



General Terms of Payment and Delivery for Special Steels

Our goods and services are provided on the basis of the following conditions.

Other terms of the purchaser will not apply even if we have notice of these and delivery is performed without reservation. Our terms do not apply to consumers in the definition of § 13 BGB - German Civil Code. They apply to all future transactions with the purchaser from current business relations.

All agreements made between us and the purchaser regarding the performance of this contract are to be recorded in this contract. Amendments and supplements to the contract require written form.

1. Conclusion of contract, scope of supply

- a) Our offer is subject to confirmation, as long as the order confirmation does not state otherwise or we have not expressly declared otherwise in written form. A contract shall only come into existence in written form or by fulfilling an order.
- b) Details such as illustrations, sketches, details of weights and dimensions contained in the brochures and catalogues shall be considered as approximate values according to the usual practice of the sector unless expressly designated as binding.
- c) We reserve all rights to illustrations, brochures, calculations and other documents; these may not be made accessible to third parties. This applies in particular to such written documents that are designated "confidential"; their forwarding to third parties on the part of the purchaser requires our express written authorisation.

2. Pricing terms and terms of payment

- a) Our prices are understood ex-works plus packaging, freight, postage, insurance and relevant value added tax.
- b) Where order-related costs change significantly following the conclusion of contract the contractual partners shall agree upon an adjustment.
- c) Unless otherwise agreed, our invoices are to be paid promptly without deductions.
- d) The purchaser is only entitled to retain or off-set payments where indisputable or legally binding counter claims exist.
- e) If we have delivered goods that are partially defective, the purchaser is nonetheless obliged to pay for the goods that are indisputably without defect, unless partial delivery is of no interest to him.
- f) We accept bankable and orderly taxed bills of exchange as payment where this is expressly agreed upon beforehand. Credit for bills of exchange and cheques is made subject to receipt minus the expenses with the value date of invoice of the day on which we are able to dispose of the proceeds.
- g) If we are obliged to effect advance performance, and where, following conclusion of the contract, we become party to circumstances that may endanger our claim to payment due to a lack of ability on the part of the purchaser, then, in addition to the statutory claims, under the retention of title agreed under figure 8 we may prevent the resale and processing of the finished goods and request their return or transfer of the indirect ownership of delivered goods at the expense of the purchaser, revoking the direct debit authority under the preconditions of figure 8 letter h). The purchaser authorises us in advance at this point, in the event of such cases, to enter his premises and return the delivered goods. Returning the goods shall only constitute withdrawal from the contract where we expressly declare this. An endangerment to the claim for payment due to the insufficient capacity to perform is deemed to be present if a credit rating company, which is deemed to be legally authoritative, classifies the creditworthiness of the purchaser at a significantly lower level than at the time at which the contract was concluded, or if negative conditions exist according to such a company. Endangerment is still deemed to be present even if the causes of the lower rating or of the negative conditions were already present upon conclusion of the contract and said causes were known to us.
- h) In the event of delayed payment, following written information, we may cease to perform our obligations until payment has been received. Following the setting of an appropriate period of respite we are also entitled to withdrawal from the contract in this case.
- i) Discounts are only granted if we have expressly agreed to them. Discount periods always begin on the date of invoicing, regardless of the time of receipt or delivery of the invoice. A discount period is only complied with if we can dispose of the amount paid within said period. Cheques must reach us three banking days before the expiry of the discount period. In the event of a default in payment, any discount deductions for any other due payments are forfeited, unless the outstanding payment is obviously insignificant. We hereby object to any tacit agreements regarding a change in the discount conditions, even in cases where such discounts are long-standing practices. Tolerated unauthorized discount deductions do not exclude later claims for payment of outstanding amounts. The limitation period for corresponding claims is five years from the end of the calendar year in which the outstanding payment became due.



3. Delivery period

- a) The delivery period commences with our order confirmation, but not before all details of the satisfied performance have been clarified and sundry other requirements to be met by the purchaser have been met; the same also applies for delivery dates. Deliveries prior to the lapsing of the delivery period and partial deliveries are permissible, so long as this is not unacceptable to the purchaser. The day of delivery is deemed to be the day of reporting of readiness for shipment, otherwise the day of shipment. Unless otherwise agreed or the contractual relationship deems otherwise, the delivery period stated by us is always non-binding.
- b) Agreed delivery periods and times are extended or postponed, with no consequence for our rights regarding delay on the part of the purchaser; by the period of time in which the purchaser is in arrears with his obligations. In the event of the purchaser being in default of acceptance or culpable breach of sundry other obligations to co-operate, then we shall be entitled to request the damages that we have incurred, including sundry additional expenditure. In this case, the risk of accidental loss or deterioration of the item purchased shall pass to the purchaser at the time in which he enters into default of acceptance.
- c) In the event of a delay on our part, the purchaser may set a suitable period of respite with the express declaration that on the lapsing of this respite he shall reject acceptance of performance and withdraw from the contract.
- d) The purchaser is obliged, at our request during an appropriate period of respite, to declare whether he intends to withdraw from the contract as a result of the delay in delivery and / or request compensation in place of performance or whether he insists on delivery.

4. Force majeure and other hindrance

- a) Acts of God, industrial action, lock-outs and the action of authorities entitle us to postpone delivery by the duration of the hindrance and an appropriate start-up time, or to withdraw from the contract partially or wholly due to the part of the contract yet to be fulfilled.
- b) Force majeure is on a comparable level with unforeseen circumstances such as disruption of operations, defective goods and after treatment, which, in spite of reasonable effort, render timely delivery impossible; evidence of this is to be provided by us.

5. Measurements, weight, quality

Deviations in measurement, weight and quality are permissible as per DIN standards or standard practice. Weights shall be recorded on our calibrated scales and are binding for invoicing. Proof of weight shall be provided via presentation of the weighing log. Unless an individual weighing is standard practice, the overall weight of the respective shipment shall apply. Differences to the calculated individual weights shall be distributed across these proportionately.

6. Shipment and transfer of risk

- a) Unless otherwise agreed in written form, delivery shall be ex-works (Inco terms 2000). This shall also apply where we are obliged to assume the costs of transport.
- b) Shipment shall only be covered by transport insurance at the express request of the purchaser; the costs incurred in this shall be borne by the purchaser.
- c) Goods declared ready for shipment shall be accepted without delay, otherwise we are entitled to ship them of our own accord or to store them at standard freight forwarding cost and at the risk of the purchaser, we are also entitled to the latter where the shipment undertaken by us cannot be performed for reasons for which we are not responsible. The goods shall be deemed to have been shipped one week after the beginning of storage.
- d) In the event of lack of specific instructions the choice of transport form and transport route shall be made according to our judgement.
- e) Transfer of risk to the purchaser shall be effected with the handover of goods to the railway company, freight forwarder or haulier, or one week after the beginning of storage, but at the latest with the departure of the goods from the warehouse. This also applies in cases where we undertake the delivery ourselves.

7. Retention of title

- a) All goods supplied remain our property (reserved goods) until the fulfillment of sundry claims, in particular the respective outstanding balance claims, arising from our business relationship. This shall also apply where payment is made to specifically designated claims. Where the purchaser is in default of payment we are immediately entitled to request provision of the hand over of the delivered goods. The costs of this shall be borne by the purchaser. This does not apply in the event of insolvency proceedings against the purchaser that have been opened or petitioned, due to which we are not entitled to request the immediate hand over of the delivered goods.
- b) Recovery of the goods or application of retention of title shall only constitute withdrawal from the contract where we expressly declare this to be the case.



- c) The processing or finishing of the delivered goods is always performed on our behalf. If the reserved goods are processed with other goods to which we have no title, or indivisibly combined, then we shall acquire joint ownership of the new object to the proportion of the invoice value of the goods to the other objects processed or combined at the time of processing.
- d) If our ownership lapses via the combination or mixing, then the purchaser assigns to us, at this point, his rights of ownership to the new object in the scope of the invoice value of the reserved goods and shall store these for us at no charge. The consequent rights of joint ownership shall be deemed to be reserved goods as per letter a).
- e) The purchaser may only dispose of the reserved goods in the course of normal business transactions at his normal terms and conditions, and so long as he is not in default; under the condition that the claims from resale are transferred to us as per the letters f) and g). He is not entitled to dispose of the reserved goods in any other manner.
- f) The claims of the purchaser arising from the resale of reserved goods are assigned to us at this point. They serve as security for the reserved goods in the scope.
- g) If the reserved goods are disposed of by the purchaser together with other goods not supplied by us, then the assignment of the claims from resale shall only apply to the extent of the invoice value of the respective reserved goods disposed of. In the case of the disposal of goods where we have joint ownership as per letter b), the assignment of the claim shall be for the amount of this joint ownership share.
- h) The purchaser is entitled to collect claims arising from the disposal as per letters e) and f) until we revoke this. The right of revocation is ours in the cases named in figure 7, where the purchaser is in default of payment, submits a petition for the opening of insolvency proceedings or where a suspension of payments has been made. In these cases, the purchaser is obliged to inform us of the assigned claims and their debtors, to provide sundry information required for collection, issue the accompanying documentation and inform the debtor of the assignment. The purchaser is in no circumstances entitled to assign the claims.
- l) If the value of the existing security exceeds that of the secured claim by more than 20%, then we shall be obliged to release security of our choice. The purchaser must inform us immediately of any pledging or other limitation by third parties.

8. Guarantee

- a) In the case of justified, prompt notice of defects we shall take back the defective goods and supply replacement; we are also entitled to rectify defects. Only where we fail to meet this obligation the purchaser is entitled to exercise his statutory rights of guarantee. In the event of the lack of guaranteed quality we shall only be liable for compensation to the extent that the guarantee existed to secure the purchaser against the occurrence of such a loss.
- b) The purchaser shall provide us with the immediate opportunity to confirm the defect, in particular to make available the rejected goods or samples thereof, on our request.
- c) Following the implementation of an agreed acceptance the notification of defects that could be registered in the scope of such an acceptance is excluded.
- d) For goods sold as declassified material - such as so-called II-a material - the purchaser has no rights of guarantee with regard to the stated defects and those that he could normally anticipate.

9. General limitation of liability

- a) So long as not otherwise stated below, sundry further claims of the purchaser against us, in whatever legal context, in particular with regard to duties arising from obligation and tort; are excluded.
- b) This limitation of liability does not apply where compulsory liability exists, for example under the product liability law, with intent, gross negligence on the part of legal agents or executive staff, together with the culpable breach of significant contractual obligations. In the case of a culpable breach of significant contractual obligations we shall only be liable - except in the event of intent or gross negligence on the part of our legal agents or executive staff - for loss that is typical of the contract and reasonably foreseeable. This also does not apply for damage arising from death, injury to body or health and the lack of guaranteed quality, if and to the extent that the purpose of the guarantee is to secure the purchaser against loss that has not occurred to the delivered goods themselves.
- c) To the extent that our liability is excluded or limited, this shall also apply to the personal liability of staff, employees, legal agents and vicarious agents.
- d) Claims for compensation and defects of quality that the purchaser has against us shall lapse one year after delivery of the goods to the purchaser. This shall not apply in the event of the BGB - German Civil Code - §§ 438 para. 1 no. 2 (structures and objects commonly used in structures) and 479 para. 1 (rights of recourse) foreseeing longer periods, as well as in cases of damage arising from death, injury to body or health, intentional or grossly negligent breach of duty on the part of the supplier and malicious concealment of the defect. The statutory regulations regarding suspension, interruption and resumption of a time limit are not affected. In the case of claims for compensation under product liability law the statute of limitation shall apply.



10. Place of performance and jurisdiction

- a) If the purchaser is a merchant the jurisdiction is Gummersbach. However, we are entitled to also bring action against the purchaser in the court responsible for him.
- b) Unless otherwise stated in the order confirmation, place of performance is Runderoth. Place of performance for payment obligations is Runderoth.

11. Applicable law

The legal relations between the parties are solely in accordance with German law, under exclusion of the UN International Sale of Goods Agreement (UNICITRAL / CISG). In particular, the application of the United Nations Convention on the International Sale of Goods on the basis of a special agreement or arising out of a provision in the terms and conditions of the purchaser is rejected.

12. Severability clause

Should individual terms of these Terms of Payment and Delivery prove to be wholly or partially invalid or void, then the contractual partners are obliged to find a term that approaches the purpose of the invalid or void term as closely as possible.

October, 2017 - Managing Directors