

Terms and conditions of sale and delivery

Deliveries of Metallhandelsgesellschaft Schoof & Haslacher mbH & Co. KG (hereinafter "MHG") to companies in the meaning of Section 14 BGB [*Bürgerliches Gesetzbuch* = German Civil Code] (hereinafter "customer") are performed based on the following General Terms of Delivery (hereinafter "GTD") unless otherwise agreed in writing between MHG and the customer on a case-by-case basis based on an offer and the acceptance thereof (hereinafter "individual performance agreement").

Section 1

General Provisions

- (1) Terms and conditions of business or delivery of the customer only apply towards MHG if MHG has approved them in writing waiving explicitly the application of the GTD. The GTD also apply exclusively if MHG performs the services without reservations in the knowledge of contrary general terms of business or purchase of the customer. These GTD also apply to future purchase orders of a business relationship established with reference to these GTD even if MHG does not explicitly refer to them before or upon conclusion of an individual delivery agreement.
- (2) Ancillary and additional agreements, quality specifications regarding the objects of delivery, guarantees of quality or durability and other agreements made or concluded before, upon or after conclusion of a delivery agreement are not valid unless made in writing.
- (3) All offers of MHG are subject to change and non-binding. MHG may accept offers or purchase orders of the Customer within two weeks upon receipt by MHG.

Section 2

Prices

- (1) The prices stipulated in an individual performance agreement apply one month after their calendar date. Afterwards, MHG may forward an increase in prices by means of a written declaration not later than one week before delivery if (i) customs rates or applicable tax provisions change or (ii) the prices of upstream suppliers change. In such a case of price adjustment, the customer may withdraw from the individual performance agreement until delivery but not later than one month after communication of the price increase if the price increase is more than 5 % towards the stipulated price.
- (2) The stipulated prices are exclusive of the relevant applicable statutory value-added tax.

Section 3

Condition of payment

- (1) Upon request of MHG, the customer will take all reasonable efforts in order to support MHG with the insurance of any and all claims for payment of MHG towards the customer with a credit insurance company selected by MHG.
- (2) Deliveries for which no insurance protection according to the above para. 1 is in place are effected against advance payment or cash on delivery at the election of MHG.
- (3) In case of deliveries which are not effected against advance payment or cash on delivery, payment must be effected within 14 days after receipt of the invoice unless otherwise agreed between the parties. Then, the customer will be in default without an explicit reminder being required.
- (4) The customer may solely offset against claims which are undisputed or established in law.
- (5) Monetary debts of the customer are subject to interest with nine percentage points above the relevant applicable base interest rate from the beginning of default. Further claims remain unaffected by this.
- (6) Payments must basically be effected in Euro cash or via bank transfer. Representatives, commercial agents, sellers etc. who are not shareholding managing directors are not authorized to accept payments or acknowledge receipt thereof without special written authorization. Bills of exchange and cheques are only accepted on account of payment/performance and not in lieu of payment/performance.

Section 4

Delivery, delivery dates and default

- (1) Unless otherwise agreed in the individual performance agreement, deliveries will be effected according to Incoterms 2010 EXW. The risk passes to the customer upon provision of the goods for collection at the place of storage and notification of the customer. The customer transports the goods completely at their own expense and exempts MHG from any transport and handling costs unless otherwise provided for in the individual performance agreement.
- (2) The performance obligations under an agreement between the parties, in particular MHG's obligation to deliver goods and the customer's obligation to pay the price agreed in this respect must be met at the company seat of MHG. If MHG agrees to perform the delivery of goods in the individual performance agreement, this means only that MHG assumes the costs of delivery, Section 269, para. 3 BGB. This does not mean a change of the place of performance or the acceptance of risk.
- (3) Delivery dates are non-binding unless they are expressly agreed as binding in writing in the individual performance agreement or the customer's reasonable expectation in connection with the delivery date specified by MHG make it binding in consideration of the circumstances of the individual case. In case of binding delivery dates, MHG will further only be in default if the delivery is due, the customer has already set a reasonable written grace period to MHG without success and MHG has caused the delay.
- (4) Compliance with binding delivery dates by MHG requires the timely performance of all collaborative action of the customer and compliance with the stipulated terms of payment and the further obligations of the customer. If these requirements are not met in due time, the binding delivery dates will be postponed correspondingly and reasonably.
- (5) If the non-compliance with delivery dates is due to force majeure, e.g. mobilization, war, riots or similar events, in particular strike or lock-out, the stipulated delivery periods will be extended reasonably.
- (6) **MHG reserves the timely and correct self-delivery regarding all deliveries.** MHG will immediately inform the customer about a late or incorrect self-delivery and the estimated duration of the delay in delivery in this connection.
- (7) In case of a late or incorrect self-delivery, MHG may also withdraw from the relevant performance agreement if MHG has informed the customer immediately about the non-delivery or incorrect delivery and reimburses the customer immediately for any consideration already provided by the customer.
- (8) If the dispatch or delivery are delayed by more than one month after notification of readiness of dispatch and delivery upon request of the customer, storage fees in the amount of 0.5 % of the price of the objects of the deliveries, however, limited to a total of 5 % of the stipulated prices may be charged to the customer for each commenced month on a flat-rate basis. Evidence for higher or lower storage costs or the claim of damages by MHG remains unaffected.

Section 5

Retention of title

- (1) MHG shall hold sole title to the goods to be delivered until all claims of MHG vis-à-vis the customer under the business relationship are fulfilled (expanded retention of title). If the value of all security rights to which MHG is entitled exceeds the amount of all secured claims by more than 20 % (excess security), MHG will release a part of the securities which corresponds to the value of the excess security upon request of the customer.

- (2) The customer may sell or process the goods subject to retention of title in the ordinary course of business. Attachments or transfers by way of security are not allowed. The claims arising out of the resale or any other legal ground (insurance, tort) regarding the goods subject to retention of title (including any and all claims for the balance of the current account) are assigned to MHG by the customer already now in full by way of security (extended retention of title). MHG authorizes the customer in a revocable manner to collect the assigned claims on account of MHG in its own name. This collection authorization can only be revoked if the customer does not properly comply with their payment obligations. With respect to the above-specified assignment of claims, the purchaser may demand release of the granted securities (reassignment) from MHG as far as the value of the securities exceeds the secured claims by more than 20 %.
- (3) The processing, remodelling, combination or installation of goods subject to retention of title will always be performed by the customer on behalf of MHG as manufacturer. If the goods subject to retention of title are processed into a new product or combined or inseparably mixed with other goods not belonging to MHG, MHG will acquire co-ownership of the new object in accordance with the ratio of the value of the goods subject to retention of title to the other processed or mixed objects at the time of processing or mixing. The rights of MHG to the goods subject to retention of title continue to exist in the new object; the customer will keep the sole or co-ownership of MHG in this object free of charge for MHG.
- (4) If third parties access the goods subject to retention of title according to the above para. 3, in particular in case of attachments, the customer will refer to the ownership or co-ownership of MHG and inform MHG immediately so that MHG can assert their rights of ownership.
- (5) Upon written request of MHG, the customer will at all times mark all objects subject to retention of title, i.e. the goods subject to the retention of title and objects in which MHG has at least co-ownership under para. 3 as ownership or co-ownership of MHG.
- (6) In case of violations of obligations of the customer, in particular default of payment, MHG may withdraw from the agreement after unsuccessful expiry of a reasonable grace period for performance set to the customer and take back the goods subject to retention of title or the goods to which MHG's ownership under the above para. 3 relates.

Section 6

Claims for material defects and defects in title

- (1) The customer must check the deliveries for completion, compliance with the shipping documents and defects immediately and as customary in the industry. If a written complaint is not made within five days after the date of the delivery note, the object of delivery is deemed delivered properly and completely unless in case of a defect which could not be identified during a customary inspection.
- (2) MHG guarantees that the objects of delivery do not have any essential defects upon transfer of risk and that they are suitable for the intended purpose required according to the individual performance agreement. Deviations from measures, weights and goods agreed in the individual performance agreement are in particular not deemed defects if they are deemed admissible according to applicable customs and the practices and classifications of the metal trade, published by the Verband Deutscher Metallhändler e.V. (Association of German Metal Merchants, VDM) (Usancen und Klassifizierungen des Metallhandels (Usances and Classifications of Metals Trade, UKM 2002/1988)), in the "Handelsüblichen Bedingungen für die Lieferung von legiertem Eisen und Stahlschrott" (General conditions regarding the deliveries of alloyed steel and ferrous scrap) or the "Handelsüblichen Bedingungen für die Lieferung von unlegiertem Stahlschrott" (General conditions regarding the deliveries of unalloyed ferrous scrap) published by the Bundesvereinigung Deutscher Stahlrecycling- und Entsorgungsunternehmen e.V. (Federal Association of German Steel Recycling and Disposal Companies, BDSV) in the scope specified therein. There are no claims for damages in case of minor deviations from the stipulated quality, minor impairment of the usability, natural wear or damages which arise upon transfer of risk due to incorrect or negligent treatment by the customer or the customer's performing agents.
- (3) If the customer has warranty claims, the customer is at first only entitled to subsequent performance within a reasonable period of time. At the election of MHG, the subsequent performance includes either subsequent improvement or the delivery of replacement goods. The customer's interests will be

taken into account reasonably when exercising this right of election. Only if the subsequent performance fails or cannot be performed for other reasons, the customer may reduce the remuneration, withdraw from the individual performance agreement and/or claim damages or reimbursement of expenses under the legal provisions. The exercise of a right of election for claims for damages to which the customer is entitled within a reasonable period of time (not later than 14 calendar days) is up to the customer.

- (4) Claims for material defects and defects in title become time-barred twelve months after the start of the legal period of limitation. This does not apply as far as the law according to Sections 438, para. 1, no. 2, 479, para. 1 and 634 a, para. 1, no. 2 BGB prescribes longer periods and in cases of injury to life, body or health, in case of an intentional or grossly negligent violation of duties of MHG and fraudulent concealment of a defect. The legal regulations regarding suspension of limitation, suspension and recommencement of periods remain unaffected.

Section 7

General liability of MHG and limitation

The following applies to claims for damages of the customer for whatever legal ground:

- (1) MHG is always liable towards the customer (i) for damages caused by MHG or their legal representatives or performing agents in an intentional or grossly negligent manner, (ii) under the German Product Liability Act and (iii) for injuries to life, body or health for which MHG or their legal representatives or performing agents are responsible.
- (2) In case of slight negligence, MHG is not liable unless MHG itself has violated an obligation that has to be met for the proper performance of the agreement and on the compliance with which the customer may regularly rely on (cardinal duty). This liability is limited to the foreseeable typical contractual damage for property and pecuniary damages. The liability according to the above para. 1 remains unaffected.
- (3) Claims for damages become time-barred within one year after the start of the legal period of limitation. The legal periods remain unaffected in case of an intentional or grossly negligent violation of duties of MHG and in case of injury to life, body or health.
- (4) The above-specified regulations apply correspondingly to claims for reimbursement of expenditure of the customer towards MHG.

Section 8

Other conditions

- (1) All contractual and performance relationships between MHG and the customer and their conclusion, implementation, termination or interpretation are governed by German substantive law under exclusion of German Private International Law. The United Nations Convention on the International Sale of Goods (CISG) does not apply.
- (2) Should any provision of an individual performance agreement be or become invalid, this shall not affect the validity of this performance agreement unless sticking to the performance agreement would constitute an unreasonable hardship for one of the parties.
- (3) The customer will comply with the import and export provisions applicable to the services in an autonomous manner. In case of cross-border services, the customer bears all applicable customs, fees and other charges. Unless explicitly agreed otherwise, the customer will handle statutory or official processes in connection with cross-border deliveries or services autonomously.
- (4) The content of the individual performance agreement supersedes all previous declarations of MHG with respect to the object of performance of the individual performance agreement.
- (5) The place of jurisdiction for each litigation arising out of or in connection with an individual performance agreement (regarding the delivery of goods by MHG to the customer) – also with respect to their conclusion and termination – with a merchant, a legal entity under public law or special funds under public law is the company base of MHG, Munich. This does not apply to legal successors or insurance companies of the customer unless the latter had agreed to the stipulated place of jurisdiction.
- (6) Within the framework of the purpose of this agreement and/or the supply agreement, MHG shall have the right to collect, save and process all personal data which they receive and/or to transfer this task to third parties.