



## GENERAL TERMS AND CONDITIONS OF PURCHASE

### I. Application

1. These General Terms of Purchase apply to all present and future orders for goods and services and their completion. Unless otherwise specified in these Terms of Purchase or in the contract with the Seller, we reject all terms of the Seller that conflict with or deviate from these Terms of Purchase. In the event that we accept the goods without making any express objection, under no circumstances can this be construed as acceptance on our part of the terms of the Seller.
2. Verbal agreements with our employees require our written confirmation.
3. Quotations issued on our behalf are free of charge and without obligation.
4. The INCOTERMS in the relevant applicable version apply for the interpretation of trade clauses.

### II. Prices

1. The agreed price is a fixed price free to receiving point.
2. For prices "free to receiving point", "free place of destination" and other "free/franco" deliveries, the price includes freight and packaging costs. Packaging will be paid for only if such payment was expressly agreed. In this case, packaging must be credited at 2/3 of the value charged if returned carriage paid to the dispatch point.

### III. Payment

1. Invoices must be sent immediately after delivery or performance – i.e. not with the consignment. Invoices for monthly deliveries or services must be sent by the 3<sup>rd</sup> working day of the following month at the latest. Invoices for part quantities must be described as such. Unless otherwise agreed, invoices are payable either within 30 days with 2% discount or at the end of the month that follows delivery or performance in a mode of payment at our discretion. This also includes discountable promissory notes or trade bills. In the event of payment in promissory notes or trade bills, we pay reasonable discount charges based on the relevant base interest rate calculated on the date of presentation of the bill.
2. Invoices that are not received on time will not be paid until the end of the month that follows their receipt; they will be paid subject to the same terms and without interest being credited after we have deducted the extra costs we have incurred as a consequence of the delayed sending, in particular, for bank guarantees furnished on our behalf.
3. Payment and discount periods start to run from the date of receipt of invoice, however, not before receipt of the goods or, in the case of services, not before their acceptance and, insofar as services to be provided include the furnishing of documentation, test certificates (e.g. factory certificates) or similar, not before submission to us of the said documents in conformity with the contract.
4. Payments are made by cheque or bank transfer. Payment has been made on time if the cheque is posted on the due date or the giro transfer order is presented to the bank on the due date.



5. No interest can be claimed for payments made later than the due date. The default interest rate is 5% over the base interest rate. We have the right in all cases to verify lower default damages than those claimed by the Seller.
6. We possess rights of set-off and withholding rights to the extent provided for by statute.
7. On the basis of the powers of attorney granted to us by the affiliated companies of our Group (§18 Stock Corporation Act (AktG))<sup>\*)</sup> we are entitled to set-off all receivables accruing to the Seller, regardless of their basis in law, against us or our group companies. This also applies in the event that one party has agreed cash payment and another payment in bills of exchange or other payments on account of performance. If appropriate, these agreements refer only to the balance. If the accounts receivable have different due dates, our accounts receivable become due at the latest on the due date of our account payable and with the same value date.

#### IV. Delivery Periods/Default in Delivery/Passing of the Risk

1. The delivery dates agreed with us must be complied with. Part deliveries are permitted only with our written approval. Threatening delays in delivery must be notified to us without delay in writing. At the same time, suitable counter measures must be proposed to us in order to avert the consequences. Deliveries of quantities over or under are permitted only within the usual commercial limits.
2. Unless otherwise agreed in writing, the period of delivery begins on the date of the legally binding purchase order.
3. All shipping documents, operating instructions and other certificates required to satisfy the requirements of the delivery by the Seller must be sent to us on the date of shipment. In the event that payment securities are forfeited as a result of delays in delivery by the Seller, including the delayed sending of the aforementioned documents, we undertake payment only after receipt of payment from our customer.
4. In the event of the Seller being in default with delivery, the statutory rights are available to us. In particular we are entitled, after a reasonable extension that we have set has passed without issue, to require compensation for damages in lieu of performance. Our right to delivery is not cancelled until the Seller has paid compensation for damages.
5. In the event of default for reasons for which the Seller is responsible, then, without prejudice to the above, a contractual penalty is payable to us which, in the absence of an alternative agreement, is equal to 0.5% of the selling price for each commenced week of delay up to a maximum of 5%. If we have named a ship for shipment of the material and this ship was accepted by the Seller, then, without prejudice to the above, the Seller pays the costs of demurrage, dead freight, etc. if the material – for whatever reason – is not shipped or not shipped on the agreed date.

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<sup>\*)</sup> These include, in particular:

ThyssenKrupp Stahl AG, Duisburg  
 ThyssenKrupp Materials AG, Düsseldorf  
 ThyssenKrupp Stahlunion GmbH, Düsseldorf  
 Thyssen Mannesmann Handel GmbH, Düsseldorf

Krupp Thyssen Nirosta GmbH, Krefeld  
 Krupp Thyssen Nirosta Export GmbH, Düsseldorf  
 Thyssen Griff GmbH, Düsseldorf  
 Otto Wolff Handelsgesellschaft mbH, Düsseldorf



6. Any delivery made prematurely without our consent does not affect the date of payment in relation to the scheduled delivery date.
7. If, in cases of force majeure, strike or lockout, it becomes impossible or much more difficult for us to perform our contractual duties, we are entitled to cancel the contract either wholly or in part or require performance at a later date without the Seller being able to derive any claims of any kind against us as a result.
8. The Seller may only invoke the lack of necessary documents to be supplied by ourselves if he has failed to receive the documents in spite of having sent us a written reminder.
9. The Seller bears the risk of accidental destruction and accidental deterioration - also in the case of deliveries "franco" and "free to place of destination" - until the goods are handed over at the place of destination.

#### **V. Reservation of Title**

1. With regard to rights of reservation of title of the Seller, these terms apply on condition that title passes to us upon payment for the goods in questions and, accordingly, the extended form of "current account reservation" does not apply.
2. The Seller may only require the return of the goods on the basis of reservation of title if he rescinds the contract.

#### **VI. Declarations on Characteristics of Origin**

In the event that the Seller submits declarations on the characteristics of origin of the goods sold, the following applies:

1. The Seller undertakes to allow examination of certificates of origin by the customs authorities and to furnish the necessary information thereon as well as to provide any confirmations that may be required.
2. The Seller is obliged to compensate the damage that arises as a result of the fact that the declared origin is not recognized by the responsible authority due to faulty certification or lack of an opportunity for subsequent verification, unless the Seller is not responsible for these consequences.

#### **VII. Liability for Defects**

1. The Seller must supply the goods and services free of material and legal defects.
2. The Seller waives the defense of delayed notification of defect (§ 377 Commercial Code (HGB)).
3. If the goods or service have a defect, the statutory rights are available to us at our discretion. The expenses necessary for the purpose of subsequent performance include our customer's expenses. The warranty period starts to run anew for goods that have been improved or replaced.
4. If a third party to whom we have resold brings a claim against us based on warranty, the Seller indemnifies us against all damages resulting from the same. Moreover, the Seller



undertakes to treat a warranty claim brought against us by one of our customers as a warranty claim against himself.

5. The limitation period for our claims based on defects begins with delivery of the goods or acceptance of the service. For claims arising from or in connection with the delivery of goods, the Seller's liability for defects ends two years after delivery of the goods. Claims arising from or in connection with the delivery of goods that are used for a building structure in accordance with their usual purpose become time-barred five years after delivery. Otherwise, the statutory periods apply.
6. The Seller already now assigns to us - on account of performance - all claims that he holds against his own suppliers arising from or in connection with the delivery of defective goods or services. He shall surrender to us all documents required to assert such claims.

#### **VIII. Place of Performance, Court of Jurisdiction and Governing Law, Miscellaneous**

1. Unless otherwise agreed, place of performance for deliveries is our company.
2. Court of jurisdiction is the registered office of our headquarters. We may also bring an action against the Seller at his court of jurisdiction as well as at the court of jurisdiction of the branch registered in the commercial register with which the contract was concluded.
3. Ousting the application of foreign law, the law applicable at our registered office as it applies to legal relations between domestic parties applies exclusively to all legal relations between us and the Seller. The application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
4. The Seller assures at his own expense and without delay that all requirements for validity necessary in the Seller's country, e.g. export permits have been obtained and remain valid during the period required to complete the order. If the Seller fails to comply with this obligation, the Buyer has the right, if appropriate, to withdraw from the order and, in any case, claim damages from the Seller. The same applies in the event, in spite of the efforts of the Seller, e.g. that necessary approvals are not granted within a period of time reasonable for the Buyer or are rescinded or become invalid during the period of completion.