

§ 1 Scope of application

- 1.1 All deliveries, services and offers of our suppliers shall be performed solely according to these Terms and Conditions of Purchase. Terms and conditions of the supplier, which are contrary to or deviate from our Terms and Conditions of Purchase shall not be recognized, even in the event of acceptance of a delivery or service.
- 1.2 They shall also apply to future orders and mutatis mutandis to other contracts, in particular supply agreements and work performance contracts.
- 1.3 They shall only be applicable vis-à-vis entrepreneurs according to § 14 German Civil Code (BGB).
- 1.4 They shall apply in addition to our special technical regulations. The special regulations, provided that and to the extent to which they are included in a contract, shall prevail over these Terms and Conditions of Purchase.

§ 2 Order

- 2.1 An order shall only be considered placed when it has been drafted in writing, approved internally and forwarded to you by us.
- 2.2 The supplier shall perform any requests for changes free of charge unless they exceed the originally agreed contractual requirements. If any requested changes could have detrimental effects, the supplier shall have to notify us accordingly in writing.
- 2.3 Later changes of the performance by the supplier, like deviations in quantity and quality, as well as later contract amendments shall only be deemed agreed if we have explicitly confirmed them in writing.

§ 3 Prices - terms of payment

- 3.1 Unless expressly specified otherwise, the agreed prices are fixed prices excluding VAT. In the absence of any written agreement to the contrary, the price shall include packaging and delivery to its destination (5.1). ein. If the supplier generally reduces these prices by the time of delivery, the lower price shall apply.
- 3.2 The invoice in duplicate shall be submitted separately - i.e. not included with the consignment - to the recipient stated on the order. Partial invoices shall have to be indicated as such.
- 3.3 Deliveries and services before the agreed date or before expiry of a deadline shall not affect a payment due date associated with a delivery date or deadline.
- 3.4 Settlement of the invoice shall be made - unless otherwise agreed - within 14 days with 3 % cash discount, or at the end of the month following the delivery and service as well as receipt of the invoice. The place of payment shall be the invoice address stated by us.
- 3.5 For construction services, the supplier shall submit, without waiting for a request, a certificate of exemption according to § 48 b German Income Tax Act (EStG) and include it with every invoice and partial invoice. Otherwise we shall be obliged to retain the tax deduction at the applicable rate and pay it to the tax office responsible.
- 3.6 We shall not owe any interest payable after due date according to § 353 German Commercial Code (HGB). In the event of payment default we shall owe default interest amounting to 5 percentage points above the base rate.
- 3.7 We are entitled to set off with any receivables payable to us by the supplier as well as declare set-off of any receivables owed to the supplier, irrespective of their legal grounds.

§ 4 Delivery time – delayed delivery

- 4.1 The agreed delivery periods and dates are binding. They shall commence on the date of the order. The goods must be received within the delivery period or by the delivery date at the destination by the recipient stated by us (5.1).
- 4.2 The supplier is obliged to immediately notify us in writing about any pending or actual non-compliance with a delivery date, its cause and the probable duration of the delay. If the supplier is forced to exceed a deadline by reasons beyond the supplier's or its subcontractor's control or by our fault, the supplier may only cite such circumstances if he meets this obligation in time. The foregoing shall not affect the occurrence of a default in delivery.
- 4.3 Delays at subcontractors which these are responsible for shall not justify any transgression of deadlines.
- 4.4 We are not obliged to accept any delivery prior to the delivery date.

§ 5

- 5.1 Deliveries shall always be made free of charge to the location stated in the order (destination). The respective destination shall also be the place of performance for delivery and for a possible supplementary performance.
- 5.2 The risk of accidental loss and of accidental deterioration shall pass to us on delivery at the place of performance. If an acceptance procedure has been agreed, this shall be decisive for the passing of risk. In all other respects the legal regulations of the German Contract Law for Work and Labour shall apply accordingly.
- 5.3 If freight paid delivery has been agreed, all delivery costs up to the forwarding station, in particular expenses and cartage, shall be at the expense of the supplier.
- 5.4 If any weighing is required, the weight established on our calibrated scales shall be decisive.
- 5.5 Delivery notes shall be submitted in duplicate. One copy shall be enclosed with the consignment note.
- 5.6 Partial deliveries require our prior written agreement. They must always be identified as such.
- 5.7 The supplier shall require written confirmation of the receipt of deliveries by the stated recipient. The confirmation of receipt is provided subject to later review for identity, defects, quality and transport damage.
- 5.8 The supplier is obliged to take back packaging material according to the German Packaging Ordinance (VerpackV). The place of performance shall be our respective place of receiving goods.

§ 6 Scope of supply and services/ownership protection

- 6.1 Title to goods shall be transferred to us unconditionally and regardless of whether the purchase price has been paid. If we accept an offer to transfer ownership by the seller conditional on the payment of the purchasing price in individual cases, the seller's reservation of title shall expire at the latest upon payment of the purchase price for the goods delivered.
- 6.2 The scope of supply and services shall include the transfer of ownership of all technical documents (also those of the subcontractors) as well as any documents required for new manufacture, maintenance and operation. These documents must be in German and must be prepared in accordance with the SI international system of units.
- 6.3 The supplier shall undertake it to treat all and any business and technical information that is not general knowledge as well as any other information relating to the business which becomes known to them as a result of the business relationship, as business secrets.
- 6.4 Drawings, models, templates, samples as well as tools, equipment and other objects shall remain our property. They shall be kept carefully, may not be left to unauthorised third parties or be made accessible otherwise. The reproduction of such items shall only be permitted within the scope of operational requirements and copyright regulations. They shall be returned immediately after completion of the order upon request.
- 6.5 Subcontractors shall be obliged to comply with 6.3 and 6.4.
- 6.6 Finally, the scope of supply and services includes that - the deliveries and services and their use by us or by third parties of any rights (in particular patents and utility models) held by both third parties and the supplier itself shall be free and shall remain free, - we shall have the royalty-free authority to perform maintenance work and alterations to the delivery or service item ourselves or have them performed by third parties, also to manufacture spare parts ourselves or have them manufactured by third parties.
- 6.7 The limitation period for claims resulting from section 6.6 shall be 3 years, starting from the conclusion of the contract.
- 6.8 The supplier shall bear the procurement risk for its supply and services.

§ 7 Warranty

- 7.1 The supplier guarantees that the goods including packaging and marking have the agreed quality at the time of passing of risk. The product descriptions which, in particular through designation or reference in our order, are the subject matter of the respective contract shall be considered an agreement on the quality. It shall make no difference whether the

7.2	product description was provided by us, the seller, or the manufacturer. The supplier also guarantees that orders and contracts shall be performed in a professional and proper manner in accordance with the current state of the art. We are entitled to the statutory warranty claims without limitations; we shall in any case be entitled to demand remedy of defects or delivery of a new item from the supplier, at our own discretion. If the supplier fails to honour its obligation to render supplementary performance within a reasonable time stipulated by us, we are entitled to remedy the defect ourselves and to demand compensation from the supplier for the expenses incurred or an appropriate advance payment. If the supplementary performance by the supplier failed or is unreasonable for us (e.g. because of particular urgency, risks to operational safety or the likelihood of disproportionate damage), there shall be no need to set a deadline. We will immediately notify the supplier of such circumstances.	8.2	be obliged to indemnify us against all third-party claims for damages. If claims are lodged against us - due to a defect of the goods delivered by the supplier - under product or manufacturer's liability, the supplier shall indemnify us from any such third-party claims. It remains at the liberty of the supplier to object to this claim in the event of our shared responsibility. For measures to avoid damages (e.g. product recall) the supplier shall be liable according to legal regulations.
7.3	The supplier shall not raise any objections to the delayed filing of a complaint (§§ 377, 378, 381 sec. 2 German Commercial Code (HGB)) for other than visible defects.	8.3	The supplier shall purchase and maintain product liability insurance with an insured lump sum of at least 5 (five) million Euros per personal injury/material damage.
7.4	By way of derogation from § 442 sec.1 cl. 2 German Civil Code (BGB), we shall be fully entitled to legal claims based on defects if the defect remained unknown to us on completion of the contract as a result of gross negligence.	8.4	We shall not be liable for slightly negligent violations of a non-substantial contractual duty. For slightly negligent violations of substantial contractual duties whose violation endangers the attainment of the contractual purpose, our liability shall be limited to the replacement of any typical and foreseeable damage. We shall not be liable for any consequential damage which is unforeseeable or atypical for this type of contract. This limitation shall not apply to the liability for loss of life, physical injury or damage to health.
7.5	The warranty period shall be 36 months from passing of risks; if acceptance has been agreed upon, from acceptance. The mandatory regulations of §§ 478,479 German Civil Code (BGB) shall remain unaffected. For painting work and work on buildings the warranty period shall be 5 years. For used goods the warranty period shall be 2 years. The warranty period for items as specified by § 438 sec. 1 no. 2 b German Civil Code (BGB) shall be 5 years.	§ 9	General items
7.6	With the receipt of our written notice of defect by the supplier the term of statutory limitation for claims under warranty shall be suspended until the supplier has declared the defect removed, has rejected our claims or has declined to continue negotiations regarding our claims. If the purchased item or parts thereof are replaced to more than a minor extent, the period of limitation shall recommence. In the event of a more than minor supplementary performance, the period of limitation shall recommence if the same defect or the consequences of an inadequate supplementary performance are concerned. The period shall be extended by the time during which the installation has to be taken completely or partially out of operation due to defects or their remedy.	9.1	Any documents used by the supplier in its business dealings with us shall have to state: our address, order number, company identification number (BUK) and plant identification number (WK), order date, and VAT ID (for any import from within the EU).
§ 8	Liability	9.2	In case of any employment of external companies on our company premises, our rules for the employment of subcontractors must be observed as well. These are available on the Internet under www.lhoist.de .
8.1	The supplier shall, within the framework of the statutory provisions, be liable for any damage caused to us and/or third parties by the supplier's conduct in breach of the contract or otherwise damaging conduct. The supplier shall	9.3	We shall not assume any liability for any items the supplier stores on our premises in agreement with us for the purpose of performing the delivery or service.
		9.4	Legally relevant declarations and notifications, which are to be submitted to us by the supplier after conclusion of the contract (e.g. setting of deadlines, reminders, declarations of cancellation) must be made in writing in order to be valid.
		9.5	The supplier is not entitled to use its legal relations to us for advertising purposes.
		§ 10	Other provisions
		10.1	The law of the Federal Republic of Germany shall apply with exclusion of the UN Convention concerning the international sale of goods (CISG)
		10.2	Place of fulfilment for deliveries and services shall be our place of business.
		10.3	Exclusive place of jurisdiction shall be our place of business.
		10.4	Should one provision of these terms be or become invalid, or should the contract concluded on their basis be found to have omitted a provision, then the validity of all the other provisions of these terms shall remain unaffected.