

(July 2009 version)

General Terms and Conditions of Purchase of DWK Drahtwerk Köln GmbH

I. General Terms and Conditions of Purchase of DWK Drahtwerk Köln GmbH

I. Applicability

1. Unless otherwise agreed in writing, the legal relationship between Supplier and Purchaser shall be governed by the following terms and conditions.

 Conflicting terms and conditions.
Conflicting terms and conditions of the Supplier shall only apply if they have been expressly acknowledged by the Purchaser in writing. This shall also apply if the Purchaser does not expressly object to the conditions contained in the offer letter or in the order confirmation or to which reference is made. Acceptance of the delivery or service does not imply the Purchaser's agreement with the Supplier's General Terms and Conditions. 3. Otherwise, the statutory provisions shall apply

II. Order

Only orders placed in writing are legally binding. Verbal agreements must be confirmed in 1. writing by the Purchases.

2. Each order must be confirmed in writing by the Supplier without delay. If the confirmation is not sent within 2 weeks of the order date, the Purchaser shall no longer be bound by the order.

III. Prices

The agreed prices are fixed prices and include, unless otherwise agreed in writing, free delivery to the delivery point specified in the order

IV. Shipment

Unless otherwise agreed in writing, the goods shall be dispatched to the delivery point specified in the order free of charge. The risk of transport, freight and ancillary costs shall be borne by the Supplier. In the event of an agreed acceptance, for which the Supplier bears the

costs, the risk shall not pass until the acceptance. 2. Shipping documents in duplicate shall be submitted to the Purchaser for each consignment immediately upon dispatch. The dispatch notes must contain exact details of the contents, listing the individual weights, items, etc. Dispatch notes, delivery notes, wagon stickers and all correspondence must show the order number and the delivery point. In addition, the gross, tare and net weights, the prescribed note for the place of unloading must be included on the wagon label. The declaration of the goods in the waybills must be made in accordance with the Harmonised List of Goods (NHM).

3. Partial deliveries, if permitted by the Purchaser, shall be marked as such in the shipping documents

4. The Supplier or its representative must have the correct receipt of all consignments certified by the place of delivery. Any deliveries to a delivery point other than the one specified by the Purchaser in the order shall not result in a transfer of risk even if this point accepts the delivery. 5. In the case of deliveries which are not carriage paid, all shipping costs up to the point of dispatch, in particular expenses and cartage, shall be borne by the Supplier; the shipment shall be effected at the freight rate most favourable to the Purchaser, otherwise the Purchaser deducts the difference

All costs incurred as a result of non-compliance with these shipping instructions shall be borne by the Supplier

V. Packaging

Packaging shall only be paid for by the Purchaser if payment has been expressly agreed in writing

 The packaging may be returned at the Supplier's expense and only if the relevant information is clearly stated on the delivery documents; if there is no such information, the packaging material will be immediately destroyed at the Purchaser's premises and the Supplier's claim for return expires.

VI. Invoicing and payment

1. Invoices shall be submitted in one single copy, separately – i.e. not with the consignment – partial invoices shall be marked as such. Invoices must contain the order number, the order date

and the account number specified in the order. 2. For invoices received by fax, access is only possible via fax number 0221/9672299, in order to aid and speed up verification processes.

Invoices received by e-mail will not be accepted

 Payment of the invoice shall be made after receipt of the goods or service rendered and receipt of the verifiable invoice either within 14 days with a 3% discount or at the end of the month following receipt of the goods or service rendered and receipt of the invoice in the means of payment chosen by the Purchaser. In particular, the Purchaser reserves the right to make payments in cash, cheques or bills of exchange. When bills of exchange are presented, discount charges shall be reimbursed on the basis of the base interest rate, calculated after the date on which the bill is presented.

II. Shipping conditions

VII. Group offsetting clause

On the basis of the authorisation granted to Saarstahl AG, Völklingen, Saarschmiede GmbH Freiformschmiede Völklingen, Drahtwerk St. Ingbert GmbH, St. Ingbert, Saar-Bandstahl GmbH, Völklingen, Drahtverk Luisenthal GmbH, Völklingen, Saar-Blankstahl GmbH, Homburg, Saarstahl Export GmbH, Düsseldorf, Metallurgische Gesellschaft Saar mbH, Völklingen, Saarlog – Saarstahl Speditions- und Logistik GmbH, Völklingen, in which the Purchaser or its majority shareholder directly or indirectly holds a majority interest, the Purchaser shall be entitled to offset the Supplier's claims against claims to which one of these companies is entitled against the Supplier, for whatever legal reason, regardless of the legal basis.

VIII. Warranty claims

1. 2.

The delivery and service must correspond to the agreed quality upon transfer of risk. For all deliveries and services, the Supplier must comply with the applicable statutory, official, trade association and other regulations. 3. The Purchaser shall notify defects in the supplies and services as soon as they are

discovered in the ordinary course of business; to this extent the Supplier waives the objection of late notification of defects (§ 377 HGB).

 The Purchaser's rights shall be governed by the statutory provisions. Unless the law contains a longer provision, these shall expire two years after handover or after delivery. If acceptance has been agreed for the delivery and/or service, the limitation period shall commence upon acceptance. In addition, the following applies: If the Supplier does not fulfil its obligation to remedy the defect despite a reasonable grace period, the Purchaser is entitled to remedy the defect itself and to demand reimbursement of the necessary expenses, unless the Supplier – without prejudice to § 275 II, III BGB - refuses to remedy the defect due to disproportionately high costs. Otherwise, § 637 BGB shall apply mutatis mutandis.

IX. Assignment, transfer of the execution of the contract

1. Without the express written consent of the Purchaser, which may not be unreasonably withheld, the Supplier may neither transfer its rights nor its obligations from the order in whole or in part to third parties nor allow them to exercise them.

§ 354a HGB remains unaffected. 2.

X. Delivery Date

The delivery dates agreed with the Purchaser must be adhered to; the receipt of the goods at the place of delivery specified in the order is decisive for adherence to the delivery date. In the event of non-compliance with the delivery date, the Purchaser shall be entitled to withdraw from the contract after setting a reasonable grace period or, if a culpable breach of duty exists, to claim damages instead of performance. This shall not affect the right to claim damages for delay for A premature delivery only affects the payment period linked to the scheduled delivery date if

this has been expressly agreed.

If, in cases of force majeure, strike or lockout, it becomes impossible or considerably more 3. difficult for the Purchaser to fulfil its contractual obligations, the Purchaser may cancel the contract in whole or in part or demand performance at a later point in time without the Supplier incurring any claims against the Purchaser.

XI. Place of performance, place of jurisdiction, application of German law

Place of performance for the delivery or service is Cologne. 1.

2. The place of jurisdiction shall be the court responsible for the Purchaser or, at the Purchaser's discretion, the general place of jurisdiction of the Supplier.

German law shall apply to all legal relationships between the Purchaser and the Supplier.

XII. General

1. If insolvency proceedings are opened against the assets of a contractual partner or if an application for the opening of insolvency proceedings is rejected for lack of assets or if the insolvency court orders security measures after filing an insolvency application, the other contractual partner shall be entitled to withdraw from the contract with regard to the unfulfilled part. 2. In the event of the legal invalidity of individual parts, these conditions shall remain fully effective. The ineffective parts shall be replaced by provisions which are as similar as possible in terms of economic success

The business relationship existing with the Purchaser may only be advertised with its written consent

Delivery only to the central goods receiving department Mon-Thu from 7:00 a.m. to 2:00 p.m.. Fri from 7:00 a.m. to 12:00 p.m. On all delivery notes, specify our order no. and the order item or our material number.

1. Shipping instructions

Unless otherwise specified in the text:

Carriage forward up to 20 kg 3. Dispatch note

For each consignment, a dispatch note and invoice must be sent to us by separate post on the day of dispatch. Dispatch note and invoice must bear the order number.

Readiness for dispatch of DWK Drahtwerk Köln GmbH from 20 kg Phone (0221) 9672-258. Fax (0221) 9672-212 Please indicate our order and part number! Free shipping - by rail: Köln-Deutz Station, self collection: by shipping company: free delivery to

rail freight/mail

point of use

2. Shipping instructions

Unless expressly stipulated otherwise: DWK Drahtwerk Köln GmbH, D-51063 Cologne (Mülheim, Germany) for wagon shipments to the plant Cologne-Mülheim (wire factory)

for express shipments

Station: Cologne-Mülheim – Connection

for individually packaged goods shipments

for truck shipments

Station: Cologne-Mülheim

Köln-Mülheim, Schanzenstraße 40 Köln-Mülheim, Schanzenstraße 40