

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY – 2022 Edition (The terms and conditions may also be read on www.eu.nlmk.com.)

These general terms and conditions of sale and delivery apply to all sales, hereafter the “Contract” or “Contracts”, concluded by NLMK Verona S.p.a., hereafter the Seller. Any conditions inconsistent with these general terms and conditions shall be valid only if provided for in writing by the Seller or expressly approved by it. Any conduct departing from these conditions by the Seller or accepted by the Seller in connection with particular Contracts or orders, even if repeated, may not be relied on by the Buyer for different Contracts or orders and shall not therefore constitute an acquired right. Any conflicting terms and conditions on the Buyer’s order forms are expressly acknowledged to be invalid. Conversely, the Buyer acknowledges that provided there is no contract signed by the parties governing the relations between them, these general terms and conditions of sale are the rules governing the Contract between the Buyer and the Seller. In the event that a contract governing the relations between the parties does exist, these general terms and conditions of sale shall apply unconditionally to any matters not otherwise provided for by the contract concerned. In the event that any provision of these general terms and conditions of sale shall become, invalid, unenforceable or unlawful to any extent, the validity of the other provisions of these general terms and conditions of sale shall be unaffected thereby. The parties shall use their best endeavours to replace the invalid, unenforceable or unlawful provision by a valid, lawful and enforceable provision having a similar economic effect.

1. Premise

- 1.1 The following general sales conditions are considered to be known by all Buyers.
- 1.2 Our sales, unless stipulated otherwise and expressly shown on our order confirmation, are effected at the following general conditions.
- 1.3 All orders sent to our company imply adherence without reserve on the part of the Buyer to the general sales conditions of our company.

2. Offers

- 2.1 Offers are always without obligation, unless expressly indicated otherwise by us and are subordinate to the general sales conditions contained in the present list.
- 2.2 Offers of materials available in stock are understood to be unless sold.
- 2.3 Offers for which a validity term is indicated are understood to be binding for our company if acceptance by the Buyer reaches us within the established term. Should acceptance arrive after the established term, we retain the faculty of accepting or not.

3. Orders

- 3.1 Sending the order binds the Buyer to the prices and all the conditions of the price list in force at the date of order confirmation.
- 3.2 Orders are understood to be perfected to all effects only following our written confirmation.
- 3.3 For futures contracts, if accepted, the detail specifications (for steel grades and dimensions) must reach us by the agreed deadline. After such deadline, if the Buyer has not specified the entire lot, our company shall retain the faculty of cancelling the contract without obligation of default and the Buyer may advance no claims for reimbursement or compensation.
- 3.4 Orders must be complete and defined in all parts.

4. Order Confirmation

- 4.1 The supply includes only the services, materials and quantities specified in our letter of order confirmation or in any subsequent modification of the same transmitted by our company.
- 4.2 The text of our order confirmation shall prevail, in any case, over texts differing from any offer and order.
- 4.3 The order confirmation shall be considered accepted by the Buyer if not contested within 10 days from the date of sending.
- 4.4 Any condition expressed by functionaries or intermediaries of our company shall have no value unless reproduced in the text of our confirmation letter.
- 4.5 Nominal weights and dimensions, however and wherever shown, are indicative allowing for the tolerances in use. Fulfillment of the order allows tolerances of plus or minus 10% on the ordered weight, except for those particular dimensions or steel grades for which the tolerance shall be agreed each time.

5. Quotation Method

- 5.1 The products as per the price list are quoted from Verona and the prices are expressed in Euro per metric tonne (or other).

6. Shipment of the materials

- 6.1 Shipments shall be effected in accordance with the manner reported in the order confirmation (which, if different, shall prevail) and are normally effected under our care.
- 6.2 The goods object of the supply, unless otherwise and specifically agreed, are understood as always ex works, and therefore travel at the Buyer’s own risk. In the case that the sales price includes costs up to destination, the transfer is understood to be effected by us on behalf of the Buyer and consequently at his risk.
- 6.3 In the exceptional case in which collection of the products is effected by the Buyer with our prior agreement, to result expressly on the order confirmation, in the case of delayed collection storage costs shall be charged. Our company, however, reserves the right to partially or totally rescind the contract and/or ship the ready materials to the Buyer’s known address, charging the costs as provided in the previous point 2, in the case in which:
 - a. fifteen days have passed from the date of communication of goods ready for shipment and the Buyer has not provided for collection of the materials;
 - b. our works or depots have not provided for shipment due to lack of instructions on the part of the Buyer.

7. Payment Conditions

- 7.1 Payment of our supplies shall be made in accordance with the times and methods indicated in the invoice. For material invoiced but not shipped, for the purposes of the starting date of payment, the shipment date is assumed to be that of the date of invoice.
- 7.2 Our company retains the right:
 - a. to request payment in cash upon notice of goods ready, or at shipment;
 - b. to grant deferred terms of payment if necessary against bills, notes, assignments or drafts, with costs and stamps charged to the Buyer to whom in any case delay interest will be debited.

8. Non-payment or delayed payment

8.1 Delay in payment of all, or part of, our invoices beyond the agreed expiry gives rise to the immediate accrual of interest which will be charged at the conditions and amounts as provided by Legislative Decree no. 231 of 9.10.2002, which puts into effect the Directive 29.6.200/35/CE and any modifications.

8.2 Moreover, non-payment or delayed payment of the invoices gives our company the right, save for any other action, to claim advance payment on the remaining invoices or to consider the contract suspended or resolved and to suspend or annul the carrying out of any other contracts in course, without the Buyer being able to advance claims for compensation or reimbursement or reserves in this respect; the Buyer remains obliged to refund all damages (arising or for lost profit) deriving from the failed execution of such contracts.

9. Transfer of ownership and risks

9.1 The Buyer shall acquire ownership only upon full payment of the invoice issued by the Seller, but shall assume all and any risks inherent to the product, including the risk of deterioration of the same, from the moment of delivery of the product to the agreed place of destination. From such moment the Seller shall be freed of all and any liability regarding the product.

10. Delivery of materials

10.1 Save agreement to the contrary, which must expressly result in our order confirmation, delivery of materials occurs only and exclusively at our manufacturing works or at our warehouse. Responsibility for the state of the materials is transferred to the Buyer only and exclusively at the moment of delivery to the carrier at the points as above. Therefore, once delivery to the carrier is effected, all and every responsibility on our part ceases and the materials travel at the Buyer's risk.

10.2 Any reserves, claims, actions deriving or in any case connected with the transport and subsequent operations shall be made and/or proposed by the Buyer exclusively against the carrier, our company not being responsible for what may occur after delivery of the materials to the carrier.

10.3 For shipments effected by us on road vehicles the following is allowed:

- a. for materials invoiced by weight, a tolerance of plus or minus 3 per thousand on the shipped weight. Any differences within this limit shall not therefore form the object of claims or lead to modifications in the overall amount of the invoice price. In the above-mentioned case, in partial derogation of what is provided in the previous point 2, the Buyer may advance against our company such claims as regard exclusively deficiencies in weight exceeding the tolerance of 3 per thousand;
- b. costs relative to weight control on reception are fully charged to the Buyer;
- c. to avail themselves of this faculty, the Buyer shall draw up, on pain of nullity, any claim on the back of the document accompanying the goods, attaching to it, for claims relative to goods invoiced at weight, the weighing tag, done on a "Veritas" scale or public weighing machine, certifying the weight effectively observed on reception of the goods. Still on pain of nullity, the accompanying document shall be signed by the Buyer and by the carrier or by the person charged by the latter and delivered to the former to be sent on to our company.

10.4 In the case of material collected by the Buyer's vehicles, with loading effected under the carrier's control and direction, our company shall have no responsibility for damages, whether to the materials or to the transporter or to third parties as a consequence of the loading conditions, whether for lack of or for excess stowage or for poor distribution of the load.

10.5 Should the Buyer request that weight and tare be recognized on departure by the Railways Administration or by another authority, the relative cost shall be charged in full to the Buyer.

10.6 Any other out-of-pocket expenses for particular arrangements of the materials on the means of transport – if agreed – shall be charged to the Buyer at cost.

11. Delivery Times

11.1 Completion, shipment or delivery times resulting from our order confirmations have only an indicative value and are always given without guarantee, except in the case of our absolute commitment, which shall expressly result from our order confirmation, and excepting even unforeseen events over and above those of force majeure which may arise in the works in which the orders are executed. Any delays, therefore, may in no case give rise to reimbursement of damages or to termination, even partial, of the contract unless these consequences have been expressly accepted by us in our order confirmation.

11.2 In any case the delivery deadline is observed with communication that the goods are ready for shipment or testing.

11.3 Among the cases such as to free our company from all and any liability for non-delivery or delayed delivery are those relative to lack of raw materials or electrical power, breakdowns to machinery, interruptions of rail or other services connected with the transport of goods, lack of vehicles or wagons for loading, mobilization, embargo or war in states supplying raw materials, labor unrest, occupation of works, lock-outs, flooding, public calamity etc., as also any provisions and orders from the competent organs of the European Community Single Commission aimed at limiting and in any case disciplining consumption of raw materials and the production and distribution of steel and end products.

12. Testing

12.1 Unless otherwise indicated our supplies are regulated by the standards and specifications of current Euronorm standards.

12.2 Any testing of materials must be expressly requested by the Buyer at the moment of ordering and expressly accepted by us in our order confirmation; this may take place only at our manufacturing works before shipment or delivery.

12.3 Testing of the material frees the same for all effects and purposes.

12.4 Testing may be carried out in accordance with Euronorm standards or in accordance with the specifications of the control authorities or in accordance with other particular prescriptions. Fees for the external testing authorities (official authorities or those charged by the customer) are charged in full to the Buyer, unless otherwise indicated and provided in the present price list.

12.5 The Buyer will be informed by our manufacturing works that the goods are ready for testing so that the Buyer may speedily give instructions to the authority he has designated. Any payments made by our company to testing authorities on behalf of the Buyer shall be refunded by the latter at sight.

12.6 When testing is to be carried out by State Agents or other recognized Authorities, should the agents not start testing within 30 days of notification that the material is ready, it is understood that the Buyer shall renounce testing and the material shall be tacitly accepted by the same. In this case our company considers itself authorized to effect the relative shipment and continue further processing and manufacturing. The above-mentioned term of 30 days is reduced to 15 days if the testing is to be carried out by persons charged by the Buyer. In this case our company shall send the Buyer copy of the manufacturing works test certificate.

- 12.7 In any case renouncement of testing by the Buyer shall not lead to any variation in the extra price for quality and testing indicated in the price list of the single products.
- 12.8 Materials that may be rejected in the course of testing lead to the sole obligation for our company of substitution in the shortest possible time with no commitment for immediate manufacture and/or delivery and the Buyer may not demand compensation or reimbursement of any kind of the costs sustained.
- 12.9 Should testing have to be suspended upon the Buyer's request, and in the case that such suspension is accepted by us in writing, the Buyer shall be charged for all the extra costs deriving from such suspension (storage, interest payable etc.)

13. Guarantees

- 13.1 Our company guarantees material responding in every way to the characteristics and conditions specified in the order confirmation. However, it does not assume any responsibility, unless otherwise agreed, regarding applications and operations to which the supplied material is subjected by the Buyer.
- 13.2 Any technical specifications and/or guarantee requests advanced by the Buyer shall not be taken into consideration unless shown in the order confirmation.
- 13.3 The Buyer is obliged to carry out tests on the products to determine if these are suitable for processing and for the use to which they are destined.

14. Claims

- 14.1 Any claims for goods not corresponding to what is specified in our order confirmation must be sent in writing within fifteen days at most from receiving the goods, failing which entitlement lapses. The report of any hidden faults must be made in writing, failing which entitlement lapses, within 8 (eight) days from discovery and in any case within 90 (ninety) days from receiving the product. Should the claim be made speedily and be certified by our technicians as founded, the obligation on the part of our company is limited to the replacement of the goods recognized as non-corresponding, at the same place as for the original delivery, following return of the same and excluding any right on the part of the Buyer to request termination of the contract or reimbursement of damages and refunding of expenses of any kind sustained.
- 14.2 The Buyer is debarred from any right to claims and therefore replacement of the goods should processing or the use of the material object of the contestation not be suspended immediately.
- 14.3 Claims and protests give the Buyer no right to suspend payment of the contested goods.

15. Taxes charged to the Buyer

- 15.1 For sales within Italy value added tax at the current rate of the date of invoicing shall be added to the invoice price.
- 15.2 Sales to other countries of the European Community are exempt from the above-mentioned tax. Taxes and/or duties affecting material entering the above-mentioned countries are to be borne by the Buyer, as are taxes and/or duties affecting the product entering non-EC countries.

16. Force Majeure

- 16.1 A Force Majeure event means any event or circumstance that prevents or impedes a party from performing one or more of its contractual obligations under the contract due to causes including changes in standards and laws, strike, war, war-like events and any effects of war or war-like events, imposition of sanctions, economic embargo or in general any legal or regulatory measures prohibiting the affected party to do business or to transact, natural or industrial disaster or interruption (including for explosion, fire, flood, destruction and breakdown of machinery, factories and plant and serious operating accidents), a shortage or serious disruption of one party's supply chain (including the disruptions or shortages in the raw material-, transport- or energy-, supplies which prevents the affected party to keep doing business or imposes on the affected party to reduce or interrupt, in whole or in part, its manufacturing activities, to declare flexible work arrangements and the use of temporary layoffs for economic or other reasons (including in the scope of any temporary support measures following the energy crisis that may be adopted by law or regulation), to mothball its activities or undertake more structural changes in the organization of its activities, whether by mandatory decision of an authority or upon such party's own initiative because of exceptional economic or supply circumstances, provided [a] such impediment is beyond its reasonable control; [b] such impediment or the extent of its effects on the affected party or on its performance of the contract could not have been reasonably foreseen at the time of the conclusion of the contract; and [c] the effects of the impediment could not reasonably have been avoided or overcome by the affected party.
- 16.2 The affected party shall notify the other party of a Force Majeure event within 10 business days of becoming aware of the occurrence thereof, by any convenient means: fax, email, recorded delivery letter. The occurrence of a Force Majeure event shall suspend the obligations of the affected party. If the consequences of the Force Majeure event endure for more than 60 consecutive calendar days, the parties shall meet at the request of whichever party first takes action in order to decide on the conditions in which performance of the contract might resume. Failing an agreement within 30 calendar days of the request made by the first party to take action, the party affected by the event may request by registered letter that the contract be terminated. In the event of a termination of the contract due to Force Majeure, neither party will have any liability to the other party in respect of termination of the contract due to a Force Majeure, but all rights and liabilities which have accrued prior to termination of contract, will subsist. The obligation to pay an amount of money or to accept any supplies that are available for delivery without being subject to Force Majeure shall never be considered to be affected by Force Majeure.

17. Material Adverse Effect

- 17.1 If a Material Adverse Effect occurs, the Seller shall be excused from the performance of its obligations under the contract to the extent that it is prevented, hindered or delayed in such performance due to the Material Adverse Effect.
- 17.2 As used in this contract, "Material Adverse Effect" shall mean any occurrence, fact, condition or change that individually or in the aggregate adversely and materially affects, or can reasonably be expected to adversely and materially affect, the Seller's business, assets, liabilities or condition (financial or otherwise) condition or operations (including, as the case may be, production operations performed on behalf of the affected party) or the ability of the Seller to timely perform its obligations under this contract or consummate the transactions contemplated hereby, to the extent such change arises in connection with or as a result of one or several of the following events that occurred on or after the effective contract date: changes in standards and laws, strike, war, war-like events and any effects of war or war-like events, imposition of sanctions, economic embargo or in general any legal or regulatory measures prohibiting the affected party to do business or to transact, natural or industrial disaster or interruption (including for explosion, fire, flood, destruction and breakdown of machinery, factories and plant and serious operating accidents), a shortage or serious

disruption of one party's supply chain (including the disruptions or shortages in the raw material-, transport- or energy-, supplies which prevents the affected party to keep doing business or imposes on the affected party to reduce or interrupt, in whole or in part, its manufacturing activities, to declare flexible work arrangements and the use of temporary layoffs for economic or other reasons (including in the scope of any temporary support measures following the energy crisis that may be adopted by law or regulation), to mothball its activities or undertake more structural changes in the organization of its activities, whether by mandatory decision of an authority or upon such party's own initiative because of exceptional economic or supply circumstances.

- 17.3 Upon occurrence of a Material Adverse Effect event, the Seller shall provide notice to the other party disclosing the Material Adverse Effect. Once notice has been provided, the parties agree to meet in good faith to modify the terms of the contract in an attempt to mitigate or eliminate such Material Adverse Effect. If the parties cannot agree to any such modifications within thirty (30) days of such notice, then the Seller shall be entitled to terminate this contract without liability by providing the other party with thirty (30) days prior written notice thereof. In the event of a termination of the contract due to the Material Adverse Effect, neither party will have any liability to the other party in respect of termination of the contract due to such event, but all rights and liabilities which have accrued prior to termination of contract, will subsist.

18. Safeguarding Clause

- 18.1 Besides cases of Force Majeure, Material Adverse Effect and other cases as provided by law, including state of alarm, blockage or war also in states supplying raw materials, strikes and labor unrest, occupation of works, lock-outs, fires, flooding, public calamity etc., as also in the case of any provisions and regulations by the European Commission aimed at limiting and in any case disciplining consumption of determined raw materials and the production and distribution of steel and end products, our company shall have the right to withdraw, wholly or in part, from the definitively concluded sales contract, as well as from those being defined whenever events and circumstances should occur that substantially alter the state of the markets, the value of currency (including currency devaluations in the ECSC area) and the conditions of Italian industry. In such cases and generally, when our company recedes from a contract due to an impediment not depending on its own actions or faults, the Buyer has no right to damages, compensation or reimbursement and shall, if requested by our company, pay for goods that are ready or are being processed.

19. Court of Law

- 19.1 The court of law with sole jurisdiction for any and every controversy relative to sales and relative contracts concluded by our company is that of Verona (Italy).

20. Applicable Law

- 20.1 For whatever is not provided under the present general sales conditions Italian law shall apply to sales concluded by our company since supply contracts are considered to be concluded in Italy.