

GENERAL PURCHASING CONDITIONS for "Scrap Purchasing"

Unless agreed on differently in writing, our orders shall be subject to the following conditions. Any deviating conditions of the supplier shall only apply if expressly accepted by us; they shall not become part of the contract without our express written acceptance even if they are named in the order acceptance. This shall also apply if we accept the ordered goods wholly or in part or if we make any payments: the execution of the order by the supplier shall be deemed acceptance of our following conditions – even without written confirmation. These conditions shall also apply to any future transactions with the supplier.

I. Offers

Offers shall be submitted bindingly and free of charge.

II. Orders, Conclusion of the Contract

- Orders and other declarations shall only be binding if placed or confirmed by us in writing.
- The supplier shall confirm our order to us in writing within 10 days.

III. Prices

- The prices shall be fixed prices unless a price adjustment clause or price reservation have been expressly confirmed by us. An order must only be performed at a higher price than the one indicated by us with our written consent.
- If prices according to delivery day are agreed, the price valid on the day of material receipt shall apply.
- The prices shall be free works Kehl including packaging and freight costs. If anything deviating from this is agreed on, we shall only assume the most advantageous freight costs. All costs arising until handover to the carrier – including costs for weighing, loading and rolling fees – shall be assumed by the supplier. We reserve acceptance of excess or underdeliveries.

IV. Invoice and Payment

- The deliveries received within one calendar month shall be settled in one credit by us, summarised under concurrent consideration of any refusal and other costs.
- Payments shall be made in means of payment of our choice – including refinancing bills of exchange (cheque/bill of exchange) – as of the 20th of the month following the settlement month. At payments in customer bills of exchange or promissory notes, we shall assume the discount at the conditions available on the day the bill of exchange is issued.
- Our payments shall be made subject to the reservation of correction if any subsequent complaints arise. If there is any defect subject to warranty obligations, we shall have the right to refuse payment until proper removal of the defect.

V. Assignment, Settlement

- Without our written consent, the supplier shall not have the right to assign his contractual claims wholly or partially to any third parties. We shall not refuse consent without an important reason.
- We hereby consent to advance assignments in the scope of retention of title of pre-suppliers of the supplier, under the provision that set-offs permitted against counter-claims are acquired after reporting of the assignment as well.
- The supplier shall only have the right to set off against any claims accented by us or legally determined, or to assert any right of retention due to such claims.

VI. Object of the Delivery

- Our order shall be solely relevant for the content, type and scope of the delivery and service. We shall have the right to demand changes to the type of the performance at any time, as well as corrections of obvious writing and calculating mistakes and other errors.
- The scrap specifications named in the order shall be binding for the supplier.
- a) The determination of weight shall be mainly subject to the receipt weights determined by full and empty weighing on the factory scales of Badische Stahlwerke GmbH (BSW).
b) The net weight of ship loads shall be determined by the full and empty scale in the unloading port.
Weight differences between the net weight determined in this manner and the consignment weight up to +/- 0.5 % shall not be considered. Weight differences of more than +/- 0.5 to 3 % shall be documented based on calculation certificates on the full and empty weighing. Weight differences found during full weighing in excess of +/- 3 % ,must be reported before the ship is unloaded. In this case, unloading shall only commence with the supplier's consent. Any costs arising from later unloading shall be at the supplier's expense.
c) The net weight of train loads generally must be determined by the railway or by railway-recognised scales by full and empty weighing. Proof of weighing must be enclosed with the receipt confirmation.
Weight differences of up to 300 kg between the net weight determined in this manner and the net outbound weight shall not be considered. This shall not affect our right to re-weigh the railway load. In this case, the weight determined by us shall be relevant.

VII. Rescission

- We shall have the right to declare rescission of the contract as a whole or partially without compensation if the creditworthiness or delivery capacity of the supplier deteriorates so that we believe that performance of the contract is endangered, the supplier ceases payments, or if court or out-of-court settlement proceedings or insolvency proceedings are initiated regarding his assets.
- If performance of our contractual obligations becomes impossible or essentially more difficult to us due to circumstances that we are not at fault for – especially due to force majeure - , we shall have the right to wholly or partially rescind the contract or to dead execution at a later date; the supplier shall not acquire any claims against us from this.

VIII. Delivery Date

- Agreed delivery dates shall be bindingly complied with by the supplier.
- The day of delivery shall be the day on which the ordered object of the delivery and the shipping documents arrive at the site of receipt as specified by us.
- If it becomes clear that the delivery date will be exceeded, the supplier shall inform us of the reason and the expected duration without delay. Notwithstanding this, exceeding of the delivery time shall trigger the statutory default consequences unless exceeding is verifiably due to force majeure in the area of the supplier or labour dispute not due to his fault. In case of default of delivery, we shall have the right to rescission of the contract upon setting an appropriate grace period – even without special threat of refusal – or to claim damages for non-performance. The acceptance of belated deliveries or services shall not include waiver of damages claims against the supplier.
- If the delivery date is exceeded due to force majeure or labour dispute without fault of the supplier, we shall have the right to either demand performance of the order at a later time, without the supplier acquiring any claims from this, or declare rescission of the contract wholly or in part after unsuccessful expiration of an appropriate grace period.

IX. Shipping, Acceptance

- All shipping documents (e.g. freight note, cart sticker, delivery receipt and consignment) must indicate the precise type designations, the main supplier, the delivery weight and the point of receipt.
- Truck and ship loads shall only be permitted upon previous agreement.
- In case of train deliveries, only swept-clean cars with steel bodies are to be used.

4. For ship loads, agreements regarding ship type and possibility of unloading must be entered into beforehand. We determine the site of unloading. The following information must be provided to us at dispatch:

- Name of the ship
- Delivery (quantity of the individual types)
- Day and site of dispatch
- Expected arrival at the unloading point
- Dispatch weight

5. The consignments must be submitted to us without delay.

6. We may refuse acceptance of the object of the delivery if an event of force majeure or other circumstances outside of our will, including labour dispute, make acceptance impossible or unreasonable for us; in such case, the supplier shall store the object of the delivery at his costs and risk. The refusal of acceptance of the object of the delivery shall not put us into default of acceptance.

7. If any deliveries not accepted by us are returned, the return transport shall be at the expense and risk of the supplier.

X. Warranty

1. The supplier's warranty obligations shall be according to the statutory provisions.. Notwithstanding this, we shall have the right, at our choice, to also demand improvement or replacement delivery of impeccable goods. In urgent cases, we shall have the right to remove the defects ourselves at the supplier's expenses without further notice or to have this done by a third party, or to procure replacements otherwise.

The replacement delivery shall be free of freight and packaging costs. Returns of useless goods shall be free of freight and packaging costs for us. Any costs arising from removal of defects or replacement deliveries shall be at the expense of the supplier.

2. The warranty period shall generally be 12 months. It shall extend by the time during which the object of the delivery cannot be used due to defects. It shall commence after use of the delivery object, but shall not exceed 18 months from receipt or acceptance. At replacement deliveries, a new period of 12 months shall commence.

3. Defects that only become evident during processing or taking into operation of the delivered goods may be reported by us after their discovery. The supplier waives the objection of belated complaint. Our payments shall not be acceptable without reservation.

4. If defective delivery requires general inspection exceeding the common scope of inspection at receipt, the supplier shall bear the costs for this. Where the order is for machines, devices, vehicles and the like, the execution must correspond to the applicable accident prevention provisions and other safety provisions.

5. Special conditions for scrap purchase:

a) The works findings are essential for determination of defects and classification by type.

b) Any scrap must be free of parts that are harmful for smelting. This specifically applies to the following areas:

ba) The scrap must not be contaminated with ionising radiation exceeding the natural own radiation of the steel.

If ionising radiation of the scrap is found, we shall have the right to revise acceptance of all the scrap in the transport unit subject to complaint and to inform the relevant authority and the supplier.

If the authority does not order any other measures, the supplier shall collect the scrap within 2 working days from reporting of the refusal of acceptance.

If the supplier does not take action within this period, we shall have the right to initiate return transport or disposal. Any costs connected to the refusal and the return transport or disposal shall be assumed by the supplier. If the authority orders any special measures, the supplier shall also bear any costs arising from this.

bb) The scrap shall be delivered free of explosives, explosion-suspicious objects and closed hollow bodies. Scrap deliveries with explosives, explosion-suspicious objects or hollow bodies must be taken back by the supplier.

At new commencement of scrap deliveries, and otherwise at the commencement of each calendar year, the supplier shall send us a written certificate of the following contents acc. to the convention of Cologne:

"At loading from the own warehouse, we represent that we will only deliver scrap that we have examined for freedom of explosives, explosion-suspicious objects and closed hollow bodies. Therefore, we can confirm in advance for any deliveries in the year of that according to our best knowledge the scrap is free of explosives, explosion-suspicious objects and closed hollow bodies.

When loading by subcontractors (section transaction) we declare that we have informed our subcontractors of the obligation to carefully inspect the scrap to be delivered by them for freedom of explosives, explosion-suspicious objects and closed hollow bodies. Our contractors have represented that they will inspect the scrap to be delivered carefully and that they can therefore represent based on this inspection that the scrap to be delivered is free of explosives, explosion-suspicious objects and closed hollow bodies according to the best of their knowledge.

For scrap deliveries from direct imports by ship, carriage or truck we declare that the contract from which the import volumes originate, expressly contains the representation that the scrap to be delivered is inspected to ensure that it is free of explosives, explosion-suspicious objects and closed hollow bodies based on an inspection."

Scrap from denaturalised ammunition must only be delivered upon our written consent even if it comes with the corresponding certificate of harmlessness.

c) The costs arising for us at complaint about the delivered scrap shall be assumed by the supplier; the supplier shall also bear any standing or laying fees that result from the complaint. The costs shall include the special refusal costs agreed between us and our purchasers.

XI. General Provisions

1. Unless agreed on differently in writing, the applicable statutory provisions shall be applied in addition to these conditions.

2. Any legal relationship from or in connection with our orders shall be subject to the law of the Federal Republic of Germany and the convention of the United Nations on contracts for the international sale of goods (CISG).

3. If individual provisions of these conditions or the delivery contract are or become invalid, this shall not affect the validity of the remaining provisions. The invalid provision shall be re-interpreted so that the intended legal and economic purpose is achieved. This shall apply accordingly if any gap that requires supplementation becomes evident when performing the contract. The contracting parties commit to replacing the invalid provisions by valid provisions or to close the gap in the contract without delay.

4. We monitor the areas on our factory premises with video cameras.

XII. Place of Performance, Place of Jurisdiction

The place of performance shall be Kehl/Rhein – the place of jurisdiction for disputes of any kind, including claims from bills of exchange, shall be Kehl/Rhein. We shall also have the right to raise a claim against the supplier at the general place of jurisdiction.

XIII. Data Privacy

Purs. to §§ 22 et seqq. BDSG, we shall have the right to save, transmit, modify and delete personal data of the supplier for performance of our business purposes and objectives. The supplier is hereby informed of the first saving of his personal data.