

1. General

The following conditions are valid for all sales and all follow-up contracts without any need of additional agreements. The customer accepts our terms of trading by placing the order. Only ours are legally binding not theirs. Any variance from these conditions – even verbal agreements- must be confirmed in writing. All DIN /EN are referring to the current issue. Any alteration to a single term does not affect the others.

2. Offers

Our offers are without obligation. An order is considered accepted when it is confirmed in writing by us, even if it has been taken by our representative. In case batches are offered, we keep the right of disposal until the end of the deal.

3. Prices

Prices valid are those which were published at time of delivery. In case prices, freight, tax, or other charges are added or increase, we are entitled to add the costs to the price agreed.

4. Terms of Payment

a) Unless otherwise agreed, our invoices are payable on 15. of the month following delivery in cash without deduction. The delivery is the same as message of acceptance or ready for dispatch from the factory. Bills can be paid only with cash discount, when all bills have been paid, and this was expressly agreed. We are entitled to settle incoming payments, also from the realization of collateral, discounted drafts and we are given credit, even when conflicting payment notices of the buyer, at our option, to any existing various obligations of the buyer.

b) A right of retention for any counterclaims is not to the buyer. Offsetting with other undisputed or legally established claims is excluded.

c) Bills and checks we take by way of payment only by explicit agreement. Adopting affect the maturity of our claims only after expressly granted credit and in the amount after deduction of all expenses. The same applies to given assignments whereas we keep the right to take legal action against third-party debtor, in any case, the customer is liable for the accruing costs. There are in general no bill renewals.

d) If the creditworthiness of the purchaser or of a debtor of the change is diminished, we are entitled to demand immediate payment of all our claims, to offer adopted changes for disposal, to revoke sales and processing authorization of the buyer and to take back delivered goods as security. The buyer has no right of retention. For changes which are still in circulation we can, at our discretion, require collateral or the changing underlying claims due immediately. Evidence of governing the creditworthiness circumstances applies through the information of a reputable credit agency or bank as provided. It is sufficient if the information is confirmed by a lawyer on our behalf. The presentation of the information cannot be demanded by the purchaser. Insofar as we have not delivered, we may make at our discretion the delivery dependent on a deposit or prepayment of the total purchase or compensation or withdraw after appropriate respite from the contract for non-performance.

e) If payment is delayed, all payments are due immediately, including extended. Interest shall be calculated in moderate height bank for an overdraft

f) Failure to comply with our terms of payment releases us from any further contractual obligation of all concluded contracts with the buyer.

5. Retention of Title

a) The goods are delivered under retention of title according to § 455 BGB with the following extensions

b) The delivered goods remain our property until full payment of all, also future claims against the buyer from the business relationship with us. This also applies when the purchase price of certain goods delivery is paid. For current accounts, the reserved property is regarded as security for our balance claim. If we accepted bills of exchange or checks, or issued by us changing made available to the buyer, so the retention of title serves as security for our devoted itself from a non-redemption of securities claims; the retention of title does not get invalid until all bills and checks are cashed.

c) We have the right, as long as a claim is made on our part to demand from the buyer at any time information on which goods delivered under retention of title is still in possession of the buyer and where it is located. We are entitled at any time to inspect the goods owned by us at the point where it is located. If we exert our claim for handing back the delivered goods, the purchaser hereby assigns that we are allowed to take the property even without involvement of the judiciary and to enter the place where the goods are located for this purpose

d) The buyer bears the risk for the goods delivered by us under retention of title. He is obliged to store the goods carefully and sufficiently protected against loss (e.g. theft, fire, etc.) He enters the claim against the insurance company hereby to us, namely a partial amount equal to the purchase price of the goods supplied by us and which are still our property. This also applies if the insurance does not cover the total damage in full, so that we cannot be relegated to a pro rata compensation in such a case.

e) The transfer of ownership of the goods to the buyer in accordance with § 950 BGB in the case of the treatment and processing of the goods to a new product is excluded. Any processing performed by the buyer does not incur any liabilities for us. The processed goods serve as our security only in the amount of the value of the goods. When processing with other do not belong to us goods by the buyer we are entitled to co-ownership of the new item. In relation to the value of the reserved goods to the other processed goods. True otherwise the same as the conditional goods to the product created from the processing of a new thing. It is regarded as conditional goods within the meaning of these terms and is kept by the purchaser, using professional diligence. With regard to the combination or mixing of the reserved goods, the agreements reached with respect to the treatment and processing shall apply mutatis mutandis.

f) The purchaser is entitled to resell the goods in the ordinary course of business, however, for its part, also only under retention of title. Pledging or security transfer is forbidden. The purchaser must notify us immediately of any attachment or other impairment of our rights by third parties.

g) The claims of the buyer from the delivery of the goods are hereby assigned to us with all ancillary rights in accordance with the following paragraph. Namely whether the reserved goods will be delivered without or after treatment or processing or combination or mixing and whether alone or together with other objects, whether they are or they will be delivered to several customers, to the customer all at once or only in part loads. With regard to the scope of the assignment is agreed: As ceded true of the total demand of the buyer from the further delivery of the goods underlying obligation is a part in the amount of the purchase price that has been agreed between us and the purchaser for the reserved goods, which due to the aforementioned obligation gives the buyer his customer. This assignment shall apply in the said sum moderately limited amount regardless of whether and if so, when the purchaser has fulfilled our purchase price for the conditional goods wholly or partly. Trade receivables of payment from the buyer or collateral received in lieu of payment of exchange are hereby assigned to us. The handover of the exchange shall be replaced by that the buyer keeps the incoming bills for us. These claims assigned to us are used to secure all of our, also future claims against

the buyer from the business relationship with us - point b) shall apply accordingly. On request, the buyer is obliged to announce the assignment on third party purchasers and to give us the information required to assert our rights against third-party purchasers' information and documents. We allow the buyer to collect all claims assigned to us and the recovery of the proceeds for themselves, as long as he meets his payment obligations. In case of partial payment of third-party purchasers, the assignment to us remains until full payment of the claim.

h) We are committed at the request of the buyer to release the securities under the foregoing provisions - at our discretion - as their value exceeds the secured claims by 20%.

6. Weight Determination

The determined weight dimensions on the plant scales and our warehouse scale are decisive for calculating the delivered goods. The weighing is carried out at delivery at the factory carload. The determination of the individual weights is theoretically and is evenly distributed over the dimensions or numbers of the lots. When punches are delivered from stock, unless otherwise agreed, the weight determined theoretically according to the weight table of ironmongers Association. Deviations in dimensions, weight and quality are permissible according to DIN for iron and steel.

7. Delivery Times

The delivery periods begin on the day of our commitment, but not before clarification of all execution details. A confirmed delivery date is kept with the dispatch notification if the delivery is not done in time without our fault or supply plant. Agreed delivery deadlines are extended - without prejudice to our rights arising from default of the purchaser - by the period by which his liabilities are in default. If we fall behind ourselves, the buyer has to grant us a reasonable grace period. Upon timing he may withdraw the unfulfilled part of the order, unless that the goods are ready for delivery by the end of the grace period. Claims for damages for non-performance are excluded. The buyer may not reject partial deliveries.

8. Shipping and Transfer of Risk

a) The shipment will be for the buyer's account. By handing over to a shipper or carrier, but not later than departure from the factory, the risk - even those which are prepaid, FOB or CIF transactions - goes over to the purchaser. The choice of transport in an open or closed car remains reserved. Loading equipment we use on risk of the purchaser against particular rental or reimbursement of costs incurred by ourselves; in the case of borrowing, the charging borrowing risk and expense of the Purchaser shall be returned. For failed freight we are not liable. For goods, which will be picked up by carts from the supplying plant, we invoice the collecting fee of the delivery plant. A transport insurance is made only at the explicit request of the buyer and at his expense.

b) If one does not make use of goods which have been notified as ready for dispatch, or shipment by circumstances beyond cannot be done, we are entitled to store them outdoors and are not responsible for rust or damage. Goods can be unloaded on the ramp or dock and thus also applies to delivery on „free car“ or „free ship board“ as delivered according to contract. The buyer has to bear all costs resulting from delayed collection or provision of freight agent primary and secondary costs.

c) Prohibited exports: The material supplied by us is determined based on a corresponding sale condition to remain in the country. It may not be delivered or transported for export in unprocessed state. If the buyer or its customers transgress against this condition, the buyer has to pay a penalty amounting to 30% of the purchase price. He is committed to the conditions in paragraph 1) to impose these to his customers. In the case of an improper delivery according to paragraph 1) of the right to a contractual penalty is to be asserted or cede to the supplier. For products subject to the ECSC Treaty, the deliveries referred to in paragraph 1) in an area within the common market as well as domestic supply, the area of the common market is equal to the territory of Germany.

9. Force Majeure

If we are prevented from fulfilling our obligations by the occurrence of unforeseen circumstances (force majeure, crisis situa-

tion, strikes, lockouts, transport disturbances company disturbances (all kinds) delivery delays for essential raw-material) - they may affect our business or our subcontractors -, and if due to this the delivery is impossible, we are released from our obligation to deliver. If the delivery is not impossible, the delivery time is extended to a reasonable extent in the presence of one of the aforementioned circumstances. If the buyer does not know the circumstances, we are entitled to evoke to these circumstances only if we have informed the buyer immediately.

10. Complaints and Warranty Claims

a) Complaints of any kind must be made in writing to us with exact details of the alleged individual defects within 8 days after reception. Defects that cannot be detected even after careful inspection within this period must be reported immediately after their discovery under consideration of a careful stop of further processing. We are not liable for such defects if we receive the complaint more than three months after receipt of the goods. Warranty claims expire one month after rejection of the complaint by us.

b) If a complaint is made in time and accepted by us, we take the goods back, as long as it is still in the state of delivery and replace them for free by perfect goods. We are entitled to pay in lieu of replacement the purchase price. Other claims, such as cost of rework and wages, which have taken place without our consent, and freight costs, late payment penalties, compensation of direct damage and the like are excluded. For contract rolling, we disclaim from those defects which have their foundation in the nature of our incoming material. For other deficiencies in wage rolling which are caused by our plants, we are liable only as far as we provide new rolls at our expense in an equivalent quantity as the defective goods within a reasonable period. Claims, beyond the above, are rejected in principle. The buyer is entitled in no case, to refuse acceptance or payment because of an alleged defect.

c) As long as the goods are in the possession of the buyer, whether from the purchase agreement, safekeeping agreement or for any other contractual relationship, the buyer bears the risk.

11. Contract Sales

1. At contract sale the weight determination is based on the actual deliveries, in which excess or short deliveries in the amount of 10% are permissible. In case of fixed completion rates, we are entitled to charge any additional supplies at the current price. We do not have the obligation to indicate on any cases of exceeding the final amount.

2. In case of factory delivery, we adopt the standard used in Germany: Werksannahme der Spezifikation 6 conto Abschluss

3. The settlement of the transaction is based on the series, as the orders were carried out.

4. If not retrieved or specified in time, we are entitled after unsuccessful period of grace to specify ourselves and to deliver the goods, or to withdraw from the still lagging part of the contract, or to demand damages for non-performance.

12. Special Provisions

When selling iron and steel of lesser quality (IIa goods, rejects, special items, scrap iron, etc.), we do not assume any warranty, even if stated, for analysis, quality and strength or that the material is suitable for special purposes. It is up to the buyer to inspect the material before loading. If the buyer waived it aside the material is seen as delivered and accepted when leaving the factory or the warehouse.

13. Fulfillment and jurisdiction

Place of performance for both parties is our place of establishment - Jurisdiction: Arnsberg-even for actions in bill and check process. We are also entitled to sue the customer at any other justified place of jurisdiction.

Terms and Conditions of Purchase

1. Unless expressly confirmed otherwise by Flender-Stahl (hereinafter referred as the "Purchaser"), Purchaser's Terms and Conditions of Purchase apply exclusively, even if the Seller's / Supplier's (hereinafter referred as "Supplier") offer or confirmation contains different terms of delivery and payment.

2. Only orders placed in writing shall be valid. Verbal agreements require written confirmation.

3. In the event of defective deliveries and services, the Purchaser is entitled to the statutory warranty claims. Defects that are only noticed during processing or commissioning shall entitle the Purchaser to demand compensation for unnecessary expenses incurred. Legal warranty claims expire in accordance with the statutory provisions, in the case of hidden defects, however not before 12 months after discovery of the defect.

4. Unless expressly agreed otherwise, payment shall be made at Purchaser's discretion within

14 days with a 3% discount
30 days with a 2% discount
or after 60 days net

in each case after receipt of invoice or goods. If the goods are received later than the invoice, the date of receipt of the goods shall be deemed to be the start of the payment period.

5. Any obligation of the Purchaser to pay in advance, agreed in individual cases, shall not apply if circumstances arise at the Supplier, which cause the delivery and performance to appear questionable/doubtful. This shall also apply in the event of opening of insolvency proceedings. If such situation/event occurs, the advance payment shall then be replaced by payment step by step according to the Supplier's performance.

6. Cost increase factors not known at the time of conclusion of the contract do not entitle the Supplier to a price change.

7. Shipment shall be at the risk of the Supplier, who shall be liable for transport damage of any kind. The Supplier must follow the Purchaser's instructions for the shipment of the goods. The Supplier (seller) as well as the contractors working for him shall be responsible and liable for all processes relating to the delivery of goods, in particular loading and unloading, transportation and assembly work, compliance with the accident prevention regulations as well as the procurement and provision of the necessary protective equipment required, including the external workers employed.

8. The Supplier must comply with the agreed time of delivery. If the Supplier fails to provide the delivery or service on time, the Purchaser shall be entitled to withdraw from the contract without further notice and deadline and to claim damages and demand compensation. Acceptance of late delivery or service shall not constitute a waiver of claims for damages.

9. If the Purchaser have indicated that he will not be able to accept the ordered deliveries and/or services due to operational disruptions, strikes, lockouts or similar reasons or due to force majeure, the delivery and/or service and consideration will only become due after the Purchaser will report the cessation of the hindrance/termination of the obstacle.

10. The place of performance and jurisdiction is Arnsberg. German law shall apply exclusively to the exclusion of the UN Convention on Contracts for the International Sale of Goods.