

**Engl. Übersetzung Allgemeine Einkaufsbedingungen DEUMU**  
**Special Conditions for Steel Scrap, Stainless Steel Scrap, Non-Ferrous Metal Scrap**

The conditions of acceptance are laid down in the relevant and effective "Handelsübliche Bedingungen für die Lieferung von unlegiertem Eisen- und Stahlschrott" (Commercial Conditions for the Supply of Unalloyed Iron and Steel Scrap) and/or in the relevant and effective "Handelsübliche Bedingungen für die Lieferung von Gussbruch und Giesereistahlschrott" (Commercial Conditions for the Supply of Cast Iron Scrap and Cast Steel Scrap).

Declaration regarding to the exemption from explosives: By accepting this Purchase Order, you (the Supplier) declare, that the scrap to be supplied has been checked by you for the presence of explosives, for the presence of objects, that might give rise to the suspicion of being explosive, and for the presence of closed hollow bodies.

As a result of this examination, you (the Supplier) hereby assure to the best of your knowledge and belief, that the scrap to be supplied under this agreement is free of explosives, free of objects that might give rise to the suspicion of being explosive, and free of closed hollow bodies.

## **GENERAL TERMS AND CONDITIONS OF PURCHASE (AE) issued by DEUMU Deutsche Erz- und Metall-Union GmbH**

**Status: January 2019**

### **1. Application**

(1) Our Purchase Orders shall solely be subject to the following General Terms and Conditions of Purchase (AE). Any other terms and conditions quoted in the offer or in the Order confirmation of the Supplier, and which are inconsistent with the AE, shall only apply in case of our express acceptance in writing, even if we have not directly objected to them. The execution of our orders includes the unrestricted acceptance of our AE.

(2) Unless expressly otherwise agreed, and unless interfering with our AE, the current editions of the following rules shall apply to the relevant products:

- a) For scrap trading (with the exception of section 1 paragraph 2 c): the "Handelsübliche Lieferbedingungen für die Lieferung von unlegiertem Eisen- und Stahl schrott (Kölner Abkommen)" (Commercial Conditions for the Supply of Unalloyed Iron and Steel Scrap; (Cologne Agreement));
  - b) For metals trading: the "Geschäftsbedingungen des deutschen Metallhandels" (Trading Conditions of German Metal Merchants);
  - c) In trading with foundries: the "Handelsübliche Bedingungen für die Lieferung von Gussbruch und Gießereistahlschrott (Düsseldorfer Abkommen)" (Commercial Conditions for the Supply of Cast Iron Scrap and Cast Steel Scrap; (Düsseldorf Agreement)).
- (3) Trade terms shall be interpreted in accordance with the Incoterms in the version valid at the time when the contract is signed.

### **2. Purchase Orders**

Orders or agreements shall only be binding if quoted or confirmed by us in writing. They shall be deemed to be

accepted without alteration unless we receive a contrary statement within 10 days. The same shall apply to the enactment of supplementary agreements.

### **3. Prices**

The prices as set forth in our Purchase Orders shall be authoritative and shall constitute fixed prices. Prices shall be understood as free delivered station. We will neither bear freight nor any other charges.

### **4. Packing**

Packing shall be taken back by the Supplier free of charge in accordance to the German Ordinance on Packing (Verpackungsverordnung). Differing agreements require our written confirmation.

### **5. Dispatch**

Any dispatch documents shall also include the Purchase Order number and the reference and issuing advice. All costs caused by the misdirection of consignments shall be borne by the Supplier: the minimum amount charged by us in this instance equals 25 Euro.

### **6. Force Majeure and Other Obstructions**

Any occurrences of Force Majeure shall entitle us to suspend fulfilment of our obligations for the duration of the hindrance and for an adequate period thereafter in order to allow operations to recommence. In case the fulfilment of the contract becomes unreasonable for one of the parties, this party may then insofar recede from the contract. Any conditions which seriously interfere with or cause impossibility of our obligation to take delivery, such as, without being limited to, currency, trade or governmental restrictions or regulations, strikes, breakdown or partial failure of plant or machinery, lack of raw materials or power, and interruptions of traffic infrastructure, irrespective of whether such conditions arise

at our works or at the works of third parties, shall be treated equal to Force Majeure.

#### **7. Delivery Dates, Limitation of Action for Claims**

(1) Delivery dates shall be binding. We shall be informed immediately of delays in deliveries, stating the reasons for such delays. The legal provisions shall apply on delay in delivery. An agreement upon the period wherein subsequent performance (Nacherfüllung) is to be carried out shall have the same legal effect as the fixing of a period to carry out subsequent performance.

(2) The regular limitation period regarding contractual claims for performance shall be 3 years, this period starting with the formation of the contract.

#### **8. Advice Notes**

When each consignment is dispatched we shall be sent an advice note, which must reach us before the consignment arrives. The advice note must show a detailed list of the contents of the delivered goods, specifying the quantity, dimensions, weight, types and analyses together with our Purchase Order number. Freight papers according to normal trade practice shall be enclosed with every delivery. We shall not be obliged to accept deliveries without the entire transport documents.

#### **9. Invoicing and Payment**

(1) Invoices shall be sent to us in triplicate after delivery of the goods. In case of monthly supplies the invoice shall be submitted to us at the latest by the third working day of the month following delivery. Only the quantities, dimensions, weight, sorts and analyses as they have been determined upon receipt of the consignment shall be authoritative for invoicing purposes. Incontestable evidence of the weight shall be provided by the weighing slip of the consignee, even insofar as this evidence consists of a data printout.

(2) If no other agreement is made, we shall settle our payments in the second half of the month following delivery, provided that the invoices have been presented by the date mentioned above.

(3) If a payment is settled before due date, we shall deduct a discount from the amount payable. The discount is a net sum plus value added tax.

(4) In case we render deposits or advanced payments for our Purchase Orders, the merchandise ordered shall already be assigned to us by way of security at the time of sorting out or allocation; we shall at any time be entitled to demand additional or other adequate securities.

(5) In case of our default in payment we shall pay interest on the pecuniary claim at an interest rate of five percentage points above base interest rate according to section 247 German Civil Code (Bürgerliches Gesetzbuch); any further claims shall be excluded.

#### **10. Group Clearing Clause**

(1) We shall be entitled, in agreement with all companies belonging to the Salzgitter Group, to set off all claims which are due to us against the Supplier, and to set off all claims which the Supplier may, on any legal ground whatsoever, have against us, against Salzgitter Aktiengesellschaft or against its affiliated companies.

(2) This shall apply even when cash payment on the one

side and on the other side payment by bills of exchange or other kinds of performance on account of performance have been agreed to. If necessary, these agreements shall only refer to the balance. If the debts fall due at different times, then settlement shall be on a value date basis.

(3) Affiliated companies of the Salzgitter Aktiengesellschaft are identified by the wording "Ein Unternehmen der Salzgitter Gruppe" (A company of the Salzgitter Group) on their letter sheets. Securities which exist for us or for one of the above-mentioned companies shall also guarantee the claims of all these companies.

#### **11. Proof of Origin, VAT Documents, Export Control**

(1) If requested by us, the Supplier shall as soon as possible hand over to us proofs of origin; the Supplier shall fill in any necessary data and shall properly sign these proofs of origin. Documents referring to Value Added Tax purposes for third country and intracommunity supplies shall be subject to the corresponding obligations.

(2) The Supplier shall inform us immediately if the consignment is -wholly or partly -subject to export restrictions according to German or other Law.

#### **12. Assignment, Contract Transition, Company Amendments**

(1) The Supplier shall not be allowed to assign neither wholly nor partly - claims against us to third parties without our express, prior and written approval.

(2) Approval to assignments due to a prolonged retention of title is issued in anticipation subject to the proviso that we reserve all those rights against the assignment beneficiary, which we would hold against the Supplier if no assignment had been made. We will not accept authorized collections.

(3) The Supplier shall not be allowed to transfer the performance of his contractual obligations - neither wholly nor partly -to third parties without our express, prior and written approval. In case such approval has been expressed, the Supplier will stay liable to us as joint debtor.

(4) The Supplier shall give immediate notification to us regarding to any transfer of contract by act of law or to any change of the firm name.

#### **13. Offsetting and Retention by the Supplier**

(1) The Supplier may only set off either against uncontested claims or against claims that have become *res iudicata*.

(2) Rights of retention shall only be applicable for the Supplier as far as these rights are based upon the same contractual relationship.

#### **14. Warranty for Defects**

(1) Any and all deliveries and services must at the time of passing of the risk correspond to the conditions as stipulated in the contract, and must fit the purpose of use as assumed by the contract or, otherwise, fit the common purpose of use. Furthermore, they have to correspond to the conditions as listed in section 1 above, to the effective standards and any and all legal and sub-legal provisions being effective at the place of fulfilment.

(2) As far as waste is the subject of delivery, the Supplier

- as the case may be, in addition with the producer and carrier - shall be liable to secure the pureness of the merchandise as well as the compliance to and supervision of all existing legal obligations referring to the declaration and the documentation. The Supplier shall be fully responsible for the origin and the transportation of the waste, including any foreign substances and contaminations that might be included either contrary to the terms of the contract or contrary to our declaration of acceptance (Annahmeerklärung), regardless whether or not these foreign substances and contaminations correspond to the German waste legislation.

(3) The Supplier shall indemnify us of any and all damages, expenses and detriments including official claims and directives by the authorities, which may arise against our company due to the presence of illegal materials -such as, without being limited to, radioactive, explosive, toxic or contaminated materials or water pollutants -and contaminations within the consignment or due to any other condition of the consignment being contrary to the conditions as stipulated in the contract.

(4) Defects of the merchandise and defects in title shall be subject to the legal provisions. An agreement upon the period wherein subsequent performance (Nacherfüllung) is to be carried out shall have the same legal effect as the fixing of a period to carry out subsequent performance.

(5) As far as we are – according to legal or contractual provisions -entitled to withdraw from the contract due to a non-performed or improperly performed delivery or service, the withdrawal may – if the non-performance or the improper performance is limited to a delimitable part of the consignment or service – be limited to this part, adhering the remaining contract. Delimitable parts of the delivery or service may also be single containers or truckloads.

(6) We will charge third party market prices for accrued expenses arising from the remedy or handling of defects which have been caused by the Supplier.

(7) We reserve period of 2 weeks to analyse and announce defects according to section 377 paragraph 1 German Commercial Code (Handelsgesetzbuch), and a period of 2 weeks to announce hidden defects in terms of section 377 paragraph 3 German Commercial Code, the latter period beginning with the discovery of the defects.

(8) Deficiencies, which will become apparent within six months after passing of the risk, shall be assumed to have already existed at the time of passing of the risk unless this assumption conflicts with the kind of merchandise or with the matter of deficiency.

(9) The Supplier shall be liable towards us for any negligence of subcontractors, presupplier, component suppliers and backup operators to the same extent as for his own negligence.

#### **15. Transfer of Risk**

The risk of being obliged to pay for non-received consignments shall only pass to us upon receipt of the consignment, even if delivery has been agreed on a basis of 'freight prepaid'.

#### **16. Construction Plans and Auxiliary Means**

(1) Construction plans and other auxiliary means (i. e.

drawings, devices, models, tools, facilities or drafts) forwarded by us shall remain our property and may not be used for any other purpose without our written permission. They shall be returned to us with the tenders or following completion of the order without being asked.

(2) We shall be entitled to demand the release, free of charge and without delay, of all construction plans and other auxiliary means, which the Supplier (respectively the contractor) uses for construction. The ownership shall pass to us after fulfilment of the payment. We shall be authorized – without specific permission – to use or hand out these documents either in case the Supplier is in default in performing the promised contractual result, or in order to source accessory equipment, or for purposes of maintenance and repair, for later changes and for the manufacturing of replacements and spare parts by us or by external companies. If necessary, the Supplier shall provide additional information for the procurement of the contractual result.

#### **17. Trade mark and Industrial Property Rights**

(1) The Supplier shall be liable for third parties' trade-mark and industrial property rights not to be breached by the goods and services rendered to us and their usage by us. The same shall apply to the sourcing of accessory equipment, for maintenance and repair, for later changes and manufacturing of replacements and spare parts by us or by external companies.

(2) Irrespective of our legal entitlements the Supplier shall have to indemnify us for all third parties' claims and for all respectively caused damages, expenses and for other detriments. This shall specifically include, without being limited to, any detriments caused by necessary changes regarding buildings, engines, equipment and IT-equipment or software and due to delay in construction, project or operating procedures.

#### **18. Applicable Law**

Any contractual relationships between Suppliers and us shall exclusively be subject to the laws of the Federal Republic of Germany excluding the Convention on Contracts for the International Sale of Goods.

#### **19. Place of Performance and Jurisdiction**

(1) The place for dispatch (place of work or storage) shall be the consignee's address, the head office of our Company shall be the place of performance for payments.

(2) The head office of our Company is agreed as place of Jurisdiction for both parties, irrespective of the value in dispute. This shall also apply to bill of exchange and cheque proceedings. If we so desire, we are also entitled to advance any claims from our side at the Supplier's head office.

#### **20. Partial Inefficacy, Promotional Bans**

(1) These conditions remain fully effective even though parts may fall legally inefficient.

(2) Our enquiries and Orders may not be used for commercial use.