

General Terms and Conditions for Subcontracting of the Hohenlimburger Bandstahlveredelung GmbH

Version 2018

§ 1 General provisions

The following General Terms and Conditions of Delivery apply to all deliveries and services in the field of subcontracting (hereinafter referred to as "deliveries") of Hohenlimburger Bandstahlveredelung GmbH (hereinafter referred to as "HBV"). In the case of ongoing business relations, i.e. in the case of follow-up orders, these terms and conditions shall also apply to all contracts concluded in the future. General terms and conditions of the purchaser only apply insofar as HBV has expressly agreed to them in writing, even if the validity has not been expressly contradicted.

§ 2 Offers

1. The offers of HBV are subject to confirmation and non-binding. Orders are only binding for HBV if and insofar as HBV confirms them in writing or fulfils them by sending the processed goods.

2. Oral ancillary agreements only become effective after written confirmation.

3. HBV reserves all proprietary and copyright exploitation rights to cost estimates, drawings, offers and other documents (hereinafter referred to as "Documents"). These may only be made accessible to third parties with prior written consent and must be returned to HBV immediately upon request if the order is not placed.

Unless otherwise agreed, the relevant DIN or EN standards shall apply to the contractual relationship in all technical and other matters; deviations in dimension, weight, quality or other properties shall be permissible insofar as this is provided for in the aforementioned standards or corresponds to current practice.

§ 3 Prices and terms of payment

1. Prices are quoted ex works excluding packaging, delivery, dispatch and insurance as well as the statutory value added tax.

2. in the event of significant changes in the order-related costs occurring after conclusion of the contract, the contracting parties shall agree on an appropriate adjustment of the prices taking the factors into account.

3. If HBV assumes additional services (e.g. additionally required pre- or post-treatment), HBV is entitled to appropriate remuneration as well as reimbursement of appropriate costs.

4. In case of default of payment HBV is entitled - subject to further damages - to charge interest at a rate of 12 %, but at least 8 % above the base rate of the European Central Bank. If HBV charges interest on arrears which is higher than the statutory interest rate, the purchaser is at liberty to prove that the damage was lower.

5. In case of delay in payment and justified doubts about the solvency and creditworthiness of the purchaser, HBV is entitled - without prejudice to other rights - to demand securities or advance payments and to make all claims arising from the business relationship due immediately. If the purchaser is not prepared to pay in advance or to provide adequate security, HBV is entitled to withdraw from the contract if HBV itself has not yet paid.

6. Only undisputed or legally established claims entitle the purchaser to set-off or retention.
7. The material weights used for invoicing are the delivery weights of the customer. The unavoidable loss of production (scrap) shall be borne by the customer.
8. Weights shall be determined by us on calibrated scales. The weighing records shall be submitted to the customer for verification upon request. The stated net weight is understood to include customary packaging materials - such as steel strapping, sheet metal covers and any protective wrappings - and intermediate and underlay timbers not calculated separately.

§ 4 Lien

HBV has a lien on the workpieces of the purchaser for all present and future claims as soon as they are handed over for processing. The legal consequences from the law §§ 1204 ff.

BGB (German Civil Code) and the Insolvency Code shall apply mutatis mutandis.

§ 5 Delivery and delay in delivery

1. the material sent in by the customer must be of a quality customary for cold-rolled strip steel and be suitable for processing in electrogalvanizing. All shape deviations (saber, bang, edge waviness, edge cracks, etc.) and surface impairments (corrosion, dirt, grease and oil, etc.) reduce the possibility of processing in strip steel electroplating or exclude it completely.
2. if these impairments are present, HBV will inform the purchaser of the necessary additional expenditure and of the resulting price increase. If the purchaser does not agree with the price change, he has the right to withdraw from the contract. The withdrawal has to take place immediately after HBV's notification about the changed conditions.
If the purchaser declares his withdrawal, he must pay for work already performed.
3. HBV is entitled to partial deliveries, as far as such are reasonable for the purchaser.
4. Unless otherwise agreed in writing, the delivery dates of HBV are not binding.
5. If a binding delivery date has been agreed which deviates from the above, the purchaser shall set a reasonable period of grace in the event of a delay in delivery. Compliance with delivery dates requires receipt of all items, documents, necessary permits, releases and plans to be supplied by the customer as well as compliance with the agreed terms of payment and other obligations. If these conditions are not fulfilled in time, the periods shall be extended accordingly. However, this shall not apply if HBV is responsible for the delay.
7. In case of delay in delivery the purchaser can - if he proves that he has suffered a loss as a result - claim a compensation for each completed week of delay of 1%, but in total not more than
5 % of the agreed prices for the processing of the undelivered part.
8. Claims for damages on the part of the purchaser due to delayed delivery as well as claims for damages in lieu of performance which exceed the limits specified in paragraph 7 shall be excluded in all cases of delayed delivery, even after expiry of the deadline set by HBV. This shall not apply in cases of intent, gross negligence or injury to life, limb or health, where liability is assumed in accordance with mandatory legal provisions. The purchaser can only withdraw from the contract within the framework

of the statutory provisions if the delay in delivery is the fault of HBV. A change of the burden of proof to the disadvantage of the purchaser is not connected with this regulation.

The purchaser is obliged to declare within a reasonable period of time at the request of HBV whether he will withdraw from the contract due to the delay in delivery or insist on delivery.

The risk passes to the purchaser at the latest with the collection of the processed objects, even if partial deliveries are made. If the goods are not collected or are accepted before they are dispatched, the risk shall pass to the Purchaser upon acceptance.

§ 6 Material defects and faulty work

1. If the strip steels sent in prove to be unsuitable for the galvanizing process as a result of material defects, the processing costs incurred by HBV shall be reimbursed by the purchaser.

2. Faulty work caused by HBV during subcontracting shall not be charged. HBV's prices do not include any risk of rejects. Should HBV for any reason not be able to carry out the transferred work on partial quantities of the total quantity delivered, HBV cannot be held liable for the costs of the partial quantity, which should have become rejects, unless HBV can be accused of intent or gross negligence.

3. HBV only assumes the risk of the work to be performed for the execution of contract work. The purchaser shall bear the risk of loss and damage to the objects entrusted to HBV for processing, unless these have been caused intentionally or grossly negligently by HBV. In this case the purchaser is entitled to a free replacement of the damaged objects by HBV or replacement in money at HBV's choice.

§ 7 Defects as to quality

1. HBV shall, at its own discretion, repair, replace or provide a replacement free of charge for all deliveries which show a material defect within the limitation period, provided that the cause of the defect already existed at the time of transfer of risk. Warranty claims do not exist in the case of insignificant deviations from the agreed quality or in the case of insignificant impairment of fitness for purpose. Subsequent performance shall not constitute a new limitation period.

2. Claims for material defects shall become statute-barred after 3 months. This does not apply if the law (§ 634 a para. 1 no. 2 BGB) prescribes longer periods or in cases of injury to life, body or health, in the case of intentional or grossly negligent breaches of duty or fraudulent concealment of a defect.

3. The purchaser must notify HBV in writing without delay of any material defect. If the notice of defect is unjustified, HBV is entitled to reimbursement of the expenses incurred due to the unjustified notice of defect.

4. HBV must first be given the opportunity to remedy the defect within a reasonable period of time.

5. If the supplementary performance finally fails, the purchaser can withdraw from the contract or reduce the remuneration.

6. Claims of the purchaser due to increased expenses for the purpose of supplementary performance are excluded insofar as these increase because the object has

subsequently been moved to a location other than the purchaser's place of business, unless the transfers correspond to the intended use.

7. All material defect claims expire if the purchaser himself or a third party carries out modifications or interventions on the processed objects without the written consent of HBV.

Paragraph 8 remains unaffected, further or other claims of the purchaser against HBV due to a material defect are excluded.

§ 8 Damages

1. Claims for damages and reimbursement of expenses (hereinafter referred to as "Claims for Damages") on the part of the Purchaser, irrespective of the legal basis, in particular due to breach of duties arising from the contractual obligation, tort and indirect damages, shall be excluded.

2. This shall not apply in the case of mandatory liability, e.g. under the Product Liability Act, in the case of intent, gross negligence, injury to life, limb or health or in the case of breach of fundamental contractual obligations. However, the claim for damages in the event of breach of essential contractual obligations shall be limited to the foreseeable damage typical of the contract, unless intent or gross negligence exists or liability is assumed for injury to body, life or health. This provision does not imply a change in the burden of proof to the detriment of the customer.

3. Insofar as the Purchaser is entitled to claims for damages pursuant to this Article, these shall become statute-barred upon expiry of the limitation period applicable to claims for material defects pursuant to § 7 No. 2. In the case of claims for damages pursuant to the Product Liability Act, the statutory limitation provisions shall apply.

§ 9 Force majeure

Cases of force majeure, in particular strikes, lockouts, operational or transport disruptions, also at suppliers of HBV, suspend the contractual obligations of the parties concerned for the duration of the disruption and to the extent of its effect. If the resulting delays exceed a period of six weeks, both parties are entitled to withdraw from the contract with regard to the scope of services affected. Further claims do not exist.

§ 10 Place of Performance and Jurisdiction

Place of performance and jurisdiction for all services and payments is the registered office of HBV (Hagen).

§ 11 Applicable law

The contract is subject to the law of the Federal Republic of Germany. The application of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 is excluded.

§ 12 Severability clause

Should one or more provisions be or become invalid in whole or in part, this shall not affect the validity of the remaining provisions or the validity of the contract concluded with the customer. The parties undertake to replace the ineffective provision with a provision which comes as close as possible to the economically intended provision in

a legally permissible manner. This shall only apply if the affected provision is not replaced by statutory law pursuant to § 306 para. 2 BGB.