

Purchase Terms

1. Definitions

1.1. Unless the subject or context otherwise requires, the following capitalized terms shall have the meanings ascribed to them in this section 1:

Agreement: any agreement between Buyer and Seller containing special terms and conditions in addition to or deviating from the GTC;

Seller: the other party to the Agreement;

DIAC: Dubai International Arbitration Center;

Disputes: disputes, controversies, claims and all other issues arising out of the formation, performance, interpretation, nullification, termination, invalidation or modification of the Agreement or in connection with the Agreement, the GTC or further agreements resulting thereof, inclusive but not limited to settlement agreements;

ETA: expected time of arrival;

GTC: the present General Terms and Conditions of Buyer;

ICC: International Chamber of Commerce;

Incoterms: ICC Incoterms 2000;

L/C: Letter of Credit;

Order: any purchase or other order made by Buyer to Seller;

Principal Place of Business: the principal place of business, and in the absence thereof, the habitual residence;

Products: goods delivered or to be delivered and/or services or (other) work carried or to be carried out by Seller under the Agreement;

Buyer: Steel Middle East Industries LLC, incorporated under the laws of the United Arab Emirates, having a headquarters in National Industries Park, Dubai, United Arab Emirates.

UAE: United Arab Emirates;

SSHEX: Saturdays Sundays Holidays Excluded;

UCP: ICC Uniform Customs and Practice for Documentary Credits, ICC Publication 600.

1.2. Headings of the GTC are for convenience only and do not affect the interpretation of the GTC. Words importing the singular include the plural and vice versa, and the masculine, feminine and neuter genders include all genders.

2. Applicability GTC

- 2.1. Unless explicitly agreed to the contrary, any offer or agreement shall be exclusively governed by the GTC. The GTC shall be deemed incorporated into and made part of the Agreement between Buyer and Seller.
- 2.2. General or special terms and conditions in use by Seller shall under no circumstance apply, unless expressly accepted in writing by Buyer. Seller acknowledges that the GTC supersede these general terms and conditions, regardless of whether Buyer has rejected same upon receipt thereof.
- 2.3. The GTC may be revised from time to time, in which case the last amended version shall apply. Any modification, either change, waiver or addition, of the GTC must be agreed in writing and signed by the parties.
- 2.4. Additional special terms and conditions or in case of conflict between special terms and conditions laid down in the Agreement between the parties, these special terms and conditions shall supersede the GTC.

3. Order and formation of Agreement

- 3.1. An Order submitted by Buyer shall be without engagement and not oblige Buyer to accept an Order confirmation or (counter)offer from Seller, regardless of the form in which they are made, unless stated otherwise in the Order.
- 3.2. In case an Order is accompanied by documentation or data in whatever form, these shall at all times, including the intellectual property rights it may contain, remain the property of Buyer, and must be returned to Buyer upon first request and may not be copied, reproduced or shown to third parties.
- 3.3. Orders shall be deemed expired after a period of fourteen days after the Order was received by Seller. Orders are deemed to contain a full and correct description of the goods to be supplied and/or work or services to be rendered by Seller.
- 3.4. The Agreement between Buyer and Seller shall be enacted and irrevocably binding upon each parties' written confirmation or signature in approval of a written Agreement.
- 3.5. Seller may, prior performance under the Agreement, for no reason demand prepayment or security for payment of the purchase price in order to ensure the proper and timely performance by Buyer, unless agreed otherwise and laid down in writing.
- 3.6. The Agreement or consecutive Orders shall not give rise to the formation or obligation to conclude a continuing performance or long-term agreement, nor does it imply an obligation for Buyer to enter or continue to enter into any other, new or additional agreements with Seller.
- 3.7. The Agreement is made between the parties and does not create any third party rights. Nothing in the Agreement or further agreements resulting thereof is intended to create a legal partnership or joint venture or legal relationship of any

kind that would impose liability upon one party for the act or failure to act of the other party between the parties, or to authorize either party to act as agent for the other. Save where expressly stated in the Agreement, neither party shall have authority to make representations, act in the name or on behalf of or otherwise to bind the other.

4. Delivery and transport

- 4.1. Delivery terms and time of delivery of the Products shall be specified in the Order and in accordance with Incoterms.
- 4.2. Risk in relation to the Products shall pass to Buyer at the time of delivery.
- 4.3. Upon written request of Buyer, Seller shall arrange for Buyer's account for a transport insurance on all-risk basis containing the usual conditions.
- 4.4. When Products are to be carried by sea to a named port of destination for Seller's expense, carriage shall be arranged, at Seller's option, either through regular shipping lines, or by chartered ships on GENCON charter party (as revised 1922 and 1976) with logical amendments, Free Out (FO). In both options carriage to take place by seagoing single deck bulk carrier not older than 25 years. Demurrage, dispatch and laycan as per charter party to be advised upon vessel nomination.
- 4.5. Seller shall tender at loading port a notice of readiness in writing, advising vessel's name, owner, age, deadweight, draft and date, quantity, weight and value of shipment latest 5 working days prior to vessel's ETA at load port.
- 4.6. Seller guarantees a loading rate of a tonnage to be agreed upon per geared hatch per weather working days of 24 consecutive hours, SSHEX, all other terms as per GENCON charter party with logical amendments.
- 4.7. Seller is to advise vessel's ETA immediately after leaving load port and 72, 48 and 24 hours prior to arrival of vessel at discharge port.
- 4.8. Carriage by road or rail, to be for Seller's expense, shall be arranged by Seller on usual terms, unless otherwise agreed in writing.

5. Late-delivery, non-delivery and remedies therefore

- 5.1. If the Products are not delivered for any reason whatsoever, including force majeure, by the agreed delivery date, Buyer shall be entitled to terminate the Agreement immediately by written notification to Seller.
- 5.2. If Buyer does not make use of the right of termination in case of late delivery, Buyer is entitled to claim liquidated damages equal to 0.5% of the price of the Products for each complete week of delay, provided Buyer notifies Seller of the delay. Liquidated damages shall not exceed 5% of the price of the delayed Products or such other maximum amount as may be agreed.

5.3. In case of termination of the Agreement for non-delivery, Buyer is entitled to claim damages for any additional loss not exceeding 10% of the price of the Products.

5.4. The remedies under this article 5 are exclusive of any other remedy Buyer may have for delay in delivery or non-delivery.

6. Inspection

6.1. Buyer is entitled to inspect the products prior shipment. seller must notify buyer timely before shipment of the products and that the products are ready for inspection in the port of loading. inspection shall be carried out by SGS upon buyer's instruction. the inspection costs will be born by Buyer to be compensated by Seller in case of non-conformities found.

6.2. Seller is entitled to appoint a surveyor for (re) inspection as regards weight determination and non-conformity, if any. Buyer must keep the Products available for inspection by a surveyor to be appointed by Seller. Buyer may not dispose or make use of the Products until Seller's inspection.

6.3. Seller must appoint a surveyor for (re) inspection within one (1) month upon receipt of the survey (commodity) report(s) as meant in the above clauses. Neither of the survey reports shall form conclusive evidence. In case of conflicting survey reports, the parties shall mutually appoint an independent and internationally recognized surveyor.

6.4. If the parties are not able to agree on such mutually appointed independent surveyor, a surveyor shall be appointed under the Rules for Expertise of the ICC, in force as from 1 January 2003.

7. Quantity/quality determination

Quantity/quality determination are to be performed optionally by SGS [or: other internationally recognized independent surveyor] to be appointed by both parties. SGS report shall be final and binding for both parties. costs for inspection are to be born by the parties in equal parts.

8. Non-conformity:

8.1. Buyer shall examine the Products as soon as practical upon arrival in discharge port and shall notify Seller in writing of any lack of conformity of the Products within 30 days from the date buyer discovers or ought to have discovered the lack

of conformity. Where Buyer elects to retain the non-conform Products, Buyer shall be entitled to a sum equal to the difference between the agreed purchase price and the actual value.

8.2. Notifications of lack of conformity must indicate precisely the defect and the Product to which it refers and be certified and accompanied by an original of a commodity report by an internationally recognized surveyor appointed by Buyer, stating amongst other things a full description of the Products, full report of the defects and/or damages found, explanation of the nature and cause of damages, including a fair depreciation of the Products, to be taken into account the normal end uses of the Products.

9. Payment

9.1. Unless otherwise agreed in writing, payment of the price by Buyer to Seller shall be on open account and the time of payment will be 60 days from the date of invoice. The amounts due shall be transferred, unless otherwise agreed in writing, to Seller's bank in Seller's country for the account of Seller and the Buyer shall be deemed to have performed his payment obligations when the respective sums due have been received by Seller's bank in immediate available funds.

9.2. If the parties have agreed on payment by L/C, then, unless otherwise agreed, Buyer must arrange for an L/C in favor of Seller to be issued by a reputable bank, subject to the UCP, and to be notified at least 30 days before the agreed date of shipment of the Products. Unless otherwise agreed, the L/C shall be irrevocable, payable at sight against presentation by Seller to Buyer of the following documents:

- (a) Bills of Lading issued in 3/3 originals
- (b) Charter party Bills of Lading acceptable
- (c) Marked freight prepaid
- (d) Clauses with regard to atmospheric rust acceptable
- (e) Commercial invoice
- (f) Certificate of origin issued by chamber of commerce
- (g) Packing list
- (h) Certificate of insurance where applicable
- (i) Beneficiary's certified copy of fax/telex sent within 5 days after shipment advising name of vessel, date, quantity, weight and value of shipment. the relevant transmission report should be attached. applicants valid fax/telex number must be stated in the L/C.

10. Insurance

Seller shall arrange insurance covering Seller's and Buyer's interest against (i) all usual risk and (ii) shortages and shall maintain the cover until the property of the Products has passed unconditionally to Buyer therefore including the period prior loading into the nominated vessel when the Products is in storage and in the possession of the forwarding agent or others.

11. Liability, indemnity, product liability

11.1. Seller shall be liable towards Buyer and herewith undertakes to indemnify Buyer for any and all damages and/or costs (to be) suffered and/or (to be) made by Buyer due to a breach of contract of Seller under the Agreement, to be increased by legal and court expenses and legal interest.

11.2. Seller undertakes to hold Buyer harmless in case a third party institutes a claim against Buyer resulting from a breach of Agreement committed by Seller in connection with this Agreement.

11.3. Seller shall promptly inform Buyer in writing of any claim which may involve the product liability of the Buyer.

12. Force majeure

12.1. A party is not liable for a failure to perform any of his obligations in so far as he proves:

- (a) That the failure was due to an impediment beyond his control, and
- (b) That he could not reasonably be expected to have taken into account the impediment and its effects upon his ability to perform at the time of conclusion of the Agreement, and
- (c) That he could not reasonably have avoided or overcome it or its effects.

12.2. A party seeking relief shall, as soon as practicable after the impediment and its effects upon his ability to perform become known to him, give written notice to the other party of such impediment and its effects on his ability to perform. Notice shall also

been given when the ground of relief ceases. Failure to give either notice makes the party thus failing liable in damages for loss which otherwise could have been avoided.

12.3. If the grounds or relief subsists for more than two months, either party shall be entitled to terminate the Agreement by giving written notice to the other party.

13. Confidentiality

13.1. Each party shall keep strictly, private and confidential all information and documentation relating to the Agreement, which knowledge has been acquired from the results of discussions, negotiations and all other communications prior to entering in to, during the duration of the Agreement or afterwards. Under no circumstance shall such information or documentation be made available to any person or persons not a party to the Agreement, without the explicit prior consent of the other party.

13.2. The parties will neither disclose, in whole or in part, any information or documentation regarding the Agreement, business affairs and customers of each other, nor shall any party make commercial use of the same or any part thereof without the prior written consent of the disclosing party.

13.3. This provision shall survive any termination of the Agreement and shall continue to apply to Buyer.

14. Entire agreement

The Agreement embodies the sole and entire agreement and understandings between the parties and supersedes any previous agreement between the parties. All prior negotiations, agreements, covenants, promises, conditions and/or understandings, oral or written, except as herein set forth, are of no legal effect. Any or subsequent modifications of the Agreement, as mutually to be agreed upon, must be made in writing and signed by authorized signatories of the parties. Oral modifications shall be null and void.

15. No waiver

Notwithstanding the time-bar and other provisions in the Agreement containing certain time limits, a failure or delay on the part of either party to enforce or exercise a remedy under the Agreement is neither to be construed or operate as a (implied or express) waiver or relinquishment of the right or remedy in whole or in part nor to preclude the enforcement or exercise in any other circumstances at any time or times in future.

16. Severability

The parties intend that the provisions of this Agreement be enforced to the fullest extent permissible. If any provision in the Agreement shall be held to be void or unenforceable, in whole or part, under any enactment or rule of law, such

provision or part thereof shall to that extent be deemed not to form part of the Agreement, but all other provisions shall remain in full force and effect.

17. Assignment

Neither party may assign any rights under the Agreement to others without the prior written consent of the other party. Any such assignment without the prior consent of the other shall be null and void. The Agreement is made between the parties and does not create any third party rights whether arising under rule of law or business practice.

18. Notices

For the purpose of service of notices under the Agreement and service of official/legal documents, parties have expressly and exclusively chosen domicile at the places and addresses as mentioned in the Agreement. Notices and/or service of official documents under the Agreement shall be made in writing, letter with acknowledgement of receipt, or by international courier, only.

19. Representation

19.1. Nothing in the Agreement is intended to create a legal partnership or joint venture or legal relationship of any kind that would impose liability upon one party for the act or failure to act of the other party between the parties, or to authorize either party to act as agent for the other. Save where expressly stated in the Agreement, neither party shall have authority to make representations, act in the name or on behalf of or otherwise to bind the other.

19.2. Seller represents and warrants that, it has all requisite authority (including necessary licenses and permits) to conduct its business as presently conducted or proposed to be conducted under the Agreement, has the power and authority to execute and perform all of its obligations under the Agreement, no governmental approval by or with any governmental entity is required for the valid execution and performance of the Agreement and does not violate any applicable law or governmental approval.

20. Governing law

Any legal issue relating to the Agreement and each and every provision incorporated in the Agreement or further agreements resulting of the Agreement shall be governed by the CISG and to the extent not covered by the CISG, by reference to the UNIDROIT Principles of International Commercial Sales Agreements of 2004 and if not covered by the foregoing sets of rules and/or the provisions in the Agreement, by internationally accepted general trade practices, and in final instance by the law of the country where Buyer has his Principal Place of Business only, with the exclusion of any other laws or other sort of regulations, either national or international.

21. Arbitration

21.1. Disputes shall exclusively be settled by arbitration, i.e. for Disputes with Sellers having their Principal Place of Business within the UAE as per the provisions set forth under the DIAC Arbitration Rules ("DIAC Rules"), respectively for Disputes with Sellers having their Principal Place of Business outside the UAE as per the Rules of Arbitration of the ICC ("ICC Rules") by one or more arbitrators to be appointed in compliance with the, as the case may be, DIAC or ICC Rules.

21.2. Place of arbitration shall in case of DIAC arbitration be Dubai, UAE, the venue to hold the arbitration proceedings shall be at the premises of the DIAC and in case of ICC arbitration, place of arbitration shall be The Hague, the Netherlands. The arbitration shall be conducted in the English language.

21.3. Each party is to make contributions in the costs of the arbitration as per the request of the DIAC/ICC. Any award rendered in arbitration under this clause shall be final, binding and enforceable upon the parties.

21.4. The parties waive the right to contest the enforceability of an award (either interim, partial or final) and agree that an award may be enforced in any jurisdiction.

21.5. The governing law clause applies to this arbitration clause. This arbitration clause does not prevent any party from applying for interim or conservatory measures from either the Arbitral Tribunal or the Court(s) or from both.

22. Authentic text

The English text of the GTC is the only authentic text. In case the text of the GTC is translated in another language for Seller's convenience, the English version will prevail over the translated version.