



General Terms and Conditions of Purchase

1. Conclusion of contract

- (1) The General Terms and Conditions of Purchase shall apply to deliveries and services of all kinds for which their applicability is expressly agreed. The contract between the contractor and the customer shall be based exclusively on the present General Terms and Conditions of Purchase. General terms and conditions of business of the contractor are hereby rejected.
- (2) Purchase orders, agreements and alterations shall only be binding if issued or confirmed by the customer in writing. Written correspondence must be conducted with the Purchasing Department. Agreements with other departments require the explicit written confirmation of the Purchasing Department in the form of an addendum to the contract, if these involve agreements regarding alterations of the points laid down in the contract.
- (3) The contractor must treat the conclusion of the contract as confidential. He may only name the customer as a reference for third parties, with the written consent of the customer.

2. Obligations regarding collective bargaining and minimum wage

- (1) In addition to statutory requirements, the contractor undertakes to the client to comply with the provisions of any collective labour agreements applicable to it with regard to its employees and to impose the same obligation on any subcontractors. In particular, the contractor undertakes to deploy its employees only within the framework of labour law and to be able to prove this to the client.
- (2) The contractor undertakes to comply with the provisions of the German Minimum Wage Act (MiLoG) and to pay its employees at least the statutory minimum wage in accordance with the MiLoG, unless higher remuneration is owed under the applicable collective agreements or employment contracts. This also means that overtime shall be remunerated in accordance with applicable laws and collective labour agreements. Furthermore, the client undertakes to bind its subcontractors accordingly. The parties clarify that minimum wage per hour currently means - subject to future statutory specification or deviating supreme court rulings - the regular hourly wage without the inclusion of special bonuses, without piecework wage components, without the inclusion of Christmas bonuses, holiday pay, benefits in kind, bonuses, special allowances and reimbursement of expenses.
- (3) The contractor undertakes not to circumvent the statutory minimum wage regulations and shall have compliance with the statutory requirements confirmed by a neutral third party, e.g. an auditor. At the request of the client, the contractor is obliged to present this confirmation. The contractor undertakes to impose the same obligations on any subcontractors.

3. Prices

- (1) The prices agreed are fixed prices and are to be understood as free-point-of-use, including packing and freight costs, and subject to the respectively applicable value added tax. If an "ex-works" or "ex-warehouse" price has been agreed, the customer shall only assume the most favourable freight costs. All costs incurred up until hand-over to the carrier, including loading and excluding carriage, shall be for the account of the contractor. The agreement concerning the place of performance shall not be affected by the form of pricing.
- (2) The customer reserves the right to accept over- and under-deliveries.

4. Trading clauses

INCOTERMS, in the version applicable at the time of conclusion of the contract, shall be applicable for the interpretation of the trading clauses.

5. Evidence of origin, turnover tax law evidence, export restrictions

- (1) The contractor shall provide evidence of origin, requested by the customer, immediately, including all necessary information and correctly signed. The same shall apply for turnover tax law evidence for international and intra-Community deliveries.
- (2) The contractor shall inform the customer without delay if a delivery is subject to export restrictions, either in part or in full, under German law

or any other law.

6. Deadlines, delays

- (1) If the contractor recognises that the agreed deadlines cannot be adhered to for any reason, he must advise the customer of this without delay. The obligation to adhere to the agreed deadlines shall remain unaffected.
- (2) In the event of default by the contractor, the customer can, following fruitless passing of an appropriate period of grace set by him, have the delivery, not yet performed by the contractor, carried out by a third party at the expense of the contractor. As an alternative to this, the customer can withdraw from the contract, following fruitless passing of an appropriate period of grace set by him.
- (4) The statutory regulations shall apply in extension of the rulings made in the above paragraphs.

7. Quality

- (1) The delivery must feature the agreed specifications and conform to the relevant laws, ordinances, guidelines and standards concerning technical safety, industrial and health safety, environmental protection and fire prevention.
- (2) The contractor must always base the quality of his products, to be delivered to the customer, on the latest state of technology, and must draw the attention of the customer to opportunities for improvement and technical alterations.

8. Warranty

The services must comply with the agreed specifications and the relevant guidelines and technical standards.

- (1) The warranty period is 2 years following delivery. The warranty period for reserve parts and for merchandise, identified especially as such in the contract, is 2 years following commissioning or following delivery to the customer, and shall end at the latest 30 months after delivery to the customer. The contractor must remove defects free of charge – including subsidiary costs – through repair. If this is not possible, or if the customer cannot be reasonably expected to accept repaired parts, the contractor must replace the defective parts with perfect parts, free of charge.
- (2) In urgent cases, or in the event of the contractor defaulting on the removal of defects, the customer can carry out the necessary measures himself at the expense of the contractor, or have these carried out by a third party. The customer shall notify the contractor prior to carrying out the measures. Should this not be possible, in urgent cases the measures necessary for avoiding damage can be carried out without prior notification; in such cases, the customer shall make retrospective notification without delay. The warranty obligation of the contractor shall remain unaffected. Excepted from this ruling are defects attributable to measures carried out by the customer or a third party.
- (3) If removal of defects is not possible, or unreasonable for the customer, the customer can demand cancellation of the contract or a reduction in the selling price.
- (4) The warranty entitlement shall become statute-barred 6 months following notification of the defects, at the earliest, however, upon expiry of the warranty period.
- (5) The statutory regulations shall apply in extension of the rulings made in the above paragraphs.

9. Data protection

- (1) The contractor is aware that it may gain access to third-party data that is subject to data protection regulations during the performance of the contract. The contractor undertakes to comply with all European legal standards regarding this data, in particular the European General Data Protection Regulation (EU GDPR) together with national implementation laws as well as all national laws, regulations or other legal standards on data protection, and shall take all technical and organisational measures necessary for this purpose.
- (2) The contractor undertakes to inform all persons involved in the fulfilment of the contract within its sphere of influence that the aforementioned data is subject to data protection. In particular, the client shall draw attention to possible criminal consequences.
- (3) The data protection obligation shall continue to exist even after the termination of the contractual relationship.

10. Confidentiality

- (1) The contractor shall be obliged to treat as confidential all information (e.g.

business and trade secrets, data and their processing and results, other technical or commercial information of any kind) of which it becomes aware through the client and to use it only for the fulfilment of the contract. The information may not be disclosed to third parties in any way, with the exception of employees and other vicarious agents insofar as they require the information to fulfil the contract.

- (2) The obligation to maintain confidentiality shall continue to exist after termination of the contract.
- (3) Information that is
 - generally known or
 - has come to the contractor's knowledge through a third party without breach of a confidentiality obligation.
- (4) If the contractor receives or stores information subject to confidentiality in electronic form, it must protect it against unauthorised access in the same way as personal data in accordance with the BDSG.
- (5) The contractor shall oblige its employees and other persons it uses to fulfil its contractual obligations to maintain confidentiality in accordance with the above provisions and ensure that this obligation is complied with.

11. Drawings, design documents, tools

- (1) Drawings and other documents, devices, models, tools and other means of production, handed over to the contractor, shall remain the property of the customer. Ownership of tools and other means of production, paid for by the customer, shall pass to the customer.
- (2) The above mentioned items must not be scrapped or made accessible to third parties – for example for production purposes – without the written consent of the customer. They must not be used for purposes other than those agreed by contract – e.g. for delivery to third parties. During performance of the contract, the contractor must store these carefully for the customer at his own expense.
- (3) The care, maintenance and renewal of parts with regard to the above mentioned items, shall be based on the respective agreements made between the customer and the contractor.
- (4) The customer reserves all rights to drawings or items produced on the basis of his specifications, as well as to processes developed by him.

12. Payment

- (1) The customer shall pay within 14 days following delivery and receipt of invoice, with 3% settlement discount, or by the end of the month following delivery and receipt of the invoice.
If premature deliveries are accepted, the due date for payment

shall be based on the agreed delivery date.

- (2) Payments by the customer shall not constitute any acceptance of the settlement statement.
- (3) Claims of the contractor from the present contract can be assigned to third parties with the written consent of the customer.
- (4) The customer can offset all claims of the contractor against him, with the claims to which he, the shareholders Salzgitter Mannesmann GmbH, thyssenkrupp Steel Europe AG, Vallourec S.A., or those German companies, in which the above mentioned companies have a direct or indirect majority participation, are entitled against the contractor. Upon request, the customer shall provide the contractor with details of the individual Group companies covered by this ruling.

13. Force majeure

- (1) All events of force majeure shall entitle each contracting party to postpone the fulfilment of assumed obligations for the duration of the disruptions and to the extent of their effects or, if the execution of the contract becomes unreasonable in whole or in part, to withdraw from the contract to this extent without the other party being entitled to claim damages. Force majeure includes all events that occur unexpectedly and are not culpably caused by either party, in particular Natural disasters, fire, lightning, explosion, poison or gas leaks, flooding, general supply disruptions, acts of war, terrorism, riots or similar events, industrial disputes in the company's own or in third-party companies and intervention by higher authorities.
- (2) Force majeure shall be deemed to include serious operational disruptions that lead to a restriction or cessation of operations and other circumstances that make the fulfilment of obligations significantly more difficult or impossible, regardless of whether they occur at a contractual partner or a third party, but only if the contractual partner or the third party is not responsible for them.

14. Place of performance, partial invalidity, place of jurisdiction, applicable law

- (1) Place of performance for deliveries and services is the place of use, for payments the legal domicile of the customer.
- (2) In the event of the invalidity of individual provisions of the contract, the other provisions shall remain binding.
- (3) Place of jurisdiction is the seat of the court generally responsible for the customer. The customer can, however, also take legal action against the contractor at the contractor's general place of jurisdiction.
- (4) In extension of the contractual provisions, exclusively the authoritative law of the Federal Republic of Germany, governing the legal relations between German parties, shall apply.