



Stahlkontor GmbH & Co. KG

General Terms and Conditions of Sale, Delivery, and Service

1. Scope and General Principles

1.1 Our Terms and Conditions of Sale apply exclusively. Deviating, conflicting or supplementing General Terms and Conditions of the customer shall only be integral part of the contract if and to the extent that we have given our express written consent concerning their validity. This requirement of approval applies in any case also, for example, if in the knowledge of the General Terms and Conditions of the customer we transact the business without reservation. They also apply to all future business with the customer, even if they are not separately agreed anew.

1.2 Solely authoritative for the legal relationship between the supplier and us is the contract concluded in writing including this present General Terms and Conditions. This reproduces in full all agreements between the contracting parties concerning the object of agreement.

1.3 Any notices and declarations relevant in law that have to be provided to us by the customer subsequent to the conclusion of contract (for example, notices of defect, declarations concerning rescission and reduction, deadlines) require the written form in order to be effective.

1.4 Commitments or agreements deviating from the present General Terms and Conditions, require - in order to be effective - the consent of our management or that of the authorized signatories in a number entitled to act as representatives.

1a. Special Regulations Concerning Material for Ballistic Purposes

1a.1 Deviating from clause 2.1 mentioned hereinafter we do not render consultancy for the delivery of steel suited for ballistic purposes (material). In particular, we do not provide consultancy with respect to the properties or choice of the material nor with respect to the suitability of the material for the purpose of use of the customer, or with respect to the handling or processing of the material. Regarding this, we refer to the processing directives and further recommendations of the manufacturer. The customer has the sole responsibility concerning the suitability of the material as to the customer's purpose of use. If and when we inform about individual materials, we only pass on information of the manufacturer without obligation.

1a.2 Ballistic and blasting properties of the material are not object of the nature owed (target characteristics) of the material delivered by us. Therefore, we assume no guarantee and no liability for the ballistic and/or blasting properties of the material. If and when such specifications concerning ballistic and/or blasting properties are part of the orders of the customer, these are only treated as internal information for the customer. Claims pursuant to the product liability law remain unaffected hereof.



1a.3 The customer has the possibility to have inspected the ballistic and blasting properties of the material to be delivered in the context of a material testing at Stahlkontor, which has to be separately commissioned by him. The result of this test will be recorded in a test certificate. In the event of such a material testing Stahlkontor assumes guarantee for the test result ascertained with reference to the specifically tested material.

2. Information and Consultancy

2.1 Information and consultancy concerning the materials used as well as the services rendered are provided on the basis of our previous experience made. Oral statements - even interpretations of drawings - are not binding.

2.2 We reserve the right regarding deviations from samples and specimens, which are customary in the sector or are within the scope of normal production and carried out with due care, provided that these are reasonable for the customer. The delivery of samples and specimens does not imply a guarantee of quality, unless this has been expressly determined in the order confirmation.

3. Offer and Conclusion of Contract

3.1 Our offers are subject to change and non-binding, unless otherwise agreed.

3.2 An order placed by the customer represents a firm contractual offer. We can accept orders within 4 weeks after receipt. The acceptance may take place in writing (i.e. by means of a confirmation of order) or by delivering the goods.

4. Prices, Terms of Payment, and Assignment

4.1 Prices apply for the scope of services and supply as listed in the confirmation of order. Additional and/or special services are charged separately.

4.2 Our prices are calculated in EURO "ex works" (EXW) pursuant to Incoterms 2010 (inter alia plus freight, insurance, packaging and statutory VAT at the time of the delivery as well as in case of export deliveries plus customs duty as well as charges and other public charges).

4.3 Payments are to be made post-free and free of expenses and are to be made exclusively to the payment office specified by us. Cheques are only deemed valid payment after encashment.



4.4 Unless otherwise expressly agreed, payments resulting from processing materials (commission order) provided by the customer have to be made within 10 days without deduction and otherwise (full-scale business) within 10 days at a discount of 2% or 30 days net from invoicing and delivery or provision ex works or acceptance of the goods respectively. The receipt of payment at our company is decisive.

4.5 When the aforementioned term of payment expires, the customer is deemed to be in default. During the default period interest of 8% above the base rate of interest (§ 247 German Civil Code (BGB)) p.a. shall be paid on the purchasing price. We expressly reserve the right to claim exceeding interest as well as further damage in the event of default.

4.6 Offset by the customer is only admissible on the basis of legally ascertained or undisputed counterclaims. In the event of notices of defects payments of the customer are only allowed to be retained to an extent that is in a proportionate relation to the defects claimed. In the event of defective delivery the counter-rights of the customer remain unaffected pursuant to clause 10.7.

4.7 We are entitled to implement or to provide outstanding deliveries and services only against advance payment or against a security deposit, if we learn subsequent to the conclusion of contract about circumstances suitable to considerably reduce the creditworthiness of the customer to the best of our knowledge and by which the fulfilment of our open claims resulting from the respective contractual relationship with the customer (including the open claims from the other individual contracts subordinated to the same framework contract) is at risk. If we have already provided our service, open claims against the customer are immediately due for payment to the aforementioned extent. In the event of contracts concerning the production of non-fungible products we are entitled to immediately declare rescission; however, the statutory regulations regarding the dispensability of setting a deadline remain unaffected.

4.8 We are entitled to sell or to assign claims resulting from business relationships with customers to Deutsche Factoring Bank, Langenstr. 15 - 21, 28195 Bremen. In such a case, which has to be indicated to the customer in advance, it is exclusively intended to effect exemption from debts to Deutsche Factoring Bank; in the context of export business activities to a factoring company to be separately specified by us, respectively.

5. Changes in Service, Measures and Qualities of Implementation

5.1 Supplementing understandings or changes in service requested by the customer, made orally or by phone, shall- subject to our acceptance - be immediately confirmed in writing by the customer. Delivery deadlines commence anew with the receipt of the written confirmation of the customer. We will immediately inform the customer about changes of delivery dates which result from changes in service requested by the customer. Delays in delivery resulting either from changes in service or from the fact that the customer does not immediately confirm necessary changes, are at the expense of the customer. The rights of the customer pursuant to clause 10 remain unaffected hereof.

5.2 Depending on the type of product, deliveries allow a deviation in terms of quantities in the sense of an excess delivery of up to 5%, provided that this does not negatively affect the use of the goods with respect to their purpose as specified in the contract.



6. Subcontractors

We are entitled to employ subcontractors for our services. Using subcontractors does not relieve us of our contractual obligations. This does not require the consent of the customer, unless otherwise agreed.

7. Wage Labour, Material Provided, Samples, and Means of Production

7.1 Despite due diligence in handling materials provided within the context of wage labour, a production loss in materials during processing along with resulting cutting grids cannot be avoided. A production loss during processing is standard and expressly admissible in an amount of up to 3%. The customer has to take into account respective extra surcharges when providing the material, which is free of charge for us.

7.2 Materials for wage labour are to be delivered to our warehouse Hagen-Haspe free of charge for us with all necessary technical documents and by considering the additional surcharge resulting from production loss pursuant to clause 7.1. and at least 5 working days prior to the commencement of the contractual implementation of the order.

7.3 The material provided must be flawless (see clause. 7.4). With respect to its physical and chemical properties, it must be identical with material made available to us or described for sampling purposes and for drawing up the order, and we will not conduct an incoming-lot control. Above all, we do not assume any inspection obligations of the customer, which on his part exist towards his material supplier. We are only obliged to notify the customer about defects of the provided material that become obvious due to customary care during processing. Specifications regulating material-typical treatment (processing, handling, packaging, storing, etc.) known to the customer can not be deemed known to us, so that they have to be communicated to us upon material delivery at the latest. The customer is liable for the material he provides.

7.4 The ability to cut steel work pieces by laser technology or the respectively achievable quality depends on the alloy, the surface as well as on the thickness of the material. In case of laser cutting operations on steel sheets the material must comply - with respect to its surface - with DIN EN 10163-2m, class B, subdivision 3. Potentially existing corrosion-protective coatings must be laser-capable and shall not exceed a dry film thickness of 15 µm. The flatness must at least be in accordance with DIN EN 10029, class N.

Unless otherwise agreed, laser-cutting operations are carried out pursuant to DIN EN ISO 9013-332. Occasional pittings in the cut surfaces are typical for the process and cannot be ruled out. These and further impairments of the cut quality are particularly then to be expected, if there are more disadvantageous surface conditions than the above-mentioned ones, or if no effort is made to create an immaculate surface, such as, for example, by blasting corresponding to grade SA 2,5 pursuant to ISO 8501-1: 2007. In case of parts to be cut by water jets, tolerances and quality of cut edges shall be specified in each individual case and shall be confirmed by the customer.



7.5 Additional costs (i.e. down-time of machinery) incurring because material cannot be processed properly (for example, due to corrosion, inadmissible coats of paint or irregularities of the surface), or because it does not comply with the conditions specified in clauses 7.3 and 7.4 or which incur because the information to be provided by the customer or the technical documents to be submitted are incorrect or incomplete, will be charged in addition to the agreed purchasing price.

7.6 Material provided by the customer is not insured during storage, and especially not prior, during, and after production.

7.7 Disposable packaging used for products ready for shipment which, with our dutiful discretion, cannot be reused, is deemed disposable packaging free of charge for us. Costs for the disposal of this packaging will be separately charged to the customer's account. Unless otherwise agreed, we do not have to reimburse packaging that has not been returned. In case of an express agreement of returning the packaging, the expenditure and transportation costs incurring shall be at the expense of the customer.

7.8 Material that has been provided and has not been used will be returned to the customer together with the delivery of the produced units. Unless otherwise agreed, metallic scrap metal (cutting grids) resulting from processing the material provided will become our property. The potential equivalent value of the scrap metal or the expenses for its disposal has already been factored in our prices. Residues that are classified refuse-technically problematic will be returned to the customer.

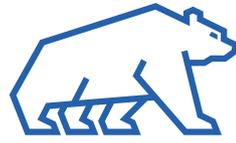
7.9 If in special cases we store primary material for the customer, the storage shall in any case be at the risk of the customer, including the risk of loss of the material stored. Only in case of a separate agreement and if the customer bears the storage costs himself, an insurance against the common risk related to storage is provided.

7.10 Production costs of samples, the initial sample test report and means of production (tools, samples, templates, etc.) will be charged separately - unless otherwise agreed. This also applies to means of production requiring replacement due to wear and tear.

7.11 We store means of production free of charge for a period of 1 (in words: one) year subsequent to the last delivery to our customer. In good time prior to the end of the storage period we request the customer to comment on the further use of the means of production. If the customer does not react within 6 (in words: six) weeks subsequent to our request, the means of production are passed on into our property.

8. Delivery, Period of Delivery, Transfer of Risk

8.1 Deliveries take place "ex works" (EXW) pursuant to the Incoterms 2010. Place of jurisdiction is there, at our company. Upon request and at the expense of the customer the goods shall be shipped to a destination specified by the customer (sale by dispatch). Unless otherwise agreed, we are entitled to define the mode of dispatching the products (especially the shipping company, shipping route, packaging) at our reasonable discretion.



8.2 Deadlines and dates for deliveries and services specified by us apply only approximately unless a fixed deadline or a fixed date is expressly consented and agreed. If the shipment of the products was agreed, the delivery deadlines and dates refer to the moment of passing it on to the forwarder, haulier or to any other third party commissioned with the shipment.

8.3 Delivery deadlines principally commence with the date of our confirmation of order, however not before the arrival of any separately agreed down payments and especially not before the provision of all necessary documents, materials and technical clarification of uncertainties arising from the documents provided.

8.4 Delivery deadlines and dates are prolonged – notwithstanding our rights arising from default – by the period of time in which the customer does not satisfy towards us his obligations necessary for this.

8.5 In case of an impossible or delayed delivery we are not to be made liable provided this was caused by force majeure or other non-foreseeable events not known at the time of completing the contract (for example breakdowns of all kinds, delay in transportation, industrial actions, lawful lockouts, difficulties in organising necessary regulatory permits, regulatory measures, delay of dates by inspectors, shortage of energy and raw material) for which we are not to be made responsible (non-availability of the service). In case such events make the delivery or the service impossible or exacerbate it considerably, and in case that this impairment is not of a temporary nature, we are entitled to rescind the contract. In case of impairments of a temporary nature, the delivery deadlines are prolonged or the delivery dates are extended by the period of duration of the impairment plus an appropriate start-up period. We will immediately inform the customer about a foreseeable impossibility or delay of the service. In case of a non-availability of the service, we will refund the service already provided by the customer. If the customer cannot be expected to accept the delivery any more, he is then entitled to rescind the contract. In this case rescission has to be declared to us immediately and in writing.

8.6 Deemed as case of non-availability of the service is in particular the late self-delivery of component suppliers, if we have concluded a congruent hedging transaction, if neither the component suppliers nor we are to be blamed or if we are, in the individual case, not obliged to organize procurement.

8.7 The event of our default in delivery is defined according to the statutory provisions. In any case, a reminder by the customer is absolutely necessary. In case of default in delivery the customer is restricted to lump-sum compensation. It amounts to 0,5% of the net delivery value for each completed calendar week; however, the overall amount does not exceed 5% of the delivery value of the goods delivered behind schedule. We reserve the right to prove that the customer experienced no damage or a significantly lower damage.

8.8 We are entitled to make partial shipments to the extent that the partial shipment is of use for the customer according to the purpose of the contract and if the delivery of the remaining goods is guaranteed and does not lead to additional expenses and considerable extra work for the customer.



8.9 The risk of accidental loss or of accidental deterioration of the goods is passed on to the customer at the moment of transfer at the latest. In case that a sale by dispatch has been agreed, the risk of accidental loss and of accidental deterioration of the goods as well as the risk of delay are passed on to the customer with the handing over of the goods (here the commencement of the loading process is relevant) to the forwarder, carrier or to any other third party in charge of carrying out the shipment. The same applies to the handing over of goods if the customer defaults the acceptance of the products.

8.10 In the event the customer defaults acceptance or fails to act in cooperation or in case our delivery is delayed for any other reason the customer is responsible for, we are entitled to demand compensation for the damage including additional expenses (for example, storage costs, interest) arising for us from this.

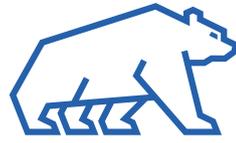
9. Retention of Title

9.1 Until complete fulfilment of all our current and future claims accruing from this or simultaneous or future contracts entered into with the customer we reserve the title of all goods provided or delivered (goods subject to retention of title). Goods subject to retention of title are stored by the customer and free of charge for us.

9.2 If the customer violates the contract in any form, we are entitled according to the legal provisions to rescind the contract and/or to claim back the goods due to retention of title. In the case we only reserve the right to withdraw from the contract. If the customer owes us the purchasing price due for payment, we are only entitled to assert the rights if we set, without success, the customer an appropriate deadline for payment before or if this deadline is obsolete pursuant to the statutory provisions.

9.3 The customer is only entitled to sell or to process the goods subject to retention of title in the context of orderly business up to the commencement of an enforcement event (clause 9.6). Any other use of the goods subject to retention of title, especially pledge of goods or assignments as security is inadmissible. Access to the goods subject to retention of title by a third party, particularly by a pledge of goods has to be communicated to us in writing. Moreover, the customer shall immediately inform any third party about our ownership. If the third party is not able to reimburse to us the judicial and extrajudicial costs incurred from this situation, it is the customer who is to be made liable to us for this.

9.4 Machining and processing of the goods subject to retention of title takes place for us, as the manufacturer, within the meaning of § 950 German Civil Code (BGB) without any obligation for us. In doing so we acquire immediate title or - if the processing is of material from several owners or if the value of the material to be processed is higher than the value of the goods subject to retention of title - we acquire joint ownership (fractional share of property) concerning the newly created item in relation of the goods subject to retention of title value to the value of the newly created goods. If the goods subject to retention of title are connected to other objects or things, thus creating a unit, or are inseparably mixed and if one of the others things or objects is deemed the main part, the customer transfers his legally entitled rights of ownership of the new inventory or of the new object described above to us.



9.5 In case of reselling the goods subject to retention of title, the customer already now assigns to us claims resulting from it against the buyer for security purposes. They serve as security to the same extent as the goods subject to retention of title. In case the customer sells the goods subject to retention of title together with other products not delivered by us as an overall price, the assignment of the claims from this sale is equal to the amount of the invoice value of the goods subject to retention of title sold by us. The regulations mentioned above also apply to any other claims taking the place of the goods subject to retention of title or which incur with respect to the goods subject to retention of title such as, for example, insurance claims or claims resulting from tort in case of loss or destruction. If the claim thus assigned is made part of a current account, the customer already now assigns a part of the balance identical to the amount of the claim to us - this also includes the closing balance of the current account.

9.6 With this the buyer is revocably entitled to collect claims assigned to us for our account on his own behalf. We are entitled to revoke this direct debit in case of an enforcement event. In case of an enforcement event the customer undertakes upon our request to immediately declare the claims assigned as well as their debtors, and he undertakes also to provide all particulars necessary for collecting claims and to provide us with all necessary documents and to communicate the assignment to the debtor.

10. Warranty

10.1 Principally the statutory regulations apply concerning material defects and legal defects, unless otherwise agreed in the following.

10.2 The warranty is excluded in case of misuse or unsuitable use of the products especially in case of excessive use, faulty assembly or faulty application by the customer or a third party, natural wear (wear and tear) as well as faulty and negligent treatment and handling particularly by non-trained members of staff.

10.3 Warranty claims are also excluded if the customer, without our approval, changes the delivered item or allows a third party to carry out changes, thus making the remedy of defects impossible or unacceptably difficult. In any case, the customer has to bear the additional costs incurring for remedying the defects at the modified object that had been delivered.

10.4 Basis for our liability of defects is first and foremost the agreement entered into concerning the quality condition of the respective products. All product descriptions serve as an agreement about the quality of the products that are object of the individual contracts, and it does not make any difference whether the respective product description originates from the customer or from us, as well as requirements concerning the product to be delivered which are based on performance descriptions or requirements of the customer. The agreement about such a quality condition does not represent an acceptance of guarantee on our part. Our liability for defects is limited to a flawless production of the contract goods according to the specifications (plans, drawings, etc.) provided by the customer. The customer bears the risk regarding the suitability of the future use of the parts produced by us.



10.5 We are not to be made liable for defects of the products, if the defect stems from the specifications provided by the customer or from requirements imposed upon by the customer. Furthermore, we are not liable for defects resulting from material provided by the customer. The same applies to materials and substances or structural elements that are stringently stipulated by the customer. If we receive surface-finished materials, the customer undertakes to separately inform us about appropriate storing and processing. Otherwise we are not liable for damage resulting from warehousing, from influence on the surface due to liquids, greases, scratches etc. or resulting from any other damage, which are due to a lack of information from the customer.

10.6 The warranty period amounts to 1 year as from the date of delivery or, provided that an acceptance is required, as from the date of acceptance.

10.7 Upon delivery the delivered products shall be immediately and carefully checked by the customer. This also applies when specimens and samples of the products have been delivered beforehand. The delivery shall be considered accepted, if a notice of defects does not arrive in writing, by telex or by fax - not by e-mail - within 10 working days after arrival of the goods at the place of destination or when the defect in the course of a duly inspection of the goods was not recognizable, within 10 days subsequent to having discovered it. If an excess delivery is not contested within 10 days upon arrival of the goods, the goods are deemed accepted. If the customer accepts defective goods, although he already recognizes the defect, then he is only entitled to claims and rights in case of defects, if he reserves these rights upon acceptance. The liability for legal defects according to statutory provisions remains unaffected.

10.8 In case the product delivered is flawed we have first of all the choice whether we provide supplementary performance by either remedying the defects (rework) or by delivering a replacement free of defects (substitute delivery) without prejudice to our right to deny the chosen type of supplementary performance under the statutory provisions. We are, however, entitled to make the supplementary performance owed dependent on the customer's payment of the purchase price due for payment. The customer has, however, the right to retain a part of the purchase price appropriate in relation to the defect.

10.9 The customer has the duty to allow us a necessary and appropriate time and occasion for the supplementary performance owed, especially to hand over the defective goods for inspection purposes. In case of a substitute delivery the customer undertakes to return the faulty goods to us under the statutory provisions.

10.10 Within the context of supplementary performance we are obliged neither to dismantle the defective object nor to install it anew, if this has not been originally owed. We assume the costs required for inspection and supplementary performance (costs for transportation, travel, labour, and material) if there is actually a defect. If in retrospect the request of the customer for supplementary performance turns out to be unjustified, we can demand compensation from the customer for the costs thus incurred for us.

10.11 If supplementary performance failed or a deadline imposed upon us by the customer for supplementary performance expired without success or is superfluous pursuant to the statutory provisions, the customer is entitled to rescind the contract or to demand a reduction of the purchase price. The right to rescind the contract, however, does not apply to an insignificant defect.



10.12 Only in urgent cases, if, for example, the safety of operation is at stake, or in order to avoid disproportionate damage, the customer has the right to remedy the defect himself and to demand compensation for expenses objectively required for this. The customer undertakes to inform us with immediate effect - if possible even in advance - about such self-help. The right of self-help of the customer, though, is excluded if we were entitled to deny a respective supplementary performance under statutory provisions.

10.13 Claims for damages on the part of the customer exist only to the extent provided for in clause 11 mentioned hereinafter.

11. Liability and Rescission

11.1 In case of an intentional and grossly negligent breach of duty we are liable - for whatever legal reason - under the statutory provisions.

11.2 In case of ordinary negligence we are only liable for damage caused by harming life, body or health as well as for damage resulting from an essential breach of a contractual commitment. Essential contractual commitments are those which enable the fulfilment of the orderly performance of the contract in the first place, and in the compliance of which the contracting party can and will regularly rely on. In the event of breaching essential contractual commitments our obligation to pay damages is limited to the damage that is deemed foreseeable and typically occurring upon completion of contract.

11.3 The regulated limited liability listed in the aforementioned clause 11.2 does not apply in case we have committed malicious silence with regard to a defect or if we have furnished a guarantee for the quality of the goods.

11.4 Claims of the customer under the Product Liability Act remain unaffected by the limited liability regulated under clause 11.

11.5 The above-mentioned limited liability also applies to our members of staff and to a third party we work with in order to meet our obligations.

11.6 In case of breaches of duty that are not based on a defect, the customer can only rescind the contract, if we are responsible for the breach of duty. The customer's free right to terminate shall be excluded. Otherwise the legal conditions as well as legal consequences apply.

12. Industrial Property Rights, Copyrights and Confidentiality

12.1 The customer assures us that the contractual use of the materials, records and miscellaneous documents provided does not infringe the rights of a third party. The customer, therefore, indemnifies us from any claims of a third party because of an infringement of their rights.



12.2 Documents, data files, programs and other documents and materials created by us and passed on to the customer are only allowed to be used for the purpose specified in the order, unless otherwise agreed. Any additional use, especially passing material on to a third party is subject to our prior expressly written approval. The enforcement of special protection rights, particularly possible copyrights is expressly reserved.

12.3 The customer undertakes to treat information (including records, documents, etc.) received in the course of processing the contract as confidential, and not to disclose it unless the information has already been known when acquiring the knowledge or becomes - without breach of this obligation to maintain confidentiality - known at a later stage or become publicly accessible. The customer shall only use the information to perform the contract. The obligation of not disclosing information goes beyond the termination of the contract.

13. Miscellaneous

13.1 The relationship between the customer and us are exclusively subject to the law of the Federal Republic of Germany under the exclusion of the regulations of the Private International Law as well as under the exclusion of the United Nations Agreement on the International Sale of Goods (CISG).

13.2 Place of jurisdiction for all disputes arising from the business relationship between the customer and us is Hagen. In the event that claims are assigned to Deutsche Factoring Bank, then the place of jurisdiction is Bremen. However, we are also entitled to sue the customer at his legal place of jurisdiction. Mandatory statutory provisions concerning exclusive places of jurisdiction remain unaffected from this regulation.

13.3 In the event that some provisions of this present agreement should be void or become void at a later stage, the effectiveness of the remaining provisions remains unaffected hereof.

(Version April 2017)

