

1 Definitions

- 1.1 In these Conditions the following expressions shall have the following meaning:
"the Company" means ACERINOX, S.A., its subsidiaries and affiliated companies, and their corresponding successors in title or assigns.
"the Customer" means the person, firm or corporation with whom the Company contracts for the sale of the Goods.
"the Goods" means the products which are to be sold by the Company and purchased by the Customer pursuant to the Contract.
"the Contract" means the contract for the sale of the Goods by the Company to the Customer incorporating these Conditions.
"working day" means any day of the week except a day which is a Saturday or Sunday.
"the Conditions" means the conditions ruling the sales by ACERINOX, S.A.

2 General

- 2.1 Any quotation or estimate given by the Company is an invitation to the Customer to place an order and thereby make an offer open to acceptance by the Company and no order placed in response to or any other acceptance of a quotation or estimate shall give rise to a contract binding upon the Company. A binding contract shall come into effect upon the earliest of any of the following, namely;
a) Acceptance by the Company (order confirmation); or
b) any commencement of manufacture of the Goods by the Company where Goods are made specially in response to the Order; or
c) dispatch of the Goods.
- 2.2 These Conditions are the only conditions upon which the Company transacts and shall be incorporated in the Contract to the exclusion of all other terms and conditions including any terms or conditions specified or referred to in any order placed by the Customer. Any reference in any document forming part of or evidencing the Contract (including any order design, drawing specification or other similar document) to any terms or conditions of purchase or business of the Customer shall not have the effect of incorporating any such terms or conditions in the Contract.
- 2.3 No variation of these Conditions shall have effect unless it is agreed to by the Company in a document signed by a person authorised to do so and issued to the Customer.
- 2.4 In addition to these Conditions, the Company may from time to time specify technical specifications and terms of trading regarding such matters as, without limitation, carriage, minimum order sizes and packaging; details of such specifications and terms of trading are available upon request to the Company and are hereby incorporated into these Conditions.

3 Prices

- 3.1 All prices are exclusive of any tax or duty imposed by any competent authority upon the sale of the Goods. Any such tax or duty shall be added to price and paid by the Customer.
- 3.2 Prices stated in quotations, estimates, or other documents issued by the Company prior to order confirmation are not binding upon the Company and the price charged shall be the price ruling at the date of order confirmation.
- 3.3 The Company may increase the price of the Goods between order confirmation and payment for them in the event of:
a) Alloy extra and variation in the international prices of the constituent elements of the Goods or their supply terms; or
b) there being any applicable incidental expenses arising in relation to the Goods or their delivery,
and the Customer shall pay any price increases arising therefrom.

4 Payment and Securities

- 4.1 Full payment for the Goods shall be made within the time period and in the manner specified in the Contract. Partial payments are not allowed. Unless otherwise agreed, payment shall be made in cash at the Company's premises not later than 30 days from the date of the relevant invoice. Should for any reason other means of payment be used, payment shall not be deemed to have been effected before the Company's account has been fully and irrevocably credited. The Customer shall bear all the expenses arising out of the payment system agreed. If a documentary credit is issued, it shall be governed by the ICC Uniform Customs and Practice for Documentary Credits in effect.
- 4.2 All deliveries shall be subject to the approval of the Company's Credit Department.
- 4.3 If the Customer,
a) fails to comply with its payment or other obligations under the Contract or any other contract with the Company; or
b) is under bankruptcy, suspension of payments, winding up, liquidation or any kind of insolvency; or
c) is unable to pay its debts or;
d) any execution is levied upon the property or assets of the Customer,
the Company is entitled to compel performance of or to cancel the Contract.
- 4.4 If the Company has fair reasons to suspect that the Customer will not be able to perform its payment or other obligations under the Contract or any other contract with the Company, the Company may at any time suspend the performance of its obligations under the Contract, unless the Customer immediately pays the entire purchase price under the Contract and all outstanding payments under any other contract with the Company or furnishes the Company with a bank guarantee or other security for the same amount acceptable to the Company. The Company shall immediately notify the Customer of any such suspension and state therein a reasonable final time limit for the Customer to make payments/furnish security. If the Customer fails to make such arrangements within the final time, the Company will have the same rights as under Condition 4.3 above.
- 4.5 If under Conditions 4.3 or 4.4 above, the Company has already dispatched the Goods, it may prevent the handing over of them to the Customer even though it holds a document which entitles it to obtain them.
- 4.6 If the Company cancels the Contract under condition 4.3 and 4.4 above, the Customer's authority to sell Goods title to which is vested in the Company according to condition 7 shall cease and then the Company may forbid the sale and process of the Goods and request the Customer to return them or to forward them to any other destination. Notwithstanding any such suspension or cancellation, the Customer shall pay the Company in accordance with the Contract for all Goods dispatched by the Company prior thereto.
- 4.7 All amounts due by the Customer in payment for the Goods which are not paid on or before their due date shall bear interest both before and after judgment until actual payment at the interest rate applied by the European Central Bank to its last main refinancing operations plus 7%. In addition the Customer shall also indemnify the Company for any loss, liability or expense arising out of the Customer's lack of payment.
- 4.8 The Customer shall not be entitled to set off against sums due to the Company under the Contract any amount claimed by the Customer from the Company whether under the Contract or some other contract between them or on any other account provided that the Customer shall be entitled to set off against sums due to the Company valid credit notes issued to the Customer by the Company.

5 Formal Acceptance and Delivery

- 5.1 Delivery of the Goods shall be made at the place specified in the Contract or as subsequently agreed between the parties. If no place for delivery is specified or agreed, delivery shall take place at the Company's works immediately prior to loading for dispatch to the Customer (EX WORKS, INCOTERMS 2000). Any agreed trade term shall be construed in accordance with the edition of INCOTERMS stated in the Contract.
- 5.2 Unless otherwise stated, Goods which are stated to be available "ex stock" (or an equivalent term) are subject to availability.
- 5.3 The Company shall be entitled to make delivery of the Goods by installments and to invoice the Customer for each installment dispatched.
- 5.4 Dates or periods for dispatch or delivery of the Goods are approximate and shall not be binding. Given the complexity of the production process of the Goods, if having used its reasonable endeavors to comply with any date or dates specified in each contract for the dispatch or delivery of the goods to the Customer the Company is unable to do so, such failure shall not constitute a breach of contract by the Company entitling the Customer to cancel the Contract and/or to claim any damages whatsoever against the Company but the Company shall be entitled to a reasonable extension of time in which to effect dispatch or delivery.
- 5.5 If delivery cannot take place at the agreed delivery time due to circumstances attributable to the Customer, it shall make payments as if delivery had actually taken place. The Company may at the Customer's risk and expense, arrange for storage of the goods, and at the request of the Customer, also arrange for the insurance of the Goods, but only if and to the extent that the Customer makes and advance payment covering the reasonable costs for storage and insurance.

6 Passing of Risk

- 6.1 Passing of Risk shall take place in accordance with the INCOTERM specified in the Contract and if there is no provision in such respect in accordance with the INCOTERM EX WORKS (INCOTERMS 2000).
- 6.2 For sales in Spain, passing of Risk shall take place:
a) If the Contract involves carriage of the Goods, when the Goods are handed over to the first carrier;
b) otherwise when the Customer takes over the Goods or, if he does not do so in due time, from the time when the Goods are placed at his disposal.

7 Title to the goods

- 7.1 Notwithstanding their delivery and the passing of the risk therein to the Customer, title to and property in the Goods shall remain vested in the Company until:
a) the price of the Goods; and
b) all other money payable by the Customer to the Company on any other account or pursuant to any other contract whether or not due for payment,
has been paid, discharged or satisfied in full.
- 7.2 Until title to and property in the Goods pass to the Customer the following provisions shall apply:
a) the Company may at any time without prior notice to the Customer require the Customer to deliver up to the Company the goods and may repossess and resell the Goods if any of the events specified in Condition 4.3 or 4.4 occurs;
b) the Customer shall store the Goods in a proper manner in conditions which adequately protect and preserve them without charge to the Company and shall not tamper with any Company identification upon the Goods or their packaging but shall ensure that they are clearly identified as belonging to the Company. If the Goods are processed or in any way combined and/or mixed with other products then the Company will have a security interest on the final product for an amount equal to the value of the Goods;
c) the Customer shall at the request of the Company assist it in taking any measures necessary to protect the Company's title to the Goods.
- 7.3 The rights and remedies conferred upon the Company by this condition are in addition to and shall not in any way prejudice, limit or restrict any other rights or remedies of the Company under the Contract.
- 7.4 The Customer is authorised to sell the Goods in the ordinary course of its business and to pass good title in the Goods to its customers if they are purchasers in good faith. This right shall automatically cease on the occurrence of any event specified in this Condition and in Conditions 4.3 and 4.4. If on any of those cases the Goods have already been delivered to the purchaser in good faith, then the Company shall have the option of claiming the owed amount from the Customer or to be surrogated in the rights of the Customer under that sale for the owed amount.

8 Quantity and Quality. Guarantee

- 8.1 The Company shall deliver goods which are of the quantity, quality and description required by the Contract and which are contained or packaged in the manner required by the Contract. Notwithstanding the foregoing, the Goods shall be subject to the Company's standard manufacturing variation, tolerances and classifications.
- 8.2 Valid weights are those indicated by the Company, provided that the Company has used a weighing-machine officially certified under the appropriate rules of the country of the Company. At the Customer's request, the Company shall provide the Customer with a receipt of weight. Unless otherwise specifically agreed in the Contract, the tolerances in quantity for each size and total quantity shall be +/- 10% of the total quantity ordered.
- 8.3 The Company guarantees that the Goods are:
- Of merchantable quality;
 - Free from any right or claim from a third party;
- 8.4 The Company makes no other guarantee which exceed or differ from the guarantee herein expressed. All other guarantees are disclaimed by the Company and excluded from the Contract. Particularly, the Company does not guarantee the Goods:
- being suitable for any declared or not declared specific purpose of the Customer;
 - being in complete conformity with samples of the Goods presented by the Company, which are to be regarded as type samples only;
 - from defects resulting from materials, specifications or information provided by the Customer or somebody else on his side;
 - being suitable if they are not adequately handled or stored; or if they are misused, abused or operated on mechanical equipment improperly designed or maintained;
 - being suitable if they are used, supplied for use or made available for use in any nuclear application.
- 8.5 Pursuant to this condition the Company shall remedy any defect or non-conformity (Defect) of the Goods resulting from faulty design, materials or workmanship for which the Company is liable.
- 8.6 The Customer shall inspect the Goods immediately upon their arrival at the destination to which they are dispatched pursuant to the Contract for the purpose of ascertaining:
- whether the Goods have been damaged in transit;
 - that the Goods are those and in the quality, quantity and weight specified in the Company's order confirmation and the Company's delivery note.
- 8.7 Any damage to the Goods in transit must be stated by the Customer in the receipt to the carrier.
- 8.8 If a Defect is found, the Goods shall not be processed and the Customer shall store them in its original packaging available for examination by the Company. Otherwise the Customer will lose its right to claim the Defect.
- 8.9 Notices of Defects shall be made in writing to the Company immediately after the Customer discovered or should have discovered the Defect and in any event within the 3 months following delivery. The notice shall contain a statement of the grounds for the claim and a description of the Defect. In any event the Company's liability for Defects is limited to three (3) months from delivery. If the Customer fails to notify the Company within said time limit its claim shall be barred.
- 8.10 Upon receipt of the notice under condition 8.9 the Company shall at its option:
- Repair or make good such Defect; or
 - In relation to such defective Goods re-supply goods which are in all respects in accordance with the Contract; or
 - Agree with the Customer that the Customer will retain the Goods in the conditions in which they are in consideration of a reduction in their price to compensate the Customer for the Defect.
- subject in any case to the remaining provisions of this Condition. The Company shall thereby defray the necessary cost of transportation of the Goods or substitute goods, but not any expenditure incurred for dismantling, installation, processing and other similar measures.
- 8.11 Notwithstanding the above, the Company is entitled to use reasonable time to investigate the claim and to request from the Customer the evidence which it considers necessary. If the Customer has given notice of a Defect but no Defect is found for which the Company is liable, the Company shall be entitled to compensation for the cost it has incurred as a result of the notice.
- 8.12 The Customer is not entitled to any other remedies than those specified above in this Condition 8, which absorbs and is included within the limits of Condition 9 hereunder.

9 Limitation of Liability

- 9.1 The Company guarantees the Goods against non-conformity with the express conditions of the Contract.
- 9.2 The Company shall not be liable to the Customer for any direct loss or damage in excess of the value of the defective Goods (excluding VAT, customs duties, insurance premiums and other charges beside the Goods itself) which the Customer may suffer by reason of any act, omission, neglect or default (including negligence) in relation to the Goods and/or the performance of the Contract by the Company its employees or agents.
- 9.3 The Company shall not be liable to the Customer for any indirect or consequential loss (including economic loss) of any kind whatsoever, which the Customer may suffer by reason of any act, omission, neglect or default (including negligence) in relation to the Goods and/or the performance of the Contract by the Company its employees or agents.
- 9.4 Nothing in this Conditions shall impose on the Company any liability in respect of any representation suggestion or comment with regard to the Goods made by the Company, its employees or agents in the course of any negotiations between the Company and the Customer leading to the making of the Contract.

10 Force Majeure

- 10.1 If the Company is directly or indirectly delayed or hindered in or prevented from performing the Contract or any part thereof by circumstances beyond its control then the Company may suspend further performance of the Contract for so long as it is so delayed or prevented or hindered and such suspension shall not constitute a breach of the Contract on the part of the Company.
- 10.2 Said circumstances may result without limitation from the following events:
- war, whether declared or not, civil war, riots and revolutions, acts of piracy, acts of sabotage;
 - natural disasters such as violent storms, cyclones, earthquakes, tidal waves, floods, destruction by lightning;
 - explosions, fires, destruction of machines, of factories, and of any kind of installations;
 - boycotts, strikes and lock-outs of all kinds, go-slows, occupation of factories and premises, and work stoppages;
 - acts of authority, whether lawful or unlawful, apart from acts for which the Company has assumed the risk by virtue of other provisions of the Contract;
 - shortage of labour, energy or raw materials
 - restrictions on communications;
 - defects or delays in deliveries by sub-contractors
- 10.3 If performance of the Contract is suspended under this Condition, the Company shall notify the Customer in writing of any such suspension of performance of the Contract and if such suspension continues for more than eight consecutive weeks either the Company or the Customer may by notice in writing to the other terminate the Contract but without prejudice to the Company's right to be paid in accordance with the Contract for any part of the goods which may have been dispatched to the Customer prior to the suspension of performance by the Company and to be reimbursed of all other costs, charges and expenses incurred by the Company pursuant to the Contract up to the date of such notice of termination.

11 Assignment

- 11.1 The Customer shall not assign, charge, sub-let or otherwise transfer the Contract or any part of it without the prior written approval of the Company.

12 Waiver

- 12.1 The rights and remedies of the Company in respect of the Contract or in respect of any failure by the Customer to observe or comply with the terms thereof shall not be diminished waived or extinguished by the granting of any indulgence, forbearance or extension of the time by the Company nor by any failure of or delay by the Company in asserting or exercising any such rights or remedies.

13 Severance

- 13.1 If at any time any one or more of these Conditions (or any paragraph, sub-paragraph or any part thereof) is held to be or becomes void or otherwise unenforceable for any reason under any applicable law, the same shall be deemed omitted herefrom and the validity and/or enforceability of the remaining provisions of these Conditions shall not in any way be effected or impaired thereby.

14 Notices

- 14.1 Any notice authorised or required to be given pursuant to these Conditions shall in the case of a notice to the Company be sent to it at the address stated upon its order confirmation or such other address as the Company shall from time to time notify the Customer and shall in the case of a notice to the Customer be sent to the address of the Customer last known to the Company. Any such notice may be given by post, facsimile and e-mail.

15 Law and Jurisdiction

- 15.1 The Contract shall be governed by and construed in all respects in accordance with Spanish Law and the Customer hereby submit to the exclusive jurisdiction of the Courts of Madrid. The United Nations Convention on Contracts for the International Sale of Goods shall not apply.
- 15.2 Notwithstanding the foregoing the Company reserves the right to go to the Courts of the Customer's country in order to demand any outstanding amount.