

General delivery and payment conditions UnionOcel, s.r.o. for trading rolled steel – valid from 22.4.2010

I. Concluding a contract

1. These General delivery and payment conditions apply to all current and future contracts on purchase and adequately to other contracts and performances, including advisory and information activities, provided they are not changed in written.

2. The seller's offers are not binding. The concluded contracts and/or other agreements, in particular oral provisions and promises are considered to be binding only if the seller confirms them in written.

3. In case of any dispute related to the interpretation of the legal terms the applicable provision of the International rules for interpretation of delivery terms (Incoterms) applies.

II. Prices

1. If not agreed otherwise, the price and conditions stated in the seller's price-list valid on the date of concluding the contract apply.

2. The price represents the purchase price for goods taken over in work or store (VAT included), if not agreed otherwise.

3. If the goods are to be sent, the seller has the right to apply transport charge in compliance with the price-list valid on the delivery date, if not agreed otherwise. Provided the applicable law does not specify otherwise, the buyer is responsible for all unpredictable charges and or customs duties, included all newly applied customs duties, transport fees and any increase of them.

4. Supplied material is also considered goods under the following conditions.

III. Payments and clearings

1. The payments will be paid without any discount deductions. The date when the amount is available to the seller is considered as a date of payment. The buyer is responsible for all charges related to the banking transfers.

2. The seller accepts rediscount bills of exchange as payment only if this was explicitly negotiated beforehand. The use of bills of exchange is governed by Act no. 191/1950 Coll. as amended.

3. In the case of the Buyer's delay with the payment of the price, the Seller shall be entitled as from the first day of the delay to charge any and all related charges and lawful interest pursuant to Government Regulation No. 142/1994 Coll. as amended. The right to compensation for damage incurred in causal connection with the Buyer's delay shall thereby be not prejudiced.

4. If the buyer delays the payment, the seller is entitled to forbid other stealing and processing of the delivered goods. Furthermore, the seller is entitled to take over the delivered goods back, or to enter (if agreed) the buyer's business premises, to take the goods back and to sell them in the most suitable way. The seller will use the earnings of such sale (after deduction of related costs) to settle the price.

5. Legal consequence stated in paragraph No. 4 may be prevented by the buyer by means of a guarantee presented in the amount of seller rightful claim under concern.

6. The seller is entitled to credit any debts towards the buyer. It will be possible to credit financial debts against non-financial ones. It is also possible to credit debts due against undue. In such case, the debt's due date equals the credit date. Debts that any party considers as questionable cannot be credited.

IV. Goods delivery and acceptance

1. The seller is obliged to deliver the goods within the term specified in the contract or specified by means specified in the contract. The delivery terms start on the date of order

confirmation, but not before all details of the order are cleared and all related permissions are issued.

2. The goods are considered to be delivered if the buyer is called in time to take-over the goods from the seller's work and/or storage.

3. If the goods are to be sent, the hand-over date to the first carrier is considered to be the delivery date. The seller's obligation will be met in time if the goods would be available to the first carrier, but he would not be able to accept them without any reason on seller's side.

4. If the goods are to be sent, the seller is entitled to specify the route, means of transport and/or the carriers, if not agreed otherwise in written.

5. If the seller determined the route, means of transport and/or the carrier and the goods were not sent, the seller is entitled to apply the provisions of the paragraph No. IV. 12.

6. If the transport on the intended route within the expected time is not possible without any reason on seller's side, the seller will be entitled to transport the goods by another route or to another point of destination and buyer will compensate the related additional costs. The buyer will be entitled to express his opinion in advance.

7. The seller is not responsible for delayed delivery or not-delivery of goods caused by subcontractors.

8. The delivery terms will be extended by a period of buyer's delay, if the seller is not able - due to such delay - to deliver the goods duly and/or in time.

9. If the seller is in delay, the buyer is entitled - after a reasonable period specified by the seller expires - to cancel the contract, if the goods are still not delivered. The buyer is entitled to cancel the contract only the seller does not expect him to meet the contract.

10. The buyer is obligated to take-over the goods in seller's work and/or storage after seller's call without an unreasonable delay, if not agreed otherwise. If the goods are to be sent, the seller is obliged to accept the goods without any unreasonable delay after the goods are delivered to the point of destination.

11. If the buyer delays the accepting of the goods or paying the price and those are expected to be realized simultaneously, the seller is entitled to store the goods on buyer's costs and to retain the goods till the buyer settles the related costs.

12. If any force majeure occurs entitled the seller to postpone the date of delivery by the period of such event and/or of a period reasonably necessary to restore the operation. As force majeure all events which make the delivery impossible or difficult (e.g. fire, equipment destruction, energy or material shortage), or any obstructions on road network, which may occur by the seller, contractor's works or a sub-contractor.

13. The seller is entitled to deliver partially in the expected scope.

14. If the contract applies to repeated deliveries, the particular orders and specification by types must be placed in approximately equal volumes per month; if not, the seller is entitled to specify reasonably both the volume and type. If the contractual volume per particular order is exceeded, the seller is entitled (but not obligated) to deliver the exceeding volume. Such exceeding volume may be invoiced for the price valid on the date of the order or delivery, respectively.

15. The buyer's lien applies only to the securities resulting from the same legal relationship as the lien itself.

V. Transfer of the property rights and damage risks

1. The buyer is granted property rights to the delivered goods only after meeting all duties arising from the contract (hereafter related to as "goods with the proviso").

2. If the buyer processes the goods with the proviso, of he mix or join them with third party's items, the seller becomes a co-owner of the new item in the relative share corresponding to the values of the goods with the proviso and the new item. Such co-ownership share is also considered as goods with the proviso.

3. The buyer is entitled to steal the delivered goods with the proviso only if he is not in delay and if this is common in the business routine. The buyer may not steal the goods with the proviso by any other mean.

4. By signing this contract the buyer transfers to the seller all debts arising from stealing the goods with the proviso. Such transferred debts serve as a guarantee to the seller and they will be retransferred to the buyer when all buyer's obligations arising from this contract are met. If the goods, in which the seller has a co-ownership share according to the paragraph V.2., is stolen, the debt transfer in amount of such co-ownership share applies.

5. If the total nominal value of current guarantees exceeds the total value of the secured debt by more than 10 %, the seller is obligated, on buyer's request, to waive a part of such guarantee (according to his sole decision).

6. The buyer is entitled to call the debts arising from resale of the goods till such debts are waived by the seller. The seller applies the right to waive only if the buyer is in delay with paying the price. The buyer is then on seller's request obligated to inform his staff about the transfer of the debt immediately (if such information is not given by the seller) and to hand-over all related information and documents necessary for claiming the debt to the seller.

7. If the transfer of debt according to the paragraph No. V.4. does not apply the buyer is entitled to transfer the debts - the sale of them to the banking factoring - only with seller's previous written consent to that.

8. The buyer will inform the seller immediately if such debt is pawned or otherwise limited on third party's account.

9. The risk of damage to the goods is transferred to the buyer on the delivery of the goods.

VI. Quality, dimensions, weight

1. If foreign standards were not agreed in written, the corresponding EN standards, or list of materials, apply to the quality parameters and dimensions. If those are not available, the business customs apply.

2. The goods will be delivered without any wrapping and rustproof protection. If it is usual, the seller will deliver the goods in wrapping. In such case the seller will ensure wrappings, protective materials and auxiliary transport means on buyer's costs. Wrappings, protective and auxiliary transport means will be returned, if not agreed otherwise.

3. The sub-contractor or the seller will carry out weighting, which will be decisive for specification of goods weight. The weight will be proved based on presenting a corresponding weight certificate. If the applicable law enables such procedure, the weight may be stated without weighting - according to EN. The gross weight with the wrapping and pure weight without the wrapping (usual for steel industry within the EC) remain untouched. Failures related to the weight may be claimed only based on additional officially approved weightings carried out immediately after goods delivery. Number of pieces, supports and the like stated in the transport documents are due to delivery of goods by weight only informative data. If the weighting of particular pieces is not carried out, the total weight of the delivery will be decisive. In such case the difference between the total weight of the goods and the sum of weights of particular items will be divided in relationship corresponding to particular items.

VII. Inspection of goods

1. 1. It buyer's obligation to carry out the inspection of goods as soon as reasonably possible after the risk of damage to the goods is transferred. If the goods are to be sent, the buyer is obligated to inspect the goods after they are delivered to the point of destination. If the buyer fails to carry out the inspection and professional treatment in time, his right to claim failures which may have been noted by such inspection fails, nevertheless such failures may have

been present already in the time of transferring the risk of damage to the goods.

VIII. Responsibility for defects

1. The buyer is entitled to claim the warranty rights only if he notifies the seller about the failures without any unreasonable delay after he:

- notes the failure(s)
- if professional treatment is applied the failures should have been noted by the inspection, the buyer is obligated to carry out according to the paragraph VII.
- the failures may have been detected later, if professional treatment was applied

Apparent failures may be claimed no later than by goods acceptance to the customer's warehouse. If the warranty period, as defined by an applicable law, expires, any further warranty claim is expelled.

If the warranty period from the moment, when the buyer had the possibility to inspect the goods expires, any further warranty claim is expelled. Apparent failures must be claimed within 14 days following the delivery date.

1. If the buyer notes any failure, he must interrupt any further processing of the goods.

2. If the goods show failures, the buyer is entitled to request delivery of alternate goods or to repair such goods. If the seller does not do so, the buyer is entitled to be granted a reduction of the price or to cancel the contract.

3. If the buyer does not show immediate and appropriate co-operation and the possibility to verify the claimed failures and/or if he does not provide the seller with claimed goods or samples of them, all his claims arising from the warranty fail.

4. If the goods were sold as eliminated items - e.g. il-a material - no general warranty and/or liability for failures based on stated and/or usual features are applied.

5. The seller is responsible for goods repair within the scope identical to that of delivered goods.

IX. General limitation of the warranty and lapse

1. Provided these conditions specify otherwise, the sellers is responsible for damage caused by failure to meet the contractual or legal obligations only in case of wrongful or negligent behaviour. The seller's liability does not apply - with the exception of wrongful behaviour - to damage, which are usually unpredictable in case of a particular business transaction, or against which the buyer is usually insured or is usually expected to be insured.

2. All claims against the seller expire in the terms specified by the applicable law.

X. Place of performance, place of jurisdiction and applicable law

The place of performance for the direct deliveries from plant is the plant, otherwise the storehouse. If the goods are to be shipped, the place of performance is the place where the goods are handed over to the carrier for shipping to the customer.

2. All disputes arising from or related to the contractual obligations of the seller and the customer, as well as disputes from other business or supplier-customer relations between the seller and third parties, shall be ultimately settled at the Arbitration Court attached to the Economic Chamber of the Czech Republic and Agricultural Chamber of the Czech Republic according to their rules of order by three arbiters. The place of arbitration shall be Prague and the language of arbitration Czech.

3. To all legal relations between the customer and the seller the rule of law of the Czech Republic applies, specifically Act no. 513/1991 Coll., Commercial Code, as

amended. The use of the United Nations Convention on Contracts for the International Sale of Goods and of the Convention on the Limitation Period in the International Sale of Goods is explicitly ruled out.