

COGNE ACCIAI SPECIALI S.P.A.
STANDARD CONDITION OF SALES 2007

1. Applicability

Except to the extent Cogne Acciai Speciali S.p.A. ("Seller") otherwise specifically agrees in writing, these Standard Conditions of Sale to the exclusion of any and all other conditions and terms, are applicable to, and are an integral part of, every contract of sale ("Sales Contract") between Seller and any other person who has purchased or has agreed to purchase any goods or articles from Seller (the "Buyer"). Even if not expressly objected to by Seller, any and all other conditions or terms which may be specified by the Buyer in the Buyer's purchase order or otherwise (whether oral, typed, written or printed) shall be deemed to be null and void and of no effect, irrespective of the fact that such conditions or terms may be specified subsequent to Seller's written acceptance or acknowledgment of the Buyer's purchase order (the "Order Confirmation"). The goods and articles sold or to be sold by Seller and purchased or to be purchased by the Buyer are referred to in these Standard Conditions of Sales as "Products".

2. Offers

Offers availability is limited and shall not be binding upon the Seller and Buyer. Offers must be considered, in any case, subordinated to the effective availability of the products (excluding from such availability the products already sold).

3. Acceptance.

Buyer's purchase order must be complete with respect of any necessary/opportune details. Buyer's purchase order may be accepted by Seller in whole or in part. Such acceptance will be valid only if made by Seller in writing on Seller's form of Order Confirmation. The Buyer's purchase order will be binding on the Buyer unless and until it is rejected in writing by Seller, and may not be cancelled, withdrawn or modified by the Buyer; however in the event of a partial acceptance by Seller, the Buyer will no longer be bound with respect to the parts of the Buyer's purchase order not accepted by Seller.

4. Prices

(a) Seller's Order Confirmation will set forth the prices for the sale of the Products by Seller to the Buyer pursuant to the Sales Contract based on conditions existing as of the time of Seller's Order Confirmation. Seller reserves the right to change the prices at which the Product will be sold by Seller and purchased by the Buyer pursuant to the Sales Contract in the event of any change in such conditions, including, without limitation, any change in material, labor or production costs, transport fees or any change in currency exchange rates. Such prices will also be subject to adjustment by Seller if Seller, at the Buyer's request, consents to a reduction in quantity or to a change in specifications or terms of delivery. The prices at which the Products to be delivered under the Sales Contract will be sold by Seller and purchased by Buyer will be established by Seller on the basis of conditions existing as of the time of shipment. In the event the prices so established by Seller for any such Products exceed by more than ten percent the prices for such Products set forth in Seller's Order Confirmation, the Buyer will have the right to cancel the Sales Contract with respect to such Products, without liability to either the Buyer or Seller, provided the Buyer notifies Seller of such cancellation in writing within ten days from the time the Buyer first obtains notice of such price increase.

(b) Unless otherwise specifically agreed to in writing by Seller, all sales of Products manufactured in Italy are made in the Ex-Works condition according to the Incoterms in force, Aosta (Italy) or Milan (Italy), as better clarified,

from time to time, and on a case by case basis, in the Seller's Order Confirmation.

(c) Seller's prices include inspection and packing, but do not include insurance or freight. Any insurance desired by the Buyer must be provided by the Buyer at the Buyer's own expense. Any sales excise or similar taxes, as well as any customs duties, which Seller pays or may be required to pay will be added to Seller's prices for the Products. If, for any reason, such taxes or duties are not added to such prices, the Buyer assumes full responsibility for payment of such taxes and duties directly to the appropriate authorities. Upon Seller's request, the Buyer will pay the amount of such taxes and duties to Seller..

5. Modifications

The Sales Contract cannot be modified or cancelled in any respect without Seller's express prior written consent, and then only after the arrangement of terms which will compensate Seller fully for any and all losses.

The weight valid for the invoice is that of departure. Unless Seller otherwise specifically agrees in writing, the Buyer will accept an over-run or an under-run of ten percent (10%) of the quantities specified in Seller's Order Confirmation. Although Seller undertakes no obligation to do so, Seller will make a reasonable effort to supply as nearly as possible as conditions permit the quantities of Products specified in Seller's Order Confirmation.

Additionally, in case the forwarding is at Seller's care with road vehicles or railway, a tolerance of three per thousand (3‰) added or subtracted on the weight declared at the departure, is admitted. Only differences exceeding such tolerance can be subject to Buyer's claim. Expenses of the weight control at the time of delivery are at Buyer's charge. If the Buyer needs that the weight of the material and the tare be checked by a public body, all related expenses shall be on the Buyer.

6. Product Specifications

Products will be supplied by Seller to the Buyer in accordance with specifications applicable at the time of their manufacture. In the event of any change or modification in specifications with respect to any Products which have been manufactured prior to the introduction of such change or modification, Seller shall not be bound by any data or information contained in any price list or any other publication of Seller.

7. Testing

The material testing must be foreseen in the Seller's Order Confirmation and the testing shall be carried on in the Seller's factory in the following ways, at Buyer's choice: (i) at Seller's care, with issuance of the relative certificate; or (ii) by entrusted attendees appointed by the Buyer or by public officer or recognized bodies. In any case, the testing expenses and fees are at the Buyer's charge. Failure of Buyer in selecting testing modalities within 15 (fifteen) days following the communication pursuant to which the Products are declared ready for delivery, will be considered as Buyer's tacit waiver of the relevant testing and consent to the delivery.

8. Packing

Packing will be carried on according to Seller's experience. Save for fraud or gross negligence, the Seller shall not be liable for any losses and/or averages in this respect. Except as otherwise agreed in the Seller's Order Confirmation, packing will be invoiced tare for goods. Use of particular packing, or exclusion of the packing in presence of Products for which it is not normally used, must be expressly requested by the Buyer at the time of issuance of the relevant order and any expenses thereupon shall be at the Buyer's charge.

9. Delivery

(a) Subject to the provisions under article 5, Products are shipped at the Buyer's risk and

danger and it shall be up to the Buyer to make any claims and/or actions against the carrier, in case of difference in weight and averages occurred following loading of the Products on the transport vehicles. In any event, any delivery dates indicated by Seller, whether in Seller's Order Confirmation or otherwise, are good faith estimates only and are not binding on Seller. Seller shall under no circumstances be responsible or liable for any delay in delivery or for any failure to make delivery for any reason whatsoever. If, however, following receipt of Seller's Order Confirmation, the Buyer notifies Seller in writing that delivery of any Products is required by either the estimated delivery date specified in Seller's Order Confirmation or by a later date specified by the Buyer in such notice, and Seller fails to deliver such Products by such required delivery date or within thirty days thereafter, the Buyer may cancel the Sales Contract with respect to such Products by notice in writing to Seller, unless Seller's failure to delivery such products within such time is due, by way of example, to ordinance or regulation, strike or other labor trouble, riot or other civil disturbance, inability to secure raw material or supplies or, without limiting the foregoing, by any other cause, contingency or circumstance beyond Seller's control which prevents or hinders the manufacture or delivery of Products. Such cancellation should be without liability to either the Buyer or Seller.

(b) The Buyer is required to provide promptly Seller with all the information necessary to permit Seller to proceed with the manufacture or acquisition of the products without delay or interruption. Products will be delivered by Seller to a common carrier designated by the Buyer. If no instructions are received from the Buyer, Seller will forward the Products, at the Buyer's expense, in such manner as Seller shall determine in the exercise of Seller's reasonable judgment. The Buyer will accept partial deliveries. Upon delivery to the common carrier, all risk of loss or damage to the Products shall pass to the Buyer.

(c) Seller may place in storage any Products which are ready for delivery but which cannot be delivered due to any cause occasioned by the Buyer. Upon such storage (i) delivery to the Buyer of the Products placed in storage shall be deemed to have been made to the Buyer, (ii) all risk of loss or damage with respect to such Products which has not previously passed to the Buyer shall pass to the Buyer immediately and (iii) all amounts otherwise payable to Seller upon delivery, as well as all expenses incurred by Seller in connection with the storage, preparation, handling, freight, inspection, preservation or insurance of the Products placed in storage shall be paid by the Buyer upon presentation of Seller's invoice.

10. Payment

(a) Unless Seller otherwise specifically agrees in writing, payment for the Products shall be made in Euro; in the event Seller does not require payment in full prior to or upon delivery of the products to a common carrier, the entire amount of the purchase price for the Products shall be payable at thirty days -date of delivery-, unless otherwise agreed between the parties.

(b) The full purchase price for the Products shall be paid by the Buyer regardless of any dispute or controversy related to the Sales Contract or any other transaction or to other delivered or undelivered Products. The Buyer will not withhold payment or offset any payments against any claims of the Buyer which are disputed by Seller. No discount may be taken unless specifically agreed to by Seller in writing. Any check or remittance received from or for the account of the Buyer may be accepted and applied by Seller against any indebtedness or obligation owed by the Buyer, without prejudice to, discharge or accord and

satisfaction of the reminder of any such indebtedness or obligation, regardless of any condition, provision, statement, legend, notation, document or writing appearing on, referring to or accompanying such check or remittance.

(c) Until Seller shall have collected, in cash, the full amount of the purchase price for the Products and any and all other amounts owed by the Buyer to Seller, title to the Products will remain with Seller and to the extent and Seller will have a security interest or other right in or lien upon the Products and the proceed thereof pursuant to the applicable provisions of law, with the right to take possession and dispose of the Products and such proceeds in the event such purchase price or any such other amount is not paid when due. The Buyer will, upon Seller's request, execute and deliver, and Seller is authorized to execute and deliver on behalf of the Buyer, any and all instruments, including without limitation, financing statements and similar documents under any applicable law relating to personal property security or conditional sales, which Seller may deem necessary or desirable in order to evidence, record or perfect such title, security interest, right or lien or to file such instruments without the signature of the Buyer to the extent permitted by law. With each Purchase Order furnished by the Buyer to Seller, the Buyer represents that the Buyer is solvent.

(d) If any payment is not made when due, a late charge will be paid by the Buyer from the due date until the date of actual collection by Seller, calculated according to the average EURIBOR 3 months rate from the date of payment due +3 % spread.

(e) Upon the failure of the Buyer to make any payment of the purchase price, or in the event of any other default, breach or repudiation by the Buyer of the Sales Contract or any other transaction with Seller, or if the Buyer should become insolvent, call a meeting of creditors or make a general assignment for the benefit of creditors, or if a bankruptcy, insolvency, reorganization or arrangement proceeding shall be commenced by or against the Buyer, Seller may, at its option, in addition to any other remedies provided by law, do any or all of the following:

(i) cancel the Sales Contract or any part thereof, as well as any other contract of sale with the Buyer (the Buyer remaining liable for damages), (ii) declare all outstanding amounts owed by the Buyer pursuant to the Sales Contract, or any other contract of sale with the Buyer, immediately due and payable irrespective of the terms of sale,

(iii) defer delivery under the Sales Contract, or any other contract of sale with the Buyer, until all obligations of the Buyer shall be paid, and for a reasonable time thereafter,

and (iv) sell all or any part of any undelivered or repossessed Products, without notice, at public or private sale, holding the Buyer responsible for the costs and expenses of such sale (including reasonable attorneys' fees) and for any difference between the agreed purchase price for such products and the amount realized from the sale thereof (Seller having the right to become the purchaser of such Products at any such sale). Without prejudice to the foregoing, the Buyer shall have to reimburse any and all damages suffered by the Seller and shall not have the possibility of requesting any indemnity and/or rewards for the supply interruption.

11. Warranties

(a) Express Warranties

Seller warrants that all Products sold by Seller to the Buyer will conform to Seller's specification. Seller further warrants that it will have good title to all products sold by Seller to the Buyer.

(b) Disclaimer of Further Warranties

EXCEPT AS SET FORTH IN SUBSECTION (a) OF THIS SECTION 11, NO WARRANTY OR REPRESENTATION OF ANY KIND, EXPRESS OR IMPLIED, IS MADE BY SELLER WITH RESPECT TO THE PRODUCTS (INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE) AND NONE SHALL BE IMPLIED BY LAW.

12. Withdraw

In addition to acts of God and/or other events that are not under Seller's control, included the alarm state, mobilization, blockade and war even in countries suppliers of raw materials, strikes, and personnel protests, factories occupation, lock-out, fire, flooding, public calamities etc. as well as in case of measures of the Unique Commission of the European Community, aiming at limiting the consumption of certain raw materials and the production and distribution of the steel and of the Products (for which the Seller shall remain free to suspend/withdraw from the Sales Contract), the Seller shall have the right to withdraw from the Sale Contracts, upon the occurrence of facts and circumstances that will substantially alter, the market state and the currency value, and the Italian industry conditions. In these cases, if the Seller withdraw from the Sales Contract independently form its responsibility, the Buyer shall not have the right to receive any indemnities, rewards or reimbursements and shall pay, if required by the Seller, the Products completed or to be completed.

13. Limitation of Liability

SAVE FOR FRAUD OR GROSS NEGLIGENCE, SELLER SHALL NOT BE LIABLE, AND THE BUYER WAIVES ALL CLAIMS AGAINST SELLER, FOR INCIDENTAL CONSEQUENTIAL OR OTHER DAMAGES. THE BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER FOR ANY CAUSE OF ACTION IS SET FORTH IN SECTION 14. IN ANY CASE, IN NO EVENT WILL ANY RECOVERY OF ANY KIND FOR ANY CAUSE OF ACTION BY THE BUYER AGAINST SELLER EXCEED THE PURCHASE PRICE FOR THE SPECIFIC PRODUCTS AS TO WHICH THE CLAIM IS MADE. In particular, and not by way of limitation, Seller will be liable to the Buyer for any loss, damage or injury to persons or property resulting from the handling, storage, transportation, resale or use of the Products in manufacturing processes, whether in combination with other substances or otherwise.

14. Limitation of Claims by the Buyer Promptly after the receipt of each shipment, the Buyer shall test and inspect the Products received for compliance with Seller's specifications and Order Confirmation. If the Buyer fails to notify Seller of non-conformity within ten days after the Buyer receipt of any shipment (or with respect to latent non-conformity, within ninety days after such receipt), and before any part of the Products (except for reasonable test and inspection quantities) has been utilized or otherwise changed from their original condition, that the Products do not conform in any respect, the Buyer shall have waived any rights or claims against Seller. In case the claim is considered well-founded, after Seller's verification, the Sales Contract cannot be cancelled but Seller is obliged to replace the material in the same conditions and in the same place of delivery of the initial supply, after the restitution of the inadequate material. This replacement obligation excludes, at penalty title, price reductions, expense reimbursements and compensation of any further kind including, without limitation, damages and/or loss of profit.

Alternatively, if the material supplied proves not to suit the specifications of the material ordered, Seller may, at its options, refund the purchase price

of the Products –when already paid- after restitution of inadequate material.

In any case, Products may not be –partially or wholly- returned by the Buyer without Seller's prior written approval. The buyer shall bear the risk and expense of return shipments .

15. Title to Drawing and Specifications

Seller shall at all times have title to any and all drawings and specifications furnished by Seller to the Buyer and intended for use in connection with the Sales Contract, and shall not disclose such drawings and specifications only in connection with the Sales Contract. The Buyer shall use such drawings and specifications only in Connection with the Sales Contract, and shall not disclose such drawings or specifications to any person, firm or corporation other than Seller's or Buyer's employees or subcontractors. The Buyer shall, upon Seller's request, or upon completion of the Sales Contract, promptly return all drawings and specifications to Seller.

16. Applicable Law and Jurisdiction. The Sales Contract shall be governed by and interpreted in accordance with the laws of the Italian Republic. All litigation of disputes or controversies which may arise between the Buyer and Seller out of or in connection with the Sales Contract shall be settled by Conciliation and Arbitration at the International Chamber of Commerce of Milano (Italy). The arbitration shall be conducted in English language under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules. The place of Arbitration shall be Milano (Italy) and the judgment upon the award shall be final and binding.

17. Severability

If any provision of the Sales Contract shall be held invalid or unenforceable for any reason whatsoever, or to violate any law of any nation, or of any state, territory, or other political subdivision thereof which may be applicable, or any code or regulation adopted, or any governmental proclamation or order issued, in accordance with any such nation, state, territory or political subdivision, be ineffective and void to the extent of such prohibition or illegality, without invading any of the remaining provisions of the Sales Contract.

18. Notice. Any notice required or contemplated by the Sales Contract shall be addressed to the parties at their respective addresses as shown in Seller's Order Confirmation, with written notice to such address deemed to be sufficient, unless and until Seller or the Buyer shall specify another address for such noticed to itself, by notice in writing to the other party.

19. Assignment

Neither the Sale Contract nor any part thereof may be assigned, or performance there under delegated by the Buyer without first obtaining Seller's prior written consent.

20. Headings

The headings contained in these Standard Conditions of Sale are for reference purposes only and shall not affect the meaning or interpretation of these Standard Conditions of Sale.