

# General purchase terms and conditions

*UAB "Cosma Metal" General purchase conditions. Date: November 2021*

## 1. General Area of Validity

1.1. The following General purchase terms and conditions apply exclusively to all deliveries to company UAB "Cosma Metal". UAB "Cosma Metal" does not acknowledge other conflicting terms and conditions, which deviate from this General purchase terms and conditions. Any conditions deviating from, added to, or contrary to these General purchase terms and conditions shall not form part of the Agreement, even if the Buyer is aware of them unless the Buyer expressly consents to their applicability in writing.

## 2. Purchase confirmations and Agreements

2.1 Purchase confirmations shall be binding if placed by us in writing.

2.2 Our inquiries or prices offers are free of any obligation and is subject to change until it is declared in the Purchase confirmation.

2.3 If the Supplier disagrees with conditions in the Purchase confirmation, he has to express disagreement within one hour after receiving the Purchase confirmation by email.

2.4 The Purchase confirmations cannot be made accessible to third parties without our express written consent.

2.5 The preparation of orders shall be non-binding and not incur any costs to us.

## 3. Price, terms of payment, invoices, transfer of ownership

3.1 The price and quantity stated in the Purchase confirmation are binding. Unless otherwise agreed in writing, the price includes dispatch and packaging. The return of packaging requires extra agreement.

3.2 All of the Supplier's receivables shall only become payable upon the provision of an audit-able invoice that meets our specifications and once the Supplier has fulfilled the entire order without any defects. The invoice must contain the Purchase confirmation number, receiving entity, complete product description, quantity, price of the units, and the VAT ID number. If the delivery is exempt from taxes and customs duties, this shall be stated on the invoice.

3.3 Unless otherwise agreed in writing, payment shall be due within 30 days. Payment terms shall start on the date of the receipt of the invoice, but not earlier than the material has been received.

3.4 Fixation of prices on the London Metal Exchange is only binding when reconfirmed by us in writing. Therefore we do not accept any other possibility of fixing the price by the seller only (e.g. by text message, fax, email, phone call). Without any exclusion, a fixation requires our written reconfirmation (which can be made by email).

3.5 If the material has to be returned due to poor quality, the Supplier shall refund any payments already made by the Buyer for this material immediately plus interest due in the amount of 5 percentage points above the refundable amount. The Buyer may retain all or part of the material until a full refund has been made.

3.6 Sale and transfer of the ownership take place when the quality of the goods is finally determined, the Buyer issues an acceptance report and the Seller issues final invoice.

#### **4. Delivery**

4.1 The delivery period given in the Purchase confirmation is binding. Unless agreed otherwise in writing, the delivery deadline starts on the day the legally binding Purchase confirmation (order) is placed. All orders shall generally be delivered immediately if no delivery date or deadline has been agreed upon. The receipt of materials at the Buyer's terminal (Minijos str. 180, Klaipeda) shall be used as a basis to determine the fulfillment of delivery dates and deadlines. This shall also apply to all dispatch documents and other certificates required for the fulfillment of the delivery obligation. Non-compliance with these deadlines shall be deemed to be a serious violation of the agreement by the Supplier.

4.2 The Supplier shall inform us immediately of any discernible delays in the delivery of materials.

4.3 Unless otherwise agreed in the Purchase confirmation, the material shall be delivered and dispatched DAP (Incoterms® 2010 or their applicable version) Minijos str. 180, Klaipeda, UAB "Cosma Metal" terminal. Partial deliveries shall only be approved upon explicit agreement and if deliveries exceed common contractual transportation sizes. The remaining quantity shall be indicated for all partial deliveries agreed upon.

4.4 Unless otherwise agreed in the Purchase confirmation, deliveries can be made by trucks, rail, or sea.

4.5 If Goods are not delivered on time, then the Buyer can cancel the Purchase confirmation and/or charge the Seller with a fine.

4.6 Delivery of the material by the Seller will be made only during working days, between 8.00- 14.00 on Monday- Thursday and between 08:00- 13:00 on Friday.

4.7 Industrial action, interruption of operations, and any other events of force majeure release us for the duration of the disturbances from the obligation of acceptance. Intensive operations at our terminal also release us from the obligation to unload the Supplier's truck on the same day as it arrived.

## **5. Dispatch, packaging**

5.1 The Supplier shall inform the Buyer on the actual day of dispatch of the materials by sending a dispatch notice containing the Purchase confirmation number, quantity, quality, exact material description, and loading scheme.

5.2 The Supplier when dispatching shall provide all necessary documents, particularly customs forms, CMR, Annex VII, delivery notes. All dispatch documents (e.g. freight papers, Annex VII, carriage labels, delivery note, and bill of lading) must contain the exact material description, Purchase confirmation number, delivery weight.

5.3 If the Supplier does not fulfill the duties stated in Article 5.2, all of the associated risks and/or costs shall be carried by the Supplier.

5.4 If goods are delivered by rail, all of the carriages must be broom-clean and have steel structures.

5.5 Packaging must be suitable for the dispatch, transportation, and unpacking of the respective material. Unless agreed otherwise, only disposable or metal packaging may be used. The packaging must not contain any hazardous substances within the meaning of Article 6.6 or their deposit build-ups. If the packaging material is to be returned, the Supplier shall agree on this with the Buyer before Purchase confirmation.

5.6 The statutory provisions, particularly the provisions on the dispatch of hazardous goods and the applicable environmental laws, shall be complied with during transportation. The Supplier shall fulfill all applicable requirements and implement the measures stated in the Registration, Evaluation, Authorisation, and Restriction of Chemicals directive with regard to the material to be supplied to the Buyer.

## **6. Receipt of goods, check for defects, and liability for defects**

6.1 We are obliged to check the product within an adequate time frame for any divergences in quality or quantity; the rebuke is in due time, as long as it reaches the supplier within a period of 14 working days, starting from receipt of goods or, in case of hidden defects (e.g. in case of a deep chemical analysis need to be taken), from the time of their discovery.

6.2 The weight determined on the calibrated scales at the terminal of UAB "Cosma Metal" shall be binding.

6.3 Following the receipt of the materials and sampling or analysis, if appropriate, the Buyer shall send the Supplier an acceptance report. In this provision, "sampling" refers to the drawing of a representative sample from a specific quantity delivered to determine the properties agreed upon. "Analysis" refers to the examination of the material using the Buyer's analysis methods to determine its specifications, particularly with regard to the content of metals and other components. The Buyer may change the material (e.g. the breaking of slivers, etc.) for sampling and analysis purposes.

6.4 Goods should not include asbestos, radioactive and toxic substances, mercury, industrial oils, garbage, explosive materials. In addition, stainless steel scrap should not exceed the limits of sizes (1,5m x 0,5m x 0,5m) and weight (maximum 500 kg per piece).

6.5 The Supplier shall warrant that all materials supplied have been tested for radioactivity using state-of-the-art measuring equipment. The Supplier shall exclusively deliver materials that did not show any signs of ionizing radiation in excess of the natural background radiation within the measurement accuracy of the measuring equipment. If asked, the Supplier shall deliver all necessary documents confirming that materials have been tested for radioactivity.

6.6 Hazardous substances (particularly highly volatile, flammable, oxidizing, corrosive, toxic, carcinogenic, teratogenic, mutagenic, harmful, irritant, sensitizing, and polluting substances) shall be excluded from delivery. Also shall be excluded impurities and deposit build-ups of such hazardous substances, used catalytic converters, tubular bodies, and free liquids (e.g. oil and water). "Alveoli penetrants" and breathable dust may only be delivered upon explicit prior written agreement by both parties. The Supplier shall be fully liable and responsible for any costs and damage caused by the delivery of such materials. The Supplier shall also carry the costs for the disposal of such non-compliant materials.

6.7 We are entitled in full to the claims for defects. In particular, we reserve the right to demand the Supplier to either rectify the defect, pay compensation for the defect, or deliver replacement materials according to our choice.

6.8 In case of imminent danger or particular urgency we are entitled to carry out the rectification of deficiencies ourselves at the expense of the supplier.

6.9 The Buyer reserves the right to refuse to accept the whole goods in case it does not meet quality requirements. In such case, the Seller shall cover all expenses of analysis and returning of the goods.

6.10 Maximum allowance of other elements in Cr/Ni 18/8 and 18/10 scrap and/or ingots:

C=1.50%, S=0.035%, Cu=0.50%, Sn=0.025%, P=0.040%, Mo=0.50%, Pb=0.004%, Co=0.20%, Nb=0.10%, W=0.10%, V=0.10%, Zn=0.50%, As=0.025%, B=0.025%, Cd=0.025%.

## **7. Retention of title**

7.1 We only recognize simple retention of title by the Supplier if the ownership of the material is transferred to us upon payment and we may sell on and transfer the material during proper operations. Special forms of retention of title, particularly extended and prolonged retention of title, current account retention, and multiple reservations will not be accepted. We shall not accept any adverse business terms of the Supplier and we herewith explicitly reject any such terms. They shall not form part of this agreement.

7.2 Due to the retention of title, the contracting party may only demand the release of the material if it has first withdrawn from the agreement.

## **8. Industrial property rights**

8.1 It is the responsibility of the supplier to make sure that there is no violation of the rights of third parties in connection with his delivery.

8.2 If a third-party claims against us in this context, the supplier is obliged to release us from these claims upon the first written request; we are not entitled to come to any arrangements, in particular a settlement, with the third party, without the approval of the supplier.

8.3 The indemnity bond of the supplier refers to all expenditures, which necessarily arise from or in connection with the claim by a third party.

## **9. Export controls and compliance**

9.1 The Supplier shall be solely responsible to ensure that the material to be delivered by the Supplier or parts thereof is not subject to national and international export restrictions. If the material or parts thereof are subject to such export restrictions, the Supplier shall obtain the necessary global export licenses at its own cost.

9.2 The Supplier shall inform the Buyer of any authorization requirements for the (re-) export of its goods pursuant to export and customs regulations as well as the export and customs regulations of the country of origin of its goods in its business documentation.

9.3 The Supplier validates and warrants that, in due time and in accordance with the terms and procedures stipulated by the law, he will declare and pay all fees related to deliveries of the goods to the Buyer that he must declare and/or pay (including but not limited to VAT) in accordance with the applicable legislation, etc.

9.4 The Supplier shall comply with all applicable laws, regulations, rules, and provisions during the manufacture and sale of the material.

9.5 For the shipment of waste for recovery and for recovery procedures for each type of waste: waste code: 120101 - 200140, recovery operation (s): R12 and/or R13. The Parties to the Contract shall comply with the Regulation (EC) No 1013/2006 (hereinafter referred to as the Regulation) applicable to shipments of waste. The shipment shall be made in accordance with the provisions of Article 18 of the Regulation and the information contained in the documents of Annex VII to the Regulation, as well as in accordance with the terms of the Contract. The person who arranges the shipment agrees to deliver the waste to the consignee for recovery and the consignee shall ensure the recovery of the waste in accordance with the Regulation (EC) No. 1013/2006 on shipments of waste and the provisions of this Contract.

The Parties agree to implement the following obligations required by the Regulation (EC) No 1013/2006:

- a) the person who arranges the shipment shall ensure that the waste is accompanied by the documents listed in Annex VII to the Regulation;
- b) the documents specified in Annex VII of the Regulation shall be signed by the person who arranges the shipment before the start of the shipment operation and the Consignee shall sign the documents when the waste is received by it and when it is received by the recovery facility;
- c) where the waste cannot be transported and recovered as intended, or where the illegal shipment has begun, or where such a person involved in arranging the shipment is unable to complete the shipment or recovery (for example due to insolvency), the Consignee must take back the waste or ensure their recovery by alternative means and, if necessary, their storage at that time in accordance with the provisions of the Articles 22 and 24 (2) of the Regulation;
- d) the Consignee must regenerate or recover the waste in accordance with Article 24 (3) of the Regulation if the shipment is illegal;
- e) the Contract shall be valid for the duration of the shipment in accordance with the documents of Annex VII until the recovery operation at the plant is completed;
- f) the person arranging the shipment or the Consignee must provide a copy of the Contract if required by the authority or inspectorate concerned.

## **10. Netting settlement**

10.1 The Buyer shall be entitled to set off all of its own receivables and the receivables of affiliated companies with the receivables of the Supplier and its affiliated companies.

10.2 The Supplier shall not assign amounts receivables from and claims against the Buyer to third parties without obtaining the prior written consent of the Buyer.

10.3 Only claims that are undisputed or whose legal validity has been confirmed may be set off with the Supplier's counterclaims.

## **11. Place of jurisdiction, Place of fulfilment, Period of limitation**

11.1 All disputes, disagreements, or discrepancies that may arise during the contract realization should be settled by reaching a compromise. If the compromise cannot be reached within 3 months, the disputes should be resolved by the court of law

territorially and factually competent for the Buyer. However, the Buyer is entitled to take legal action against the Supplier at the court of the Supplier's residence.

11.2 Unless otherwise stated in the Purchase confirmation, the Buyer's terminal shall be the place of fulfilment of the delivery.

11.3 The law of the Republic of Lithuania is exclusively valid. The law of the UN will not apply.