

**LS ALLOYS TRADING -
GENERAL TERMS AND CONDITIONS OF PURCHASE**

1. - Application of General Terms and Conditions of Purchase - Enforceability

1.1 These General Terms and Conditions of Purchase govern all relations between the parties, and also all contracts entered into between LS Alloys Trading as purchaser and the seller.

1.2 Accordingly, unless expressly agreed otherwise in writing any order for goods placed by LS Alloys Trading and accepted by the seller entails the seller's full and unqualified acceptance of these General Terms and Conditions of Purchase and a waiver of his right to rely on any provision to the contrary included in his own General Terms and Conditions of Sale or any other document exchanged with LS Alloys Trading prior to acceptance of the order by the seller.

2. - Order

2.1 The terms and conditions of the order shall be agreed between the parties by telephone. Confirmation of the order stating the terms and conditions so agreed between the parties will be sent in writing (by post, fax or email) by LS Alloys Trading to the seller within two (2) working days following the telephone agreement between the parties.

2.2 Failing a protest in writing by the seller within three working days after confirmation of the order sent by LS Alloys Trading, the order shall be deemed accepted by the seller.

The order thus accepted by the seller constitutes a firm and binding undertaking on his part and implies his acceptance of these General Terms and Conditions of Purchase unless they have been varied in writing which has been formally accepted by LS Alloys Trading.

3. - Carriage

3.1 Carriage shall be as specified in the order.

3.2 The seller shall take all necessary measures to ensure the proper forwarding of the goods (in particular as regards the condition of the goods on arrival and compliance with delivery times) using all appropriate means, if need be with assistance from experienced and solvent agents or subcontractors.

3.3 Unless otherwise specified in the order and without prejudice to the Incoterms rules in force at the time of sale, goods shall be carried at seller's risk.

4. - Delivery

4.1 Terms

Delivery shall be made in accordance with the terms of delivery specified in the order placed by LS Alloys Trading and subject to the Incoterms rules in force at the time of sale.

4.2 Times

Compliance with the delivery times specified in the order is of the essence of the order. LS Alloys Trading is entitled to cancel any order not fulfilled in the times specified in the order or by the end of a reasonable additional time set by LS Alloys Trading.

Without prejudice to any other remedy, LS Alloys Trading will be entitled to cancel the order and require the seller to refund all sums paid by it in relation thereto, all if any costs incurred by it due to the seller's default, including the costs of replacing the goods from another supplier, plus compensation for loss and damage incurred by it as a result of any late performance by the seller.

LS Alloys Trading reserves the right to refuse part deliveries: in such a case, LS Alloys Trading shall have the option of returning such part delivery at the seller's cost and risk.

In case of an occurrence of force majeure, the seller shall immediately give notice in writing of such event to LS Alloys Trading and supply it with all information and evidence relevant thereto, specifying in particular the time for which such event might delay fulfilment of the order.

The following are considered as occurrences of force majeure: war, riot, fire and natural disasters.

In case of force majeure affecting the seller, LS Alloys Trading may choose to:

- agree an additional delivery period with the seller, or
- rescind all or any part of the order at any time without further obligation or liability (with the right to require that the seller take back the goods delivered in case of part delivery) and demand the repayment of monies already paid, excluding costs incurred and the price of that part of the goods which, in the case of a part delivery, is accepted by LS Alloys.

5. - Price and terms of payment

5.1 The price stipulated in the order is firm and final and, unless otherwise stated, includes all taxes (except VAT), insurance and other costs incurred by the seller for fulfilment of the order up to and including delivery of the goods at the final destination appointed by LS Alloys Trading. Any additional cost of any nature whatsoever shall be subject to the prior written approval of LS Alloys Trading specifically indicated on the order or any other additional document.

No advance payment (or down payment or deposit) shall be made in respect of any order unless expressly confirmed by LS Alloys Trading in the order and the special conditions.

5.2 Failing a time expressly agreed in the order, invoices issued in the proper form will be paid sixty (60) days from the end of the month following the date of acknowledgment of delivery by LS Alloys Trading (or any person authorized by it). Nevertheless, LS Alloys Trading reserves the right to suspend payment in the event of the seller's non-compliance with the order pending receipt of the report of the sampling organization instructed in accordance with the procedure laid down in 6.3. In such a case, the seller shall have no claim for any interest, penalty or other form of compensation.

5.3 Any amount unpaid after the expiration of three (3) working days following the date of the seller's payment reminder for the invoice shall automatically incur default interest of an amount equal to the statutory rate of interest in force in Luxembourg with effect from the day following the payment date specified on the invoice.

6. - Acceptance - Control

6.1 Unless expressly agreed otherwise, the seller must before shipping have the conformity of the goods with the order specifications, particularly the quantities, qualities, weights and dimensions, checked by an internationally recognized sampling organization chosen from the accompanying list. A copy of the

analysis report and sampling report drawn up by that organization shall be sent to LS Alloys Trading at same time as delivery of the goods.

6.2 Goods must be so packed as not to be damaged in transit. Each consignment must be marked separately in accordance with (i) the regulations in force, particularly in the case of hazardous materials, and if applicable, (ii) the instructions given by LS Alloys Trading. The labels must display the LS Alloys Trading order number, the seller identification, the batch number, the place of delivery, the description, quantity and weight of the goods, and all particulars required for receipt of the goods.

6.3 LS Alloys Trading will retain the right to inspect the goods delivered upon receipt to ascertain their conformity with the quantity, quality and type of goods specified in the order.

Such check notwithstanding, LS Alloys Trading reserves the right to complain (and claim full damages) if the goods prove not to be in conformity.

If LS Alloys Trading finds that the quantity of goods delivered does not match that specified on the order, it must notify the seller by fax or email of the fact within fifteen (15) working days from receipt of the goods with substantiating evidence (such as a weighbridge ticket, scale ticket or measuring/tonnage certificate (as the case may be)).

Complaints concerning patent defects or non-conformity of goods delivered compared to the goods ordered or shipping order will be made in writing (letter or fax) within thirty (30) working days of receipt by LS Alloys Trading or the third party. The complaint will be accompanied or followed by a certificate drawn up by one of the internationally recognized sampling organizations included on the accompanying list. Complaints as to quality must be made and substantiated in writing in the same time and by the same procedure.

In the event of a dispute, the seller is entitled to appoint separately another internationally recognized sampling organization (from the accompanying list) to provide a second opinion on the disputed goods within eight (8) working days of receipt of the substantiated complaint made by LS Alloys Trading.

If after performing such sampling tests, the two organizations so appointed prove to produce conflicting results, LS Alloys Trading and the seller may by agreement within a period not exceeding fifteen (15) working days from receipt of the second report (at the seller's initiative), appoint a third internationally recognized sampling organization whose findings shall be binding on both parties.

In the event of non-conformity of goods delivered, duly established by the sampling organization(s) in the conditions provided above, LS Alloys Trading shall be entitled to choose whether to obtain either replacement of the goods free of charge in complete conformity with the order as placed, or a reduction of the order price, or cancel the order and obtain a refund of the goods at the invoice price (if payment has already been made) at LS Alloys Trading's choice, including, where appropriate, compensation for loss and damage incurred by LS Alloys Trading as a result of non-delivery of goods in conformity with the order specifications within the time specified. In the event of replacement of the goods, delivery shall be made in a reasonable time, subject to acceptance by LS Alloys Trading. In such a case, the provisions of 4.2 shall apply.

Each party shall bear the fees and costs of the sampling organization personally instructed by it. If a third organization is instructed, the costs and fees thereof (and such if any advances as may have been made) shall be borne by the party who incorrectly disputed the sampling results.

7. - Passing of risk and transfer of property

7.2 The risks in the goods, especially those associated with carriage, shall pass to LS Alloys Trading upon the handing-over of the goods to it or to the carrier in accordance with the Incoterms rules in force and agreed at the time of sale between the parties.

7.2 The seller shall retain property in the goods sold until the price is paid in full.

8. - Safety

The seller must supply goods to LS Alloys Trading that are strictly compliant with the occupational health, safety and environmental standards applicable to each delivery.

The seller must supply LS Alloys Trading with all relevant safety, security and environmental information concerning the goods and/or their processing, handling and use.

9. - Warranty

9.1 The Seller warrants that the goods conform to the agreed specifications and requirements and are fit for the specific purposes expected by LS Alloys Trading in accordance with the standards applicable in the country of delivery of the goods, that they are free from design defects and meet all the requirements of laws and standards in force, and in particular that they comply with the highest environmental, safety and working conditions standards applicable in Europe.

9.2 In the event of non-compliance, the seller shall bear all the loss or damage resulting from non-compliance with this clause.

10. - Invoicing

10.1 Once the goods have been delivered, the original copy of invoices shall be sent to LS Alloys Trading at its registered office as specified in the order. Invoices shall include the seller's references, the references of the goods, the date, order number, method of carriage, the price, and the delivery point of the goods.

10.2 The relevant date for calculating payment periods is that on which the goods were actually received.

Unless otherwise specified in the order, invoices are payable by bank transfer.

11. - Insurance

The seller shall take out at his own cost the forms of insurance coverage necessary to cover the liabilities it incurs from fulfilment of this sale for all bodily injury, property damage and indirect financial loss. The seller shall send LS Alloys Trading the certificates of insurance of general public and professional liability dated less than six months on request.

In all cases, the seller must produce simply when asked by LS Alloys Trading adequate insurance covering the goods up to arrival at their destination, approved by LS Alloys Trading.

12. - Notices

12.1 Except as otherwise expressly provided herein all notices to be given by LS Alloys Trading to the seller shall be validly given only if sent by recorded delivery letter (preceded in such case by the sending of a fax or email), or by fax or email (with acknowledgement of receipt) followed by a surface mail letter at the seller's registered office as stated in the order.

12.2 All notices to be given to LS Alloys Trading by the seller under these General Terms and Conditions shall be validly given only if sent by recorded delivery letter (preceded in such case by the sending of a fax or email), or by fax or email (with acknowledgement of receipt) followed by a surface mail letter at the registered office of LS Alloys Trading, to wit:

LS Alloys Trading,
11, rue de l'Industrie

L-8399 Windhof

Fax: + 352 26 30 84 55

Email: lsalloys@lsalloys.com

12.3 Notice by registered letter shall be deemed to be given within four (4) working days of the date of sending (the postmark being conclusive proof).

Notice by fax shall be deemed to be given on the day it is sent (the date shown on the send report being conclusive proof).

12.4 Any change of registered office or fax/telephone number or other must be notified to the other party as soon as possible.

13. - Languages

In the event of difference or problem of interpretation between these General Terms and Conditions in French and General Terms and Conditions written in English, the General Terms and Conditions in French shall prevail.

14. - Governing law

The contractual relationships between the parties shall be governed by the law of Luxembourg or any applicable international convention.

15. - Arbitration Clause

The parties agree that any dispute directly or indirectly connected with their contractual relations shall be permanently settled in accordance with the Rules of Arbitration of the International Chamber of Commerce (ICC) by one or more arbitrators appointed in accordance with its Rules.

The parties agree that the place of arbitration shall be Luxembourg.

The language of the proceedings shall be English.

16. - General provisions

16.1 Failure by LS Alloys Trading to enforce at any time any of the provisions of these General Terms and Conditions of Purchase shall not be construed as a waiver thereof.

16.2 If any provision of these General Terms and Conditions of Purchase shall be determined null and void, it shall be deemed non-existent and shall not invalidate the remaining provisions.

16.3 LS Alloys Trading reserves the right to modify these General Terms and Conditions of Purchase at any time.

Schedule: List of internationally recognized sampling organizations

List of internationally recognized sampling organizations:

- SGS
- H. Knight
- Alex Stewart
- Inspectorate
- RC Inspection
- Hoff & Co

Available on website: www.lsalloys.com