

General Terms and Conditions of Purchase of

Dieckerhoff Guss GmbH, D-58285 Gevelsberg, **Energietechnik Essen GmbH**, D-45143 Essen, **Friedrich Wilhelms-Hütte GmbH**, D-45473 Mülheim an der Ruhr, **Friedrich Wilhelms-Hütte Eisenguss GmbH**, D-45473 Mülheim an der Ruhr, **GeisslerWista GmbH**, D-58454 Witten, **Georgsmarienhütte GmbH**, D-49124 Georgsmarienhütte, **Georgsmarienhütte Holding GmbH**, D-49124 Georgsmarienhütte, **GMH Blankstahl GmbH**, D-49124 Georgsmarienhütte, **GMH Recycling GmbH**, D-49090 Osnabrück, **GMH Systems GmbH**, D-49124 Georgsmarienhütte, **Gröditzter Werkzeugstahl Burg GmbH**, D-39288 Burg, **Harz Guss Zorge GmbH**, D-37445 Walkenried, **HGZ Gießerei GmbH & Co. KG**, D-37445 Walkenried, **Mannstaedt GmbH**, D-53840 Troisdorf, **MVO GmbH**, D-73529 Schwäbisch Gmünd, **Pleissner Guss GmbH**, D-37412 Herzberg am Harz, **Pleissner Guss Gießerei GmbH & Co. KG**, D-37412 Herzberg am Harz, **Schmiedag GmbH**, D-58089 Hagen, **Schmiedewerke Gröditz GmbH**, D-01609 Gröditz, **SMB Schwermechanik GmbH**, D-15745 Wildau, **Stahl Judenburg GmbH**, A-8750 Judenburg, **Stahlwerk Bous GmbH**, D-66354 Bous, **VTK Veredelungstechnik Krieglach GmbH**, A-8670 Krieglach, **Walter Hundhausen GmbH**, D-58239 Schwerte, **Wildauer Immobiliengesellschaft mbH & Co. KG**, D-15745 Wildau, **Wildauer Schmiede- und Kurbelwellentechnik GmbH**, D-15745 Wildau, **Gröditzter Vertriebsgesellschaft mbH**, D-47877 Willich

1. Scope of Application

- 1.1 These General Terms and Conditions of Purchase (hereinafter referred to as "**Terms**") shall exclusively apply to all the purchase orders of the above-named companies placed with any supplier. Any conflicting and/or additional general standard terms and conditions of any supplier are not applicable for us. This shall also apply if we do not expressly object such terms or perform our contractual obligations without any reservation.
- 1.2 The one company which concludes the contract with the supplier in a specific individual case shall hereinafter also be referred to as the "**Individual Company**".
- 1.3 This document comprising these Terms includes all contractual provisions. There are no supplemental agreements.

2. Purchase Orders

- 2.1 The supplier shall not be entitled to assign any rights or obligations under this Agreement to third parties without our prior written approval.
- 2.2 The supplier shall not be entitled to have the order in whole or in part performed by a third party without our prior written approval.
- 2.3 Offers shall be submitted free of charge and without any obligation for us.

3. Delivery

The delivery dates stated in the purchase order are binding. All shipments have to be made "delivered duty paid" (DDP) to the Individual Company according to the Incoterms 2010. The delivery address of the respective Individual Company is listed in the **attachment** to these conditions. This attachment has been published on the internet at gmh.to/AppendixGTC

3.1

- 3.2 On the day of dispatch a delivery notice shall be sent to us in duplicate under separate cover for every shipment. All shipping notices, consignment notes and package labels must show the purchase order number, the call-off number, the department receiving the goods as well as any other information requested in the purchase order. The goods to be delivered must be properly packed and labelled according to our shipping instructions.
- 3.3 Only after our prior written approval the supplier shall be entitled to make premature deliveries. The supplier has to inform us immediately by facsimile or email about any known or expected delay in the performance of its delivery commitments by giving us the information stated below:
 - a) the probable duration of the delay,
 - b) the reason for the delay and
 - c) what actions have been taken or will be taken to remedy the delay.
- 3.4 If the supplier does not perform its obligations or does not perform its obligations within the delivery period agreed or if the supplier is in default we shall be entitled to claim rights - including without limitation the right to claim rescission of contract and the right to recover damages - according to the statutory legal provisions. This is without any prejudice to the provisions stated in point 3.5.
- 3.5 If the supplier is in default we shall be entitled to claim a contractual penalty in the amount of 0.2% of the net value of the entire order for every calendar day; this penalty, however, is limited to 5.0% of the net value of the entire order. This is without any prejudice to any further rights or claims, in particular claims for damages. The contractual penalty, however, shall be offset against such claims for damages. The contractual payment may be claimed until final payment is made. The supplier shall be exempted from any contractual penalty if he can furnish evidence that he is not liable for exceeding any delivery dates agreed.

4. Compliance with statutory legal provisions and collective agreements, Indemnification

- 4.1 The supplier shall perform its work and/or services in a professional way, on its own responsibility and in compliance with all relevant and valid statutory legal provisions (laws, regulations, collective agreements and works agreements, and any further arrangements).
- 4.2 Work and/or services of the supplier and its employees shall only be carried out within the legal working-hour limitations applicable from time to time. Upon request supplier shall provide evidence concerning the respective working-hours of its employees.
- 4.3 The supplier shall ensure that all its employees are paid in compliance with the provisions of §§ 1, 2, and 20 Mindestlohngesetz [Minimum Wage Law], as well as with further statutory legal provisions and collective agreements which we are liable for pursuant to § 14 Arbeitnehmerentsendegesetz [German employee assignment Act] and/or pursuant to further comparable provisions (hereinafter together referred to as "Minimum Wage Provisions"). Upon request the supplier

shall prove that its employees are getting paid in compliance with the Minimum Wage Provisions by handing over respective documents of an auditor once a year. The supplier is obligated to handover anonymised wage records to prove compliance with the Minimum Wage Provisions. The supplier shall indemnify and hold us harmless from and against all claims asserted against us in case the supplier violates any Minimum Wage Provisions.

- 4.4 The supplier shall arrange for necessary safety instructions for its employees in due time before their deployment; the supplier shall immediately furnish written evidence that safety instructions have been made.

5. Subcontractors

- 5.1 The supplier shall not be entitled to instruct any third parties as subcontractors without our prior written approval.
- 5.2 The supplier shall be liable for any goods or services procured from third parties (especially subcontractors, suppliers, manufacturers etc.) in the same way as it is liable for its own performance.
- 5.3 The supplier shall ensure that its subcontractors (i) undertake to comply with the Minimum Wage Provisions (including - if applicable - § 2 of the Collective Agreement Steel dated July 8, 2014 regarding the use of contracts for work and services) and (ii) - in case of further subcontracting such subcontractor undertakes to agree in writing to comply with the Minimum Wage Provisions (including - if applicable - § 2 of the Collective Agreement Steel dated July 8, 2014 regarding the use of contracts for work and services). The supplier shall indemnify and hold us harmless from and against all claims asserted against us in case the subcontractor violates any Minimum Wage Provisions. The above shall also apply if liability is caused by further subcontractors or the commissioning of temporary employment agencies.

6. Prices

The prices set forth in the purchase order shall be binding.

7. Terms of payment

- 7.1 For every purchase order the supplier shall be obliged to submit an invoice in duplicate complying with all legal provisions and showing the respective purchase order number. Invoices not showing any purchase order number and not complying with the applicable legal provisions shall be regarded as not submitted.
- 7.2 Unless otherwise agreed upon, any payments are made by us within fourteen (14) days from the delivery of the goods and receipt of the proper invoice with a three (3)% discount or net within thirty (30) days from the delivery of the goods and receipt of the proper invoice.
- 7.3 The payment of any invoice does not constitute a waiver of any warranty rights concerning the goods delivered; nor does it exclude or limit our right to lodge a notice of defect at a later date.
- 7.4 We shall be entitled to claim the rights of set-off or the rights of retention as well as the defence of non-performance of contract pursuant to statutory legal permissions. In particular, we shall be entitled to retain due payments to the extent we have claims against the supplier due to defective performance or incomplete performance.
- 7.5 In addition, we shall be entitled to set off any claims we may have against the supplier against all claims the supplier may have, for whatever legal reasons, against one of the aforementioned companies or the Georgsmarienhütte Holding GmbH.
- 7.6 The supplier shall have a right of set-off or a right of retention in case of legally enforceable or undisputed counterclaims only.

8. Title

We do not accept any extended or expanded retention of title (verlängerter oder erweiterter Eigentumsvorbehalt). A simple retention of title (einfacher Eigentumsvorbehalt) is only accepted provided that we are entitled to sell, process and mix the goods delivered within the scope of ordinary operations.

9. Warranty

- 9.1 The supplier warrants that the goods delivered comply with the specifications agreed in the purchase order, are made of the materials agreed, are free from any defects in material, manufacturing or engineering based on the best available technology at the date of order and are free from any defects which nullify or reduce the merchantable quality or the fitness for the agreed use of the goods delivered or which nullify or reduce the value of the goods delivered; furthermore the supplier warrants that the goods delivered meet all official regulations and legal requirements and approvals.
- 9.2 Concerning the delivery of defective goods we reserve all rights we may have under German law. At our choice the supplier has to remedy the defects of the goods delivered or deliver goods without any defects.
- 9.3 We will notify the supplier without undue delay of obvious defects (e.g. transport damage, incorrect or short deliveries) of the goods/service as soon as they are discovered within the ordinary course of business. In any case our notice of any defects received by the supplier within five (5) working days following its discovery shall be considered to be made without undue delay. If an acceptance procedure is agreed we shall have no obligation to inspect the incoming goods. Apart from the foregoing we have no further obligations pursuant to §§ 377, 381 Abs. 2 HGB [German Commercial Code].
- 9.4 The supplier shall bear any costs incurred for inspection and rework (including all costs for dismounting and mounting, if any) even if it becomes apparent that there has not been any defect. This is without any prejudice to our liability for damages in case of any unjustified demand to remedy any defects; however, in such case we shall only be held liable if we have been aware or, when applying the standard of gross negligence, could have been aware of the fact that there has been no defect.
- 9.5 The warranty period is 24 months upon delivery of the goods / after acceptance if the latter has been agreed.

10. Quality Assurance

The supplier herewith accepts our quality assurance instructions.

11. Third party intellectual property rights

- 11.1 The supplier warrants that the goods delivered and the services rendered as well as our use of the goods delivered do not infringe any intellectual property rights (patents, trademarks, utility patents and design patents), rights of licences and copyrights, proprietary designations as well as any other third party intellectual property rights.

11.2 The supplier shall indemnify us against any and all costs and claims, costs of litigation included, resulting from such infringement or alleged infringement and shall compensate all respective damages we may incur unless the supplier is without any fault.

12. Official and Legal Provisions

The supplier will ensure that all products, performed services, other services and processes comply with the applicable legal and statutory requirements of the importing country, exporting country and the country of destination specified by us or the end customer. In particular, deliveries or services within and to Germany must always comply with the legal and statutory requirements of both the Federal Republic of Germany and the European Union, without prejudice to the aforementioned regulation.

13. Binding Principles

Regardless of countries and borders, the following principles shall apply:

- 13.1 Human rights: The supplier will support, respect and safeguard the international human rights within his area of influence in order to make sure that he does not commit any violations of human rights.
- 13.2 Employment standards: The supplier will, as far as he is competent to do so, support the abolition of all forms of forced labor, child labor and discrimination in employment and occupation.
- 13.3 Fighting corruption: The supplier undertakes to comply with all applicable anti-corruption laws and regulations and not to commit any prohibited acts, either directly or indirectly. Prohibited actions shall include, but shall not be limited to, the promise, offer, and/or granting or request or acceptance of any improper benefit or utility in order to influence actions in an improper manner.
- 13.4 Environmental protection: In dealing with environmental problems the supplier shall support a precautionary approach and take initiatives to create a greater awareness for being environmentally responsible and promote the development and distribution of clean technologies.
- 13.5 Energy efficiency: The supplier shall always consider energetic aspects in procurement and modification of energy-consuming equipment and components.
- 13.6 Code of Conduct: The supplier shall accept the laid down principles as set out in the Code of Conduct of the GMH Gruppe as binding. The current version of the Code of Conduct of the GMH Gruppe has been published on the Internet at gmh.to/CoCEN.
- 13.7 Right of inspection, termination: We shall be entitled to provide evidence of a material breach of the obligations set out in this point 13, in particular violations of anti-corruption laws or regulations or the GMH Gruppe Code of Conduct, by the supplier, its officers, employees or other persons within the framework of the contractual obligations, to demand information from the supplier in writing about compliance with the above rules and any violations, and to terminate the contract in case of serious or repeated violations extraordinarily without notice, unless the breach of the supplier is remedied within a reasonable time. The request for information must be made in writing and in compliance with the legitimate interests of the supplier, in particular its business and trade secrets, and in compliance with the rights of employees, in particular data protection.

14. Data protection

The current version of our data protection statement for business partners has been published on the Internet at: gmh.to/DPBusinessPartner.

15. Place of Performance, Applicable Law and Jurisdiction

- 14.1 The place of performance for all deliveries and services shall result from the respective Individual Company from the **Appendix** to these terms and conditions.
- 14.2 This Agreement shall be governed and construed exclusively in accordance with the Laws of the Federal Republic of Germany, with respect to Stahl Judenburg GmbH and VTK Veredelungstechnik Krieglach GmbH, however, exclusively the law of the Republic of Austria, respectively excluding the UN Convention on Contracts for the International Sale of Goods. The trade terms included in this Agreement shall be construed in accordance with the Incoterms 2010 (ICC International Rules for the Interpretation of Trade Terms) and their amendments in the respective version valid at the date of delivery.
- 14.3 Exclusively responsible for any dispute arising out or relating to this Agreement shall be the courts at the location of the Individual Company. Notwithstanding the above we shall be entitled to bring an action against the supplier at any other court appropriate according to the applicable law.