

General Terms and Conditions of Purchase of Stahlo Stahlservice GmbH & Co. KG

Date: August 2018

1. Scope of Application

- 1.1 These Terms and Conditions of Purchase regulate the current and future deliveries and services rendered by the Supplier. The Terms and Conditions shall only apply if the Supplier is an entrepreneur (Section 14 BGB / German Civil Code), a legal entity under public law or a special fund under public law. Conflicting or deviating General Terms and Conditions shall not be recognised by us unless we have explicitly agreed to their validity in writing. Our Terms and Conditions of Purchase shall also apply if, being aware of conflicting or deviating terms and conditions of the Supplier, we accept deliveries of products and services from the Supplier (hereinafter referred to as purpose of the contract) or render the consideration due for them.
- 1.2 Individual agreements concluded with the Supplier in individual cases (including collateral agreements, supplements and amendments) shall always take precedence over these Terms and Conditions of Purchase. A written contract or our written confirmation is authoritative for the content of such agreements.
- 1.3 Legally relevant declarations and other notifications to be made to us by the Supplier following conclusion of the contract (e.g. setting of a deadline, reminder, declaration of withdrawal) must be made in writing in order to be effective.
- 1.4 References to the validity of statutory provisions shall only have clarifying significance. Even without such clarification, the statutory provisions shall apply insofar as they are not effectively amended or excluded in these Terms and Conditions of Purchase.

2. Conclusion of contract

- 2.1 Our order is binding at the earliest upon its written submission or confirmation. The Supplier must inform us about evident errors (e.g. spelling and calculation errors) and incompleteness of the order, including the order documents, for the purpose of correction or completion prior to acceptance; otherwise the contract shall be deemed not to have been concluded.
- 2.2 The Supplier is obliged to confirm our order in writing within a period of two weeks or – in particular by dispatching the goods – to execute it unconditionally (acceptance).
- 2.3 A delayed, amended or supplemented acceptance shall be deemed to be a new offer that must be accepted by us.

3. Prices

- 3.1 The price stated in the order is binding. All prices are quoted inclusive of the statutory value added tax if this is not shown separately.
- 3.2 Unless agreed otherwise in individual cases, the price shall include all services and ancillary services rendered by the Supplier (e.g. assembly, installation) as well as all ancillary costs (e.g. proper packaging, transport costs including any transport and liability insurance). The Supplier must take back packaging material at our request.

4. Payment, Set-off of Account, etc.

- 4.1 Payments are to be made as follows: After receipt of an orderly invoice, but not before receipt of the complete delivery and service (including any agreed acceptance), from the 1st to the 15th of the month on the 30th of the same month, in the case of receipt of invoice or delivery from the 16th to the 31st of the month, on the 15th of the following month respectively with a discount of 3%.
- 4.2 Default on payment shall only occur after the due date and a reminder. The annual interest on arrears shall amount to 9 percentage points above the base rate. We shall be entitled to set-off and retention rights as well as the plea of non-performance of contract to the extent permitted by law.
- 4.3 The Supplier shall only have a right of set-off of account or retention with regard to counterclaims that have been legally established or are undisputed.

5. Place of Performance, Delivery and Packaging

- 5.1 Deliveries from free movement are made based on the delivery address stated in our order as either DDP (within Europe) or as DAP (INCOTERMS 2010) for cross-border deliveries from third countries. The Supplier shall bear the material risk until the goods have been accepted by us or our agent at the agreed destination. If the destination is not specified and nothing to the contrary has been agreed, delivery shall be made to our place of business in Dillenburg, Germany. The respective destination is also the place of performance (obligation to deliver). If acceptance has been agreed, this shall be authoritative for the transfer of risk. The statutory provisions of the law governing contracts for work and services shall otherwise also apply for acceptances. Delivery or acceptance shall be deemed to have been effected if we are in default of acceptance. The values for quantities, weights and dimensions as determined by us during the incoming goods inspection shall be authoritative subject to proof to the contrary.
- 5.2 Partial deliveries are not permitted unless we have explicitly agreed to them. The Supplier shall only be entitled to engage subcontractors with our prior written consent.
- 5.3 The Supplier undertakes to use environmentally compatible packaging that permits reuse or cost-effective disposal. The packaging shall ensure protection against damage, soiling and moisture during transportation and storage so that the assembly can be performed at our premises, or at a company engaged by us, at no additional expense. All important information relating to the contents, storage and transport must be visibly affixed to the packaging. Returnable packaging shall be sent back to the Supplier carriage forward to its address.



STAHLLO

SLITTED COILS

CUT TO SIZE SHEETS

STANDARD SHEETS

BLANKS

CONTOURED BLANKS

6. Delivery Dates

- 6.1 The delivery time stated by us in the order is binding. The Supplier is obliged to inform us without delay and in writing if it becomes foreseeable that he/she will not be able to keep to the agreed delivery time – regardless of the reason.
- 6.2 If the Supplier does not render its service or does not do so within the agreed delivery period or if it is in default, our rights – in particular to rescission and damages – shall be determined in accordance with the statutory provisions. As soon as the Supplier becomes aware that it will not be able to meet the agreed delivery date or other dates pursuant to the contract, it must inform us without delay.
- 6.3 The Supplier may only refer to the absence of necessary information or documents to be supplied by us if it has not received these within a reasonable period despite a written reminder.
- 6.4 In the event of a delay in delivery, we shall be entitled to charge a contractual penalty to the amount of 0.2% of the net value of the delayed delivery per working day, but not more than 5% of the value of the goods. We shall be entitled to demand the contractual penalty in addition to performance and as a minimum amount of damages owed by the Supplier in accordance with the statutory provisions; the assertion of further damages shall remain unaffected. If we accept the delayed performance, we shall assert the contractual penalty at the latest with the final payment. Unconditional acceptance of the delayed delivery or service shall not imply a waiver of the claims to which we are entitled on account of the delayed delivery or service.

7. Retention of title

Ownership of the contractual items shall pass over to us once payment has been made in full. However, we shall be entitled to further process or resell the goods in the ordinary course of business before full payment has been made. A prolonged or extended retention of title requires our explicit written consent.

8. Waste Disposal and Prohibited Materials

- 8.1 The Supplier shall warrant compliance with the applicable laws governing packaging materials and the taking back and disposing of contractual products, in particular with the provisions of the respectively applicable packaging ordinance.
- 8.2 The Supplier shall guarantee RoHS conformity (Directive 2011/65/EU dated 8 June 2011) of the contractual objects.

9. Confidentiality

- 9.1 The Supplier shall treat confidential information, in particular documents, samples, business intentions, personal data, problems, data and/or problem solutions and other specific know-how made available by us (hereinafter referred to collectively as "Information"), in a confidential manner for the duration and following termination of the contractual relationship, and in particular shall not pass it on to third parties or exploit it for its own business purposes without being authorised to do so. It shall also impose this obligation on its employees.
- 9.2 This duty of secrecy shall not apply to information which was already known to the other party outside of the contractual relationship;
- has been lawfully obtained by third parties;
 - is already in the public domain or is or becomes state of the art;
 - is released by the issuing contractual partner.
- 9.3 Upon termination of this contractual relationship, the Supplier must unsolicitedly return all documents and information requiring confidentiality or, if requested to do so by us, destroy them and provide us with verification thereof. The Supplier must uninstall any software and presentation versions provided for own use without delay and without being requested to do so.
- 9.4 In the event of a culpable breach of this confidentiality obligation, the Supplier undertakes to pay a reasonable contractual penalty, the amount of which shall be determined by us at our reasonable discretion and shall be subject to a full judicial review in the event of a dispute. A contractual penalty of EUR 2,000 will normally be an appropriate penalty for the first culpable breach of the confidentiality obligation.
- 9.5 The Supplier shall observe the rules of data protection, in particular if it is granted access to our business premises or to hard-

ware and software. The Supplier shall ensure that its vicarious agents observe these provisions likewise; in particular, the Supplier shall bind them to data secrecy prior to the commencement of their activities.

10. Insurance

The Supplier must, for the term of the contract including periods of guarantee and limitation for warranty claims, take out and maintain for the full duration of the contract liability insurance on terms customary in the trade and with an insurance sum of not less than EUR 2 million per damage claim.

11. Quality Assurance and Incoming Goods Inspection

- 11.1 The Supplier shall be obliged to maintain a quality management system (QMS) which fulfils the very latest standards. The Supplier shall conduct inspections during the production in accordance with its QMS. If necessary, we shall arrange a special preliminary inspection with the Supplier.
- 11.2 The Supplier shall conduct a final inspection of the products which ensures that only flawless goods are delivered.
- 11.3 The statutory provisions (Sections 377, 381 German Commercial Code/HGB) shall apply to the commercial obligations to inspect and give notice of defects subject to the following restriction: Our inspection obligation shall be limited to defects which become apparent during our incoming goods inspection in an external examination based on the delivery documents, as well as during our quality inspection using random sampling (e.g. transport damage, incorrect and shortfall in delivery). If acceptance has been agreed, there is no obligation to inspect the goods. Otherwise, the extent to which an examination is feasible in the ordinary course of business, taking into account the circumstances of the individual case, shall be authoritative. Our obligation to give notice of subsequently identified defects shall remain unaffected. In all cases, our complaint (notice of defect) shall be deemed to be prompt and timely if it is received by the Supplier within five working days of detection of the defect.

12. Rights in Case of Deficiencies

- 12.1 Our rights in the event of material defects and defects of title of the goods (including incorrect and short delivery as well as improper assembly, defective assembly, operating or operating instructions), and in the event of other breaches of duty by the Supplier, shall be governed by the statutory provisions unless stipulated otherwise below.
- 12.2 In accordance with the statutory provisions, the Supplier shall be liable in particular for ensuring that the goods have the agreed quality when the risk passes over to us. This quality standard is deemed to be fulfilled as is specified in any product descriptions which – in particular by designation or reference in our order – are the purpose of the respective contract, or which were included in the contract in the same way as these Terms and Conditions of Purchase. Whether the product description originates from us, the supplier or the manufacturer is irrelevant.
- 12.3 Should the Supplier deliver a replacement item to fulfil its warranty obligations within the limitation period or should it repair a defective item, the limitation period shall commence from the time when the Supplier has fulfilled our claims for subsequent performance in full. The recommencement of the limitation period shall not apply if, dependant upon the circumstances of the individual case, it can be assumed that the replacement delivery or rectification took place only as a gesture of goodwill.
- 12.4 The costs incurred by the Supplier for the purpose of testing and subsequent performance (including any dismantling and installation costs) shall be borne by the Supplier even should it transpire that no defect actually existed. Our liability for damages in the event of an unjustified demand to remedy defects shall remain unaffected; in this respect, however, we shall only be liable if we have identified, or recklessly failed to identify, that a defect did not exist.
- 12.5 If the Supplier does not fulfil its obligation to render subsequent performance – at our discretion by remedying the defect (rectification) or by delivering a defect-free item (replacement delivery) – within a reasonable period stipulated by us, we may

remedy the defect ourselves and demand reimbursement of the associated costs from the Supplier or an appropriate advance payment. If the subsequent performance by the Supplier has failed or is unacceptable for us (e.g. on account of particular urgency, risks to operational safety or the imminent occurrence of disproportionate damage), a deadline does not have to be set; we shall inform the Supplier without delay about such circumstances.

- 12.5 Otherwise, in the event of a material defect or defect of title we shall be entitled to reduce the purchase price or withdraw from the contract in accordance with the statutory provisions. We shall also be entitled to claim compensation and reimbursement of the costs.

13. Limitation

- 13.1 Reciprocal claims of the contracting parties shall be time-barred in accordance with the statutory provisions insofar as nothing to the contrary is stipulated below.
- 13.2 Notwithstanding Section 438 Para. 1 No. 3 BGB, the general limitation period for claims for defects is three years from the transfer of risk. If an acceptance has been agreed, the limitation period commences with the date of acceptance. The three-year limitation period shall also apply correspondingly to claims based on defects of title, whereby the statutory limitation period for third party claims for restitution (Section 438 Para. 1 No. 1 BGB) shall remain unaffected; Furthermore, claims arising from defects of title shall not lapse under any circumstances as long as the third party can still assert the right against us, in particular where a limitation period does not apply.
- 13.3 The limitation periods under the law governing the sale of goods including the aforementioned extension shall apply – to the extent permitted by law – to all contractual claims for defects. Insofar as we are also entitled to non-contractual claims for damages due to a defect, the regular statutory limitation period (Sections 195, 199 BGB) shall apply unless the application of limitation periods under the law governing the sale of goods results in individual cases in a longer limitation period.

14. Product Liability

- 14.1 If the Supplier is responsible for damage to a product, the Supplier shall indemnify us against claims by third parties if the cause lies within its sphere of control and organisation and the Supplier is itself liable towards third parties.
- 14.2 Within the scope of its indemnification obligations, the Supplier shall reimburse expenses pursuant to Sections 683, 670 BGB which result from or arise in conjunction with claims asserted by third parties, including product recalls undertaken by us. We shall inform the Supplier – as far as is possible and reasonable – about the content and scope of the recall measures and give the Supplier the opportunity to comment on them. Further statutory claims shall remain unaffected.

15. Tools, Materials

- 15.1 Any materials, devices or tools for manufacturing the contractual objects that have been provided by us shall remain our property. Should the Supplier procure or manufacture such materials, devices or tools on our account, we shall acquire ownership of them upon payment of the agreed price. The tools shall then remain the property of the Supplier by way of loan.
- 15.2 The Supplier shall be responsible for proper maintenance and insurance of the materials, devices and tools. Unless the parties agree otherwise, the costs for this shall be included in the agreed product price.
- 15.3 We may at any time demand the surrender of the items owned by us. Should the Supplier require the items to fulfil its contractual obligations, it shall be released from its performance obligations upon the surrender. The Supplier shall not be entitled to use materials, devices or tools provided by us for orders placed by other customers.

16. Code of Conduct

The Supplier undertakes to abide by the "Stahlo Code of Conduct for Social Responsibility", which can be downloaded from www.stahlo.de (Service -> Downloads). The Supplier subscribes to the values laid down in the Code of Conduct.

17. Export Permits

The Supplier is responsible for ensuring that the contractual products are suitable for export to the agreed or known countries of destination when processed or used as intended. Should any hindrances to delivery nevertheless arise on account of official decisions and/or national or international regulations, in particular due to export control regulations as well as embargos or other sanctions that have been imposed based on the Supplier's contractual products, the Supplier undertakes to assist us in obtaining the requisite export permit. Should the hindrance to delivery persist for more than six months, we shall be entitled to exercise an extraordinary right of withdrawal with regard to the items concerned.

18. Final Provisions

- 18.1 If the Supplier is a merchant within the meaning of the German Commercial Code, a legal entity under public law or a special fund under public law, the exclusive – also international – place of jurisdiction for all disputes arising from the contractual relationship shall be our registered office in Herborn. However, we shall also be entitled to take legal action at the Supplier's general place of jurisdiction.
- 18.2 All legal dealings between the Supplier and ourselves shall be governed by the law of the Federal Republic of Germany that can be applied to the domestic contracting parties to the exclusion of the Vienna UN Convention on Contracts for the International Sale of Goods (CISG).

