

General Conditions of Sale

I. Application

1. These General Conditions of Sale (Conditions) shall apply to all present and future contracts with commercial buyers, with public legal entities as well as public trusts (jointly: Buyer) in regard to deliveries and other services, including contracts relating to the manufacture and supply of non-fungible goods. Buyer's purchase conditions shall not be binding even if we do not expressly object to them again after their receipt.
2. Our offers are subject to change without notice. Any agreements, especially oral collateral agreements, promises, guaranties and other assurances given by our sales staff before or at conclusion of the contract shall be binding only once they have been confirmed by us in text form.
3. Commercial terms such as "EXW", "FOB" and "CIF" shall be interpreted in accordance with the INCOTERMS in their current version.

II. Prices

1. Unless otherwise agreed to, only such prices and terms shall apply as contained in our price lists effective at the time when the contract is concluded, our prices are in Euro ex our works in Ennepetal exclusive of freight and value added tax, duties (in case of exports), fees and, if applicable, packing and other costs related to the delivery.
2. If the items are delivered packaged, we will charge the packaging delivered according to statutory provisions if it is returned to us freight free within a reasonable period of time.
3. Should duties, taxes or other third-party charges or other expenses included in the agreed price change or newly incur later than 6 weeks after the conclusion of the contract, we shall be authorized to modify the price accordingly with regard to the goods not yet delivered to the Buyer. The same applies in case of direct sales if and, after conclusion of the covering transaction with the mill and before the delivery, to the extent that the mill in charge for the delivery should permissibly change its price or any part thereof for the goods. In the event that the modified price surpasses the originally agreed price by more than 10%, the Buyer may, within one week after receipt of our price modification notice, withdraw from the contract with respect to the goods affected by the price modification.

III. Payment and Set-Off

1. Unless otherwise agreed or stated in our invoices, payment shall be made within 14 days after delivery (or collection) of the goods and invoicing. Where we, in accordance with the contractual terms, deliver to a place other than the place of performance ("Versendungskauf"), the goods shall be considered as delivered on the day where we hand them to the carrier or to any other person charged with their transport or – if collection has been agreed – when we notify the Buyer of their readiness for loading.
2. Payment should be made without any cash discounts so that we can dispose of the sum on the due date. Any payment transfer costs shall be borne by the Buyer. Cheques and bills of

exchange are accepted only on account of payment under the condition of receipt of the nominal value, the due date of any invoice shall remain unaffected thereof. Buyer shall bear any costs and expenses connected thereto.

3. The Buyer may retain or set off any counterclaims only in so far as his claims are (a) undisputed or have become legally binding, or (b) as they are based on the same contractual relation with the Buyer and would entitle him to refuse performance under section 320 BGB.
4. Any agreed upon cash discount always relates to the invoiced value excluding freight and will only be granted if and in so far as the Buyer has completely paid all payables due at the time of the discount. Unless otherwise agreed to discount periods shall begin with the date of the invoice.
5. When payment is not on time, at the latest by default, we are authorized to invoice interest at the level of the appropriate bank rate for overdraft credits, at a minimum, however, at the statutory default interest. Additionally, we charge a default allowance of EUR 40.00. A claim for further damages due to this delay remains reserved.
6. Should it become evident after the conclusion of the contract, that payment is jeopardized by the Buyer's ability to perform, or should other circumstances arise which show a material deterioration in the Buyer's ability to perform we are entitled to refrain from any further performance and exercise the rights of Sec. 321 of the German Civil Code. This also applies in case of the performance of our contractual obligation is not yet due. In such cases, we are also authorized to make due any and all of our accounts receivable resulting from the same legal relationship. Buyer's ability to perform shall be deemed jeopardized also if the Buyer is for at least three weeks in default with a considerable portion (10% or more) of the amounts due; further, in case of a considerable downgrading of his existing credit limit by our credit insurance.

IV. Delivery Times

1. Our commitment to deliver is subject to our own correct and timely self-delivery, unless we are responsible for the deficient or late self-delivery. In cases of goods imported into the EU, our commitment to deliver is additionally subject to the receipt of any surveillance documents and import licenses, unless we are responsible for the missing receipt.
2. Any confirmation as to delivery times shall only be approximate. Delivery times shall commence with the date of our order confirmation and are subject to the timely clarification of any details of any details of the order as well as of the fulfilment of any of the Buyer's obligations, e.g. to produce official certifications, to provide letters of credit and payment guarantees or to pay agreed instalments. The same applies accordingly to delivery dates.
3. Any agreed delivery time or date shall be considered to be met if the goods have left the works or the warehouse at such time or date. If and in so far the goods fail to be dispatched at the agreed time for reasons not attributable to us, the agreed delivery time shall be considered to have been met at the day on which the goods are notified to be ready for loading.

4. Within events of force majeure we shall be entitled to postpone deliveries for the period of the impediment and for a reasonable time necessary for adaptation. The same shall apply to such events which arise during prevailing delays. Force majeure shall include measures affecting currency, trade policy and other governmental acts, strikes and lockouts, operating shutdowns not caused by us (for example fire, machinery and rolls breakdown, deficiency in raw material or energy), obstruction of traffic routes, delay in customs/import clearance, as well as any other circumstance which, not due to our fault, either substantially jeopardizes our deliveries and services or makes them impossible for us to fulfil, no difference whether such circumstances will affect us or our supplier(s). Should, in consequence of the aforementioned circumstances, the performance of the contract become unreasonable to fulfil to one of the contractual parties, such party may then declare withdrawal from the contract after an additional time period of reasonable length fixed by such party has elapsed.

V. Retention of Title

1. Ownership of the delivered goods is transferred subject to the condition precedent that the purchase price is paid in full. Furthermore, all goods delivered to the Buyer shall remain our property (Reserved Property) until all of the Buyer's accounts resulting from the business relationship with him, in particular any account balances have been settled. This condition shall apply to any future as well as any conditional claims including accepted notes and such cases where the Buyer will affect payments on specifically designated claims. As soon as the Buyer has settled his accounts with us in full, he shall obtain title to those goods which were delivered to him before such payment was effected. However, the account retention does not apply to advance payment or cash transactions, which are dealt with as and when they come up.
2. With regard to processing or manufacturing of the Reserved Property, we shall be deemed to be manufacturer within the meaning of § 950 BGB (German Civil Code) without committing us in any way. The processed or manufactured goods shall be regarded as Reserved Property within the meaning of section V.1 of these Conditions. If the Buyer manufactures, combines or mixes the Reserved Property with other goods we shall obtain co-ownership in the new goods in proportion to the invoiced price of the Reserved Property to the invoiced price of the other goods. If, by such combining or mixing, our ownership expires, the Buyer herewith transfers to us any rights which the Buyer will have in the new stock or goods in proportion to the invoiced price of the Reserved Property, and he will keep them in safe custody free of charge. Such transfer is hereby accepted. Our co-ownership rights shall be regarded as Reserved Property within the meaning of section V.1 above.
3. The Buyer may resell the Reserved Property only within the normal course of his business in accordance with his normal business terms and provided he is not in default of payment and provided also that any rights resulting from such resale will be transferred to us in accordance with section V.4 through V.6 above. The Buyer shall not be entitled to dispose of the Reserved Property in any other way.
4. The Buyer hereby assigns to us any claims resulting from the resale of the Reserved Property. Such assignment is hereby accepted. Such claims shall serve as our security to the same extent as the Reserved Property itself. If the Reserved Property is resold by the Buyer together with other goods not purchased from us, then any receivables resulting from such resale shall be assigned to us in the ratio of the invoiced value of the other goods sold by the

Buyer. In the case of resale of goods in which we have co-ownership rights according to section V.2 above, the assignment shall be limited to the part which corresponds to our co-ownership rights.

5. The Buyer shall be entitled to collect any receivables assigned to which result from the resale of the Reserved Property. This right shall expire if withdrawn by us, at the latest if the Buyer defaults in payment; fails to honour a bill of exchange; or files for bankruptcy. We shall exert our right of revocation only if and in so far as it becomes evident after the conclusion of the contract that payment resulting from this contract or from other contracts is jeopardised by the lack of Buyer's ability to pay. The Buyer shall - upon our request - immediately inform his customers of such assignment and to forward to us any information and documents necessary for collection.
6. The Buyer shall immediately inform us of any seizure or any other attachment of the Reserved Property by a third party. He shall bear any costs necessary to suspend such seizure or attachment or removal of the Reserved Property, if and in so far as such costs are not borne by a third party.
7. Should the Buyer default in payment or should he fail to honour a draft we shall be entitled to take back the Reserved Property and to enter, for this purpose, the Buyer's premises. The same shall apply should, after the conclusion of the contract, it become evident that payment resulting from this contract or from other contracts is jeopardized by the Buyer's lack of ability to pay. If we take back the Reserved Property, this shall not be regarded as withdrawal from the contract.
8. Should the total invoiced value of our collateral exceed the amount of the secured receivables including additional claims for interest, costs etc. by more than 20 %, we shall - upon the Buyer's request - release pro tanto collateral at our discretion.

VI. Grades, Sizes and Weight

1. In case of doubt, agreed grades and sizes shall be determined in accordance with the DIN-/EN or mills' standards. Any reference to such standards, mill's standards or work-certificates as well as any indication with regard to grade, size, weight or usage of the goods shall not be regarded as a description, a warranty or a guarantee. The same shall pertain to any declaration of origin or conformity, to mills' confirmations and to any related marks such as „Ü“-marks, CE and GS.
2. The weight of the goods shall be determined on our, otherwise our suppliers' scales and shall be proven by presentation of the pertinent weight check.
3. Any indications given in the delivery notes as to the number of pieces, bundles etc. are not binding if and in so far as the goods are invoiced by weight. Where, according to the contract, the goods are not weighed piece by piece, the total weight of the de- livery shall prevail. Any difference with regard to the calculated weight of the single pieces shall be proportionally allocated to them.

VII. Testing and Inspection

1. The delivery of test certificates according to EN 10204 requires a written agreement. We are entitled to handover copies. Unless otherwise agreed, the remuneration for such test certificate shall be calculated as per our price list, otherwise as per the price list of the original issuer (mill).
2. Where testing and inspection of the goods have been agreed upon, the goods must be inspected in the mill or in our warehouse immediately after the Buyer has been informed that the goods are ready for dispatch. The Buyer shall bear his personal inspection costs, whereas the costs of inspection will be invoiced to him in accordance with our price list.
3. Should, through no fault of ours, an agreed upon inspection of the goods fail or be delayed or be incomplete, we shall be authorised to dispatch the goods without prior inspection or to store them at the Buyer's expense and risk and to invoice the goods to him.

VIII. Dispatch, Passing of Risk, Packaging, Partial and Continuous Delivery

1. We shall be entitled to choose the route and mode of dispatch as well as the forwarding agent and the carrier.
2. The Buyer shall immediately request delivery of those goods which have been notified to him as ready for dispatch. Otherwise we are entitled, upon our reminder and after a reasonably fixed additional time period has elapsed, to ship such goods at the Buyer's cost and risk or to store them at our discretion and to invoice them to the Buyer.
3. Should Buyer request postponement of the agreed dispatch of the goods, Buyer shall be liable for the costs of storage, at least for 0.5 % of the invoiced amount for each month, starting with the beginning of the month following our notice to Buyer that the goods are ready for dispatch.
4. Can, by reasons not attributable to us, the goods not be shipped or shall it become substantially difficult to ship them via the designated route or to the designated place within the designated time, we reserve the right to ship them via a different route or to a different place. Any additional costs will be borne by the Buyer. In such cases we will ask the Buyer for his prior comments.
5. In all transactions, including freight prepaid and freight-free deliveries, the risk of loss or damage to the goods shall pass to the Buyer at the time where we hand them over to the forwarding agent or to the carrier, at the latest with their departure from our warehouse. We will buy insurance only if and in so far as requested to by the Buyer and at his cost. The Buyer shall unload the goods at his cost.
6. The goods will be delivered unpacked and not be protected against rust. Only where so provided by trade usage will the goods be packed. Any package, protection and/or transport device will be supplied according to our experience and at the Buyer's cost. We will take back such devices only at our warehouse. We will not bear any costs for their retransport or disposal.

7. We shall be entitled to make partial deliveries at reasonable quantities. We may also exceed or reduce the agreed quantities as appropriate. In particular where quantities are indicated as "circa", we may exceed or fall below the agreed quantity up to 10 pct.
8. Where the contract provides for continuous deliveries, the Buyer shall divide the quantities and grades of the goods into approximately equal monthly shipments. Otherwise we shall be entitled to specify them at our own fair and just discretion. Where the individual calls for delivery exceed the total contractual quantity, we shall be entitled, yet not committed, to deliver the surplus quantity and invoice it at the prices applicable at the time of the call or the delivery.
9. With call contracts, we are permitted to produce or have the total quantity produced at one time. Any changes desired cannot be considered after the order has been given unless this has been specifically agreed to. Unless otherwise agreed, callable deliveries shall be completed in full within 365 days from conclusion of the contract. Monthly calls must be effected at the latest 3 weeks before the respective month of delivery. If the Buyer should not call the delivery in time, we may, after an additionally fixed reasonable period of time has elapsed, fix the monthly deliveries at our reasonably exercised discretion and invoice the purchase price and demand immediate payment. Upon expiry of this period, we may store the uncalled goods at the Buyer's cost and risk. Our statutory rights shall remain unaffected hereof.

IX. Warranty Provisions

1. Any of properties of the goods, in particular to their quality, grade and measures will follow the standards as agreed in text form and, in default of such an agreement, any DIN and EN-standards which may be applicable at the time of the conclusion of the contract, and in absence of such standards the trade use and practice. Any reference to standards and to similar guidelines as well as to quality, grade, measure, weight and usage of the goods, any information given in drawings and illustrations as well as any predictions given in our advertising material shall not be regarded as representations or guaranties, unless we have expressly referred to them in text form. The same shall apply to declarations of conformity and to similar characteristics such as CE and GS signs. The Buyer shall bare any risks as to the suitability and usage of the goods. Should we have to deliver according to the Buyer's drawings, specifications, samples etc., the Buyer will bear the risk that the goods comply to their intended use.
2. As to the Buyer's obligations to examine the goods and to notify us of any defects, the statutory provisions of the German HGB (Commercial Code) shall apply, subject to the following conditions:
 - a) The Buyer shall examine the goods immediately after delivery with regard to the properties relevant for the use of the goods and shall notify us in text form of any defects of the goods immediately thereafter. In case the Buyer intends to install the goods into another object or attach the goods to another object, the properties relevant for the installation or the attachment include the inner properties of the goods. The Buyer's obligation to examine the goods exists even in cases where an inspection certificate or any other material certificate is provided. Defects which, even upon most careful inspection, cannot be

discovered immediately after delivery must be notified to us in text form immediately after their discovery.

- b) In case the Buyer, in the event of an installation of the goods into another object or attachment of the goods to another object, fails to inspect the properties of the goods relevant for the designated end use at least at random prior to installation resp. attachment (e.g. by function tests or a trial installation), this represents a particularly grave disregard of the care required in the ordinary course of business (gross negligence) in relation to us. In such a case, the Buyer may assert any rights in relation to these properties only if the defect had been deliberately concealed or in case of a guarantee for the respective quality of the goods.
3. In case the Buyer discovers defects of the goods when inspecting the goods or thereafter, he shall make the defective goods or samples thereof available to us in order to give us the possibility to convince ourselves of the defect within a reasonable period of time. Otherwise, the Buyer cannot claim that the goods are defective.
 4. In case the goods are deficient, the Buyer shall be entitled to his statutory rights under the German BGB (Civil Code) - subject to the conditions that we shall be entitled to choose between repair and delivery of substitute goods and that minor (insignificant) defects shall limit the Buyer's rights only to reduce the purchase price (reduction).
 5. In case the Buyer has installed the goods, in accordance with the goods' type and designated use, into another object or attached the goods to another object, he may claim reimbursement of his necessary costs for the dismantling of the defective goods and the installation or attachment of goods free from defects ("dismantling and installation costs") only in accordance with the following provisions:
 - a) Necessary dismantling and installation costs are only those, which directly result from the dismantling resp. removal of the defective goods and the installation resp. attachment of identical goods, have accrued on the basis of competitive market prices and have been proven by the Buyer by appropriate documents in text form.
 - b) Additional costs of the Buyer for consequential damages such as e.g. loss of profit, down time costs or additional costs for cover purchases are no dismantling and installation costs and therefore not recoverable under Sect. 439 para. 3 of the German Civil Code. The same applies for sorting costs and for supplementary costs resulting from the fact that the sold and delivered goods are at a place other than the agreed place of delivery.
 - c) The Buyer is not entitled to request advance payments for dismantling and installations cost or other expenses required for the remedy of the defective delivery.
 6. In case, on an individual basis, the costs incurred by the Buyer for the remedy of the defective delivery are disproportionate, namely with regard to the purchase price of the goods being free from defects and under consideration of the importance of the infringement of the contract, we are entitled to re- fuse the reimbursement of such costs. Disproportionate costs are especially given in case the costs requested by the Buyer, in particular dismantling and installation costs, exceed 150 % of the purchase price of the goods invoiced by us or 200 % of the value of the defective merchandise.

7. An unjustified request to remedy an alleged defect entitles us to claim compensation for damages or costs incurred if the Buyer could have recognized upon careful inspection that the goods were not defective.
8. Unless otherwise stipulated in Section X of these Conditions, Buyer shall have no additional claims resulting from defective goods. This applies in particular to claims for dismantling and installation costs, in case due to a transformation undertaken by the buyer before the installation of the goods into another object or before attachment of the goods to another object, the installed or attached goods provide substantially different features than the original goods delivered by us or have been transformed to new products.

X. Liability and Limitation Periods

1. Our liability for breach of contractual or extra-contractual obligations, in particular for non-performed or deferred deliveries, for breach of duties prior to the contract (“culpa in contrahendo”) as well as for tortuous acts - including our responsibility for our managerial staff and any other person employed in performing our obligations - shall be restricted to damages caused by our wrongful intent or by our gross negligence. In cases of gross negligence our we are liable only for any foreseeable losses and damages characteristic for the type of contract in question. Apart from that, our liability for damages resulting from defects including consequential damages shall be excluded.
2. The restrictions in X.1 shall not apply to cases to in- tent and to such cases where we breach our essential contractual obligations. Considered essential to the contract are the obligations for prompt supply free of defects and duties of consultation, protection and care which serve the purpose of protecting Buyer or its personnel against considerable damages. The restrictions shall neither pertain to damages to life, to the body or to health caused by our fault nor to any cases where we have guaranteed certain characteristics of the goods. Nor shall such clause affect our statutory liability laid down in the Product Liability Act. Any statutory rules regarding the burden of proof shall remain unaffected by the aforesaid. Any of the Buyer’s rights of recourse according to §§ 478, 479 BGB shall remain unaffected.
3. Should we default on a delivery of performance, the Buyer shall be entitled to damages due to this de- lay; in case of slight negligence, however, the claim of the Buyer is restricted to maximum 10 % of the agreed purchase price for the performance in default. The rights of the Buyer for damages instead of performance in accordance with No. X.1 and X.2 remain unaffected by the aforesaid.
4. Unless otherwise agreed to, any contractual claims which the Buyer is entitled to in connection with the delivery of the goods shall fall under the statute of limitations within a period of one year after the goods have been delivered to the Buyer. This shall not apply insofar as Section 438 para. 1 No. 2, Section 478, 479 or Section 634 lit a) para. 1 No. 2 of the German Civil Code BGB require longer limitation periods, in cases of injuries to life, body and health, breaches of contract caused by our wrongful intent or by our gross negligence or in cases where a defect is fraudulently concealed. Our substitute deliveries shall not cause the renewal of the initial limitation period.

XI. Copyrights

1. If and in so far as we deliver any goods relating to the Buyer's drawings, models, samples or any other documentation forwarded to us by the Buyer, then the Buyer shall be responsible for any infringement of third party rights. Should a third party claim the violation of its protected property and therefore prohibit us, in particular, the manufacture and delivery of such goods, we shall be entitled - without being held to examine the legal situation - to suspend any further activities and, in case of the Buyer's fault, claim damages. The Buyer shall then exempt us from any coherent third party claims
2. We retain title and copyrights to catalogues, technical documentation (e.g. drawings, plans, calculations, references to DIN/EN standards), product descriptions and other documents – also in electronic form – which we have supplied the Buyer with.

XII. Test Parts, Forms, Tooling

1. If the Buyer is required to provide parts to complete the order, they must be delivered free of cost to the place of production in the required quantity, or with an additional quantity to cover any scrap, on time, without cost and free of any defects. If this does not occur, any resulting costs and other consequences will be for his account.
2. The construction of experimental parts, including the costs for forms and tools are for the account of the Buyer.
3. Our liability for tools, forms and other manufacturing devices provided by the Buyer is limited to the care which we would normally apply in our own affairs. The Buyer takes over the cost for maintenance and repair. Our safekeeping responsibility ends – independently of the ownership rights of the Buyer – at the latest two years after the last manufacturing using the form or tool.

XIII. Place of Performance / Jurisdiction / Applicable Law, Language Version

1. Place of Performance of Buyer's payments is at our seat. The place of performance for our deliveries shall be our supplying mill or the place where the goods are at the conclusion of the purchase contract. The place of jurisdiction shall be Ennepetal. We may, however, sue the Buyer also at his registered office (seat).
2. All legal relationships between us and the Buyer shall be governed by the laws of Germany. The provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG) do not apply.
3. In case of doubt, the German version of these Conditions shall prevail.