

General Terms and Conditions of Payment and Delivery of Manfred Reiner Röhren- und Stahlhandel GmbH
Last updated January 2017

Section 1 Scope

1. These Terms of Sale apply only to entrepreneurs, legal persons under public law or special funds under public law within the meaning of Section 310 (1) German Civil Code [BGB]. For drop shipments, the terms and conditions of the price list of the commissioned supplier plant apply as well. We only accept provisions of the Customer that deviate from or contradict our Terms of Sale if we have expressly done so in writing.
2. These Terms of Sale also apply to all future business with the Customer, provided they are legal transactions of similar kind.

Section 2 Offer and conclusion of the contract

1. Insofar as an order is to be deemed an offer with binding effect as per Section 145 BGB, we are entitled to a two-week acceptance period.
2. In case of doubt, the Incoterms in their currently valid version apply to the interpretation of trade terms. Quality and dimensions are determined according to DIN, EN, and ISO standards and material data sheets; if there are none, then according to what is customary for the trade. References to standards, material data sheets, or factory certificates as well as indications of quality, dimensions, weight, and usability of the goods do not constitute any warranties or guarantees, neither do declarations of conformity, manufacturer statements, and marks such as CE and GS.

Section 3 Provided documentation

We reserve all ownership and intellectual property rights of all documents provided to the Customer upon order placement, for example calculations, drawings, etc. These documents must not be made accessible to third parties without our express written consent. If we do not accept the offer of the Customer within the time stated in Section 2, this documentation must be returned to us immediately.

Section 4 Pricing and payment

1. Unless otherwise agreed in writing, our prices are quoted ex works or ex warehouse excluding packaging, freight rates, import duties, and the currently applicable value added tax. Packaging costs are invoiced separately.
2. The purchase price must be transferred only to the account indicated overleaf. Discounts may only be deducted if there is a corresponding written separate agreement.
3. Unless otherwise agreed, the purchase price is due 10 days after delivery. Default interest is charged in the amount of 9 % above the respective base interest rate p.a. We reserve the right to the assertion of higher claims due to damage caused by default.
4. Provided that no fixed prices were agreed, we reserve the right to reasonable changes in pricing caused by changes in the cost of wages, material, and sales for deliveries occurring 3 months after conclusion of the contract or later. In particular, this applies in the event that levies and other third-party charges included in the agreed price change or arise to the corresponding amount as well as in case of drop shipments if and insofar as the prices or pricing components of the items to be delivered change in the time between the conclusion of the contract and delivery after the end of a 3-month period after conclusion of the contract.
5. If after concluding the contract it becomes apparent that our claim for payment is jeopardized by insufficient solvency of the Customer or if the Customer gets into arrears with a significant amount, or if any other circumstances arise that might lead to a deterioration of the financial circumstances of the Customer after the contract is concluded, we are entitled to the rights described in Section 321 BGB. In that case, we are also entitled to demand immediate payment of all receivables not yet due from the current business relation.

Section 5 Rights of retention

The Customer is only entitled to enforce a right of retention if the counter-claim arises from the same contractual relationship.

Section 6 Delivery time

1. Our supply commitment is subject to correct and timely supply on the part of our suppliers and in the case of import transactions also to the receipt of monitoring documents and import licences, unless we are at fault for the incorrect or delayed delivery.
2. The indicated delivery times are approximate. The period of delivery begins on the date we confirm the order and only applies if all details of the order are clarified and the Customer complies with all its duties in good time, for example the supply of all official certificates and permits, the presentation of letters of credit and securities, or making down payments. We reserve the right to raise objection to non-fulfilment of the contract.
3. Dispatching the goods from the factory or warehouse is sufficient for the observance of the deadline. If we cannot dispatch the goods for reasons we are not responsible for, the delivery is already considered as delivered on time with the notification of readiness for dispatch.
4. Circumstances amounting to force majeure entitle us to delay deliveries by the time corresponding to the duration of the impediment and a reasonable starting period. This also applies when any such events occur during an already existing delay. Circumstances amounting to force majeure include currency, trade and other sovereign measures, strikes, lock-outs, disruptions in operations not caused by us (for example fires, machine and roller breakage, lack of raw materials and power), obstructions on transport routes, delays caused by import/customs clearances and any other circumstances that, without us being at fault, significantly impede performance of delivery and services or render them impossible. It is irrelevant whether these circumstances occur at our location, at that of the supplier plant, or any other upstream supplier. If as a consequence of the aforementioned circumstances it is no longer reasonable to expect from one of the contractual parties to perform, the respective contractual party is entitled to withdraw from the contract.
5. Partial deliveries as well as excess or short deliveries by up to 10% are admissible.
6. If the Customer is in default of acceptance or culpably violates any other duties to cooperate, we are entitled to demand reimbursement of any damages incurred, including any additional expenses incurred. We reserve the right to further claims. Provided the aforementioned prerequisites are fulfilled, the risk of accidental loss or coincidental degradation of the goods is transferred to the Customer when default in acceptance or of debtor begins.
7. Other statutory claims and rights of the Customer caused by delays in delivery remain unaffected.

Section 7 Transfer of risk on dispatch

1. If the goods are sent to the Customer at its request, the risk of accidental loss or coincidental degradation of the goods, including seizure, is transferred to the Customer at the latest when the goods leave the factory/warehouse; this also applies to FOB, CIF, carriage paid, free house, and free delivered transactions. Whether the goods are sent from the place of performance or who is liable for the freight charges is irrelevant to the validity of the aforementioned provision. Unless instructed otherwise, we will select the forwarding agent or carrier. The Customer must pay for the dispatch costs including unloading. We only insure the goods if the Customer expressly instructs us to do so.
2. If dispatch is delayed by fault of the Customer, we will charge storage costs beginning one month after notification of readiness for dispatch, but at least 0.7 % of the invoiced amount per month, unless the Customer proves that the damage incurred was less. Further claims arising from default of acceptance remain unaffected.

The Customer must report any damage to goods in transit to the carrier or to any other person entrusted with transport immediately in writing.

The damage must be noted on the consignment note, the shipping mandate, or the delivery note and be signed by the delivering driver; alternatively, a damage protocol can be drawn up. If the goods are not retrieved as contractually agreed, we are entitled to invoice the goods as delivered upon expiration of a reasonable grace period. If the dispatch of the goods is delayed for reasons

attributable to the Customer, the risk is transferred when the Customer is notified of the readiness to dispatch. The goods are delivered without packaging and without rust protection. We only provide packaging, protection and/or transport material according to our experience and only upon request and at the expense of the Customer. In contracts with continuous deliveries, the Customer must provide calls and a delivery schedule of grades; otherwise we are entitled to determine these arrangements at our own discretion. If the individual calls exceed the total contractually agreed quantity, we are entitled to deliver the excess quantity, but are under no obligation to do so. We are entitled to invoice the excess quantity at the prices that apply at the time the call or the delivery is made.

Section 8 Retention of title

1. We reserve the right to retention of title of the delivered goods until all receivables arising from the delivery contract have been settled in full. This also applies to future deliveries, even if we do not expressly refer to this term. We are entitled to take the purchased goods back if the Customer is in breach of contract.
2. The Customer must handle the purchased goods with care as long as ownership has not been transferred yet. In particular, the Customer must sufficiently insure the goods against theft, fire, and damage caused by water at their original value and at its own expense (note: only admissible for the sale of high-grade goods). If maintenance or inspection work is necessary, the Customer must carry it out in time and at its own expense. As long as ownership has yet to be transferred, the Customer must inform us immediately in writing if the delivered object is seized or subject to any other interference from third parties. If the third party is not capable of reimbursing the judicial and extra-judicial costs of a legal action as per Section 771 of the German Code of Civil Procedure [ZPO], the Customer is held liable for the losses we incur.
3. The Customer is entitled to the resale of the goods subject to retention of title in the due course of normal business operations. The Customer hereby cedes all claims from the resale of goods subject to retention of title owed by the purchaser amounting to the final invoiced amount (including value added tax) agreed with us. This cession applies independently of whether the purchased goods are resold in their original state or have been further processed. The Customer remains entitled to collect any trade debts even after cession. Our entitlement to collect trade debts ourselves remains unaffected. However, we will not collect the trade debts as long as the Customer fulfils its financial obligations with the proceeds received, is not in default of payment and, in particular, has not filed an application for the initiation of insolvency proceedings or if there is no cessation of payment.
4. All processing, modification, or remodelling work of the purchased objects carried out by the Customer is always done in our name and on our behalf. In this case, the Customer's expectant right to the purchased object continues to apply for the remodelled object. If the purchased goods are processed together with other objects not owned by us, we acquire co-ownership of the new object in proportion of the objective value of our purchased object to that of the other objects used at the time of processing. The same applies for mixing. If the objects are mixed in such way that the object of the Customer is deemed the main object, it is hereby agreed that the Customer transfers proportional co-ownership to us and thereby preserves the arising sole ownership or co-ownership for us. To secure our claims against the Customer, the Customer will also cede any such claims to us that arise from the combination of the goods subject to retention of title with property owned by a third party; we hereby accept this cession.
5. We commit to release the securities we are entitled to upon request of the Customer provided that their value exceeds the secured claims by more than 20 %.

Section 9 Acceptance and weight

1. If acceptance has been agreed, it can only take place in the factory or in our warehouse immediately after notification of readiness for acceptance. The nature and scope of acceptance tests are determined by EN 10204 and the material standards. The costs for acceptance are based on the price list of the supplying factory. Any other testing costs are charged according to expenditure.

2. Regarding the weight of the goods, our weighing results or those of our supplier are authoritative. The weight slip is presented as proof of weight. To the extent permitted by law, the weight of products can be determined without weighing based on the pertinent standards. The marking ups and downs usual for steel trade in the Federal Republic of Germany (commercial weight) remain unaffected. The number of items, bales of material, etc. indicated on the dispatch note are non-binding for goods invoiced by weight. Differences from the calculated weight of individual items are distributed proportionally.

Section 10 Warranty and notice of defects as well as recourse/manufacturer redress

1. The prerequisite for rights of warranty of the Customer are that the Customer has duly complied with its duties of inspection and notification of defects specified in Section 377 of the German Commercial Code [HGB].
2. Liabilities for a determined purpose of use or a determined aptitude are only accepted if this was expressly agreed; otherwise, the risk of aptitude and use is carried by the Customer alone.
3. Claims for defects come under the statute of limitations 12 months upon handing over of the goods delivered by us to our Customer. This statutory period of limitation applies to claims to damages in cases of intent or gross negligence as well as in cases of injury to life, limb, and health attributable to wilful or negligent breach of contract by the user. Where longer periods are required by law as per Section 438 (1) no. 2 BGB (buildings and objects used for buildings), Section 479 (1) BGB (recourse claims), and Section 634a (1) BGB (defects of buildings), these periods apply. Our prior authorization is required for the return of goods.
4. If, in spite of all diligence taken, the delivered goods have a defect that already existed at the time risk is transferred, we will rectify the defect or deliver a replacement at our discretion, provided a notice of defect has been issued in due time. The Customer must always grant us the opportunity of supplementary performance within a reasonable period of time. Rights of recourse continue to be valid without limitations in spite of the aforementioned provision.
5. If supplementary performance fails, the Customer, without this affecting any possible claims to compensation of damage, is entitled to withdraw from the contract or to a reduction of the invoiced amount.
6. Claims of the Customer based on defects do not apply if the quality of the goods deviates only slightly from the contractual agreement, the usefulness is only impaired to an immaterial extent, in the event of natural wear and tear, and in the event of damages caused by incorrect or negligent handling after transfer of risk, excessive strain, inadequate equipment, poor construction work, inadequate building ground, or any other special external influences that are not presupposed in the contract. If the Customer or a third party undertakes improper maintenance work or modifications, the consequences of this action do not result in claims for damages.
7. Claims of the Customer arising from the necessary expenditure for supplementary performance, in particular costs for transportation, route expenses, work, and materials are excluded to the extent that the expenditure increases, because the goods delivered by us were subsequently brought to another location other than the place of business of the Customer, unless this alternative location corresponds to its intended use.
8. Recourse claims of the Customer against us only exist if the Customer has not made any agreements with its purchaser that go beyond the statutory claims for defects. Paragraph 6 applies accordingly to the scope of recourse claims of the Customer against the supplier.

Section 11 Supplementary provisions for export business

1. The parties will provide all information necessary to determine whether the export and/or import of goods is subject to any restrictions.
2. The Customer is solely responsible for export and import licences. We are not liable for missing required permits and licences and for the consequential impracticability of the delivery or delays in delivery. The same applies if the required permits and licences cannot be subsequently produced or are revoked. The provisions of Section 10 apply accordingly.

3. Should the contract not be feasible due to missing export and/or import licences, we are entitled to withdraw from the contract. In this case, we are also entitled to claim compensation for damages.

Section 12 Other provisions

1. This contract and the entirety of the legal relationships between the parties are subject to the law of the Federal Republic of Germany under exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG).

2. The place of fulfilment and exclusive jurisdiction for all disputes arising from this contract is our place of business, provided nothing else has been agreed in the order confirmation.

3. All agreements made by the parties regarding the execution of this contract are laid down in writing in this contract.