



TERMS AND CONDITIONS OF SALE

- 1 - General – Applicability
- 2 - Requests and Offers
- 3 - Orders and order confirmations
- 4 - Rates and taxes
- 5 - Payments and retention of title
- 6 - Terms and conditions of delivery
- 7 - Shipping and materials return
- 8 - Order suspensions
- 9 – Packaging
- 10 - Testing and warranties
- 11 – Complaints
- 12 – Escape clauses
- 13 - Jurisdiction and Applicable Law
- 14 - Acceptance



## **1 - GENERAL – APPLICABILITY**

### **PARTIES TO THE CONTRACT**

The “Vendor” is the Company supplying the materials for supply, which will issue an invoice for the same materials.

The “Purchaser” is the party to which the invoices relating to the materials are addressed.

The terms of these Terms and Conditions of Sale are validly apply to any and all contracts drawn up by the parties from the moment of signature, for an indefinite period and without prejudice to the express right of cancellation, subject to 30 days’ notice to the other party.

### **APPLICABILITY**

The supply is governed exclusively by the agreements referred to in these Terms and Conditions. The parties may agree to modifications, additions or exceptions to the aforementioned Terms and Conditions, which shall appear in writing in documents containing the request by the purchaser for an offer for sale and its acceptance by the vendor.

The present Terms and Conditions of Sale, unless otherwise agreed:

- cancel any different term printed or handwritten on offer requests, orders or correspondence from the Purchaser;
- override the general conditions provided in the Purchaser’s purchase order;
- imply the full and unqualified agreement of the Purchaser, as soon as the purchase order is sent to our Company.

## **2 - REQUESTS AND OFFERS**

The aforementioned requests for an offer for sale must be sent to the Commercial Offices of our Company, specifying the subject-matter of the request and any additional terms / conditions that the requesting party considers necessary for the order.

The offers, sent in response by our Company:

- do not represent a proposed order or contractual offer, but rather an order invitation;
- are not binding on the Vendor, unless otherwise expressly indicated;
- are subject to the availability of the merchandise when it comes to materials prepared from stock.

## **3 - ORDERS AND ORDER CONFIRMATIONS**

The Purchaser’s order shall for all intents and purposes be validated upon our written order confirmation, to be considered binding on the parties only where signed by same.

The terms of the order confirmation of Novacciai Martin S.p.A. prevail in their entirety over the terms specified by the Purchaser in its order.

The normal weights and dimensions, however and wherever they are indicated, shall be deemed to be approximate only, allowing for the usual tolerance values.

The transmission of the order by the Purchaser shall commit the latter to the prices and conditions of the sale price list of Novacciai Martin S.p.A. in force at the date of delivery provided for by our order confirmation.

No term or condition specified by officials or intermediaries of our Company shall be valid unless it is reproduced in the text of our letter of confirmation.

If any changes to the price list occur prior to that date, the new prices and conditions indicated in the price list in force at the date of delivery shall be the ones applicable

The Purchaser shall be deemed to be automatically bound if, within 10 days of receipt of our confirmation, the said Purchaser has not communicated to the contrary.

## **4 - PRICES AND TAXES**

Prices are in EURO per unit weight (kilogram or ton), save as otherwise expressly agreed between the parties and specified in the order confirmation.

The prices are for merchandise ex-works Novacciai Martin S.p.A. (Incoterms ex-works) save as otherwise agreed by the parties.

The invoice prices of the Products will be those of the price list and of the extra alloy applicable at



the time of delivery.

Prices for sales in Italy shall be augmented in the invoice by any taxes and dues and any other levies required by Italian law.

## 5 - PAYMENT AND RETENTION OF TITLE

The Purchaser will acquire ownership of the materials only with full payment of the invoice issued by the Vendor, but will assume any risk inherent relating to the materials themselves, including the risk of loss for reasons not attributable to the Vendor. In the case of late payments, the Purchaser shall pay interest on arrears at a rate determined pursuant to Legislative Decree 09.10.2002, No 231, from the date of expiry of the agreed deadline.

In the case of non-payment at the due date even of part of the price, the Purchaser will lose the benefit of deferral of payments (“deferred instalments benefit”) also in respect of the current supplies; the Vendor will also be able to invoke Articles 1460 and 1461 of the Civil Code and to suspend deliveries in progress.

The prices of the current price list are agreed to be for payment *as per* the order confirmation.

Our Company reserves the right to request:

- payment in advance in cash on the order, with the application of a cash discount equal to one twelfth of the Eurobor 3 months;
- payment in a form other than by bank transfer, cash order or direct transfer, such as by cover with bills, assignments, promissory notes, drafts and cash orders, with costs and stamp duty paid by the Purchaser;
- interest for delayed payment at the stipulated rate referred to in Legislative Decree of October 9, 2002 No. 231, when payments are made more than 30 days from the expiry date on the invoice;
- in addition, failure or delay in payment of invoices shall entitle our Company, without prejudice to any other action taken, to demand advance payment for the remaining supplies, or to consider the contract suspended or terminated, and to suspend or cancel the implementation of any other contracts underway, without the Purchaser being entitled to seek compensation or indemnity or to make any reservations whatsoever;
- compensation for any loss caused by late payments.

## 6 - TERMS AND CONDITIONS OF DELIVERY

### A. Terms of delivery

The delivery dates indicated in our order confirmations **are not essential pursuant to art. 1457 Civil Code**, they are approximate and do not constitute a warranty in the absence of an written undertaking to this effect by Novacciai S.p.A. explicitly set out in the order confirmation.

Even such a commitment, however, is subject to unexpected circumstances occurring at our manufacturing facilities and to normal circumstances of “force majeure”.

Any delays in delivery cannot under any circumstances give rise to claims for damages or cancellation of all or part of the contract, unless otherwise expressly agreed in writing in the order and expressly accepted by our Company in the order confirmation.

### B. Terms of delivery

The normal weights and dimensions, however and wherever they are indicated, shall be deemed to be approximate only, allowing for the usual tolerance values. The fulfilment of orders permits a tolerance of 10%, more or less, of the total quantity ordered, except for those particular dimensions or qualities for which the tolerance will be agreed from time to time, and save as otherwise provided for by the current price list.

In the absence of agreement to the contrary, evidenced directly on our order confirmation, the delivery of the materials occurs only at our manufacturing facility or our warehouse, and ownership of the materials is transferred to the Purchaser upon delivery to the carrier at the points mentioned above.

Therefore, once the delivery to the carrier is made, we no longer have any responsibility whatsoever for the supply, and any materials travel at the risk of the Purchaser.

Any reservations, claims and actions arising from or connected with the carriage and subsequent operations must be made by the Purchaser exclusively against the carrier, since our Company has no responsibility for what occurs following the delivery of the materials to the said carrier.





Where the material is removed using the transportation vehicles of the Purchaser, since the loading occurs under the supervision and direction of the carrier, no liability may be attributed to our Company for loss or damage - either to the materials or the carrier or third parties - resulting from the conditions of the load whether due to lack or excess of stowage or poor load distribution.

If the Purchaser requires the weight and the tare to be recognized by any external Body on departure, the relevant cost shall be borne by the Purchaser.

The costs for any other out-of-pocket expenses incurred for special positioning or arrangement of the materials on transportation vehicles, shall be agreed upon in advance and subsequently charged to the Purchaser.

## **7 - SHIPPING AND MATERIALS RETURN**

The prices on the current price list list our products ex works (INCOTERMS “EX WORKS”), unless otherwise agreed between the parties. Any arrangements for delivery of merchandise “freight collect” (INCOTERMS “FCA”) incur a transportation charge in the invoice, based on the modes of transport and rates specifically agreed at the time of the order confirmation.

The withdrawal of the merchandise must occur within 15 days of notification of readiness for shipment.

Failing this, the materials may be stored outdoors, and the Vendor shall be exempt from any liability, with forfeiture of all warranties and the right to debit handling and storage costs; the Vendor also reserves the right to ship the materials Freight Collect to the Purchaser, or to store them at the cost of the latter. A regular invoice will be issued upon notification of readiness for shipment, and the applicable payment deadlines shall come into effect. Any parking, storage or wait costs shall be borne by the Purchaser, even if the merchandise is sold free of carriage and the carriage occurs using the transportation vehicles of the Vendor or using vehicles ordered by the latter.

For “carriage free” shipments, the Purchaser shall be responsible for paying charges equivalent to the cost of transport by road or by rail which are applied to our Company by transport companies or by Italian Railways. For shipments by sea, specific conditions will be agreed.

The merchandise travels at the Purchaser’s risk and any claim or action will be taken against the carrier indicated, by the recipient and in the following circumstances:

- weight other than that indicated on the “packing list” with a permissible tolerance of plus or minus 30/00;
- damage from loading and transport or from natural and / or atmospheric events or from any other possible cause, from the time when the materials were loaded on the truck;
- theft of materials indicated in the packing list, in whole or in part.

Our Company accepts claims for weight differences only in the case of loads intact at the time of departure and as documented by weighing at a weighbridge; the applicable costs shall be borne by the Purchaser.

## **8 - ORDER SUSPENSIONS**

If the Purchaser seeks to suspend shipments in respect of orders where the materials have already been prepared, invoicing will proceed and the applicable payment deadlines will come into effect. The materials will be made available on consignment at our Company, and the Purchaser shall bear the full storage costs, whatever the reason for the suspension.

In this case the materials may also be stored outdoors, and the Vendor shall be exempt from any liability, with forfeiture of all warranties and the right to debit handling and storage costs; the Vendor also reserves the right to ship the materials Freight Collect to the Purchaser, or to store them at the cost of the latter.

A regular invoice will be issued upon notification of readiness for shipment, and the applicable payment deadlines shall come into effect. Any parking, storage or wait costs shall be borne by the Purchaser, even if the merchandise is sold free of carriage and the carriage occurs using the transportation vehicles of the Vendor or using vehicles ordered by the latter.

## **9 - PACKAGING**

Our Company organises the packaging of materials as agreed with the Purchaser, based on its own standardized packaging as described in the Operational Product Manual of our Company, which the



Purchaser declares that it is familiar with and accepts.

The choice is made based on the experience of our Company and based on the requirements of the Purchaser, however our Company remains exempt from any liability resulting from damage to or loss of the packaged merchandise. The packages, including standard, will be invoiced tare for goods, save as otherwise expressly agreed, such agreement to be expressly evidenced in our order confirmation.

The use of special packaging, or the exclusion of packaging in relation to merchandise for which it is normally used, must be requested by the Purchaser when ordering.

Any special requests may result in price increases.

## **10 - TESTING AND WARRANTIES**

Deliveries of our materials are made in accordance with our catalogs, on the basis of internal specifications in agreement with the corporate Quality System Manual and in compliance with mandatory technical standards and regulations, and as agreed with the Purchaser in the order and confirmed by ourselves in writing.

The testing of materials is carried out by our Company and in our plants, with the issue of standard test certificates for Steelworks, in accordance with EN 10204.

If the Purchaser seeks testing by an Official Body and / or Third Party Body, the following will provide the basis and framework:

1. The test is performed at our facilities or at laboratories approved by the Certification Authority;
2. Any testing of materials must be specifically requested by Purchaser when ordering, and expressly accepted by us in our order confirmation; it may occur only at our manufacturing facilities prior to shipment or delivery;
3. The testing of the materials shall to all intents and purposes constitute a release;
4. The testing can be performed according to Italian Unification (UNI) standards, EU (EURONORM) and international (ASTM, ASM ...) standards or according to the Specifications of Control Agencies or on the basis of other special requirements;
5. The fees of external testing Bodies (official Bodies or customer appointees) are the sole responsibility of the Purchaser, unless otherwise indicated;
6. Our manufacturing works will notify the Purchaser of the readiness of the materials for testing, so that the Purchaser may instruct the Body appointed by him in timely fashion. Any payments made by our Company to the testing Bodies on behalf of the Purchaser shall be reimbursed by the latter on demand;
7. When the testing is required to be performed by State Agencies or recognized bodies, if these do not begin the test is within 30 days of notification of readiness of the material, it is agreed that the Purchaser will waive the test and that the material will be tacitly accepted by the said Purchaser.

In this case, our Company considers itself authorized to carry out the relevant shipment and to continue further processing and manufacturing;

8. The aforementioned period of 30 days is reduced to 15 days if the testing should be performed by appointees of the Purchaser.

In this case, our Company will send the Purchaser a copy of the test certificate of our manufacturing facility;

9. Any waiver by the Purchaser of the test will not involve any variation in the additional cost for testing/quality indicated in our current price list;

10. Any materials rejected during the inspection involve, for our Company, exclusively the obligation to replace them in the shortest possible time frame without any direct manufacturing and/or delivery obligation and without entitling the Purchaser to claim any compensation and reimbursement of expenses incurred on any basis whatsoever.

11. In the event that the testing is suspended by order of the Purchaser and where such suspension is accepted by us in writing, all additional costs arising from such suspension will be charged to the Purchaser. The materials produced by us are guaranteed by our Company to comply with the characteristics and satisfy the conditions set out in our order confirmation. Our Company disclaims any responsibility for the operations to which the materials will be submitted.

## **11 – COMPLAINTS**



If the merchandise supplied does not conform to the specifications of our Company in the relevant order confirmation, any claim for defects discoverable at the time of receipt must be lodged in writing within a maximum period of 15 days from the date of receipt of the merchandise, otherwise the right to assert such claim will be forfeited. The term is extended to 90 days for defects not discoverable at the time of receipt.

The materials shall be deemed to be accepted on expiry of the said deadlines.

The notification of the non-conformity must be accompanied by the following delivery data:

- a) order confirmation no., if any;
- b) No. of order confirmation status, if any;
- c) accompanying documentation;
- d) other identifying elements of traceability (profiles, lengths, quality, casting no., brand);
- e) status of the material at the time of formal complaint (as supplied, processed, etc.);
- f) description of the non-conformity and stage of the process at which it came to attention;
- g) quantity the subject of non-conformity;
- h) quantity disputed;
- i) any proposed solution

The Vendor must be able to examine the merits of the dispute by examining the disputed quantity, shipped by the Purchaser to the Vendor on request, or by visiting the Purchaser, as agreed. Material found not to be in conformity must be separated in the same state in which it was delivered and kept available until the resolution of the dispute even if sold or processed by a Company other than Purchaser. The decision by the Purchaser and / or operator to process the material the subject of the dispute without the previous approval of the Vendor shall not establish any entitlement to compensation. The stock of material potentially affected must be identified by delivery batch and, wherever it is located in the processing cycle, must be set apart for purposes of establishing the non-conformity. The decision by the Purchaser and / or operator to process other material belonging to the same batch or to proceed further in the processing or to carry out operations to restore the material to conformity without the prior approval of the supplier shall exclude any entitlement to compensation.

A dispute in progress does not involve the cancellation of the order and, moreover, any liability of the Vendor is excluded in respect of any direct and / or indirect damage suffered by the Purchaser, without prejudice to the limitation provided for by Article. 1229 of the Civil Code. In the event of supply by way of parcelled deliveries, no claims - however prompt - shall relieve the Purchaser from the obligation to withdraw the remaining quantity of materials ordered.

If the formal complaints prove unfounded, the Vendor will debit the expenses associated with any inspections and expert surveys, also of third parties.

No protests or formal complaints raised by way of action or objection may justify any suspension of payments.

Where the formal complaints prove to be well-founded, based on an assessment of the non-conforming material carried out by technicians of the Vendor, the following outcomes may apply:

- a) repair by Purchaser: the Vendor's obligation is limited to the payment of fair compensation agreed between the parties;
- b) repair by the Vendor: the Vendor's obligation is limited to the restoration of the material in accordance with the order confirmation. At the discretion of the Vendor, the restoration can be performed at its own facility or at the place where the material is located;
- c) replacement of the material recognized to be in a state of non-conformity, at the same place as the previous delivery, subject to the return of the material to be replaced;
- d) material returned without replacement: the Vendor's obligation is limited to the payment of compensation to the fullest extent of the price of the material itself, subject to return of the latter.

If the complaint proves to be well-founded following the assessment by technicians of our Company, the latter must replace the unsuitable merchandise with material having the same characteristics as detailed in the order confirmation, in the same condition and at the same place of delivery as for the previous delivery.

The unsuitable material should be made available to our Company at the same place of delivery as for the original delivery.

A well-founded complaint and an applicable replacement obligation do not entitle the Purchaser to – and in fact exclude – the following:

- price reductions;
- reimbursement of expenses and compensation for direct and / or indirect damages;
- suspension of payment of the invoice for the merchandise the subject of the complaint;
- cancellation of contracts underway.

In any case, the liability of Novacciai S.p.A. shall be limited to the value of the material delivered.

## 12 - ESCAPE CLAUSES

Our Company has the right to withdraw in whole or in part from the contract of sale finally concluded and from any negotiations / contract drafting underway, and is released from any liability for failure of or delay in delivery, whenever and wherever the following occur:

- cases of force majeure, as provided for by law;
- state of alert, mobilization, state of war in Italy or in other states supplying raw materials;
- strikes, unrest of corporate personal, lock-outs;
- fire, flooding, public disasters, serious natural disasters;
- changes in the value of the currency relevant to the contract, that drastically alter exchange rate parity;
- measures and provisions of the EU Commission restricting or regulating the consumption of certain products, and in particular the production and distribution of steel and finished products;
- facts and circumstances that substantially change the market and / or industrial conditions of a State to which the contract in question refers.

In these cases, our Company may terminate the contract due to an impediment for which it is not responsible or which is not caused by facts attributable to it: in this case, the Purchaser shall not be entitled to any compensation, indemnity or reimbursement, and will be required to pay for merchandise that has already been prepared for it, or for non-standard material under processing which been placed in production specifically for the Purchaser.

## 13- JURISDICTION AND APPLICABLE LAW

The law of the Republic of Italy applies to the contracts of sale of our Company within Italy, based on the criterion of connection relating to the delivery of the material, which shall in all cases be deemed to have occurred at our facility regardless of stipulations “ex works” (Incoterms “ EX WORKS “) or free carriage (INCOTERMS FCA).

The Tribunal of Novara (Italy) shall be the court of exclusive jurisdiction over any dispute relating to our Company sales and the associated contracts.

San Pietro Mosezzo, on.....

For acceptance of the above Terms and Conditions of Sale, and in particular 1) Applicability conditions of sale – 2) Requests and offers – 3) Orders and order confirmations – 4) Rates and taxes – 5) Payments and retention of title – 6) Terms and conditions of delivery – 7) Shipping and materials return – 8) Order suspensions – 9) Packaging – 10) Testing and warranties – 11) Complaints – 12) Escape clauses – 13) Jurisdiction and Applicable Law.

Signature of Legal Representative of Purchaser

Pursuant to art and for the effects of art. 1341 and 1342, Civil Code, the Purchaser hereby declares that he expressly accepts the following clauses: ... ..

San Pietro Mosezzo, on.....

For acceptance of the above Terms and Conditions of Sale.....

Signature of Legal Representative of Purchaser