

GENERAL SALES CONDITIONS – VERSION 01

1. ArcelorMittal Stainless Brazil's products will be traded according to the present general sales conditions, unless otherwise stated on a revision of the relevant documentation.

2. ABOUT THE ORDERS

2.1 Purchase Order / order

It is the formal or oral contact of the Customer with the sales department, whose acceptance will be subjected to formal confirmation by ArcelorMittal Stainless Brazil as regards quantity, time and other commercial conditions.

2.2 Product Specification

When placing the order, the Customer shall specify in details the desired product and its application.

2.2.1 In case of divergence with in-house standards related to ArcelorMittal Stainless Brazil's products, the feasibility of complying with the order placed will be evaluated.

2.2.2 The conditions not specified will be handled according to ArcelorMittal Stainless Brazil's in-house standards.

2.3 Cancellation of Order

ArcelorMittal Stainless Brazil does not commit itself to accept cancellations or modifications of orders when the relevant product has already been produced or is under production phase.

2.4 Dates for Order Confirmation and Invoicing

ArcelorMittal Stainless Brazil operates with the following order confirmation system: monthly, weekly and ten-day' period, considering its various product lines.

Ten-days' Period Confirmation - 1st ten-day period = from 1st to 10th day of the month
 2nd ten-day period = from 11th to 20th day of the month
 3rd ten-day period = from 21st to 30th /31st day of the month

Weekly Confirmation - 1st week of the month
 2nd week of the month
 3rd week of the month
 4th week of the month

2.5 ArcelorMittal Stainless Brazil considers confirmation as being the period required for the invoicing of the products at the Plant.

2.6 The periods confirmed for invoicing are subject to changes in case of acts of God or force majeure, or yet due to operational problems, and shall be informed to the Customers.

2.7 Guarantees

ArcelorMittal Stainless Brazil reserves the right to require from the Customer a bank guarantee, a standby bank guarantee letter or any other guarantee for any type of supply.

3. ABOUT THE PRICES

3.1 The prices are those in force on the date of invoicing, which shall be previously informed to the Customer.

3.2. In case of credit sales, a financial rate will be added to the price, considering that applied on the product invoicing date.

4. CANCELLATION OF SUPPLY

4.1 The supply order can be partially or totally postponed, cancelled and terminated by ArcelorMittal Stainless Brazil without incurring in any liability or whatsoever regardless judicial or extrajudicial interpellation or notification under the following conditions:

- a) if the Customer puts itself in a default situation as regards any obligation to ArcelorMittal Stainless Brazil;
- b) if the Customer undergoes foreign exchange protest, law suit, presenting publicly known evidence of insolvency; being ArcelorMittal Stainless Brazil's duty to analyze the risks of the business;
- c) if the Customer has its bankruptcy determined, requests bankruptcy or homologation of judicial or extrajudicial recovery;
- d) for acts of God or force majeure such as: fire, strike, flood, war, calamity, riots, operational problems or accident followed by total or partial stoppage, known shortage of raw materials, fuels, electric power or any other circumstances that are beyond ArcelorMittal Stainless Brazil's control and that hinder the compliance with the date agreed or the supplying of the product.

5. WEIGHT

5.1 The weights presented on the Invoice are the ones measured by accurate equipment that are periodically checked and calibrated by a government authorized agency, according to the laws in force.

5.2 The allowable tolerance is $\pm 1\%$ (plus or minus one percent) of the weight of the products listed on the Invoice.

5.3 ArcelorMittal Stainless Brazil considers as compliant all the orders supplied as the ranges presented on the table below:

Flat Products	Quantity (t)	Tolerance (%)	
		Lower Limit	Upper Limit
Pipes	Above 0,500kg	-15	+15
	Up to 9,0	-15	+10
Cold-Rolled Stainless Steel	9,12 to 27,0	-12	+10
	27,1 to 90	-8	+8
	Up to 90,1	-5	+5
Hot-Rolled Stainless Steel (Hot Coil and Sheet)	Above 12,0	-20	+10
	12,1 to 36,0	-15	+10
	36,1 to 120,0	-10	+10
	Up to 120,1	-5	+5
Hot-Rolled Stainless Steel (Heavy Plate)	Above 20,0	-20	+20
	20,1 to 120,0	-10	+10
	Up to 120,1	-5	+5
OG and NOG Silicon Steel	Above 12,0	-20	+10
	12,1 to 36,0	-15	+10
	36,1 to 120,0	-10	+10
	Up to 120,1	-5	+5
Hotand ColdRolled Low Alloy Carbon Steel	Above 36,0	-20	+20
	36,1 to 120,0	-10	+10
	Up to 120,1	-5	+5

6. PRODUCT IDENTIFICATION AND PACKING

6.1 ArcelorMittal Stainless Brazil has its own standard identification and packing for its products.

6.2 Packing processes different from the standard can be accepted upon previous agreement of the Customer and at its own expense.

6.3 The Customer shall observe ArcelorMittal Stainless Brazil's guidelines for product storage and handling, including the product unpacking procedure.

6.4 All and every damage caused to the product, personnel or third parties incurred from failure to observe the referred to guidelines shall be the Customer's full responsibility.

7. PRODUCT INSPECTION

A) At the Customer's premises

7.1 It is the Customer's obligation to carry out strict inspections upon product receipt. All and every deviation detected in the products received shall be registered on the bill of lading.

7.2 The Customer shall preserve product identification sound (Nameplate), to make it easier to clarify any doubt, comply with a complaint and product restitution.

B) At ArcelorMittal Stainless Brazil's premises

7.3 ArcelorMittal Stainless Brazil has inspections criteria that guarantee the product compliance with specification. ArcelorMittal Inox Brazil carries out sampling and correlation analysis of product characteristics from continuous processes to verify compliance with the acceptance criteria. The Quality Certificate (QC) that accompanies the products is its guarantee certificate.

7.4 When previously agreed, the Customer or a representative can, at its own costs, inspect the product before shipping provided the time established by ArcelorMittal Stainless Brazil for the inspection is complied with, i.e., up to 3 (three) working days after notice is given.

7.5 Once the time is finished, ArcelorMittal Stainless Brazil reserves the right to make the necessary arrangements for shipping the product according to its own inspection criteria.

8. SHIPPING

8.1. Unless otherwise previously agreed upon, all the costs incurred from shipping as far as the delivery place is on Customer's expense.

8.2 ArcelorMittal Stainless Brazil appoints the means of transportation and the carrier that it deems more appropriate to assist to the Customer taking into consideration safety aspects and quickness on product handling and shipping.

8.3 ArcelorMittal Stainless Brazil will withhold the load insurance value on the Invoice when applicable.

8.4 In case of damage, delay or loss during shipping, ArcelorMittal Stainless Brazil will reimburse the Customer and reserves the right of redress or subrogation at the carriers and insurance companies provided the carrier had been appointed by ArcelorMittal Stainless Brazil.

8.5 Upon previous agreement and in compliance with the Term of Responsibility (Annex 1), the Customer may designate a carrier of its preference, provided in-house safety and transportation norm are complied with. In this case, ArcelorMittal Stainless Brazil's responsibility ceases upon conclusion of loading.

Subject: Annex 1 – Term of Responsibility

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9. ABOUT PRODUCT DELIVERY

9.1 Upon the contracting out of the carriers appointed by ArcelorMittal Stainless Brazil, the products shall be delivered according to the following terms:

A) In case of road transportation, the carriers appointed by ArcelorMittal Stainless Brazil will have a maximum time established in working days to deliver the product to the Customers, starting on the 1st working day after the invoice issuing date, as per table below:

Destination Region	Period	
	Full Load	Break Bulk
Vale do Aço	01 working day	02 working days
Minas Gerais	02 working days	03 working days
Southeast (RJ, SP, ES)	03 working days	04 working days
Middle West, Bahia	04 working days	05 working days
South, North and Northeast	05 working days	06 working days

B) In case of rail transportation, the time to deliver the product to the Customers will be 7 working days, starting on the 1st working day after the invoice issuing date.

10. ABOUT RESPONSIBILITY FOR PRODUCT DEFECT

10.1 ArcelorMittal Stainless Brazil will be responsible for defects detected on the products produced by its areas, provided they are caused exclusively by manufacturing processes or they are not compliant with the technical specifications agreed and appointed by the Customer.

10.2 The following can be subject to complaints: difference in weight, size, and product change, among others.

10.3 For such deviations, when specified upon the receiving of the product, the Customer shall register the event on the bill of lading and send a complaint protocol to the sales department so that the necessary arrangements can be made.

10.4 For internal defects, those considered as such that can only be detected when the product is processed by the Customer, a period of 180 (one hundred of eighty) days will be granted starting from the receiving date.

10.5 The products produced and supplied by ArcelorMittal Stainless Brazil shall be considered accepted for all purposes in case of failure to present the notification within the periods established hereinabove.

10.6 The complaint in both cases has to be formalized and the relevant product shall be put at ArcelorMittal Stainless Brazil's disposal for inspection, and such product cannot be submitted to any processing after a complaint is officially made.

10.7 Using the product before inspection implies in the complaint waiver by the Customer.

10.8 The invoice payment date will not be postponed due to complaints regarding product quality.

10.9 The above conditions shall be observed, including by the service renders, and it is the Customers' responsibility to fully inform them.

10.10 Each and every return of products has to be preceded by complaint formalization, analysis and approval by ArcelorMittal Stainless Brazil.

10.11 A product returned without formalization and approval by ArcelorMittal Stainless Brazil will not be accepted and the Customer will be subject to pay for the related costs, including freight and insurance expenses.

10.12 ArcelorMittal Stainless Brazil will only pay for the freight costs of the product returned in case of legitimate and authorized complaint.

10.13 The Customer can request product replacement in case of return. The time required for product manufacturing and replacement will be established upon agreement between ArcelorMittal Stainless Brazil and the Customer.

10.14 Upon receiving the authorization to return the product, the Customer shall observe the recommendations regarding packing, identification, weighing, product arrangement as well as the elaboration of the required documentation.

10.15 If the complaint is legitimate, the Customer will be reimbursed by means of commercial agreement.

10.16 In case the defect is detected after material processing, the consequential reimbursement to the Customer shall be entailed to the possibility of identifying and confirming the origin of the material manufactured by ArcelorMittal Stainless Brazil among the finished products.

10.17 Any judicial or extrajudicial proceedings intended against the Customer and that involve or may involve products produced by ArcelorMittal Stainless shall be immediately notified to ArcelorMittal Stainless Brazil by the Customer.

11. FINAL PROVISIONS

11.1 The order placement or order by the Customer will imply in integral knowledge and acceptance of the present "General Sales Conditions", which shall prevail over any other purchasing conditions or any documents by the Customer, of which terms are in conflict with the present document.

11.2 ArcelorMittal Stainless Brazil reserves the right to change its contractual conditions however being obliged to inform in advance about the new conditions that may eventually take effect. For that purpose, ArcelorMittal Stainless Brazil may use each and every existing communication means. The new terms of the General Sales Conditions shall be made available in ArcelorMittal Stainless Brazil's website (www.arcelormittalinoxbrasil.com.br) for reference to those interested.

12. COURT OF ARBITRATION

Any doubts or disputes regarding the purchase and sales contract, based on the present General Sales Conditions shall be taken care by the court of arbitration at the city of São Paulo.