



## General Conditions of Purchase of

# Deutsche Edelstahlwerke Services GmbH Deutsche Edelstahlwerke Specialty Steel GmbH & Co. KG Deutsche Edelstahlwerke Sales GmbH & Co. KG

(Version 07/2019)

### I. Application, Offers and Orders

1. These Purchase Conditions (Conditions) shall apply to all our present and future orders for merchandise, service and commission processing and to the performance of such orders towards entrepreneurs within the meaning of § 14 Art. 1 BGB. Seller's conditions diverging from these Conditions will not be acknowledged unless otherwise stipulated within these Conditions or otherwise agreed in the contract with the Seller. Should we accept the merchandise not expressly objecting these Conditions, the Seller may in no case assume our consent with his conditions.
2. Any offer made by the Seller will be free of charge and not binding to us.
3. Our orders are only binding if they are placed by us in text form. Documents used by the Seller in business dealing with us shall indicate at least: Purchase order number, commission order number, plant, place of receipt, full article text/ item description, HS code, country of origin, volumes and volume units as well as VAT ID (for imports from the EU).
4. Any oral agreements made by our employees shall become binding on us only if and in so far as we confirm them in text form.
5. Any trade terms shall, in cases of doubt, be interpreted according to the Incoterms as amended from time to time

### II. Prices / freight costs

1. The contract price shall be regarded as a fixed price. They are inclusive of everything Seller has to do to fulfill his supply/service obligation.
2. In case of pricing based on „free domicile“, „free ...destination „and other“ free/franco „deliveries, the price includes freight and packaging costs. We shall only pay packaging if and insofar as remuneration has been expressly agreed in this respect.
3. In the case of non-free delivery, we shall only bear the most favorable freight costs, unless we have specified a special type of shipment.

### III. Scope of supply

1. As part of the scope of supply/service
  - Seller shall transfer to us ownership of all technical documents (also for subcontractors) and other documents needed for manufacture, maintenance and operation. Said technical documents shall be in German and shall be based on the international SI standard system;
  - Seller shall transfer all rights of use needed for the use of the supplies/services by us or third parties taking into consideration any patents, supplementary protection certificates, brands, registered designs;
  - we shall have the unconditional authority to carry out or have carried out by third parties repairs and modifications to the purchased supplies/services, and also to manufacture spare parts or have them manufactured by third parties.
2. If the scope of supply/service is to differ from that agreed, Seller shall be entitled to additional claims or schedule changes only if a corresponding supplementary agreement is concluded in text form with us prior to performance of the order.
3. The ordered volumes are binding. In the event of excess supplies/services, We shall be entitled to refuse these at the expense and cost of Seller.

### IV. Quality

The Seller is required to install and maintain a documented quality assurance system which is suitable in type and scope which corresponds with the latest state of technology. He shall prepare minutes, especially on quality controls, and make these available to the customer upon request. The Seller herewith agrees to quality/ environmental audits by us or one of our representatives in order to assess the efficiency of his quality and environmental management. If necessary, this will include the consent to participation of regulatory authorities on-site. The Seller shall take notice of our company policy and to support it sustainably within the scope of the contractual relations. Information upon quality/ environmental management of the customer is listed on the internet under [www.dew-stahl.com](http://www.dew-stahl.com). We draw attention to the point that selection requirements for goods of all kinds may comprise also energy performance resp. energy efficiency class (if available).

### V. Payment

1. Unless otherwise agreed the following terms of payment shall apply: Payment shall be made either within 60 days without discount. Should the Seller's conditions for payment be more favorable, they shall prevail.
2. Payment and discount periods shall begin with the receipt of the invoice but not before the receipt of the merchandise. In case of services, such periods shall begin only after the transaction has been approved by us. If the delivery includes documentation (e.g. test certificates) or similar written material, such periods shall begin only after receipt of the same as agreed upon in the contract.
3. Payment is considered to be in time if the payment is executed on the due date or the bank or the payment service provider is commissioned with the payment on the due date.
4. We will be liable for interest only if and so far as we are in arrears for payments, not at their mere maturity date. The interest rate will then be 5 %points above the Basic Interest Rate. We are, in any case, entitled to establish a lower than claimed by the Seller.
5. We shall be entitled to all statutory rights to set-off and retention of our claims against the Seller's.

### VI. Delivery Times / Late Delivery

1. All contractual terms and dates of delivery shall be binding to the Seller.
2. Unless otherwise agreed in text form, any contractual terms and dates of delivery shall be considered to be met only if and in so far as the merchandise has been handed over to us at such dates.
3. If Seller becomes aware that an agreed deadline cannot be met, he must inform us in text form without delay, stating the reasons and the expected duration of the delay. Seller shall at the same time make suggestions to us for avoiding the consequences thereof.
4. If and in so far as the Seller defaults in delivery, we shall be entitled to our statutory rights. In particular, we shall have the right to claim damages for non-performance if and in so far as the Seller fails to effect delivery after a reasonable grace period set to him has elapsed. Our right to request delivery shall be excluded only if the Seller has compensated us for our damages.
5. The Seller may claim relief for his default by reason of lack of any documents to be submitted by us only in such cases where we have, upon the Seller's reminder in text form, failed to deliver such documents to him.

### VII. Retention of Title

1. The Seller's terms covering his retention of title shall be valid subject to the condition that title in the merchandise shall pass to us on the date of payment for such goods. Consequently, the extended forms of the so-called current account retention (Kontokorrentvorbehalt) shall not apply.
2. The Seller may claim return of the merchandise on the basis of the retention clause only if he has previously withdrawn from the contract.

#### VIII. Performance of Deliveries and Passing of Risks

1. The Seller shall bear the risks of accidental loss and accidental deterioration of the merchandise until it has been handed over to us at its place of delivery. This provision shall also apply in cases of "free delivery" (franco domicile). Additionally, the Incoterms shall be applicable as amended from time to time.
2. Supplies/services must be shipped to the addresses indicated. Delivery to/performance at a place of receipt other than that designated by us shall not constitute transfer of risk to us even if said place of receipt accepts the delivery/service. Seller shall bear the additional costs resulting from the delivery being made to/service performed at an address differing from the agreed place of receipt.
3. We will not accept partial deliveries unless we have given our prior express consent to them.
4. Excess or short deliveries will be accepted only in accordance with current trade practice. If weighing is necessary, the weight determined on our calibrated scales shall apply.

#### IX. Declarations of Origin

1. The Seller is entitled to provide us with a Seller's declaration regarding the preferential or non-preferential origin of the goods.
2. For the declarations with regard to the preferential or non-preferential origin of the sold goods, the following terms shall apply:
  - a) The Seller will allow verification through customs authorities and submit all necessary information as well as any required certification.
  - b) The Seller shall compensate us for any damages and losses incurred to us, if and in so far as the competent authorities, due to any deficient certification or impossibility to verify, fail to acknowledge the declared origin, unless he proves that he is not responsible for such consequences.

#### X. Supplier Code of Conduct

The principles of conduct for suppliers of the Swiss Steel Group, accessible under [www.swisssteelgroup.com](http://www.swisssteelgroup.com) shall apply. On the mill's premises the specific safety condition shall be observed.

#### XI. Warranty Provisions and Statute of Limitations

1. The Seller shall deliver the merchandise free of any material and legal defects. He will certify in particular that his deliveries and his services comply with the state of the art and with any contractual requirements and standards.

2. We will examine the quality and quantity of the merchandise upon its receipt to the extent both reasonable and technically feasible for us. A reasonable examination shall, in the absence of any contrary indications, not include possible defects which are not apparent to the eye, but detectable only in case of examinations of the inner properties of the merchandise. Insofar as we are obliged to notify defects without delay, a minimum notice period of 10 working days shall apply. Periods for such notices shall not start before we – or in case of direct sales (Streckengeschäfte) our buyers – have detected or should have detected the defect.
3. In the event that the merchandise shows a defect, we may exercise our statutory rights. If the Seller tries to repair the merchandise, such remedy is considered to have failed after the first unsuccessful attempt. We shall have the right to withdraw from the contract also in such cases where a breach of contract is not considered to be material.
4. Where the merchandise was already defective at the time the risk passed to us, we may claim from the Seller also those expenditures in connection with such defect which we must pay to our customer.
5. Any claims arising from defects of the merchandise will be governed by the statutory limitation periods. The limitation period for defect liability claims shall begin with the full supply/performance of the scope of supply/ service or, if acceptance testing is agreed, on acceptance.
6. The Seller hereby assigns to us - on account of performance – the benefit of any claims against his Seller arising from the delivery of deficient merchandise or of such merchandise not conforming with the guaranteed characteristics. He will supply us with any documents necessary to enforce such claims.

#### XII. Place of Performance, Jurisdiction, Applicable Law

1. Unless otherwise agreed to, the place designated by the customer, shall be the place of performance for the deliveries and services.
2. The place of jurisdiction shall be Witten, Germany. We may, however, take legal action against the Seller at his place of jurisdiction.
3. All legal relationships between ourselves and the Seller shall be governed by the laws of the Federal Republic of Germany.

#### XIII. Secrecy

Seller shall maintain secrecy vis-à-vis third parties in respect of all operational events, facilities, plants, documents, etc. used at our premises or those of our customers which become known to Seller in connection with his activities for us, also after submission of the corresponding offers and after completion of the contract. Seller shall impose corresponding obligations on his agents.

#### XIV. Applicable Version

In cases of doubt, the German version of these General Conditions of Purchase shall apply.