

A. GENERAL PROVISIONS**I. Contract formation**

1. These terms and conditions of sale only apply vis-a-vis companies, legal persons under public law, or special funds under public law within the meaning of Civil Code § 310.
2. Our deliveries and services are exclusively provided on the basis of the following provisions. Different or contrary conditions of the buyer only apply insofar as we have explicitly agreed to them.
3. Our offers are non-binding and can be freely withdrawn at any time until their acceptance.
4. Verbal declarations are non-binding unless confirmed in writing.
5. Offers of the buyer are only regarded as accepted if explicitly declared so by us. Silence does not constitute acceptance of such an offer. The same applies correspondingly to electronically sent commercial confirmation letters unless mutual electronic transmission is agreed for the business relationship and the transmission takes place to the address explicitly intended for the acceptance of such declarations.
6. Our declarations aimed at the formation, amendment or termination of contracts must be in writing; a qualified electronic signature is not required, however, unless agreed otherwise with the buyer.
7. Our deliveries and services are provided in keeping with our compliance policies. The latest compliance guidelines and/or Code of Ethics are available on the Saarschmiede homepage in the "Company" rubric.
<https://www.saarschmiede.com/ssf/en/company/compliance-code-of-ethics/index.shtml>

II. Provided documents

We reserve ownership and copyrights for all documents provided in connection with the order placement such as, for example, calculations, drawings, etc. These documents must not be made available to third parties unless we explicitly agree to this in writing. If no contract is formed, these documents need to be returned to us without delay upon request. The latter does not apply insofar as the buyer is statutorily required to keep the documents.

III. Terms of payment

1. In the absence of contrary agreements, payments need to be made without cash discount within 30 days from the invoice date and in a manner ensuring that we can dispose over the amount on the due date.
2. If it is agreed that the buyer needs to release the goods for shipment within a specific period after our reporting their readiness for shipment (call-off), we are entitled to invoice the goods from the time of their readiness for shipment, in which case the purchase price becomes due for payment 30 days after the invoice date.
3. The buyer can only offset against undisputed claims or claims determined without further legal recourse and is only due retention rights insofar as they are based on the same contractual relationship.
4. If not agreed otherwise, all prices are understood as ex-factory and plus statutory VAT.
5. If levies and other external costs (especially freight costs) included in the agreed price change or are newly created, we are entitled to raise and/or required to lower the price accordingly.
6. Where an acceptance/material test has been agreed, the buyer covers its own costs arising from its attendance or the involvement of third parties.
7. Should the production start be delayed by more than six months for reasons we are not answerable, we are entitled to withdraw from the contract.
8. Extra costs that are incurred from the performance of the delivery and for which no prices have been agreed are borne by the buyer unless we are responsible for their arising.
9. If the time allowed for payment is exceeded, default interest becomes due at the statutory rate.
10. If our payment claim is jeopardized by subsequent events leading to a substantial deterioration of the financial situation, we are entitled to declare it due immediately.
11. If the buyer defaults on a due payment or the institution of insolvency proceedings is applied for, we are entitled (i) to refuse to deliver of the goods, (ii) prohibit the further processing of delivered goods, (iii) take the goods back and possibly enter the buyer's plant for this, and take possession of the goods. Taking back is no withdrawal from contract.
12. In the event of nos. 10 and 11, we can cancel the direct debit authorization (A. VI. No. 7) and demand prepayment for outstanding deliveries.
13. The buyer can avert the legal consequences detailed in nos. 10 to 12 by providing insolvency-protected collateral totalling our jeopardized payment claim.
14. Statutory default provisions remain unaffected.

IV. Collateral

1. There are no collateralized job orders as a matter of principle. Insofar as possible and economically appropriate, we principally seek to collateralize our goods deliveries by taking out trade credit insurance. Where no or no adequate coverage is provided by a trade credit insurance, we are entitled to collateral of the customary type and scope for our claims at our option, also insofar as they are conditional or limited.
2. In the event of the buyer not providing collateral required as per no. 1 or existing collateral becoming unavailable later for reasons we are not answerable for, we are entitled to stop the production start and goods delivery at any time.

V. Set-off, retention

The buyer can only offset against undisputed claims or claims determined without further legal recourse and is only due retention rights insofar as the counterclaims are based on the same contractual relationship.

VI. Reservation of title

1. All delivered goods remain our property (reserved goods) until the fulfillment of all claims, especially also the respective outstanding balance, due to us in the business relationship. This also applies to future and conditional claims, e.g. from reverse bills of exchange.
2. Any treatment and processing of reserved goods takes place for us as the manufacturer within the meaning of Civil Code § 950 without putting us under any obligation. The processed and treated goods are regarded as reserved goods within the meaning of no. 1.
3. If reserved goods are processed, combined, and intermixed with other goods by the buyer, we are due proportional co-ownership of the new item to the ratio between the invoice value of the reserved goods to that of the other goods used. If our property ceases to exist because of the combination, intermixture or processing, the buyer already assigns to us now the ownership of and/or expectant title to the new item due to the buyer to the extent of the reserved goods' invoice value, and in the case of processing in the ratio of the invoice value of the reserved goods to the invoice value of the other goods used, and safekeeps it for us free of charge. Our co-ownership rights are regarded as reserved goods within the meaning of no. 1.
4. The buyer must only resell reserved goods in the ordinary course of business as its normal terms and conditions and as long as it is not in default, provided that the buyer reserves the ownership, and the claims from the resale pass to us as per nos. 5 and 6. The buyer is not

entitled to other dispositions over reserved goods. Using reserved goods to fulfil contracts for work or for work and labour is also regarded as a resale within the meaning of section A VI. 5. The buyer's claims from the resale of reserved goods are already assigned to us now. They serve as collateral to the same extent as the reserved goods within the meaning of no. 1.

6. If the buyer resells the reserved goods together with other goods, the claim from the resale is assigned to us in the ratio of the invoice value of the reserved goods to the invoice value of the other goods. If goods we co-own as per no. 3 are resold, the claim is partly assigned to us in proportion to our co-owned share.
7. The buyer is entitled to collect claims from resales unless we revoke the collection authority as per section A III no. 12. At our request, the buyer is required to immediately inform its customers of the assignment to us – insofar as we fail to do so ourselves – and to provide us with the information and documents required for collection. The buyer is not authorized to assign the claims in any case; this also applies to all kinds of factoring transaction, which are also not permitted for the customer because of our collection authority.
8. The buyer is required to inform us immediately of attachment or other diminutions by third parties.
9. If the value of the provided collateral exceeds the collateralized claims by more than 10 % overall, we are required to release the collateral insofar as our option upon the buyer's request.

B. DELIVERY PERFORMANCE**I. Delivery periods, delivery dates**

1. If delivery periods are agreed, they start from the date of our order confirmation at the earliest, but not before all the order's details have been fully clarified; the same applies correspondingly to delivery dates. All delivery periods and delivery dates are subject to unforeseeable production stoppages and timely self-delivery of required primary materials and, insofar as supplementary purchased quantities have been agreed or are customary in the trade, subject to the ability to supply and timely self-delivery.
2. If the buyer fails to meet contractual requirements – including cooperation requirements and ancillary obligations – such as the opening of a letter of credit, procurement of certificates at home or abroad, payment of an advance, or similar, on time, we are entitled to commensurately postpone our delivery periods and dates in keeping with the requirements of our production workflow, without prejudice to our rights from buyer default.
3. The shipment date from the plant is decisive for compliance with delivery periods and delivery dates. If goods cannot be shipped in time through no fault of our own, the delivery periods and delivery dates count as observed with the notification of readiness for shipment, and the invoicing is initiated.
4. In cases of force majeure, delivery periods and deadlines will be extended accordingly. Force majeure also includes labour disputes in own and other enterprises, transport delays, machine breakage, sovereign measures, and other circumstances we are not answerable for. We will immediately inform our buyer of any event of force majeure. The buyer is entitled to withdraw from the contract no earlier than six weeks after receiving this information from us.
5. If delivery deadlines are not met, the buyer will only be due the rights from Civil Code §§ 281 and 323 upon setting us a reasonable grace period for delivery in combination with – insofar as contravening Civil Code §§ 281 and 323 – a declaration that the buyer would refuse to accept the service after that deadline's expiry; claims to fulfilment are excluded after the unsuccessful expiry of this deadline.
6. In case of delays, we will be liable as per section C for delay-related damages proven by the buyer. We will immediately inform the buyer of the expected duration of delivery delays. Upon gaining knowledge of the duration of a delivery delay, the buyer is required to inform us of the extent of the expectable delay-related damage immediately. If the expectable delay-related damage exceeds 20% of the value of the quantity whose delivery is delayed, the buyer is required to immediately seek a covering purchase and take advantage of any covering purchase options we indicate while withdrawing from the contract for the quantity concerned by the delivery delay; the proven extra costs of the covering purchase and the delay-related damage proven for the interim period will be refunded by us. If the buyer fails to comply with its damage mitigation obligations detailed in the provisions above, our liability for proven delay-related damage will be limited to 50% of the value of the quantity concerned.

II. Dimensions, weight, quality

Deviations from the dimensions, weight or quality are permitted in keeping with DIN or the applicable routine. The weights are measured on our calibrated scales and decisive for the invoicing. The weight is substantiated by presenting the weighing report. Where individual weighing is not customary, the total shipment weight applies. Differences from the mathematical individual weights are distributed amongst them proportionately.

III. Shipment, packaging, and transfer of risk

1. We select the shipper or freight forwarder.
2. If the loading or transport of goods is delayed for reasons the buyer is answerable for, we are entitled, at our reasonable discretion, to store them at the buyer's expense and risk, apply all measures we deem appropriate to preserve them, and invoice them as delivered. The same applies if goods reported as ready for shipment are not called off within four days. The statutory provisions for delayed acceptance remain unaffected.
3. Insofar as customary in the trade, we will deliver the goods packaged and protected from rust; the costs are borne by the buyer. The packaging, protection and transport materials will not be taken back. Any packaging extending over and beyond the transport purpose or any special protection, e.g. for longer-term safekeeping or storage, requires explicit agreement.
4. If there is transport damage, the buyer is required to occasion a formal report from the competent bodies without delay.
5. The risk passes to the buyer as soon as the goods are handed over to the shipper or freight forwarder, and upon their leaving the factory or warehouse at the latest.
6. If the buyer collects goods itself, we are entitled to reject the loading of vehicles that appear unsuitable for safe transport or lack the means required to secure the cargo.

IV. Claims for defect

1. Goods accord with the contract if they do not deviate from the agreed specification at the time of the transfer of risk; the contractual conformity and flawlessness of our goods are exclusively determined on the basis of the explicit agreements concerning the quality and quantity of the ordered goods. A warranty for a specific purpose or specific suitability is only provided insofar as explicitly agreed; the suitability and utilization risks are exclusively borne by the buyer in all other respects. We accept no liability for deterioration or loss or improper handling of the goods after the transfer of risk.
2. Agreed specification contents and any explicitly agreed purpose establish no warranty; the provision of a warranty calls for a written agreement.
3. The buyer is required to inspect received goods immediately upon their receipt (Civil Code § 377). Claims for defect only apply where recognizable defects are objected to immediately in writing, hidden material defects must be objected to immediately upon their discovery.
4. If there are complaints, the buyer is required to immediately provide us with an opportunity to inspect the goods concerned; the rejected goods or a sample thereof need to be provided to

us at our expense upon request. If complaints are unjustified, we reserve the right to invoice the buyer with shipping costs and cargo handling charges, as well as inspection costs.

5. Where goods have been sold as outclassed material – e.g. so-called II-a material – the buyer is not due any warranty rights with respect to the stated flaws.

6. In the event of a quality defect, we will ensure rectification by replacement delivery or rework, at our option, taking the buyer's interests into account. We will only cover rework-related expenses insofar as they are reasonable in the individual case, especially in relation to the purchase price of the goods, but in no case exceeding 150 % of the purchase price. If we fail to ensure successful rectification within a reasonable period, the buyer can set us a reasonable deadline for supplementary performance, upon whose fruitless expiry the buyer can either reduce the purchase price or withdraw from the contract; no further claims apply.

7. The limitation period for any defective delivery ends with the expiry of one year after this delivery. Unaffected by this, the statutory limitation periods apply to goods that have been used for building in keeping with their customary use and caused its defectiveness.

8. In the performance of an agreed acceptance process, the assertion of rights based on the defect of an item that can be discovered in this acceptance process is excluded.

9. The buyer's recourse claims against us as per Civil Code § 478 are limited to the statutory scope of claims for defects asserted against the buyer by third parties and conditional to the buyer having met the complaint obligations imposed on it in the relationship with us by Civil Code § 377.

C. GENERAL LIABILITY LIMITATION

1. Unless agreed otherwise in these provisions, we will only be liable for damage compensation based on our non-compliance with contractual or extra-contractual requirements or in the course of contract initiation in cases of deliberate intent or gross negligence on the part of our legal representatives or vicarious agents, as well as culpable non-compliance with major contractual obligations. If major contractual duties have been culpably breached without deliberate intent or gross negligence on the part of our legal representatives or vicarious agents, our liability will be limited to the foreseeable damage that is typical for the contract only.

2. The liability limitations above do not apply to injuries to life, body, or health.

3. Claims based on personal injury or damages to privately used objects under product liability law remain unaffected.

D. MISCELLANEOUS

I. Export certificate

1. If a buyer that is based outside the Federal Republic of Germany (extraterritorial customer) or its representative collects goods and conveys or ships them to the foreign territory, the buyer needs to provide us with the export certificate required for tax purposes. If this certificate is not provided, the VAT payable for the invoice amount of deliveries within the Federal Republic of Germany needs to be paid by the buyer.

2. Cross-border deliveries are made with duty unpaid and untaxed. Insofar as customs, taxes or other dues are levied, they need to be borne by the buyer.

II. Special provisions

1. For triangular, chain or similar transactions involving other companies but ours and the buyer and performed across borders on the buyer's behalf, the buyer undertakes to meet all statutory requirements in its sphere of responsibility for the correct administrative handling in the states concerned, such as the tax identification number, tax representative, etc.

2. As proof of shipment for inter-community shipments, the buyer confirms the arrival of the goods in the respective country to us by means of a confirmation of arrival provided to the buyer by us with the invoice or as a collective certificate.

3. The buyer will equally meet all statutory requirements for inter-community shipment within the EU and onward transport outside the EU.

4. For tax-free export deliveries as per VAT Act, § 4.1a in conjunction with VAT Act § 6 and/or tax-free inter-community deliveries as per VAT Act § 4.1b in conjunction with VAT Act § 6a in cases of transformation or processing, we are required to provide evidence that we or the buyer have conveyed or shipped the delivered item into the third country and/or other Community territory.

If the transforming or processing company is based in Germany, the material initially remains with the German transforming and processing company commissioned by the buyer. The buyer insofar becomes the owner of the material in Germany. We are therefore compelled to invoice the buyer with the German VAT for lack of proof for the transport to another country.

If the transforming and processing company is based in an EU member state instead, we will also need to make out an invoice with German VAT until the provision of proof for the item's arrival abroad.

III. Applicable law

1. All legal disputes between us and the buyer are exclusively subject to the law of the Federal Republic of Germany.

2. The invoicing of deliveries from one EU member state to another is subject to the VAT regulations of the 6th Accounting Directive of the European Community as amended from time to time unless national law determines otherwise in keeping with the 6th EC Accounting Directive. Insofar as VAT is to be collected from us, the buyer also owes the respective VAT in addition to the agreed (net) purchase price.

IV. Place of fulfilment and jurisdiction

The place of fulfilment and jurisdiction for both contracting parties is Völklingen/Saar. We are also entitled to sue the buyer at its place of general jurisdiction.