

## General Conditions of Sales and Delivery

### 1. General Provisions

- 1.1 Our products and services are supplied solely on the basis of the following conditions: Any purchase conditions the customer seeks to impose are hereby rejected.
- 1.2 Our tenders are given without obligation. Sales and other agreements will only become binding once confirmed by us in writing.
- 1.3 Unless otherwise agreed we must receive in good time confirmed quantities for orders which are on call under consideration of our production lead times. Any extra costs are to be carried by our customers if caused by them through a belated call order or a later alteration to a call order, regarding time or quantity; our price calculation is decisive in the event of this case.

### 2. Prices and Payment Terms

- 2.1 Unless otherwise agreed our prices are quoted ex works and inclusive of VAT for domestic deliveries. In the event that between contract and delivery there is a significant change in certain cost factors, such as the costs of wages, raw materials, energy or freight, then the agreed price may be adjusted to encompass the influence of prevailing cost factors.
- 2.2 Payments are to be made to us without deduction by the 15th of the month following the delivery ex works.
- 2.3 If the credit period is exceeded, interest will be charged at the rate the bank charges for current account overdrafts, but at least 8 percent above the base lending rate of the European Central Bank.
- 2.4 The customer has the right of set-off in respect of undisputed or previously adjudicated claims. He may only exercise rights of retention insofar as these relate to the same contract and are undisputed and/or judicially resolved.
- 2.5 In the event of circumstances arising after the conclusion of the contract such as to jeopardise significantly our claim to payment, we are entitled irrespective of the term of any Bill of Exchange to call for payment. In the event of arrears of payment such as to jeopardise our claims we are entitled to recover the goods, if necessary entering on the premises of the customer to remove them. We may furthermore prohibit the further processing of the goods supplied. Taking back the goods does not represent a withdrawal from the contract.
- 2.6 The legal consequences of default in payment remain unaffected.

### 3. Weights, Measures, Quality

- 3.1 Deviations from weight, measure and quality conform to the latest DIN or EN standards for the time being unless otherwise agreed or customary within the industry. All other deviations are subject to special agreement.
- 3.2 Weight shall be determined with our calibrated scales which are conclusive for invoicing purposes. Proof of weight shall be the entry in the weighing record. The net weight shown is understood to be inclusive of packing materials customary in the industry - such as pallets, strapping bands, metal covers and protective wrapping but not detachable spacers.

### 4. Acceptance

Contractual acceptance can only take place at our works. It must take place immediately upon notification that the goods are ready for dispatch. If acceptance does not take place or does not take place immediately, we are entitled to despatch the goods or to place them with a third party for storage at the expense of the customer and the customer's risk. In this case the goods are deemed upon despatch or storage to have been delivered in accordance with the contract. All costs of acceptance are to be borne by the party ordering the goods.

### 5. Dispatch and Passing of Risk

- 5.1 In the absence of specific instructions route and means of transport as well as the choice of carrier or haulier are at our discretion.
- 5.2 If the loading or dispatch of the goods is delayed for any reason for which the customer is responsible, we are entitled at the expense of the customer and at his risk, to take reasonable steps at our discretion to store the goods, to take all necessary steps to preserve them and to invoice the goods as having been delivered. These provisions apply to goods, which have been notified as ready for dispatch are not called for within 4 days. Legal provisions concerning delay in acceptance remain unaffected.
- 5.3 In the event of the goods being damaged in the transit the purchaser must immediately commission a fact-finding exercise with the relevant authorities.
- 5.4 Risk passes to the customer upon the transfer of the goods to the transport agent or haulier or at the latest upon the goods leaving the works or storage.
- 5.5 The provisions of Incoterms 2010 apply to the interpretation of trade clauses.
- 5.6 We are entitled to make part deliveries.

- 5.7 Unless otherwise agreed, the goods are dispatched unwrapped and without protection from rust.

### 6. Delivery Times, Delivery Delays

- 6.1 Delivery times agreed only apply where there is timely clarification of all particulars of the order and timely fulfilment of all obligations on the part of the customer. Such times are always only approximate and with the reservations customary in the Steel Industry.
- 6.2 If the customer does not timely fulfil his contractual obligations including associated operations or side agreements such as opening a letter of credit, obtaining domestic or foreign licences, rendering advance payment, inter alia, we are entitled to postpone our delivery times in accordance with the needs of our production process and without prejudice to our rights arising from default on the part of the customer.
- 6.3 Unless otherwise agreed, we deliver "ex works". Notification given by us on our readiness to despatch or to pick up is decisive in determining our delivery date or deadline.
- 6.4 If we were prevented from fulfilling our obligations as a consequence of unforeseen circumstances affecting us or our supplier which could not be avoided with the exercise of due diligence, for example war, act of God, domestic unrest, natural catastrophe, accidents, other operational disturbances or unavailability of essential raw materials, then the delivery time shall be suspended for the period of the problem plus a reasonable time thereafter. When as a consequence of the hindrance delivery becomes impossible or impracticable, we reserve the right to withdraw from the contract: the same right applies to the customer if due to the delay he cannot reasonably be expected to accept the product. Note: Strikes and lockouts are to be considered hindrances beyond our control within the meaning of this paragraph.
- 6.5 Production-related more or short delivery is allowed up to a tolerance of 10 %.
- 6.6 The right to withdraw from the contract extended to the customer or to ourselves pursuant to Clause 6.4 above covers only that part of the contract as yet unfulfilled. If however part deliveries are unacceptable to the customer, he is entitled to withdraw from the entire contract.
- 6.7 The customer may claim further rights, in particular the right to damages, only in the event that we are guilty of the intent or gross negligence.

### 7. Defects in the Goods, Warranties

- 7.1 We are not liable for material defects, which only reduce minimally the standard or value of the goods.
- 7.2 Customer's complaints must be communicated without delay in writing or telegraphically and at the latest within 14 days of arrival of the goods at their destination. However, such complaints do not justify retention of invoiced amounts. Defects, which even after careful inspection are not noticed within this time period, are to be notified immediately upon detection. If defects are found, any further treatment or use of the goods must be stopped immediately. The time limit for claims in respect of defects expires 12 months after receipt of the goods. This does not apply where longer time limits are stipulated by mandatory law.
- 7.3 In the case of a justified and timely complaint of a defect in goods, we shall take the defective goods back and deliver replacements. Alternatively we may also make good the defects. Only if we fail to meet these obligations is the customer entitled to rely upon warranty. In the event a warranted characteristic is lacking, we are liable only insofar as the warranty pursues the purpose to prevent the customer from the damages incurred.
- 7.4 In the event of a justified complaint of a defect in goods, we are to be granted an opportunity to confirm this. Defective goods are to be returned to us immediately on request. In the event of a justified complaint we will cover transport costs. Should the customer not meet this obligation, or undertakes alterations on the faulty goods without our express permission, he will lose all claims for defects.
- 7.5 Proposals for choices of material and other specifications based upon sample drawings, descriptions or specifications supplied will be made to the best of our ability but without responsibility for defects arising from unsuitability of the result.
- 7.6 The risk of rusting during transport and storage at the end user's location is not assumed even if special oiling or packing is stipulated, since rusting in particular as a result of sweating cannot be prevented.
- 7.7 The customer's legal claims to recourse to us apply only as far as the customer with his buyer has not made an agreement over and above the legal claims of a justified complaint. For the scope of the recourse claims the last sentence of Clause 7.3 shall apply accordingly.
- 7.8 After acceptance of the goods has taken place, any complaint concerning defects which could have been found during the quality control acceptance process is excluded.
- 7.9 For goods which were sold as declassified materials, so called II-A-materials, all claims of the customer – as far as this exclusion is legally admissible – for warranty are excluded.
- 7.10 In the event of job processing being undertaken, our prices will be as fixed on the basis of industry standard for basic materials and presuming customary fabrication coil weights and coil make-up. In the event of any

variation therefrom we reserve the right to charge any additional cost to the customer. Complaints of defects in the event of job processing can only refer to work carried out by us.

## 8. Retention of Title

- 8.1 All goods delivered remain our property (Retained Goods) until settlement of all claims, in particular those, which relate to balance of payments due to us in related dealings. This also relates to future or conditional claims, e.g. arising from reversible Bill of Exchange.
- 8.2 Treatment and processing of retained goods take place to our order as manufacturer as understood in paragraph 950 of the German Civil Code without imposing obligation upon us. The treated or processed goods are deemed to be retained goods as defined in 8.1 above.
- 8.3 When the customer processes, combines or mixes the retained goods with other goods, we reserve the right to co-ownership of the new product in the proportion of the invoice value of the reserved goods to the invoice value of the other goods. Should our ownership have been extinguished through the combination, mixture or processing of the goods, then the customer shall transfer to us his interest or expectation in ownership in the new product or matter as relates to the invoice value of the retained goods, or in the case of processing at the ratio of the invoice value of the retained goods to the invoice value of the other used goods and undertake to preserve them without charge to us. Our rights of co-ownership shall be deemed retained goods in the sense of subsection 8.1.
- 8.4 The customer may only resell the retained goods in his usual course of business under his normal terms of trading and as long as he is not in arrears and provided that he has agreed with his customer a retention of title and that the claims arising from the resale of the retained goods are transferred to us pursuant to clauses 8.5 and 8.6 No other disposal of retained goods is permitted. The use of the retained goods for the purpose of fulfilling contracts for work services and materials is also deemed a disposal.
- 8.5 The customer's claims arising from the resale of retained goods are to be considered already assigned to us. They serve as security to the same extent as do the retained goods defined in Clause 8.1.
- 8.6 If the retained goods together with other goods are resold by the customer, any claim arising from the resale at the ratio of the invoice value of the retained goods to the invoice value of the other goods is assigned to us. In the event of resale of goods in which we hold an interest pursuant to Clause 8.3, a proportion of the claim is assigned to us in the proportion of our co-ownership.
- 8.7 As long as the customer meets his contractual obligations without delay, he shall be authorised to collect the claims assigned. Upon our request the customer is required to inform his buyers immediately of the assignment - unless we do this ourselves - and to give us the information and documentation necessary for the collection.
- 8.8 The customer is not entitled under any circumstances to assign the claims. This also applies to factoring transactions which are prohibited on the basis of our authority to collect.
- 8.9 The customer must immediately inform us of any distraint or other prejudicial action on the part of third parties.
- 8.10 In the event that the value of existing securities exceeds the value of secured claims by more than 20 % in total, we are obliged to release securities of our choice upon request of the customer.
- 8.11 In the event of the customer failing in his duty, in particular with payment arrears, we are entitled to cancel contract and demand return of goods, after suitable notice; the legal regulations on the dispensability of a period of notice remain unchanged. The customer is obliged to return the goods. We are entitled to cancel the contract when application to initiate bankruptcy proceedings over the assets of the customer is declared.

## 9. General Limitation of Liability

- 9.1 Save as otherwise provided for in these conditions, we shall not be liable for any loss arising from breach of contractual or extra contractual obligations other than in case of intent or gross negligence.
- 9.2 We shall not be liable for any damage not caused to the delivered goods directly. Specifically, we shall not be liable for lost profit or other asset damage of the purchaser or other third parties.

## 10. Confidentiality

- 10.1 Each contracting partner shall treat all information and documents provided orally or in writing, including samples, models and data, as well as knowledge that he gains from the business relationship, only for the mutually pursued purposes and keep them secret from third parties with the same care as the corresponding own information, documents and knowledge. The contracting partner shall not provide such information and documents to any third parties directly or indirectly without our previous written consent.

10.2 This obligation starts from the first receipt of the information, documents or knowledge and thus before conclusion of the contract. The obligation shall end 36 months after the end of the business relationship.

10.3 The obligation shall not apply to information, documents and knowledge in the sense of item 1 that are generally known or that have already been known to the contracting partner at receipt without any obligation to secrecy or that have been developed by the receiving contracting partner without using the information, documents or knowledge of the other contracting partner to be kept secret.

## 11. Ban on advertising

The Purchaser must not advertise with or publish the business relationship with the Seller, its name or the goods without the advance written consent of the Seller. This shall not apply where deviation from this prohibition is required according to mandatory laws.

## 12. Applicable Law

The laws of the Federal Republic of Germany apply with exception of the United Nations Law on the International Sale of Goods of April 11, 1980.

## 13. Place of Performance and Jurisdiction

Place of performance and jurisdiction for both contractual parties is Hagen. We are also entitled to commence proceedings against the customer in his home courts.

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