

General Terms and Conditions of Purchase of Manfred Reiner Röhren- und Stahlhandel GmbH

as of January 2017

Article I. Exclusive scope

- 1.1. These General Terms and Conditions of Purchase apply to all – also future – business with our Suppliers for orders/purchases and other mandates provided that nothing to the contrary has been agreed in an individual agreement.
- 1.2. Contradicting or deviating terms and conditions of the Supplier are only binding for us if and to the extent we have acknowledged them in writing for the respective contract.

Article II. Award of the contract and acceptance

- 2.1. Only orders and agreements issued in writing are binding. Verbal orders or mandates awarded by phone require a written confirmation to have legal validity. The same applies to verbal side agreements or changes to the contract.
- 2.2. The Supplier must confirm the order immediately in writing. We are bound to the agreements in our orders for a maximum of 5 days after receipt of the order by our Supplier. The contract for delivery is concluded if we receive a written order confirmation of the Supplier in text form within this period. If the confirmation of the order deviates from our order, the deviating information only applies if it is expressly acknowledged and accepted by us in writing.
- 2.3. Offers are submitted to us free of charge.
- 2.4. The Incoterms in their currently valid version apply to the interpretation of trade terms.
- 2.5. In the event that the Supplier makes any statements about the originating status of the sold goods, the following applies:
 - a. The Supplier commits to facilitate the proof of origin by the customs authorities and to provide all information necessary for that purpose and to provide any possibly necessary certifications.
 - b. The Supplier must replace any damage arising from the failed acceptance of the stated origin on the part of the competent authorities caused by incorrect certifications or lack of verification possibilities, unless the Supplier is not responsible for these consequences.

Article III. Delivery dates and delay of delivery

- 3.1. The delivery dates agreed in the components of the contract (order, order confirmation) are binding and must be observed under all circumstances. The arrival of the goods at the destination is authoritative for timely delivery.
- 3.2. The Supplier must inform us about any delays in writing immediately after the delay becomes known indicating reasons and the expected duration of the delay.
- 3.3. In the event of delayed delivery, we are entitled to all statutory claims without limitations.
- 3.4. Independently hereof, we are entitled to demand payment of 0.5 of the net amount of the mandate for every week of delay, reserving the right to prove higher damage, but limited to 5 % of the net amount of the mandate starting from the first day of delay. The Supplier reserves the right to prove that we have incurred no actual damage or significantly less damage. This does not exclude the proof of damage exceeding the lump sum indicated in sentence 1.

Article IV. Delivery

- 4.1. The place of fulfilment is Schwaig, Germany, or the designated receiving agency.
- 4.2. Deliveries are to be made at the expense and risk of the Supplier. The risk is only transferred to us once the goods are accepted at the destination.
- 4.3. The Supplier must package the goods with due diligence and at its own expense. If the Supplier takes back the packaging, it is considered an obligation to be performed at the place of business of the debtor.
- 4.4. We do not accept partial deliveries unless we have expressly agreed to them.

Article V. Retention of title

- 5.1. Regarding the rights to retention of title of the Supplier, the terms and conditions of the Supplier apply with the proviso that the ownership of the goods is transferred to us upon payment and, correspondingly, forms of expanded or extended retention of title do not apply.
- 5.2. Based on the retention of title, the Supplier may only demand return of the goods if it withdraws from the contract.

Article VI. Execution of the contract, quality and acceptance

- 6.1. The Supplier carries out the orders using its own staff at its own place of business; relocation of production for reasons of quality in particular and for reasons of customs duty where applicable must be coordinated with us. The award of subcontracts is only allowed with our express written authorization. We are entitled to inspect the quality records of the production and quality control procedures pertaining to the delivered object at any time after prior notification.
- 6.2. The Supplier assures that the goods comply with the indicated specification sheets, relevant standards and are state of the art.
- 6.3. We reserve the right to inspect the goods immediately upon receipt for evident and clearly visible defects and to only accept them after such an inspection. In the event of complaints, the Supplier can be charged with the costs for inspection and the delivery of a replacement. For all kinds of defects, the period for making a claim is limited to 10 days from the day such defects are determined. The Supplier waives the right to object to belated notification of hidden defects during the warranty period. The timely dispatch of the notice of defects to the Supplier is sufficient to observe the deadline.
- 6.4. The values determined during the incoming goods inspection is binding for the dimensions, weight and quantity of the delivered items.
- 6.5. In the event of an agreed contractual penalty for delayed deliveries, the claim to the contractual penalty remains intact if it is not expressly enforced on acceptance or reserved. Any further claims also remain unaffected without expressing any specific reservation.

Article VII. Pricing and payment

- 7.1. The prices indicated in the order are, unless expressly agreed otherwise, fixed prices including packaging and are quoted free destination.
- 7.2. Invoices that do not indicate our full order data (order number, order date) are deemed not issued until they are clarified and/or corrected by the Supplier.
- 7.3. Payments are made, unless otherwise agreed, at our discretion either within 14 days from the date of delivery and receipt of the invoice deducting a 3 % discount or within 30 days from delivery and receipt of the invoice net.
- 7.4. Payment does not imply acknowledgement of proper fulfilment nor does it constitute a waiver of the liability of the Supplier for defects.

Article VIII. Warranty

8.1. The statutory regulations on warranty apply.

8.2. The obligation to inspect incoming goods only starts when the goods have been delivered to us or have been received by the indicated receiving agent together with the delivery note or packing slip. We only carry out the incoming goods inspection to determine damage and deviations in kind and quantity visible from the outside. We will issue a notice of defects for such shortcomings within a maximum of 10 days. We reserve the right to more detailed incoming goods inspections. Furthermore, we issue notices of defects within a maximum of 10 days as soon as they were identified in the course of orderly business practice (in particular during further processing or when put to use). The Supplier waives the right to object to belated notice of defect.

8.3. The period of limitation for our warranty claims is three years. The statute of limitations begins with the handover of the goods. With the notice of defect, the statute of limitations is interrupted, unless the Supplier refuses negotiations regarding the claim.

8.4. In events of force majeure or other events such as interruptions of operations or industrial action and stagnation of sales we are not responsible for, acceptance of delivery or performance may be postponed by up to 6 months; in this case no compensation for damage is owed, nor are storage costs. If compliance with the contract is not reasonable for us or the Supplier, the parties are entitled to withdraw.

8.5. Employees and vicarious agents of our Suppliers who access our premises to fulfil contractual obligations to deliver/perform are subject to the work regulations applicable to that area and/or shop regulations, which are made available for examination upon request.

8.6. The Supplier hereby already cedes to us – on account of performance – all claims it is entitled to from its own Suppliers arising from or in connection with the delivery of defective goods or goods that lack guaranteed properties. He will provide all documentation necessary to assert such claims.

Article IX. Samples, drafts, drawings, tools

Samples, drafts, drawings or similar that are handed over to the Supplier by us for use or that the Supplier has manufactured for us according to our specifications remain or become our property without separate remuneration and must be kept secret and confidential by our Supplier and may not be published, made accessible to third parties nor used for any purposes other than the execution of the order without our express written authorization. The Supplier is responsible for ensuring that neither any of its employees nor third parties instructed by him disclose this information without authorization and takes all reasonable precautionary measures to prevent such disclosure. Unless otherwise agreed, the Supplier must return them immediately after completing the order or in case of delay in delivery, suspension of payments or insolvency together with all copies and at no cost. There is no right to retention.

Article X. Intellectual property rights

The Supplier assures to the best of its knowledge that using the delivered goods does not violate any intellectual property rights, for example patented patterns and utility models, and other rights or business or trade secrets of third parties, not even in the country of use, provided that such rights exist in Germany. He exempts us from possible claims from third parties and bears all necessary expenses that arise to us in this context. The Supplier is not held liable if it manufactures the goods using our drawings and models exclusively without knowing or having to know that the production of such goods violates third-party rights.

Article XI. Processing of contracts

The order, item, and drawing number and the object of the order must always be indicated in the order confirmations, delivery notes, freight records, package addresses, invoices and in all correspondence. If the Supplier does not include or forbears this information, he will be deemed to be responsible for any resulting delays in the processing of the contract.

Article XII. Restrictions to set-off, limitation of the right to retention, cession

12.1. The Supplier is only allowed to set off receivables acknowledged by us or established as final and absolute. The Supplier only has a right to retention of receivables acknowledged by us or established as final and absolute. The same applies to defence by reason of non-fulfilment of contract.

12.2. The cession of claims against us is only valid with our written consent.

Article XIII. Place of fulfilment, place of jurisdiction and applicable law

13.1. The place of fulfilment for all deliveries and services is, unless otherwise agreed, Schwaig, Germany. The place of jurisdiction is the competent court for our place of business. However, we are also entitled to apply to the court that has jurisdiction over the Supplier.

13.2. The law of the Federal Republic of Germany applies.