



General Conditions of Sale of Carl Schreiber GmbH, Neunkirchen

General conditions of sale, delivery and payment concerning semifinished metal products in case of contracts made with businessmen, legal entities of public law and special assets under public law.

1. Completion of contract

- a. Our conditions of delivery and payment shall exclusively apply to which our purchaser agrees when placing the order. This agreement is also valid for future orders, even if not expressly referred to, but received by the purchaser in case of an order confirmed by us. Our conditions of delivery and payment are also valid, if the conditions of purchase do not match with ours, even if we do not contradict. This means that deviations are only valid, if we expressly agree in writing.
- b. CSN cannot be bound by third party action. Neither agents nor consultants are entitled to sign agreements for CSN.
- c. Our offers are not binding. We are only obliged in case of a written confirmation of order. Modifications and supplements shall be subject to written confirmation.
- d. Differing conditions of the purchaser are only valid, if we agree in writing. By the acceptance of partial deliveries, the purchaser agrees that these conditions of sale are expressly valid, even if he has excluded with his conditions of purchase the validity of the deviating conditions of sale.
- e. Qualities of the products confirm to DIN standard, unless otherwise determined by the conditions of business or any other statement.
- f. We reserve the right to transfer the claims of our business relation.

2. Prices

- a. Our prices are valid ex works, excluding packing and VAT.
- b. If costs concerning the order deviate considerably after placing the order, we reserve the right to correct prices of those deliveries and partial deliveries, which shall be made at least 4 months after the date of the order.
- c. If deliveries on call exceed the ordered quantities, we are entitled to cancel the additional quantity or to charge at current prices.
- d. Prices concerning tolling orders are valid on condition that the purchaser makes available the required tolling material 6 weeks before date of delivery, free of charge. If that is not the case, we are entitled to purchase the material at current prices, at charge of the purchaser.
- e. Subsequent demands for VAT on tolling orders or orders where the purchaser is responsible for availability of material, which may occur due to any reasons, have to be borne by the purchaser and be paid immediately without any deduction.



3. Obligations of delivery and purchase

- a. Time of delivery starts when all performing details have been clarified and the purchaser has complied with all requirements of which he is responsible. The date of delivery is the day of dispatch. If dispatch is delayed without our responsibility, the day of availability for dispatch is treated as delivery date. In case of commitments, a delay only occurs, if we are reminded by the purchaser.
- b. If a delivery delay is due to force majeure, the period of delivery is extended adequately. This is also valid in case of: industrial conflicts, interruptions, which could not be avoided in spite of special care, whether within the own fabrication process or within the fabrication process of our subcontractors, including transporters, interruptions due to public measures and within transport ways. Should delivery be impossible due the reasons mentioned before, our obligation for delivery expires as well as any rights on claims for damages. If the purchaser proves that he is not interested in a later delivery due to a delay, he is able to cancel his order without any further requirements.
- c. In case of framework agreements, metal orders and call-off contracts we can expect the remaining obligatory schedule line within 3 months after date of the confirmation of order. Should the purchaser not comply with this requirement within 3 weeks, we reserve the right to fix an additional schedule of 2 weeks and, should this schedule expire, to cancel the order or to refuse delivery by claiming for the damage occurred.
- d. If the purchaser requires necessary quality inspections concerning the application of the product, type and scope of the inspections are to be specified in advance. Should this not be realised until the date of the contract, costs will have to be borne by the purchaser.
- e. If purchase is based on special conditions, the purchaser is obliged to care for immediate dispatch at his own cost on receipt of the notice of readiness for dispatch. Should dispatch not be arranged within an adequate additional schedule, we will have the right to dispatch the merchandise or to keep it in our stock on cost and risk of the purchaser. By this, the merchandise is treated as accepted.

4. Freight, packing, transfer of risk

- a. If freight is to our charge, we are entitled to deliver free of charge or to reimburse for the most favourable freight charge. Additional freight charges raising due to special ways of dispatch or due to the special constitution of the merchandise have in any case to be borne by the purchaser.
- b. One-way packing is charged at cost prices. If returned undamaged and free of charge and costs and if not otherwise determined, reusable packing is credited at 2/3 of the original value within 3 months after date of invoice. When using leasing containers, only leasing will be invoiced.
- c. Risk passes to the purchaser, when the merchandise leaves the place of dispatch. Should dispatch be delayed without our default, risk passes to the purchaser at the date of readiness of dispatch. In case of return consignments as well as delivery of tolling material, risk is up to the purchaser until the merchandise reaches our works.



5. Dimensions, weights, quantity of supply

- a. Our offers and order confirmations indicate the dimensions and weights to our best knowledge. Justifiable deviations of dimensions, weights and other technical values cannot justify any claims.
- b. Deviations of weight and quantity of up to 10 %, which are due to fabrication or dispatch, are allowed regarding both, the complete scope of supply and partial deliveries.
- c. Invoicing is based on the weights, scopes and quantities mentioned in our notes of delivery. Claims on these indications can only be considered, if they reach us within one week after delivery.

6. Liability for defective supplies

- a. The purchaser shall immediately inspect the merchandise and inform us in writing about any defects at least 14 days after receipt of the merchandise at its destination. As soon as discovered, hidden defects shall be claimed by the purchaser without delay. Claim of hidden defects is excluded after a period of 3 months after receipt of the supply. If defects are not claimed within due time, all corresponding requirements relating to liability for this defective supply are no longer justified.
- b. We shall be offered the opportunity to verify the claimed defect at the purchasers' works. This verification shall be realised by us without any delay, provided that the purchaser is interested in an immediate settlement. Modifications on the claimed merchandise are not admissible without our agreement in case of loss of warranty claim.
- c. In case of justified claims we will decide how to repair the defect free of charge or even replace free of charge the claimed quantity (weight) or credit in the amount of the invoiced value. Shall we wrongly refuse repair of the defect or replacement supply or shall we be delayed in replacing, the purchaser is entitled to fix a reasonable period and to demand change or reduction, in case that this additional period should be without any results. The purchaser has no further rights of claiming, e.g., for credit of administration costs, assembling/disassembling costs as well as defects which do not correspond directly to the scope of supply.
- d. Assured features need to be confirmed expressly in writing. In case that we should not comply with assured features, claims are accepted within the ranges as described in article a. to c. We shall only pay for compensation, as far as the statement was to cover the purchasers' damage occurred.
- e. In case that outturn samples are sent to the purchaser for verification, our liability shall only concern supply according to the outturn sample, considering all corrections agreed upon. External samples provided by the purchaser to concretize its demand shall only serve as an approximate base of the supply.
- f. Shall the purchaser have been advised by us, our liability on operability and suitability of the merchandise with regard to its intended purpose must expressly be confirmed in writing supposing that the purchaser offers all information necessary for due performance.
- g. Purchasers' claims expire one month after we refused the notification of the defect, irrespective of previous limitations, unless the claim has not previously been asserted by



legal action. The fact of being objectively concerned with the notification of defects may not renounce performance of this appointment.

7. General limitation of liability

- a. As far as we can be accused of intent and gross negligence, liability shall only be valid in cases where the basis for claiming damages engages us by contract or by law.
- b. If we are responsible by contract to verify our products with regard to determined features, we shall be liable for each default, however, the default must be due to our disregard of the purchasers' concrete requirements for inspection.
- c. Claims for replacement expire within a 3 year's period.
- d. In case that legally protected interest of the employees or other contractual partners of the purchaser shall be infringed by us or by our agents, the purchaser is responsible to indemnify us as well as our personnel from any claim for damages of these third parties.
- e. The limitations of liability mentioned before do also concern those claims directed against our personnel.

8. Payment conditions

We are entitled to cede the claims of our business relationship. All foreign receivables as well as future foreign receivables arising from our relationship are transferred to Coface Finanz GmbH, Mainz, (Germany), if this bank is mentioned at the face. Retention of ownership was also transferred to this bank.

- a. Our invoices are basically payable in cash. The date of invoice shall be the date of dispatch.
- b. Cheques and bills of exchange are only accepted after previous agreement and on account of performance and provided that they are covered. The purchaser shall be charged for discounting and collecting.
- c. If the deadlines for payment are exceeded, an additional interest of 4 % on the actual base interest rate of the European Central Bank shall be due, unless otherwise claimed for replacement due to damage caused by delay.
- d. The purchaser is not entitled to refuse payment due to any counterclaims including the respective warranty claims or to set them off, unless the counterclaims are undisputed or against which no legal recourse is possible.
- e. If the purchaser fails to pay a considerable amount exceeding one week or if justified doubts on his financial standing (credit worthiness) may be announced, all of our claims shall be due immediately irrespective of drawn bills of exchange. These circumstances justify that we only supply against payment in advance or surety or that we refuse further performance of the contract after a reasonably extended period. Furthermore, we are entitled to claim for damages due to nonpayment as well as to demand immediate release from all contingent liabilities. In this case the purchaser is engaged to pay instantaneously an amount corresponding to the contingent liabilities. As soon as the amount is paid we will be engaged to release this liability at maturity.



9. Retention of ownership and security interest

- a. The supplied merchandise shall remain our property until each and every claim we have against the purchaser on account of the business connection has been fulfilled, including all claims on release of contingent liabilities, we accepted due to purchasers' interest. This also applies if the purchaser paid for the supply determined by him. In case of a current account, our retention of title shall remain unaffected even if this account has been balanced.
- b. We shall realise treatment and processing without any engagement and without that our property shall be lost. If the purchaser shall join or mix our retained goods with other goods, we shall acquire co-ownership of the processed items in the ratio of the invoiced value. The new items are treated as retained goods in terms of these conditions.
- c. The purchaser is entitled to sell the retained goods within correct business. However, any other disposition is prohibited.
- d. The purchaser assigns to us in advance all claims which may arise by selling the retained goods. If the retained goods shall be sold with other goods not obtaining to ours, or if this material shall be used to realise service contracts, the assignment shall be limited to that amount corresponding to the value of our co-ownership.
- e. Only within correct business the purchaser shall be entitled to collect the assigned claims.
- f. The purchaser shall inform us without delay about the access of third parties on our retained goods or on the assigned claims. Costs of any interventions shall be borne by the purchaser.
- g. The purchaser's authorisation to have free disposal of the retained goods or to collect the assigned claims expires either in case that the requirements mentioned in article 8 e. shall apply or in case of non-observance of the payment conditions or in case of cheque or bill protest. These circumstances justify that we acquire the retained goods and, for this purpose, have access to the purchaser's company premises. Any possible costs occurred by this shall be borne by the purchaser. Cancellation of the contract requires our express declaration. On our demand, the purchaser is also entitled to make available all information and documents necessary for the assertion of the assigned claims.
- h. The purchaser grants a lien on the material provided to perform the order and on the superseding claims in order to secure all actual and future claims which may result within our mutual business relation. Shall the purchaser be delayed in paying or not be creditworthy, we shall be entitled to make use of the lien material at market value (listing at the London Metal Exchange), or, if not listed, at the averaged German market value at the day of payment delay or loss of creditworthiness. Shall the value of the secured interest exceed the value of our claims by more than 20 %, we shall be engaged to release the security mentioned before – according to our choice.



- i. We are entitled - without previous cancellation of the purchase order - to claim for the rights resulting from the retention of ownership, especially for the taking back of the goods delivered covered under proprietary law.

10. Tools, documents, proprietary rights of third parties

- a. As far as the purchaser provides any tools, costs shall be borne by him regarding maintenance, modification and replacement of his tools. The purchaser is responsible for a technically correct construction and secured performance of the tools. However, we reserve the right on technical modification. If not otherwise agreed, we are not engaged to verify conformity of the provided tools with regard to drawings and specimens.
- b. As far as tools are produced or provided by us in order of the purchaser, these tools shall remain our property even if paid totally or partially. The tools are exclusively used for supply of the purchaser, as long as latter complies with his obligations of acceptance and payment. We shall be entitled to use the tools otherwise 12 months after expiration of the contract.
- c. We reserve the right of property and copyright on all drawings, illustrations, estimates of costs and other documents attached to our quotations. These documents shall neither be forwarded to third parties without our approval nor be commercially used and shall immediately be returned to us on demand.
- d. In case that deliveries are made according to the purchasers' drawings and indications and that proprietary rights of third parties are breached the purchaser shall release us of all possible claims. The purchaser shall only be able to claim for his own proprietary rights, in case that he expressly informed us about the existence of these rights when providing the documents, however, at least within one week upon receipt of our order acknowledgement.

11. Place of fulfilment and venue, applicable law

- a. Place of fulfilment of delivery and payment shall be the place of our business.
- b. The exclusive place of jurisdiction shall be Siegen, Germany; provided, however, that we may, at our discretion also initiate legal proceedings in Frankfurt am Main, Germany, or at the purchaser's place of business. This applies also for claims arising out of cheques or bills payable.
- c. All of the sales contracts, including any dispute arising thereunder or in connection therewith, shall be exclusively governed by German law. The rules on international private law (conflict-of-laws-principles) and the UN-Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.