

# General Terms and Conditions of Sale

## ASSAB Çelik ve Isıl İşlem AŞ

### The Parties

ASSAB Çelik ve Isıl İşlem San ve Tic. A.Ş. (hereinafter it is referred to as "ASSAB" and/or "Seller" ),

The entities purchasing goods and services from ASSAB are hereinafter referred to as "CUSTOMER" and/or "Buyer"

### Preamble

1. These general terms and conditions (hereinafter General Conditions)of sale regulate the purchase and sale relations between ASSAB and Buyer. These General Conditions is the integral part of goods and service agreement to be carried out by ASSAB. The conditions set forth by the Seller or Buyer cannot conflict with these General Terms and Conditions.

### Offer and Order

2. Unless otherwise specified, written offers shall be valid for 14 days period as from the date of being forwarded. An offer or an order can only be subject to this contract only after they are approved in written.

### Delivery

3. Unless otherwise specified by the parties, the goods with regard to the agreement shall be delivered to the place where the head office and branches of the Seller are located.
4. ASSAB shall be responsible to store the processed goods for a period of 15 days at most.

### Delivery Time

5. If a delivery time is stated as a certain period, that period shall be deemed to commence on the date of the contract.

### Price and Product Information

6. Unless otherwise specified by ASSAB, the price list in effect shall be valid. Any changes in price shall become valid upon written Approval of ASSAB and mutual consent, after the customers submit their written request submitted to ASSAB. Unless the price is changed in writing, the current price list shall be valid for the orders to be made.
7. Unless accepted in writing, Seller shall not guarantee such goods are appropriate for a specific purpose.
8. Unless otherwise agreed, the sample supplied by the customer is to be regarded as type samples and Seller does not guarantee the complete conformity of delivered goods with samples.

### Drawings and Technical Documents

9. All drawings and technical documents supplied by either party to the other shall remain the property of the supplying party and may not by the receiving party be improperly used, reproduced, or disclosed to third parties.

## Special Conditions

10. The customer is aware of (i) the Regulation (EC) No 961/2010 on restrictive measures against Iran replacing Regulation (EC) No 423/2007, (ii) the U.S. Iran Sanction Act of 1996, as amended by the Comprehensive Iran Sanction, Accountability, and Divestment Act 2010, (iii) similar regulations and statutory provisions in this respect in place globally and (iv) our group policy to control that none of our products are delivered into the oil and gas industry of the Islamic Republic of Iran (collectively "Regulations"). The customer will fully obey these Regulations no matter if they are applicable on him or not and will not deliver the products, directly or indirectly, into the oil and gas industry of the Islamic Republic of Iran or resell the products to anyone he knows will do so or to circumvent this agreement in any other way.

## Inspection

11. Seller shall inspect the goods in order to verify conformity with the contract prior to distribution. Unless otherwise agreed, costs of any tests, inspections or documentation requested by the Buyer after conclusion of the contract shall be borne to Buyer.
12. Buyer shall inspect the goods after delivery as per Article 17.

## Delivery Delays

13. If the Seller or the Buyer finds that he cannot observe the agreed time for the delivery or receipt of the goods, or if a delay appears probable, he shall within a reasonable time give notice (e-mail, fax or in written) to that effect to the other party(notice of delay) , stating when delivery or receipt of the goods can be expected.
14. In case of notices relating to the potential delays in delivering goods, the Buyer may use the right to terminate the contract by sending written notification to Seller with respect to the goods whose delivery is delayed. If the buyer has given notice of delay, the Buyer shall exercise his right to cancel the contract within ten days from receipt of such notice, otherwise the time stated in the notice shall be deemed to be a new agreed time of delivery. If no notice has been given, the right to cancel shall be exercised within ten days from the agreed time of delivery.
15. If delivery cannot be made at the time stipulated for reasons attributable to the Buyer, the Buyer shall nevertheless be liable to fulfill all payment obligations such as the delivery took place. The Seller shall arrange for storage of the goods at the Buyer's risk and expense due to the delivery. In that case, all expenses shall be borne to the Buyer.
16. If delivery of goods is delayed, damages or liquidated damages due to the delivery shall be paid by the party who has caused the delay.

## Claims

17. When the goods are delivered, the Buyer shall carry out defect inspection in accordance with the practices; if there is any defect, Buyer shall immediately notify the Seller in written form with the nature and extent of the defect claim.
18. Claims regarding any defects in the goods shall be made in writing as long as specifying the nature and extent of the defect. Seller is not liable for the

defects recognized 3 days after the delivery.

19. Except for the amendments in the contract and any defects caused by the Seller, no other amendment shall be made regarding the defect in the goods. Seller shall not be liable to the indirect damages and loss as a result of such defects. However, the Seller is liable for the defects occurred due to the gross negligence.
20. The above mentioned provisions regarding faults in the goods shall also in their relevant parts apply with respect to shortages in quantities.

Grounds of discharge from liability (Force majeure)

21. The parties shall be entitled to terminate the contract due to the circumstances beyond the control of the parties that could not have been anticipated when the contract is concluded such as , but not limited to wars, mobilization, political disturbances, governmental interventions of various kinds, currency restrictions, fire, acts of God, etc. If, in that case, the Buyer terminates the contract, the right of the Seller to demand its rights and assets covered up to the time of the contract's termination is reserved.
22. The liability of the Seller regarding to the hidden defects is restricted with the claims put forward three-month period following shipment carried out in compliance with above conditions. Claims regarding any fault in the goods caused by damage during transportation carried out by an independent carrier shall be addressed directly to the carrier in accordance with the terms and conditions applicable to the carriage.
23. The above mentioned provisions regarding defects in the goods shall apply to relevant parts with respect to shortages in quantities.

Remedies in respect of faults or shortages

24. If there is any defect in goods delivered for which the Seller is liable, and in respect of which a claim has been made in accordance with the provisions of Section 24 , the Seller shall at his own expense and with the promptness required by the circumstances at his own option, but after consultation with the Buyer, either rectify the fault ( e.g. by repair or reprocessing) , reduce the price in proportion to the fault, or deliver new and faultless goods in return for the faulty goods. Unless otherwise agreed, the Seller shall pay the transportation costs, but not any expenditure incurred for dismantling, installation or processing. If the Seller neglects to fulfil his obligations in accordance with the provisions of the first paragraph of this section, the Buyer has the right - after notification in writing to Seller, but not subject to his consent- to remedy the defect himself and receive justifiable compensation from the Seller in respect thereof, or if such remedy is impossible and the defect is substantial, to terminate the contract in regard to the faulty goods are concerned. If faulty goods are in such a condition that the Buyer would suffer material inconvenience if he were partially to stand by the purchase, the Buyer may terminate the contract in its entirety.

Infringement of rights of third parties

25. If goods are delivered in accordance with drawings, models or other patterns submitted by the Buyer or definitions or instructions given by the Buyer, the Buyer shall indemnify the Seller for any infringement of the rights of third parties such as patterns, patents or trademarks.

## Tools and Models

26. Repairs of tools and models, belonging to the Buyer and in the custody of Seller, shall be paid for by the Buyer, if such repairs are caused by wear or tear or reasons not attributable to the Seller. The Seller shall be liable for keeping such tools and models during agreed period of delivery. If they remain in Seller's possession after the period of delivery, the Seller shall keep them at the expense of Buyer unless otherwise agreed. All storage of such tools and models shall be at the risk of Buyer. After three years have lapsed as from the completion of delivery of the goods, the Seller shall be entitled to discard or return such tools and models upon written notification to the Buyer unless otherwise agreed. Transportation of such tools and models shall be effected at the risk and expense of the Buyer. The term "Tools and Models" in this context includes other equipment required for the production of the goods.

## Cancellation

27. The Buyer may not cancel any contracted deliveries without consent of the Seller.

## Retention of Title

28. The Seller reserves the title to and property in goods delivered until full payment thereof.

## Payment

29. If the Buyer does not pay in time, this situation gives the Seller the right of demand default interest. Buyer agrees and assures to pay the %2 monthly default interest for overdue payments. Governing Laws

30. The contract shall be within the scope of Turkish laws with the exclusion of International Sale of Goods Act (1987:822) and conflicts of rules of laws.

## Disputes

31. Any disputes arisen out of implementation or interpretation of this agreement shall be settled by KADIKOY Courts and Enforcement Offices.