



General Terms and Conditions for Purchasing - Translation (only German text is authentic) -

Unless otherwise agreed upon in writing, our General Terms and Conditions for Purchasing apply exclusively. Regarding the supply of foundry steel scrap the "Standard Terms for the supply of foundry steel scrap" will apply additionally, exempt the provisions 3 and 4; concerning this the provisions 3.1 and 5.2 of our General Terms and Conditions will apply.

General Terms and Conditions of Supplier contradicting or deviating from these are not acknowledged by us, unless we had expressly given our written consent to their validity. General Terms and Conditions of Supplier also do not apply if we - being aware of contradicting or deviating conditions of Supplier - accept or pay for the delivery or parts of it without reservation.

1. Orders

- 1.1 Orders and modifications will not be binding unless we have issued a written confirmation.
- 1.2 If we do not receive a confirmation of Supplier within 14 days upon receipt of the order/modification, we will be entitled to revoke it without liability.
- 1.3 Supplier may assign third parties only with our approval.

2. Delivery time and Delay in delivery

- 2.1 Deliveries have to be affected on agreed delivery terms respectively our delivery schedule. Decisive for the compliance with the delivery terms or the time of delivery is the receipt of the goods at our plant.
- 2.2 Agreed delivery terms are binding. Supplier undertakes to give us written notice as soon as he becomes aware of any possible delay in delivery. If supplier fails to deliver in time or exceeds a delivery date stated in our delivery schedule, we are entitled to claim every right given to us by law. Furthermore in case of delay in delivery we are entitled to deduct a contractual penalty of 1% each week commenced up to a maximum amount of 5% of the invoiced amount. We are entitled to claim this contractual penalty in addition to compliance; we are obliged to announce the retention of the contractual penalty within 10 working days upon receipt of the delayed delivery. Further claims and rights are reserved.
- 2.3 Contract goods have to be packaged according to custom and usage or to be provided with a special packaging on our demand. Supplier has to attend to the provisions of the respective carrier and will be liable for damages caused by insufficient packaging. Vats and bags may be delivered only on pool-pallets.
- 2.4 Trucks to be weighing have to be weighed at Eisenwerk Brühl GmbH complete and vacant. Shipping documents and delivery orders have to indicate the number of the order, the delivery date and the common indication of the material.
- 2.5 Supplier undertakes to meet the applying provisions concerning the transportation of dangerous goods (GGVS/GGVE etc.). Regarding performances at our plant our plant regulations and work rules as well as our special terms for construction works / services / assembly will apply.
- 2.6 Within the bounds of reasonability we can demand for modifications of the delivery item, the delivery times, the quantity delivered and the scope of supply and services. We will submit such a demand for modifications in writing.
- 2.7 Assembly works:
Supplier undertakes to take out an assembly insurance including risk of purchaser at his own expense. Supplier bears the risk of loss until acceptance of the goods. The aforementioned does not state any exemption from liability.

3. Transfer of risk - Acceptance - Inspection

- 3.1 The goods ordered shall be at the Supplier's risk up to the acceptance by us or our commissioner at the site where the delivery according to orders has to be effected. Supplier is not authorized to effect excess or short deliveries. By existence of a delivery schedule we are obliged only to accept the therein agreed binding volume. We are entitled to send back at the risk and the expense of Supplier or to charge storage costs for deliveries which are effected before the agreed date.
- 3.2 Industrial disputes like strikes and lockouts, production disruptions as well as production restraints and similar cases at our or the Supplier's plant are considered to be force majeure and relieve us from acceptance for the duration of such obstruction and to the extent of their impact.
- 3.3 Regarding dimensions, volumes and quality the values established by us with the aid of technical equipment during the receiving inspection test and the quality inspection are decisive.
- 3.4 We are exempted from the obligation to inspect and reprimand defects immediately which could have been discovered during the receiving inspection test. This does not apply for visible deviation of identity and quantity and visible defects of transportation. Other defects will be claimed as soon as they are established according to the conditions of the proper course of business.
- 3.5 Our payment does not signify the unreserved acceptance of the goods delivered.

4. Quality and Documentation

- 4.1 The delivered goods have to meet the legal requirements as appropriate, in particular the provisions of environmental protection, the rules for operational safety and accident prevention, the rules for technical work equipment, the applying directives and ordinances, the terms of the VDE, the standards of our plant as stated in the applying version and the state-of-the-art technology as well as the documents on which the contract is based such as drawings, descriptions, samples, specifications, provisions of acceptance etc.
- 4.2 Regarding orders of assets and machines in addition the following applies:
 1. any protection devices required by the rules for accident prevention have to be provided;
 2. we will bear only the cost of one acceptance inspection by a surveyor. If other inspections become necessary as a result of at the time of acceptance inoperable assets or parts of them, incomplete documents, components and units which do not comply with the applying legal requirements and not adhered emission limit values, Supplier will bear this cost.
- 4.3 Supplier has to conduct a quality inspection to the extend and in the manner which is suitable and which corresponds to the state-of-the-art technology.
- 4.4 If we require first or outturn samples, Supplier may start with the serial production only after receiving our express written permission.
- 4.5 We expect the Supplier to straighten the quality of the goods to deliver constantly towards the state-of-the-art technology and to point out to us possible improvements as well as technical modifications. Any modification of the delivery goods with effects on the quality may be carried out only with our prior written consent.

5. Prices and Terms of Payment

- 5.1 Prices quoted in the order are closing prices exclusive of VAT. In the absence of written agreement to the contrary the price includes "free delivery" and packaging. Supplier bears all public dues such as taxes, customs etc.
- 5.2 Insofar as not agreed otherwise payment will be made within 14 days with a discount of 3%, within 30 days with a discount of 2% or net cash 60 days, relating to raw and auxiliary materials net cash on the 25th day of the month following the month in which the delivery was effected, calculated from maturity of the claim for money and receipt of both the proper and verifiable invoice and the ordered goods. Invoices have to be issued immediately after delivery or performance. A four-week period is considered as timely. Payment is effected with reservation to invoice verification. Deliveries which are effected and accepted before the agreed delivery date are regarded to be effected at the agreed delivery date. We shall be entitled to decide on the form of payment.
- 5.3 If Supplier ceases payment or if insolvency or non-judicial settlement proceedings are applied for, we shall be entitled - without prejudice to other rights - to rescind the contract with respect to the part not yet fulfilled without liability to Supplier.

- 5.4 We are entitled to claim off-set and rights of retention as provided by law. Supplier shall not be entitled to assign his receivables to third parties or to have such receivables collected by third parties without our prior written consent, which shall not be unreasonably withheld.

6. Reservation of ownership - Retention of title - Tools

- 6.1 We will gain ownership of the material at the time of payment. An extended retention of title needs to be approved by us explicitly.
- 6.2 All manufacturing equipment (drawings and calculations) given to Supplier for the purpose of execution of the order will remain our property, may not be duplicated or used for other purposes or third parties and will be handed back after the settlement of the contract immediately. The above also applies to goods manufactured with this manufacturing equipment.
- 6.3 If we provide additional products at Suppliers plant we reserve our right of property. The procession or transformation of our products by Supplier is carried out for us. In the event our product is processed with other products not belonging to us, we acquire the co-ownership on the new product to the extend of the value of our products (final invoice amount including VAT). Supplier will store our co-ownership free of charge.
- 6.4 We reserve our right of property on tools; Supplier is obliged to use the tools only for the manufacturing of goods ordered by us. He is also obligated to insure our tools at his own cost against fire, water and theft at replacement value. At the same time replacement claims against insurer are to be assigned to us. We accept the assignment. Regarding our tools Supplier is obligated to carry out in time at his own cost maintenance and inspection work if necessary. He has to announce any breakdown immediately; if Supplier culpably fails to comply with this obligation, claims for damages remain unaffected.
- 6.5 We undertake to release the securities due to us according to the articles 6.2 / 6.3 upon request of Supplier insofar as the realizable value of our securities exceeds 20% of the final invoice amount of all our conditional goods we have not yet been paid for in full; we shall be entitled to choose the securities to be released.

7. Liability for defects and Product Liability

- 7.1 In the event Supplier delivers defected goods we are entitled to assert any claim given by law; in any case we have the right to claim remedy by removal or replacement at our discretion. The right to claim compensation for damages, especially the right to claim compensation for damages instead of performance, is reserved explicitly. In urgent cases we are entitled to effect the necessary repairs in-house or to commission a third party to effect them at Suppliers cost or to gain compensation otherwise. The same applies in the event of Supplier's delay in his warranty obligations.
- 7.2 The statute of limitations terminates in 36 month after passage of risk. Inasmuch as we grant a longer period to our customers, Supplier undertakes to accept this one too. We will give Supplier notice about it and, if permissible and possible, the possibility of inspection and examination of the relating documents.
- 7.3 If a third party pursues claims against us caused by an infringement of official safety regulations or other domestic or foreign legal requirements we shall be entitled to claim compensation for any incidental loss by Supplier insofar as his delivery or his comportment was defective and causal for the loss, unless Supplier proves that the loss has been inevitable and unpredictable.
- 7.4 In case of a third party claim against us because of product liability Supplier is obliged to hold us harmless on first demand if the damage is caused by a defect of the goods delivered by him. In case of liability depending on fault this will apply only if the defect is caused by a Supplier's fault. Inasmuch as the cause of damage is located in the Supplier's area of responsibility Supplier bears the burden of proof. In this case Supplier shall pay all costs, damages and expenses, including the costs for a possible legal dispute or a recall campaign. Furthermore the legal terms will apply. Supplier has to prove the existence of a product liability insurance at a appropriate amount on our demand.

8. Industrial property and Inventor's rights

- 8.1 Supplier warrants that by the usage of his delivery neither industrial property rights nor other rights of third parties are infringed directly or indirectly and undertakes to indemnify us and our customers on first written demand against any claim which rises from such an infringement. Further Supplier is liable for all direct and indirect losses and damages suffered by us as a result of the infringement of such rights. This does not apply in the case the goods supplied were produced by Supplier exclusively in accordance with our drawings and models and Supplier does not know or cannot be expected to know that this infringes industrial property rights. The statute of limitations for these claims terminates in 10 years after signing of the respective contract.
- 8.2 On our demand Supplier may name all industrial property rights and announcements of such rights he knows of or will become knowing of regarding the goods delivered and the goods to be delivered in future. If Supplier asserts the possibility of an infringement of industrial property rights or an announcement of such rights regarding the manufactured goods he is obligated to inform us unbidden and immediately.

9. Confidentiality - Advertising

- 9.1 Supplier is obliged to regard the order including all documents which form the basis of it and the works resulting thereof as well as all technical and commercial documents, facilities and other information connected to it as business secret and to keep them strictly secret. They may not be disclosed to third persons without our prior express consent. Supplier shall impose the same obligation on any sub-supplier. This confidentiality obligation applies also after termination of this contract; it expires if and to the extend that the (especially manufacturing) knowledge to keep secret has become generally known.
- 9.2 When advertising Supplier shall not make any reference to his business association with us without our prior written consent.

10. Concluding terms

- 10.1 The contractual relationship is governed exclusively by German law. The stipulations of the UN Convention on contracts for the international sale of goods shall not apply.
- 10.2 Place of performance for the delivery shall be the agreed address for shipment; in any other respect it shall be Brühl. Place of jurisdiction shall be the court responsible for Brühl; however we are also entitled to appeal to the court at Supplier's business location
- 10.3 In the event of one or more of the provisions of the contract or these terms and conditions between us and Supplier being or becoming unenforceable or void the effectiveness of the remaining provisions will not be affected hereof. Both parties hereby undertake to agree as far as can reasonably be expected *bona fide* on a provision which comes as close as possible to the legal and economical meaning and purpose of the provision that has become unenforceable or void, unless this causes no fundamental modification of the subject matter of contract.

Shipping Instructions:

Delivery by trucks to be weighing: cart scales: Bergerstraße, gate 4: 06:00 until 19:00
Delivery by other trucks: Receipt of goods: Bergerstraße / Godorfer Straße: 06:00 until 14:00
Shipping by railway: Waggon: Brühl 154815, General cargo & parcel: cargo center Köln Eifelort

Shipping papers twice, bills twice