



## General Terms and Conditions of Purchase

### 1. Conclusion of contract

- 1.1 The contract between the contractor and the customer shall be based exclusively on the present General Terms and Conditions of Purchase. General terms and conditions of business of the contractor are hereby rejected.
- 1.2 Purchase orders, agreements and alterations shall only be binding if issued or confirmed by the customer in writing. Written correspondence must be conducted with the Purchasing Department. Agreements with other departments require the explicit written confirmation of the Purchasing Department in the form of an addendum to the contract, if these involve agreements regarding alterations of the points laid down in the contract.
- 1.3 The contractor must treat the conclusion of the contract as confidential. He may only name the customer as a reference for third parties, with the written consent of the customer.

### 2. Prices

- 2.1 The prices agreed are fixed prices and are to be understood as free-point-of-use, including packing and freight costs, and subject to the respectively applicable value added tax. If an "ex-works" or "ex-warehouse" price has been agreed, the customer shall only assume the most favourable freight costs. All costs incurred up until hand-over to the carrier, including loading and excluding carriage, shall be for the account of the contractor. The agreement concerning the place of performance shall not be affected by the form of pricing.
- 2.2 The customer reserves the right to accept over- and under-deliveries.

### 3. Trading clauses

INCOTERMS, in the version applicable at the time of conclusion of the contract, shall be applicable for the interpretation of the trading clauses.

### 4. Evidence of origin, turnover tax law evidence, export restrictions

- 4.1 The contractor shall provide evidence of origin, requested by the customer, immediately, including all necessary information and correctly signed. The same shall apply for turnover tax law evidence for international and intra-Community deliveries.
- 4.2 The contractor shall inform the customer without delay if a delivery is subject to export restrictions, either in part or in full, under German law or any other law.

### 5. Deadlines, delays

- 5.1 If the contractor recognises that the agreed deadlines cannot be adhered to for any reason, he must advise the customer of this without delay. The obligation to adhere to the agreed deadlines shall remain unaffected.
- 5.2 In the event of default by the contractor, the customer can, following fruitless passing of an appropriate period of grace set by him, have the delivery, not yet performed by the contractor, carried out by a third party at the expense of the contractor. As an alternative to this, the customer can withdraw from the contract, following fruitless passing of an appropriate period of grace set by him.
- 5.3 The statutory regulations shall apply in extension of the rulings made in the above paragraphs.

### 6. Quality

- 6.1 The delivery must feature the agreed specifications and conform to the relevant laws, ordinances, guidelines and standards concerning technical safety, industrial and health safety, environmental protection and fire prevention.
- 6.2 The contractor must always base the quality of his products, to be delivered to the customer, on the latest state of technology, and must draw the attention of the customer to opportunities for improvement and technical alterations.

### 7. Warranty

- 7.1 The warranty period is 2 years following delivery. The warranty period for reserve parts and for merchandise, identified especially as such in the contract, is 2 years following commissioning or following delivery to the customer, and shall end at the latest 30 months after delivery to the customer.

- 7.2 The contractor must remove defects free of charge – including subsidiary costs – through repair. If this is not possible, or if the customer cannot be reasonably expected to accept repaired parts, the contractor must replace the defective parts with perfect parts, free of charge.
- 7.3 In urgent cases, or in the event of the contractor defaulting on the removal of defects, the customer can carry out the necessary measures himself at the expense of the contractor, or have these carried out by a third party. The customer shall notify the contractor prior to carrying out the measures. Should this not be possible, in urgent cases the measures necessary for avoiding damage can be carried out without prior notification; in such cases, the customer shall make retrospective notification without delay. The warranty obligation of the contractor shall remain unaffected. Excepted from this ruling are defects attributable to measures carried out by the customer or a third party.
- 7.4 If removal of defects is not possible, or unreasonable for the customer, the customer can demand cancellation of the contract or a reduction in the selling price.
- 7.5 The warranty entitlement shall become statute-barred 6 months following notification of the defects, at the earliest, however, upon expiry of the warranty period.
- 7.6 The statutory regulations shall apply in extension of the rulings made in the above paragraphs.

### 8. Drawings, design documents, tools

- 8.1 Drawings and other documents, devices, models, tools and other means of production, handed over to the contractor, shall remain the property of the customer. Ownership of tools and other means of production, paid for by the customer, shall pass to the customer.
- 8.2 The above mentioned items must not be scrapped or made accessible to third parties – for example for production purposes – without the written consent of the customer. They must not be used for purposes other than those agreed by contract – e.g. for delivery to third parties. During performance of the contract, the contractor must store these carefully for the customer at his own expense.
- 8.3 The care, maintenance and renewal of parts with regard to the above mentioned items, shall be based on the respective agreements made between the customer and the contractor.
- 8.4 The customer reserves all rights to drawings or items produced on the basis of his specifications, as well as to processes developed by him.

### 9. Payment

- 9.1 The customer shall pay within 14 days following delivery and receipt of invoice, with 3% settlement discount, or by the end of the month following delivery and receipt of the invoice. If premature deliveries are accepted, the due date for payment shall be based on the agreed delivery date.
- 9.2 Payments by the customer shall not constitute any acceptance of the settlement statement.
- 9.3 Claims of the contractor from the present contract can be assigned to third parties with the written consent of the customer.
- 9.4 The customer can offset all claims of the contractor against him, with the claims to which he, Salzgitter AG, Thyssen Krupp Stahl AG, Vallourec S.A., or those German companies, in which the above mentioned companies have a direct or indirect majority participation, are entitled against the contractor. Upon request, the customer shall provide the contractor with details of the individual Group companies covered by this ruling.

### 10. Place of performance, partial invalidity, place of jurisdiction, applicable law

- 10.1 Place of performance for deliveries is the place of use, for payments the legal domicile of the customer.
- 10.2 In the event of the invalidity of individual provisions of the contract, the other provisions shall remain binding.
- 10.3 Place of jurisdiction is the seat of the court generally responsible for the customer. The customer can, however, also take legal action against the contractor at the contractor's general place of jurisdiction.
- 10.4 In extension of the contractual provisions, exclusively the authoritative law of the Federal Republic of Germany, governing the legal relations between German parties, shall apply.