

(6) If not expressly agreed that the goods shall remain in the country of the supplying plant after delivery, the Buyer shall undertake to transport the goods abroad and to furnish us with proof by submitting documentary evidence that satisfies the sales tax and/or VAT tax law in the country of the supplying plant and other required documents (e.g. confirmation of arrival, proof of exportation, end-use certification). If such proof is not provided within 30 days after the goods have been handed over, the Buyer shall pay the sales tax on the amount of the invoice in accordance with the sales tax and/or VAT tax applicable to the delivery. In the case of deliveries in countries within the European Economic Area and/or Switzerland, the Buyer shall be obliged to provide us with his value added tax identification number and his business identification number (UID) with the VAT addendum prior to conclusion of contract.

(7) The Buyer is only entitled to assert a right of retention or to suspend his payments, or to bill or offset counterclaims if the claim of the Buyer arises from the same contractual relationship and is recognized or uncontested by us or has been established as legally valid.

Section 7. Security

(1) Without prejudice to our statutory and contractual rights and the provisions on title retention pursuant to Section 8 TCIS, we shall have the right to demand valuable security for all our receivables, even if these are conditional or limited. Security may take the form of a guarantee or otherwise unconditional promise to pay from a credit institute or credit insurance company approved to conduct business in the country of the supplying plant. Insofar as any of our claims for security are not, or not to the full extent, asserted by us in individual cases or temporarily, this shall not constitute a waiver of any right to such security. Should the Buyer not furnish the security required or if, upon request, he fails to renew a security granted that is due to expire, we shall be entitled to exercise our right to retention regarding deliveries not yet made and services not yet rendered and assert the right to refuse any agreed stock withdrawals. After expiration of a deadline set, we shall be entitled to terminate the contract to the exclusion of any claims on the part of the Buyer.

(2) Whenever we process or finish an item that has been supplied or made available to us by the Buyer, or if such item is used as an auxiliary means of performing our contractual obligations, a contract-based lien on such item shall be

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granted by the Buyer in our favour to support the securing of any payment claims for the processing or finishing as well as for any ancillary claims we may have. Any rights resulting from statutory liens shall not be affected thereby.

Section 8. Retention of title; assignment of claims

(1) Until such time as all our current and future receivables from the contract (secured receivables) have been paid in full, we shall reserve the title of ownership of the goods sold (goods subject to reservation). Insofar as the Buyer has not remitted advance payment, we shall reserve the title of ownership of the goods sold, also in respect of all current and future and contingent receivables (secured receivables) from the present business relationship. The Buyer shall be obliged to take the measures required to protect our property and to ensure that our claim of ownership is not prejudiced. Inasmuch as this is necessary for perpetuating the reservation of title, the Buyer shall undertake in particular to arrange any necessary entry into the respective reservation of title register in the country where the goods are localized or to arrange for an equivalent, competent public register at the Buyer's place of business at his expense. Should the reservation of title not be effective or enforceable under the provisions of the mandatory law of the country of location, we shall be entitled to demand other appropriate means of security from the Buyer.

(2) We may mark the goods subject to reservation as such and prohibit the Buyer from removing or rendering such marks unrecognizable or require the Buyer to subsequently undertake such marking.

(3) The goods subject to retention of title may neither be pledged to third parties nor assigned as security before the secured claims have been paid in full. The Buyer must inform us in writing immediately if an application for the opening of insolvency proceedings has been made or if third parties have accessed goods belonging to us.

(4) Insofar as the Buyer has treated or processed goods subject to reservation within the scope of legally valid business, this will be carried out for us as producers and we shall acquire ownership of the newly produced goods without any obligation on our part, and the newly produced goods shall be deemed goods subject to reservation.

(5) If, in the event of the Buyer processing, combining and mixing the goods subject to reservation with other goods, ownership of a third party exists, we are entitled to co-ownership of the new goods in proportion to the invoice value of the goods subject to reservation to the invoice value of the other goods used. If our property is extinguished through combination, mixture or processing, then the Buyer shall hereby transfer any ownership and/or expectant rights accruing to him to the new stock or item within the scope of the invoice value of the goods subject to reservation, in the case of processing in proportion to the invoice value of goods subject to reservation to the invoice value of the other goods used, and safeguard them for us free of charge. Our co-ownership rights shall apply as goods subject to reservation.

(6) The Buyer may only resell the goods subject to reservation in the course of normal business operations under its commonly accepted terms of business, and as long as he is not in arrears, provided that he has agreed a retention of title with his customer and that the claims from the resale pursuant to Section 8 (7) and (8) ITCS are transferred to us. The Buyer is not authorized to dispose of the goods subject to retention in any other way. Resale within the meaning of this Section 8 ITCS shall also be deemed use of the goods subject to reservation to fulfill contracts for work.

(7) The claims of the Buyer from reselling the goods subject to reservation are already assigned to us at this point; in the event of allocating the resale claim to a current account in its amount, this shall also apply to the respective balance of accounts receivable. We already accept such assignment. The claims assigned shall serve the purpose of security to the same extent as goods subject to reservation.

(8) If the goods subject to reservation are sold on by the Buyer together with goods not delivered by us, the claims arising from the resale and the respective balance shall be assigned to us in proportion to the invoice value of the goods subject to reservation to the invoice value of the other goods. We already accept such assignment. In the event of the resale of goods to which we have co-ownership rights pursuant to Section 8 (5) ITCS, a portion of the accounts receivable shall be assigned to us corresponding to our co-ownership share.

(9) The Buyer is entitled to collect the receivables or balance claims from the resale unless we revoke the authorization to collect. We are entitled to revoke the authorization to collect with immediate effect from the time that our claim to payment for products and services rendered or to be rendered is in jeopardy and the Buyer does not furnish any other suitable security. At our request, the Buyer shall be obliged to inform his customer immediately about the assignment to us, if we do not do this ourselves, and to provide us with the information and documentation necessary for collection. The Buyer is in no event be authorized to assign claims.

(10) If the Buyer is in arrears with payments, we shall – without prejudice to our rights under Section 6 (4) ITCS - be entitled, after an unsuccessful extension period, to declare the contract relevant to the goods in question avoided, to the exclusion of any claims on the part of the Buyer. After exercising the right to avoid the contract we may prohibit the further treatment or processing of the goods already delivered by us and demand that the goods are returned. We are entitled to retrieve the goods and, if applicable, to access the business operations of the Buyer for this purpose. The aforementioned legal consequences cited under Section 8 (10) ITCS can be averted by the Buyer furnishing security in the amount of our jeopardized payment claim.

(11) The Buyer shall advise us immediately of seizure or other impairments by third parties. The Buyer shall bear all costs incurred by release of the seizure or for the return of the goods subject to reservation, if they are not reimbursed by third parties.

(12) If the value of the existing security exceeds the secured claims, including ancillary claims (interest, costs and similar) by more than 10%, we are obliged to release the security of our choice upon demand of the Buyer.

Section 9. Acceptance

(1) If acceptance has been agreed that goes beyond the obligation to take over the goods, this shall be effected in the supplying plant, if not otherwise agreed. Such acceptance must take place immediately upon notification of readiness for acceptance. The Buyer cannot refuse acceptance because of immaterial defects. We shall bear the acceptance costs accruing to the plant; other costs incurred in connection with the acceptance or costs invoiced to us by a third party shall be at the Buyer's expense.

(2) If acceptance does not take place at the designated time or in full due to no fault of ours, we are entitled to carry out

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delivery without acceptance or to store the goods at the expense and risk of the Buyer. In these cases, Section 5 (4) ITCS shall apply accordingly.

(3) After the carrying out an agreed acceptance, notice of any defect that could have been detected during acceptance shall be excluded. Defects not notified shall be deemed to have been accepted.

Section 10. Claims for defects

(1) The contractual condition and quality and absence of defect of our goods shall be assessed solely in accordance with the explicit agreements on quality/characteristics and quantities of the goods ordered pursuant to Section 2 ITCS at the time when the risk passes. The burden of proof for any lack of conformity of the goods rests with the Buyer. For the purpose of clarity, the following shall be noted: The customer is not entitled to remedies for delivery of non-conforming goods or goods with a deficiency in title insofar as the Buyer has given third parties extensions of liability or promise of guarantees or is liable vis-à-vis third parties for conditions of the goods or their fitness for purposes that are not the subject of the contracts agreed with us.

(2) Rights or claims of third parties (in particular rights and claims substantiated by intellectual property or commercial property rights) only result in a lack of conformity of the goods inasmuch as these claims or rights are in force at the time of when the risk passes in the country of the supplying plant and prevent or impede the usage of the goods in such country.

(3) Without having an inherent limitation on statutory provisions, the Buyer must immediately and comprehensively inspect the goods upon receipt for a lack of conformity in terms of their nature, quantity, quality and packaging. If necessary, the Buyer must carry out the inspection with the aid of external third parties.

(4) Any lack of conformity must be notified within a period of ten (10) calendar days - with an immediate suspension of any further treatment or processing, installation or mounting of the goods. In the case of an obvious lack of conformity, the period within which notification must be made begins with the delivery of the goods, and in all other cases once the Buyer has ascertained or should have ascertained a lack of conformity. Notification of non-conformity must be set down in writing, and such non-conformity is to be exactly defined and described so as to enable us to take remedial measures.

(5) In the event of notifying a defect, the Buyer must promptly give us the opportunity of inspecting the goods that are subject to reclamation and to identify the cause of the defect. On our demand, the rejected goods or a sample of the same shall be placed at our disposal at our cost. Such inspections and investigations shall not constitute a waiver of a due notice of defect in good time and shall always be carried out under reservation of all rights even if not indicated separately. In the event of unjustified complaints, we shall be entitled to demand that the Buyer reimburses us for the costs incurred, as well as for the outlay involved in handling and investigating the claim at market prices.

(6) If we have delivered non-conforming goods, we are entitled under Art. 48 CISG to arrange for delivery of substitute goods or repair at our discretion. This also applies after the delivery date. If we do not remedy the defect in this manner or if we refuse remedy, the Buyer shall be entitled to reduce the purchase price for the non-conforming goods pursuant to Art. 50 CISG. Alternatively, in the event of material breaches of contract, the Buyer shall be entitled to demand the avoidance of the contract in accordance with the legal provisions after a reasonable notice period allowed for remedying or the delivery of substitute goods expires to no effect. The Buyer can only claim damages and reimbursement of expenses under the conditions pursuant to Section 11 ITCS. Any other or further claims of the Buyer due to the delivery of non-conforming goods pursuant to the statutory provisions are, insofar as permissible, excluded.

(7) The claims of the Buyer arising from the delivery of non-conforming goods and goods with a deficiency in title shall lapse one (1) year after the goods have been delivered. Claims due to fraudulent, intentional or grossly negligent breach of contract and claims arising from injury to life, body or health shall remain unaffected. Remedy and delivery of substitute goods shall not initiate the limitation period again.

(8) Flat rate charges for complaints or damages or contractual penalties are not recognized. Used goods and IIa material are sold at the exclusion of any liability for defects.

Section 11. Compensation and general limitations of liability

(1) Our contractual and statutory liability for compensation or for reimbursement of expenses is excluded regardless of the legal grounds unless the Buyer provides proof that our general managers or employees have committed a breach of the statutory or contractual obligations in respect of the Buyer through acting with willful intent or gross negligence. We do not undertake liability for the conduct of other auxiliary persons, such as for subcontractors. In the event of force majeure, Section 5 (6) ITCS shall apply; any further liability is excluded.

(2) Irrespective of Section 11 (1) ITCS, we shall be liable within the framework of the statutory provisions for bodily harm or damage caused to health as well as for damage to privately used objects of the Buyer and of his auxiliary persons.

(3) To the extent that we are liable, our liability is limited to the damage for which the Buyer has provided proof and that is typical for the contract and foreseeable, and liability is otherwise limited as follows:

a) for late or for non-delivery to 0.5 percent for each full week of the delay, however with the maximum set at 5 percent of the net purchase price of the late or non-delivered goods, and

b) in the case of any liability due to all other breaches of contract, regardless of the legal basis, overall to the net purchase price of the goods that are the subject of the breach of contract.

(4) Without prejudice to the limitations pursuant to Section 11 (3) ITCS, we shall under no circumstances be liable for coincidence, lost revenue or profit, loss of production, loss of use, the cost of substitute items, loss of data, and damage to property that are not directly related to the object of the contract itself, nor for all damage arising as a result of the aforementioned causes of damage, as well as indirect and consequential damage or comparable damage of this kind, irrespective of whether it accrues to the Buyer's or to a third party.

(5) The Buyer shall bear the liability risks that arise from the fact that either he or his customers or other persons in the supply chain sell or market the goods outside the country of our supplying plant or deploy them there. In this case, the Buyer shall be obliged to release and indemnify us from all

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non-contractual claims of third parties, such as product liability claims arising from the application of foreign law inasmuch as such exceed claims on grounds of cause or amount claims under the law of the location of our supplying plant.

Section 12. Place of jurisdiction, applicable law

(1) If it has been agreed with the Buyer that we should organize the shipment of the goods (e.g. upon agreement of an Incoterms C clause), the agreed place of performance for the purposes of determining the place of jurisdiction is the location at which we transfer the goods to the first carrier.

(2) Irrespective of any places of jurisdiction for measures of interim legal protection, the sole jurisdiction agreed for all disputes arising from or in connection with the contract and these International Terms & Conditions of Sale, including contractual and non-contractual disputes and disputes about the validity, invalidity, breach or cancellation of the contract, as well as disputes arising from the business relationship between the Buyer and ourselves, shall reside with the national courts competent for our registered offices. Instead of bringing an action before the national courts competent for our registered offices we shall also be entitled at our discretion to bring action before the national courts (i) at the defendant's place of business, (ii) at the location of the supplying plant indicated by us in the contract, or (iii) at the place of performance. Other legal provisions that result in the competence of national courts in the country where we are registered are not excluded by the foregoing regulations.

(2) The contract is subject to the Convention of the United Nations Convention on Contracts for the International Sale of Goods (CISG; SR 0.221.211.1) in the English version dated April 11, 1980, and, subordinately, in areas not regulated in these International Terms & Conditions of Sale or the CISG, the Swiss Code of Obligations (SR 220). The regulations under Section 8 ITCS (retention of title, assignment of claims) are subject to the law prevailing at the location of our supplying plant unless different laws are mandatorily applicable. Insofar and if these ITCS have been translated into other languages, the German version shall prevail in the event of contradictions or lack of clarity.

(3) The Incoterms in the version valid upon the conclusion of the contract shall apply to the interpretation of the trade clauses, taking into account the provisions agreed in these ITCS.

Section 13. Other provisions; data protection

(1) The Buyer is not entitled to transfer his rights and obligations with regard to ourselves to another person.

(2) All communication, declarations, notifications, etc., in particular declarations pertaining to the conclusion, modification or termination of contracts (jointly hereinafter referred to as “communications”) must exclusively take the written form in either German or English. Communications using telefax or email fulfill the requirement for the written form. No qualified electronic signature shall be necessary unless otherwise agreed with the Buyer. Documents that are computer-generated by us in the context of the partially automated electronic processing of order data are valid even without a signature.

(3) Should provisions of these International Terms and Conditions of Sale be or become ineffective in whole or in part, the other provisions shall remain in effect. We and the Buyer shall undertake to replace the invalid provisions by new provisions that come as close as possible to fulfilling the economic content in the invalid provisions in a legally admissible manner.

(4) Data generated in the context of the business relations will be processed by us or, if appropriate, by a company associated with us within the Salzgitter Group. We reserve the right to electronically notify insurance companies and institutions securing supplier credits and assessing credit ratings with regard to data on processing contracts and payments and other information from the contractual relationship that may be suitable for assessing credit ratings.

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