

General terms and conditions of sale

I. Application, offers

1. These general terms and conditions of sale are applicable to all present and future contracts with companies, legal entities under public law and special funds under public law for shipments and other services, including service contracts and shipments of non-fungible items. For drop shipments, the terms and conditions of the price list of the delegated supplier shall apply in addition to these terms and conditions. The purchase conditions of the buyer shall not be recognised, even if we do not expressly object to them after receipt thereof.

2. Our offers are non-binding for us. Verbal agreements, commitments, assurances and guarantees given by our employees in connection with the conclusion of the contract are only binding if confirmed in writing.

3. In cases of doubt the latest version of the Incoterms shall prevail for interpretation of terms of trade.

II. Prices

1. Unless otherwise agreed, the prices and conditions of our price list at the time of conclusion of the contract shall be valid.

2. Should duties or other third-party costs included in the agreed price change or newly arise later than four weeks after conclusion of the contract, we shall be entitled to modify the price accordingly.

III. Payment and off-setting

1. Unless otherwise agreed or stated in our invoices, the purchase price is due for payment immediately after delivery without discount and payment must be made in such a way that we are able to dispose of the amount on the due date. Costs arising from the payment transaction shall be borne by the buyer. The buyer may retain or offset any counterclaims only in so far as his/her claims are undisputed or legally binding.

2. In the event that the deadline for payment is not met, and at the latest at the time of default, we shall charge interest at a rate of 8% above the base lending rate unless higher interest rates have been agreed upon. We reserve the right to claim additional damages for default.

3. The buyer shall be in default at the latest 10 days after the deadline of our demand. No overdue notice shall be required.

4. Should it become evident after conclusion of the contract that our claim to payment is jeopardised by lack of solvency on the part of the buyer, or if the buyer is in default for a considerable amount or other circumstances arise which indicate a substantial deterioration of the buyer's ability to pay after the contract is concluded, we shall be entitled to exercise the rights in section 321 BGB (German Civil Code). We shall also be entitled to declare due any outstanding claims arising from the ongoing business relationship with the buyer.

5. Any negotiated cash discount is always related to the invoice value excluding freight and shall be conditional upon full settlement of all accounts payable by the buyer at the time of application of the discount.

IV. Execution of deliveries, delivery times and deadlines

1. Our commitment to deliver is subject to our own correct and timely availability of supplies, unless the incorrect or late self-delivery is our fault.

2. Details regarding delivery deadlines are approximate. Delivery times commence on the date of our order confirmation and are subject to the timely clarification of any details of the order and of the timely fulfilment of all of the buyer's obligations, such as supplying of all official certificates, presentation of letters of credit and guarantees or execution of down payments.

3. The date/time of departure from the works or warehouse shall be the deciding factor for compliance with delivery times and deadlines. If the goods are not shipped in time for reasons not attributable to us, the delivery time shall be considered met upon notification that they are ready for shipment.

4. In the event of late delivery the buyer may set us a reasonable grace period and, after unsuccessful expiry thereof to withdraw from the contract, insofar as the contract is not fulfilled. In such cases claims for damages are subject to the provisions of section XI of these terms and conditions.

V. Retention of title

1. All delivered goods remain our property (reserved property) until settlement of all claims resulting from the business relationship (balance retention), in particular any balance claims. This is applicable for future and conditional claims, e.g. acceptor's bills and also in cases in which payments are made on specifically designated claims. This reserved ownership shall expire completely upon settlement of all claims open at the time of payment which are contained in this retention of balance.

2. For processing of the reserved property, we shall be deemed the manufacturer in the sense of section 950 BGB (German Civil Code) without committing us in any way. The processed goods shall be deemed reserved property in the sense of clause no. 1. If the buyer processes, combines or mixes the reserved property with other goods, we shall obtain co-ownership of the new goods in proportion to the invoiced value of the other goods. If, by this combining or mixing, our ownership expires, the buyer shall immediately transfer to us any rights said buyer has in the new stock or object in proportion to the invoiced price of the reserved property, and shall store them free of charge for use. Our co-ownership rights shall be regarded as reserved property within the meaning of clause no. 1 above.

3. The buyer may resell the reserved property only within the usual course of his/her business, in accordance with his/her normal business terms and conditions, and provided he/she is not in default of payment and provided any rights resulting from such resale are transferred to us in accordance with clause nos. 4 to 6. The buyer is not entitled to dispose of the reserved property in any other way.

4. The buyer hereby assigns to us claims from the resale of the reserved property along with all securities. These claims shall serve as security along with the reserved property itself. If the reserved property is resold by the buyer together with other goods not purchased from us, the amount receivable from the resale shall be assigned to us in the proportion of the invoiced value of the reserved property to the other goods sold by the buyer. In the case of resale of goods in which we have co-ownership rights in accordance with clause no. 2, the portion corresponding to our co-ownership share shall be transferred to us.

5. The buyer is entitled to collect any receivables resulting from the resale of the reserved property. This authorisation to collect shall expire if withdrawn by use, and at the latest if the buyer defaults on payment, fails to honour a bill of exchange or files to start bankruptcy proceedings. We shall exert our right to withdraw the authorisation only if it becomes clear after conclusion of the contract that our demand for payment resulting from this or other contracts with the buyer is jeopardised by the buyer's inability to pay. Upon our request, the buyer is obliged to inform his/her customers immediately of this assignment and to forward any documents necessary for collection to us.

6. The buyer shall immediately inform us of any seizure or other hindrance by third parties. The buyer shall bear all costs payable for suspension of said seizure or for the return transportation of the reserved property, if said costs are not borne by a third party.

7. Should the buyer default on payment or fail to honour a draft when due, we are entitled to take back the reserved property and, for this purpose, to enter the buyer's premises. The same shall apply should it become clear, after conclusion of the contract, that our demand for payment resulting from this contract or other contracts with the buyer is jeopardised by the buyer's inability to pay. The taking-back of the property shall not be regarded as withdrawal from the contract. The provisions of the insolvency code shall remain unaffected.

8. Should the total invoiced value of the existing securities exceed the secured receivables including additional claims (interest, costs, etc.) by more than 50%, we are bound, at the buyer's request, to release securities at our own discretion.

VI. Grades, measures and weights

1. Grades and measures are determined in accordance with the DIN / EN standards or material data specifications, or in the absence thereof according to trade custom. References to standards, material data specifications or works test certificates as well as any indications of grade, measurement, weight and usage shall not be regarded as declarations of composition, warranties or guarantees. The same applies to any declaration of conformity or origin and corresponding marks such as CE and GS.

2. Weights shall be determined by our scales or those of our suppliers. Proof of weight shall be provided through presentation of the weight certificate. Where provided for by law, weight may be determined without weighing in accordance with standards. Deviations in weight above or below the total amount charged (commercial weight), as is common practice in steel trading in the Federal Republic of Germany, shall remain unaffected by this. Any indications given in the delivery notes such as number of pieces, bundles etc. are not binding if the goods are invoiced by weight. When goods are not customarily weighed individually, the total weight of the delivery shall prevail. Any differences with the calculated individual weights shall be allocated to them in proportion.

VII. Inspections

1. When inspection is agreed upon, said inspection may only take place at the supplier's plant or our warehouse immediately after notification of readiness for acceptance. The buyer shall be liable for his/her personal inspection costs, and the costs of the inspection shall be invoiced to him in accordance with our price list or that of the supplier's plant.

2. Should the inspection not be carried out in a timely fashion, or not be completed, through no fault of ours, we are entitled to ship the goods uninspected or to store them at the buyer's expense and invoice them to him/her.

VIII. Shipment, transfer of risk, packaging, partial delivery

1. We shall determine the shipment route and means of dispatch, as well as the forwarding agent and carrier.

2. Goods announced as ready for dispatch as per the contract must be called in by the buyer immediately; otherwise we are entitled to ship them, after issuing a reminder, at the expense and risk of the buyer or store them and invoice them immediately, at our own discretion.

3. If transportation of the goods by the designated route or to the designated place or within the designated time is rendered impossible or severely hampered through no fault of ours, we shall be entitled to deliver by another route or to a different place; additional costs arising therefrom shall be borne by the buyer. In these cases the buyer will be given the opportunity to voice an opinion.

4. In all transactions, including those with carriage pre-paid and freight-free deliveries, when the goods are handed over to a forwarding agent or carrier, and at the latest when they depart from our warehouse or the supplier's plant, any risk, including that of seizure of the goods shall be transferred to the buyer. We only take out insurance at the request and expense of the buyer. Liability and costs of unloading are at the expense of the buyer.

5. The goods are delivered unpacked and not protected against rust. Goods will be delivered packed when this is standard commercial practice. We provide packaging, protection and/or transportation aids according to our own experience and at the expense of the buyer. These aids will be taken back at our warehouse. We will not bear the costs of the return transportation or disposal of the same, for which the buyer shall be liable.

6. We are entitled to make partial deliveries of reasonable quantities. When standard commercial practice in the sector allows, we may exceed or reduce the agreed quantities.

IX. Call orders, continuous deliveries

1. In agreements with continuous deliveries, call orders and classification into approximately equal monthly amounts must be given; otherwise we shall be entitled to determine the amounts ourselves at our reasonable discretion.

2. When single calls for delivery exceed the total contract quantity, we shall be entitled but not obliged to deliver the surplus quantity. We may invoice the surplus amount at the prices applicable at the time of the call order or of the delivery.

X. Liability for defects

1. Notification of defects must be made in writing immediately, and at the latest seven days after delivery. Written notification shall be given of defects that cannot be found upon careful inspection within this period as soon as they are discovered, and at the latest before the agreed or legal limitation period. In these cases any processing of the goods shall be suspended immediately.

2. When the notice of defects is justified and they have been reported in a timely manner, we may, at our own discretion, resolve the defect or deliver non-defective goods (rectification). In the event of unsuccessful rectification or refusal to rectify, the buyer may, after the fruitless elapse of an appropriate period, withdrawn from the contract or reduce the purchase price. If the defect is minor or the goods have already been sold, processed or transformed, only the right to reduce the price is available to the buyer.

3. Any expenditures related to the rectification shall be borne by us, as long as they are reasonable on a case-by-case basis, and in particular in relation to the purchase price of the goods. We do not assume responsibility for any expenditures resulting from the fact that the sold goods have been removed to a place other than the agreed place of fulfilment, unless it corresponds to the contractual use of the goods.

4. After execution of an agreed inspection by the buyer, notice of defects which could have been detected through the agreed mode of inspection is excluded. If the buyer has failed to learn of a defect as a result of negligence, he or she may only assert a right because of this defect if we have fraudulently failed to disclose the defect or given a quality guarantee for the items.

5. If the buyer fails to give us the opportunity to immediately confirm the defect, or fails to immediately make the faulty goods or samples thereof available for testing on demand, all rights arising from the defect shall lapse.

6. In cases of goods sold as downgraded material the buyer may exercise no rights regarding the stated reasons for downgrading and defects that are to be normally expected. We shall not be held liable for defects in sales of Ila goods.

7. Our further liability is subject to section XI of these terms and conditions. The buyer's rights of recourse in accordance with sections 478 and 479 of the BGB (German Civil Code) shall remain unaffected.

XI. General limitation of liability and statute of limitations

1. Our liability for breach of contractual and non-contractual obligations, in particular due to impossibility of or delay in delivery, culpability during initiation of a contract and unlawful acts – including our responsibility for our managerial staff and other persons employed in performing obligations – shall be limited to cases of malice and gross negligence, and restricted to the damage characteristic of the type of contract in question foreseeable at the time of conclusion of the contract. Apart from this, any liability on our part for defects and damages resulting from defects is excluded.

2. These restrictions shall not apply in cases of culpable violation of essential contractual obligations, insofar as the fulfilment of the contractual purpose is jeopardised, or to cases of culpable damages caused to life, the body or health and when and insofar as we have guaranteed the nature of the items sold, or those of statutory liability pursuant to the German Product Liability Law. Regulations on the burden of proof shall remain unaffected hereby.

3. Unless otherwise agreed, any contractual claims against us to which the buyer is entitled to in connection with the delivery of the goods shall lapse one year after delivery of the goods. This limitation period is also applicable to goods which, according to their normal purpose of use, have been employed for building work on a construction and have caused deficiency of this construction, unless this purpose of use has been agreed upon in writing. This restriction shall not apply to breaches of contract due to wrongful intent and gross negligence, giving rise to culpably-caused damage to life, body or health and the lapsing of any statutory recourse claims pursuant to sections 478 and 479 BGB (German Civil Code).

XII. Place of performance, jurisdiction and applicable law

1. The place of performance for our deliveries is, for ex works deliveries, the supplier's plant, and for other deliveries our warehouse. The place of jurisdiction is, at our discretion, the location of our main office or that of the main office of the buyer.

2. All legal relationships between us and the buyer shall, in compliance with these terms and conditions, be governed by German non-

standardised law and in particular the BGB (German Civil Code) and the HGB (German Commercial Code). The provisions of the UN Convention on contracts for the international sale of goods of 11 April 1980 are not applicable.

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