

2 JUNE 2008

GENERAL TERMS OF SUPPLY

adopted by the Commercial Steel Section of the Steel and Metal Wholesalers Association

Scope

1. These General Terms of Supply shall apply as between business people and shall be effective to the extent that they are not amended by a written agreement between the parties.

Offer

2. Unless otherwise agreed, the vendor's offer shall apply for eight days subjects to the goods not being sold in the meantime.
The cost of testing carried out on request is included in quotations only if this is specifically stated.

Acceptance of order

3. The vendor's written acceptance of order shall be binding upon the purchaser unless any comments are made immediately.

Tolerances etc

4. Unless otherwise stated, the standards generally applied in the industry for the type of goods in question shall apply to tolerances relating to size, length, weight, etc as well as to the vendor's right to over or undersupply. All unit weights stated by the vendor are approximate. Unless otherwise agreed, samples shall be regarded as typical.

Price

5. Unless otherwise agreed, the purchaser shall pay the price that the vendor applies on the day of delivery to the type of goods to which the contract relates.
The purchaser shall, in addition to the contractual price, make recompense for the value added tax incurred thereon.
Packaging, whether necessary or requested, shall be charged for separately and, in the absence of any agreement to the contrary, be taken back.

Delivery clauses

6. Delivery clauses shall be interpreted in accordance with the INCO terms, as issued by the International Chamber of Commerce, applicable at the time of the contract.

Payment and late payment interest

7. Payment shall have been received by the vendor within 30 days net taken from the invoice date.

If payment is not made at the due time, late payment interest as provided by the Interest Act shall be charged at a rate exceeding the Riksbanken reference rate applicable from time to time by 12%. In the event of a change in the reference rate, the rate of late payment interest shall be amended with effect from the beginning of the following month.

Payment shall not imply acceptance of the goods or invoicing.

In case of overdue payment, the vendor shall be entitled to compensation for written payment reminder regarding the debt according to the act (1981:739) about reimbursement for collection expenses etc. (Sw. Lag (1981:739) om ersättning för inkassokostnader m.m.)

Security

8. Should there arise reasonable grounds to believe that a party will not comply with the duties imposed on him by the contract between the parties, the other party shall be entitled to demand that acceptable security for performance be provided.
If this is not done without unreasonable delay, the party requiring the security may cancel the purchase in writing insofar as it relates to goods not delivered.

Notification of delays

9. Should a party find that he cannot meet the contractual time for delivery or receipt of the goods or should such delay appear likely, the other party shall be notified without delay.

In addition, the time at which it is estimated that delivery can be made shall be stated.

The above shall also apply to part deliveries included in one supply.

Cancellation in the event of delay

10. Should a delay in delivery or receipt that is advised or has occurred entail substantial inconvenience, the party not responsible for the delay may cancel the contract in writing. Should the delay relate only to individual goods within the delivery, cancellation may relate only to such goods and to goods associated with them. Should a delay that is advised or has occurred relate to delivery of goods that were manufactured on the purchaser's instructions and/or the goods are of a kind that the vendor does not normally stock and the purchaser appreciated or should have appreciated this, the purchaser shall, however, be entitled to cancel only if the delay is substantial and he can obtain delivery of the delayed goods from a person other than the vendor before the delivery time advised by the vendor. Should a party not exercise his right to cancel the contract without unreasonable delay, the delivery time stated in the advice of the delay shall be deemed to be the new delivery time. Should the contract be cancelled by reason of a delay that has been advised or has occurred, the parties shall have no entitlement to compensation for loss otherwise than as set out in clause 11.

Damages in the event of delay/cancellation

11. In the event of delay and/or cancellation, damages shall be payable only if a specific agreement thereon has been concluded. Any claim for damages shall be made in writing within two months of the time at which the delivery should by rights have taken place. No claim made subsequently shall give entitlement to damages.

Goods inward inspection

12. A delivery note shall accompany the goods. The purchaser shall examine the goods on arrival with the care appropriate to the nature of the goods and method of delivery which means, *inter alia*, that the purchaser shall unpack goods that might otherwise be damaged. Where, by reason of the nature of the packaging or for any other reason, the goods cannot be subjected to examination immediately, goods inward inspection shall nonetheless include the delivery note and number of packages (packaging units), details of the type of goods on the packaging and damage visible from outside. When the goods are unpacked or, in any event, before they are used, a goods inward inspection shall be carried out with the care appropriate to the nature of the goods.

Complaints in the event of defects or damage

13. Defects in or damage to the goods that may be assumed to have arisen during shipment shall be reported directly to the carrier in accordance with the terms of carriage applicable to the shipment. In addition, the vendor shall be informed without delay where appropriate. Defects or damage noticeable on examination when the goods are received shall immediately be reported to the carrier and vendor. In any other event, defects and damage shall be reported without delay after unpacking. Complaints shall be made or confirmed in writing and shall contain details of the nature and extent of the defect or damage. If the purchaser does not complain in accordance with the above provisions, he shall lose the right to make any claim by reason of the fault.

Vendor's liability for faults in the goods

14. The vendor shall, within a reasonable time and at his own option, either rectify the fault in the goods or supply new goods in place of the faulty ones. The vendor's undertaking shall in addition include liability for necessary shipment of faulty or exchange goods but not costs arising because the goods have been used. Should the vendor neglect to remedy the fault or supply new goods instead of the defective ones within a reasonable time, the purchaser shall be entitled to make a deduction from the purchase price or, if outstanding faults are substantial, to cancel the purchase insofar as this relates to faulty goods and goods related thereto. It is a condition of the vendor's liability for faults that the goods be handled in a workmanlike manner and used for their intended purpose. Complaints about faults that are noticeable on goods inward inspection shall be made without delay and before the goods are used. In any other event, complaints about faults shall be made without delay after they are noticed and before the goods are used. Should no complaint be made as provided above, the purchaser shall lose the right to make any claim by reason thereof. The vendor shall not be liable for faults in goods about which the purchaser has not complained within three months from the day of delivery. The vendor shall be liable only as provided hereinabove. The purchaser may not claim any sanction other than as stated above and, moreover, shall have no rights other than as stated in the first paragraph, i.e. no entitlement to compensation for loss of profit or other indirect damage. Neither shall the purchaser be entitled to compensation for damage to any property other than the goods sold or for personal injury or damage to property to any extent other than as provided for by compulsive legislation.

Information and service

15. No information in the form of catalogue details or information from the vendor's staff before or after conclusion of the contract shall be binding. The vendor thereby relieves himself of all liability for the suitability of the goods supplied for their intended purpose unless a written warranty has been given thereon. The same shall apply to such technical services as the vendor may provide the purchaser with in relation to the use of the goods after delivery.

Grounds for relief

16. The following circumstances shall be deemed to constitute grounds for relief if they arise after the contract was concluded and materially impede its performance: labour disputes and any other circumstances beyond the parties' control such as conflagration, act of terrorism, war, mobilisation or unforeseen military call-up of equivalent extent, requisition, seizure, currency restrictions, insurrection or riot, shortage of means of transport, general shortage of goods, **scrapping** of large parts in manufacture, restrictions relating to motive power and such defects and delays in supplies from subcontractors as arise from such circumstances as are contemplated by this clause. A party wishing to rely on any such circumstances as those set out above shall be bound to notify the other party in writing without delay of the occurrence thereof and of their ending. If performance of the contract within a reasonable time is not possible, either party shall be entitled to cancel the contract to the extent that its performance is impeded by circumstances as cited above.

Applicable right

17. Swedish law shall be used, with the exception for civil choice of law clause and the law (1987:822) for international sale of goods.

Disputes

18. Disputes arising from the contract, amendments and additions thereunto and all legal relationships connected therewith shall be determined by arbitration in

accordance with the Swedish law on arbitrators. The above notwithstanding, a party shall, however, be entitled to bring a claim before a public court in relation to undisputed overdue accounts.