

General Conditions of Contract for the Provision of Services on the Purchaser's Site

Table of Clauses

1. Definition of Terms
2. Contractor's Proper Performance of the Service
3. Statutory and Local Regulations
4. Things found on Site
5. Drawings and Patterns
6. Inspection and Notice of Dissatisfaction
7. Assignment and Sub-contracting
8. Patent and other Protected Rights
9. Site Conditions
10. Variation Orders
11. Contractor's Default
12. Termination
13. Delivery
14. Access to the Site
15. Interference with other Operations and Rights
16. Risk of the Service
17. Insurance of the Contractor's Equipment
18. Liability
19. Contractor's Workmen
20. Photographs, Advertisements and Notices
21. Safety
22. Bankruptcy
23. Payment Terms
24. Complete Agreement
25. Law and Dispute

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General Conditions of Contract for the Provision of Services on the Purchaser's Site

Conditions governing services to be provided by Contractors on any of the premises of Outokumpu Stainless Ltd.

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1. **Definition of Terms**
- 1.1 **"The Purchaser"** means Outokumpu Stainless Ltd.
- "The Contractor"** means the firm or company named as such in the Contract.
- "The Contract"** means the agreement in writing (including schedules, appendixes, specification and similar attachments) between the Purchaser and the Contractor for the execution of the Service referring to these General Conditions.
- "The Contract price"** means the sum named in the Contract as the price to be paid for the Service as may be altered upward or downward in accordance with any specific term of the Contract
- "The Site"** means any land or premises occupied by the Purchaser and any other place provided by the Purchaser on, over or through which the Service is to be provided.
- "The Service"** means the service and work to be provided by the Contractor as specified in, and in accordance with, the Contract.
- "Contractor's Equipment"** means any plant, equipment, sheds, materials, tools, stores, machinery, apparatus, articles and other things of all kinds brought onto Site by or on behalf of the Contractor for the purpose of providing the Service.
- 1.2 In these conditions the masculine shall include the feminine and the singular shall include the plural and vice versa unless the context otherwise requires.
- Any reference to an Act of Parliament in these Conditions shall be a reference to that Act as it may re-enacted or modified.
- Clause headings and marginal notes are inserted for convenience only and shall not affect the construction and interpretation of these Conditions.
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2. **Contractor's Proper Performance of the Service**
- 2.1 The Contractor shall provide the Service:-
- (a) in accordance with, and to the standards specified, in the Contract; and
 - (b) to the reasonable satisfaction of the Purchaser; and
 - (c) so as to meet any criteria for performance specified in the Contract or guaranteed by the Contractor.
- 2.2 If no such standards and/or criteria have been expressly specified or guaranteed then without prejudice to the remainder of the preceding sub-clause, the Contractor shall provide the Service to the standard and so as to meet the criteria that are indicated by, or may reasonably be inferred from, the Contract taking into account any relevant circumstances known to the Contractor at the time the Contract was made.
- 2.3 Time shall be of the essence in the provision of the Service.
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3. **Statutory and Local Regulations**
- 3.1 The Contractor and his sub-contractors in carrying out the Contract shall conform at their own expense with all applicable legislative provisions and by-laws and Site Regulations and other regulations of the Purchaser particularly (but without limitation) those relating to safety. Before beginning the Service on the Site the Contractor shall

sign a certificate provided by the Purchaser certifying that the Contractor has been made aware of the Purchaser's Site Regulations, safety rules and general rules applicable to the Purchaser's own employees on the Site and that the Contractor will abide by them and will procure that his sub- contractors abide by the same.

- 3.2 If and insofar as the Contractor operates as an employment agency or employment business in its dealings with the Contractor, the Contractor warrants that he will comply with the Employment Agencies Act 1973 and the Conduct of Employment Agencies and Employment Business Regulations 2003.

4. Things found on Site

Things found or discovered on under or around the Site shall, as between the Contractor and the Purchaser, be the property of the Purchaser and shall be dealt with as the Purchaser may direct.

5. Drawings and Patterns

- 5.1 The Contractor shall, if required by the Purchaser, submit copies in duplicate of all detailed drawings and arrangement drawings for comment before proceeding with the Service. Any such comment shall in no way whatever relieve the Contractor of his responsibilities under the Contract. The Contractor shall, if required by the Purchaser, promptly supply free of cost one reproducible copy of all final detailed drawings including arrangement drawings, electrical schematics, wiring diagrams and cable schedules.
- 5.2 Any drawings or the like provided to the Purchaser in connection with the Service shall be the property of the Purchaser but shall remain the copyright of the Contractor. Such drawings and the like may be used, copied and amended by the Purchaser for the operation, maintenance (including repair or replacement), improvement and modification of any plant, equipment or machinery including the manufacture of parts for such purposes.
- 5.3 Any patterns, jigs or the like made by the Contractor specifically and solely in connection with the Service shall remain the property of the Contractor but shall be made available to the Purchaser for the use of the Purchaser described in Clause 5.2.
- 5.4 Any patterns, drawings, jigs or the like provided to the Contractor by the Purchaser for the provision of the Service shall remain the copyright and property of the Purchaser. The Contractor shall not copy or use the same for any purpose other than for the provision of the Service and shall return them promptly to the Purchaser in good order and condition.
- 5.5 The Contractor shall not depart from any drawing without the prior written consent of the Purchaser.

6. Inspection and Notice of Dissatisfaction

The Purchaser shall at all reasonable times be allowed to inspect any area or place in which the Service is provided (including, if appropriate, the Contractor's premises). If, during the provision of the Service, the Purchaser gives notice in writing to the Contractor that the Purchaser is dissatisfied with any part of the Service on account of the same being improperly or unsoundly performed or on account of the Service not being performed in strict accordance with the Contract then the Contractor shall immediately perform that part of the Service in accordance with the Contract.

7. Assignment and Sub-contracting

The Contractor shall not assign or subcontract the provision of the Service nor any part thereof without the prior approval of the Purchaser. Such approval must be obtained by the Contractor from the Purchaser in writing. All the Contractor's subcontracts shall contain a provision prohibiting any further subcontracts without the written consent of the Purchaser. Should the Contractor subcontract, is he fully responsible in all respects for any part of the Service provided by the sub-contractor as if he himself were undertaking the same and he shall bind the sub-contractor to observe these conditions and any other conditions incorporated in the Contract so far as the same are applicable to the subcontracted part of the Service.

8. Patent and other Protected Rights

The Contractor shall indemnify the Purchaser against actions, claims, demands, costs, charges and expenses arising from any infringement or alleged infringement of any Contractors patent, registered design, trademark, copyright or other like right protected by law resulting from the provision of the Service.

9. Site Conditions

- 9.1 The Contractor shall be deemed to have informed and satisfied himself fully as to the nature and extent of the Service including (but not by way of limitation) the physical condition of, and around, the Site so far as is practicable and the necessity for the Service to be provided in accordance with Clause 2 above and therefore to have provided, unless expressly otherwise specified in the Contract, for all reasonably foreseeable eventualities in the agreed price for the Service.
- 9.2 The Contractor shall inform the Purchaser and confirm in writing any circumstances where delay and/or disruption in the provision of the Service may be expected due to those restrictions imposed by the operation of the business of the Purchaser in the vicinity of the area or place in which the Service is provided.
- 9.3 The Contractor will at his own expense provide everything necessary for carrying out the Contract and providing the Service except as otherwise agreed in writing. However, the Contractor may, with the prior written consent of the Purchaser, be permitted to use such supplies of electricity, water, gas and any other services as may from time to time be available from the Purchaser, but shall make reasonable payment therefore unless the Contract expressly provides otherwise. The Purchaser will not be liable for loss or damage caused by variations, cessation or diminution in pressure or quality or by the interruption, withdrawal or failure of such services. The Contractor shall at his own expense provide any apparatus and material necessary for utilising such services and shall be responsible for any loss or damage to persons or property caused by his use of them.
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10. Variation Orders

- 10.1 The Contractor shall not vary, add to or omit any part of the Service, except as directed in writing by the Purchaser, but the Purchaser shall have full power from time to time during the term of the Contract by notice in writing to direct the Contractor to vary, add to or omit in any manner any part of the Service, and the Contractor shall carry out those variations and be bound by these Conditions, so far as applicable, as though those variations were stated in the Contract.
- 10.2 In any case in which the Contractor has received a direction from the Purchaser under this Clause, the Contractor shall advise the Purchaser in writing
- (a) within 7 days whether in principle there should be an increase or decrease in the agreed price and/or time schedule for the Service, and
 - (b) within 21 days of the amount of that increase or decrease of the agreed price and/or time schedule for the Service.

Within 10 working days from receiving Contractors advise the Purchaser is entitled to withdraw his direction at no cost to him.

The amount of that increase or decrease shall be ascertained and determined in accordance with any rates specified in the Contract, so far as the same may be applicable, and, where rates are not contained in the Contract or are not applicable, such amount as shall be fair and reasonable in the circumstances.

The same will apply to change in the time schedule. Due account shall be taken to any part taken out from the Service by any variation. No increase of the Contract Price or time under this Clause 10.2 shall be made unless the Contractor shall have given the advice in writing referred to in this sub-clause within the time specified.

- 10.3 If, in the opinion of the Contractor, any variation is likely to prevent or prejudice the
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Contractor from or in fulfilling any of his obligations under the Contract he shall so notify the Purchaser in writing, and the Purchaser shall decide with all possible speed whether or not the same shall be carried out. If the Purchaser confirms his instructions in writing, those obligations shall be modified to such an extent as may be justified and agreed with the Purchaser. Until the Purchaser so confirms his instructions they shall be deemed not to have been given.

- 11. Contractor's Default**
- 11.1 If the Contractor shall fail to provide the Service or any part of the Service with due diligence and expedition or shall refuse or neglect to comply with any reasonable order given to him in writing by the Purchaser in connection with the Service or shall contravene any provision of the Contract, the Purchaser may give notice in writing to the Contractor to make good the failure, refusal, neglect or contravention complained of.
- 11.2 Should the Contractor fail to comply with the notice referred to in Clause 11.1 of this Clause within such time as may be reasonable for making it good, then without prejudice to any other right or remedy he may have under the Contract or at common law, the Purchaser may:
- (a) employ other personnel and provide the Service or that part of the Service which the Contractor shall have neglected to provide or
 - (b) take the provision of the Service in whole or in part out of the Contractor's hands and re-contract with any other person to provide the same.
- 11.3 In the event of Clause 11.2 applying the Purchaser shall for the unexpired term of the Contract have the free use of all Contractor's Equipment without being responsible to the Contractor for fair wear and tear and to the exclusion of any right of the Contractor over the same.
- 11.4 The Purchaser shall be entitled to retain any sum which may otherwise be due to the Contractor and to apply that sum towards the payment of the cost of providing the Service or such part of the Service referred to in Clause 11.2. If the cost of doing this work shall exceed the sum retained, the Contractor shall pay the excess forthwith to the Purchaser.
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- 12. Termination**
- 12.1 If by reason of an event which cannot reasonably be anticipated or prevented by the Purchaser or if by reason of any strike, lock-out or other industrial dispute or if by reason of any closure of the Site or temporary or permanent cessation of a relevant part of the Purchaser's business the provision of the Service or any part of the Service is rendered unnecessary or uneconomic to the Purchaser then the Purchaser may by notice in writing terminate or suspend the operation of the Contract in whole or in relation to the part of the Service so affected.
- 12.2 In the event that a notice is issued pursuant to Clause 12.1 above the Purchaser shall pay to the Contractor the Contractor's direct costs reasonably incurred in withdrawing the Service or the part of the Service so affected and in discharging any commitments reasonably entered into in order to provide the Service or such part of the Service.
- 12.3 Save as aforesaid, the Purchaser shall have no liability in respect of any loss suffered by the Contractor as a result of such termination or suspension.
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- 13. Delivery**
- Except as expressly provided otherwise in the Contract, the Contractor will provide and be responsible at his own expense for delivery to and for unloading on the Site all plant, equipment and materials and other things required to provide the Service and all Contractor's Equipment. All such items shall be sited or deposited as directed by the Purchaser but shall remain in the custody of the Contractor who shall be liable for the care, safety and storage thereof. The Contractor shall on completion of the Contract remove all Contractor's Equipment and rubbish and leave the Site in a clean condition.
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14. Access to the Site The Contractor shall have access (but not exclusive access) only to such parts of the Site as are reasonably necessary for the purpose of providing the Service and to such other parts as the Purchaser may from time to time authorise. The Contractor shall be responsible for ensuring that his employees do not enter any other part of the Site and that they make use only of such roads, routes and facilities as the Purchaser may from time to time authorise.

15. Interference with other Operations and Rights The Contractor in providing the Service shall ensure that there shall be no interference with the operations of the Purchaser or of other contractors or with the use and enjoyment of any public rights or with any easement or property whether of the Purchaser or not unless the Contract unavoidably so requires and then the Contractor shall ensure that any such unavoidable interference is as limited as possible.

16. Risk of the Service

16.1 The Contractor shall make good except as provided by Clause 16.2 any loss of or damage to the whole or any part of the Service which occurs before the same are finally handed over and accepted by the Purchaser.

16.2 The Contractor shall not be liable to make good at his own expense any loss or damage that may result from any of the following excepted causes:

- (a) riot and radioactive contamination (in so far as it is uninsurable) war; invasion, act of foreign enemies, hostilities (whether or not war be declared) civil war, rebellion, revolution, insurrection, military or usurped power;
- (b) loss or damage directly caused by design or information made available by the Purchaser for which the Contractor has before acting thereon disclaimed responsibility in writing;
- (c) loss or damage directly caused by any negligent act or omission of the Purchaser or any employee or representative of the Purchaser.

17. Insurance of the Contractor's Equipment

17.1 The Contractor shall insure in the joint names of the Contractor and the Purchaser the Service at full replacement value against all loss or damage from any cause arising other than any of the excepted causes referred to in Clause 16.2 (a) with insurers and in terms approved by the Purchaser and shall maintain that insurance in full force and effect throughout the term of the Contract.

17.2 The policy of insurance shall be shown to the Purchaser whenever he requests together with satisfactory evidence of payment of premiums. If any insurance is not effected or any premium not paid the Purchaser may effect or pay the same and deduct the cost of so doing from the Contract Price.

17.3 The provisions of this Clause shall not limit the obligations and liabilities of the Contractor under Clause 16.

18. Liability

18.1 The Contractor shall indemnify and keep the Purchaser fully indemnified against all actions claims proceedings liabilities costs expenses and losses (including but not limited to direct, indirect and consequential loss of profit or loss of production whether foreseeable or not) in relation to death or injury to persons (including but not limited to any employee of the employer) or loss of or damage to property (including but not limited to property of the employer) or a breach of contract by the Contractor to the extent that such death injury loss damage or breach is attributable to the acts or omissions of the Contractor its officers employees agents or subcontractors.

The remedies contained in this Clause are without prejudice to and in addition to any warranties indemnities remedies or other rights provided by law and/or statute and/or

under any other provision of this Agreement for the benefit of the Purchaser.

- 18.2 Except in respect of claims for personal injury or death or loss of or damage to third party property or wilful misconduct or intent by the Contractor the liability of the Contractor arising under Clause 18.1 for any one act or omission shall not exceed 200 % of price agreed for the Service or £10 Million whichever is the greater.
- 18.3 The Contractor shall during the period of the Contract hold adequate insurance policies to cover the full amount of the Contractors potential liability under clause 18.1 and 18.2. Satisfactory evidence of such insurance and payment of the premium shall be shown to the Purchaser upon request. If insurance is not effected or premiums not paid, the Purchaser may effect or pay the same and may deduct the cost of so doing from the price agreed for the Service.
- 18.4 The Contractor shall hold employers' liability insurance in respect of his employees of at least a minimum of £10 million (ten million pounds sterling) in respect of any one event or series of connected events.
- 18.5 In addition to the above the Contractor shall indemnify and keep the Purchaser fully indemnified against all actions, claims, proceedings, liabilities, costs, expenses and losses suffered or incurred by the Purchaser in relation to any claim by a person who have carried out the Service against the Purchaser in which the person relies upon the allegations that he or she is either a worker or employee of the Purchaser.
- 18.6 The Contractor will insert appropriate conditions in his subcontracts reflecting the provisions of Clauses 16 to 18 inclusive.

19. Contractor's Workmen

- 19.2 The Contractor shall in respect of all persons employed by him in the provision of the Service pay rates of wages and observe hours and conditions of labour in accordance with either local or national agreement between the contractor(s) and the trade union(s) which shall reflect the general level of wages, hours and conditions observed by other employers in the locality whose general circumstances in the trade or industry in which the Contractor is engaged are similar.
- 19.2 All persons directly or indirectly working for the Contractor under the Contract shall have the necessary skills and experience to the best professional standards and have sufficient and well maintained equipment, (including but not limited to safety clothing and safety equipment) to carry out the Service.
- The Purchaser shall be entitled if he so requires to have suitable certificates of competence from the Contractor for any person employed providing the Service.
- 19.3 The Contractor shall not without the consent of the Purchaser or of the contractor concerned knowingly take into employment workmen or other employees from the Purchaser or from any other contractor employed by the Purchaser in providing a similar or comparable service.
- 19.4 The Purchaser shall be at liberty to object to any representative or person employed by the Contractor in the provision of the Service on the Site or in any other place who shall, in the opinion of the Purchaser, misconduct himself or be incompetent or negligent. The Contractor shall remove that person from the Site and he shall not be employed again by the Contractor in connection with the Service without the permission of the Purchaser. Any removal of labour under this clause shall not constitute a valid reason for the Contractor's failure to provide the Service in accordance with the Contract.
- 19.5 The Contractor shall at all times during which the Service is being provided have upon the Site a competent supervisor and all orders, directions and notices given by the Purchaser to him shall be as binding on the Contractor as though given to the Contractor.

20. Photographs, Adver-

The Contractor may not without the previous written consent of the Purchasers take or

tisements and Notices	permit to be taken or publish or consent to the publication of any photographs of any part of the Site or of any written description of the Service or any part thereof or erect any advertisement or notice-board on the Site (except for those required by Law or by the Contract)
21. Safety	The Contractor shall at all times adopt safe working practices and at the proper time supply and install within the original Contract Price such guards and safety devices and supply all persons employed by him in the provision of the Service such safety clothing as may at the time of completion and acceptance be necessary to comply with the provisions of all health and safety legislation (including the Factories Act, 1961, the Health and Safety at Work etc. Act, 1974, and any orders and regulations made under these) and the requirements of the Factory Inspectorate under such legislation.
22. Bankruptcy	<p>If the Contractor shall have a winding up or bankruptcy petition presented or enter into any form of voluntary arrangement with its creditors or become bankrupt or insolvent or have a receiving order made against him or compound with his creditors or enter into administration or being a corporation commence to be wound up, not being a members' voluntary winding up for the purpose of reconstruction or amalgamation, or carry on its business under a receiver for the benefit of its creditors or any of them the Purchaser shall be at liberty and at no cost to him, either:</p> <ul style="list-style-type: none"> <li data-bbox="646 793 1474 940">(a) to terminate the Contract forthwith by notice in writing to the Contractor or to the receiver or liquidator or to any person in whom the Contract may become vested and to act in the manner provided in Clause 11 (Contractor's Default) as if the provision of the Service had been taken out of the Contractor's hands, or <li data-bbox="646 972 1474 1087">(b) to give such receiver, liquidator or other person the option of carrying out the Contract subject to his providing a guarantee in a form and from a guarantor acceptable to the Purchaser for the due and faithful performance of the Contract up to an amount to be agreed.
23. Payment Terms	Unless otherwise stated in the Contract the Purchaser payment for the Service will be made the 30 th day of the second calendar month following the month in which the Service finally handed over to and accepted by the Purchaser provided that the invoice contains the Purchaser's order number and reaches the Purchaser on or before the fifth day of the first calendar month following the month in which the Service were finally handed over to and accepted by the Purchaser.
24. Complete Agreement	<p>24.1 The Contract hereto shall constitute the complete agreement between the parties and no correspondence prior to the date of signature hereof nor any standard terms and/or conditions of the Contractor shall have effect so as to modify its terms.</p> <p>24.2 No variation or amendment of this Agreement shall have effect unless it is made in writing and signed by both parties.</p>
25. Law and Dispute	<p>The Contract shall be governed and construed in accordance with English Law.</p> <p>If the Contractor is a company registered in United Kingdom any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to the resolution of the High Court, in Sheffield, England.</p> <p>If the Contractor is a company registered in a country outside United Kingdom any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules (London Court of International Arbitration), which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be Sheffield, England. The language to be used in the arbitral proceedings shall be English.</p>

OPTIONAL CLAUSES

(NOTE: These clauses shall only apply to the extent expressly stated in the Contract.)

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| 1. Extension of Time for Completion
(NOTE: This clause must be used if Optional Clause 2 LIQUIDATED DAMAGES FOR DELAY applies). | 1.1 If the Contract provides that the Service or any part of the Service is to be completed within a fixed time and the Contractor has been delayed in the performance of the Service or such a part of the Service by any cause whatsoever outside his reasonable control, he shall immediately give notice in writing of that delay to the Purchaser and the Purchaser shall then grant in writing to the Contractor such extension of time as shall in the circumstances be reasonable.

1.2 Without prejudice to the generality of the preceding sub-clause, negligent acts, omissions and defaults of the Purchaser (including those of other contractors of the Purchaser) shall be deemed to be outside the reasonable control of the Contractor.

1.3 Shortage of staff or workmen shall not of itself be deemed to be outside the reasonable control of the Contractor. |
| 2. Liquidated Damages for Delay
(NOTE: This clause must only be used if Optional Clause 1 EXTENSION OF TIME FOR COMPLETION applies) | If the Contractor fails to complete the Service or any part of the Service within the fixed time for such completion or within any extension of that time guaranteed under Optional Clause 1 above or by Variation then the Contractor shall pay to the Purchaser as liquidated damages and not as a penalty the sum specified in the Contract for each week or each day, as the case may be, or part thereof that elapses between the date such completion should have taken place and the actual date of such completion. |
| 3. Liquidated Damages for Performances | If the Contractor fails to provide the Service so as to achieve a performance, level, output or standard specified in the Contract then the Contractor shall pay to the Purchaser as liquidated damages and not as a penalty the sum or sums specified in, or calculated in accordance with, the Contract for such failure. |
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