

Terms and Conditions of Delivery and Payment

1. General provisions

1.1 Our deliveries and services shall be effected exclusively on the basis of the conditions rendered hereinafter. The terms and conditions of purchase of the ordering party shall be applicable only, if they have been accepted by us in writing.

1.2 Our offers shall be subject to change. Settlements and other agreements shall be binding only after our written acknowledgement.

2. Prices, terms and conditions of payment

2.1 If nothing to the contrary has been agreed upon, our prices shall be applicable ex works excluding packaging and domestic delivery plus value-added tax.

2.2 If a significant change of certain cost factors occurs between conclusion of contract and delivery, such as cost of labour, cost of raw materials or freight in particular, or if duties and taxes are introduced or increased by federal or regional law, the price agreed upon may have to be adjusted in a reasonable scope corresponding to the influence of the decisive cost factor.

2.3 In case of prices which have been based on miscalculation obviously, we shall be entitled to submit out a corresponding correction.

2.4 If nothing to the contrary has been agreed upon, the payments shall have to be effected within ten days after the date on the invoice in cash minus a trade discount of two percent or within thirty days net under exclusion of set-off and retention. Upon explicit agreement only, discountable bills of exchange may be accepted in lieu of payment. Credits based on bills of exchange or cheques shall be applicable subject to receipt and irrespective of earlier maturity of the purchase price in case of default of the ordering party. The said shall be credited on the value date, on which the counter-value is available.

2.5 If the ordering party does not settle the due amount within a period of thirty days after maturity and receipt of the invoice, interest shall be charged as from the thirty-first day to

the amount of eight percent over the respective basic rate of interest.

2.6 If it is recognisable after the conclusion of the contract that our payment claims are jeopardised, we shall be entitled to claim immediate payment – independently of the life of the bill of change credited. If the ordering party defaults in payment which seems to indicate that our claims are jeopardised, we shall be entitled to take back the goods, and if and when required, to enter the premises of the ordering party and to retrieve the goods. Moreover, we shall prohibit the sale of the goods delivered. The said shall not apply, if the ordering party is not responsible for the default in payment. Reaccepting shall not result in a withdrawal from the contract. In both cases, we shall be permitted to revoke the mandate to collect in keeping with item 8.7 and to demand advance payment for deliveries outstanding. All these legal consequences may be averted by the ordering party by providing security to the amount of the jeopardised payment claim.

2.7 We shall be entitled to securities for our claims usual in type and scope, even if they are conditional or limited in time.

2.8 The legal stipulations on default in payment shall remain unaffected.

3. Paid labour

The following additional conditions shall apply for paid labour:

3.1 The freight for delivery and return delivery shall have to be paid by the ordering party. The material shall have to be supplied in perfect packaging. The data of the ordering party on quality, stability and surface of the material shall have to be applicable.

3.2 If after inspection and acknowledgment complaints are justified, rework shall be free of charge (whereby the delivery and return delivery shall have to be paid by the ordering party) or shall cause a credit of the value charged at the discretion of the supplier. Any other claims of the ordering party shall be excluded, even if the hardness of the material has changed during the processing work. In addition, the replacement of the material supplied shall be excluded as well. Paid labour shall have to be paid immediately net cash without deductions.

4. Dimensions, weights, qualities

4.1 Deviations from dimension, weight and quality shall be permissible in keeping with German standard DIN or in case the said is usual practice. Other deviations shall require a special agreement.

4.2 The weights shall be determined on our calibrated scales and shall be decisive for invoicing.

4.3 The weights shall be determined including packaging and box gross for net.

5. Shipment and assumption of risk

5.1 For want of special instructions, the transport route and the transport means as well as the determination of the shipping agent or carrier shall be determined by us.

5.2 If the loading or shipment of the goods is delayed for a reason, for which the ordering party is responsible, we shall be entitled to ship or warehouse the goods at our discretion at the cost and risk of the ordering party. We shall be entitled to carry out all measures to conserve the goods and to invoice the goods as delivered. The same shall apply, if goods reported to be ready for shipment are not accepted within a period of four days. The legal stipulations on default of acceptance shall remain unaffected.

5.3 In case of transport damage, the ordering party shall have to arrange an inspection of the case with the competent bodies immediately.

5.4 Upon the hand-over of the goods to the shipping agent or carrier, at the latest, however, upon leaving the works or the warehouse, the risk shall pass to the ordering party.

5.5 The respectively applicable Incoterms (printed edition 2010) shall be applicable for the interpretation of the trade clauses.

5.6 We shall be entitled to partial delivery.

5.7 If not commercially approved or agreed otherwise, the goods shall be delivered unpacked and not protected against rust. We shall ensure arranged or commercially approved packaging, protection and/or transport means according to our experience and at the cost of the ordering party and under exclusion of our liability. Coils, barrels, transport and protection means on loan shall have to be returned to us immediately after removal of the wire.

6. Delivery times, delay in delivery

6.1 The delivery times agreed upon shall commence on the day of the order acknowledgement. They shall be applicable only under the condition of punctual clarification of all details of the contract, fulfilment in time of all obligations of the ordering party and under the proviso that the upstream suppliers also meet their obligations to us.

6.2 Any claims for delayed delivery shall not be due to the ordering party.

6.3 If the ordering party does not fulfil the contractual obligations – obligation to co-operate or secondary obligations as well – , such as opening of a letter of credit, procurement of domestic or foreign certificates, provision of advance payment, et cetera, in due time, we

shall be entitled to postpone our delivery times – irrespective of our rights based on the default of the ordering party – corresponding to the requirements of our production process.

6.4 The time of shipment ex works shall be decisive for the observation of the delivery times. If the goods are not shipped in due time through no fault of ours, the delivery times shall be considered observed with the message indicating readiness for shipment.

6.5 If we are obstructed in the fulfilment of our obligations by unforeseeable events which affect us or our suppliers and which we cannot avert even with care reasonable under the circumstances of the case, such as war, intervention from higher sources, internal unrest, elements, accidents, other operating disturbances and delays in delivery of significant operating media or raw materials, the delivery time shall be prolonged by the duration of the obstructions and a reasonable start-up period. If the delivery is impossible or unreasonable due to the obstruction, we shall be permitted to withdraw from the contract. After the futile expiry of a written reasonable extension, the ordering party shall have the right to withdraw from the contract, if the acceptance is unreasonable for him due to the delay. Strikes or lockouts shall definitely be considered an obstruction as defined by this paragraph, for which we are not responsible.

6.6 Irrespective of our rights based on the default of the ordering party, the delivery time shall be prolonged by the period, which the ordering party defaults. If we default, the ordering party shall be entitled to withdraw from the contract after the futile expiry of a written reasonable extension. The same shall be applicable, if we are unable to deliver the goods for reasons, for which we are responsible. We undertake to inform the ordering party of the unforeseeable event immediately in keeping with paragraph (1).

6.7 As a matter of principle, a right to withdraw due to the ordering party or ourselves shall cover only the part of the contract remaining to be fulfilled. If the ordering party cannot use the partial deliveries effected, the said shall be permitted to withdraw from the entire contract.

6.8 More far-reaching rights, in particular claims for damages, shall be due to the ordering party only, if we act intentionally or grossly negligently.

7. Defects of the goods, supplementary fulfilment

7.1 If defects occur, the mechanical treatment and processing shall cease immediately.

7.2 In case of justified immediate complaint, we shall take back the defective goods and shall supply replacement instead. However, we shall also be entitled to repair. Only if we do not fulfil this obligation shall the ordering party be entitled to the legal warranty rights. In

the event of the absence of assured properties, we shall be liable only inasmuch as the assurance has the purpose to protect the ordering party against exactly the damage having occurred.

7.3 If the ordering party does not give us the opportunity to immediately convince ourselves of the defect, and if the said does not make the goods complained about or samples thereof available immediately upon request, the claims arriving from the defect shall be ineffective.

7.4 After having carried out the acceptance agreed upon, the complaints of defects, which can be detected during the acceptance, shall be ruled out.

7.5 The stipulations rendered hereinbefore shall apply also for deliveries and services other than the contractual goods.

7.6 In case of goods, which have been sold as declassified materials - such as so-called Ila material -, the ordering party shall not be entitled to warranty claims for defects mentioned and those which the said has to reckon with as a rule.

7.7 It is imperative that the goods are kept dry. Damage caused by humidity cannot be recognised.

7.8 Our liability shall be based exclusively on these terms and conditions of business. All claims not explicitly granted – claims for damages also, irrespective of which legal reason, in particular claims for machine downtimes – shall be ruled out, provided this is legally permissible, unless the said is based on grossly negligent contract violation by us, by a legal representative or vicarious agent.

7.9 All claims against us shall come under the statute of limitations at the latest six months after the transfer of risk, provided no longer periods are provided by law or are agreed upon by these terms and conditions of business.

8. Retention of title

8.1 All goods delivered shall remain our property (goods subject to retention of title) until all claims have been fulfilled, in particular those current account claims which are due to us within the keeping of these terms and conditions of business. The said shall apply also for future and conditional claims, such as from promissory notes.

8.2 Mechanical treatment and processing of the goods subject to retention of title is effected by us as manufacturer in keeping with Section 950 of the German Civil Code without obligating us. The mechanically treated and processed goods shall be considered goods subject to retention of title in keeping with the said section.

8.3 In case of processing, connection and mixing of the goods subject to retention of title

with other goods by the ordering party, we shall have a co-ownership in the new matter in proportion of the invoiced value of the goods subject to retention of title to the invoiced value of the other goods. If our property expires by connection, mixing or processing, the ordering party shall now already transfer the property and/or the right to benefits in the new object or the matter to the extent of the invoiced value of the goods subject to retention of title; in the case of reprocessing in proportion of the invoiced value of the goods subject to retention of title to the invoiced value of the other goods and shall safe-keep the said for us without charge. Goods, in which we have such co-ownership, shall be considered goods subject to retention of title in keeping with paragraph 8.1.

8.4 The ordering party shall sell the goods subject to retention of title only in usual business transactions in keeping with his normal terms and conditions of business and as long as the said does not default, provided that the said has agreed on retention of title with his customer, and that the claims from the re-sale in keeping with paragraphs 8.5 and 8.6 are passed to us. Re-sale shall also include the use of the goods subject to retention of title for fulfilling contracts for work and contracts for work and materials.

8.5 The claims of the ordering party re-selling the goods subject to retention of title shall be ceded to us now already. To the same extent they shall be used to secure the goods subject to retention of title in keeping with paragraph 8.1.

8.6 If the goods subject to retention of title are re-sold with other goods, the claims from the re-sale shall be ceded to us in proportion of the invoiced value of the goods subject to retention of title to the invoiced value of the other goods. In case of re-sale of the goods, in which we have a co-ownership in keeping with paragraph 8.3, a corresponding share of the claims corresponding to the share of co-ownership shall be ceded.

8.7 The ordering party shall be entitled to collect the claims from the re-sale, unless we withdraw the mandate to collect in the cases mentioned in paragraph 2.6. Upon our request the said shall be obligated to inform the customers of the assignment to us immediately - provided we do not do the said ourselves. The said shall also have to render the information and documents required for collection.

8.8 In no case shall the ordering party be authorised to assign the claims; this shall apply also to factoring transactions which shall not be permitted for the ordering party either due to our mandate to collect.

8.9 The ordering party shall have to inform us immediately of any seizure or other interferences by a third party.

8.10 If the value of the existing securities exceeds the secured claims by more than ten percent in total, we shall be obligated to release the securities at our discretion upon

request the ordering party.

9. General restriction of liability

If nothing to the contrary has been agreed upon in these terms and conditions of business, we shall be liable for damages for violation of contractual or extra-contractual obligations only in case of intent or gross negligence. However, we shall be liable only for the intent or gross negligence of non-managing vicarious agents, if they violate a significant contractual obligation. This stipulation shall not affect claims for personal damage or damage to privately used property in keeping with the German Product Liability Act.

10. Place of fulfilment and venue

10.1 The place of fulfilment shall be Hemer; the venue for both contractual parties shall be the courts competent for Hemer, which also applies for lawsuits dealing with bills of exchange and cheques. We shall be entitled to assert our rights towards the ordering party at the location of legal venue of the said. Furthermore, we shall be entitled to assert our claims in front of the Regional Court competent for Hemer as well as in front of all domestic and foreign courts in question.

10.2 The laws of the Federal Republic of Germany shall apply. Legally ineffective individual provisions of the contract shall not release the ordering party from the contract otherwise. The rights of the ordering party from the contract shall not be transferrable.

10.3 Claims for damages based on the non-fulfilment or delayed fulfilment shall be ruled out without special agreement.

11. Proof of export

If an ordering party who is domiciled outside of the Federal Republic of Germany (extra-territorial customer) or his authorised agent picks the goods up and transports or ships the said to outside of the Federal Republic of Germany, the ordering party shall have to include the proof of export required by the tax authorities. If this proof of export is not provided, the ordering party shall have to pay the invoiced amount and the value-added tax applicable for deliveries within the Federal Republic of Germany.

12. Miscellaneous provisions

In case of the ineffectiveness of individual contractual provisions, the other provisions shall remain legally binding. In case of the ineffectiveness of an individual provision, the contractual partners undertake to replace the said by an effective provision comparable in

its economic success. These terms and conditions of delivery shall be applicable exclusively for businessmen in a legal sense.

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