

# **General Conditions of Purchase of ISC Steel Company International GmbH**

**Edition June 2018**

## **I. Application**

1. These General Conditions of Purchase (Conditions) shall apply to all our present and future orders for goods, services and the performance of such orders. Seller's conditions diverging from these Conditions will not be acknowledged unless otherwise stipulated within these Conditions or otherwise agreed in the contract with the Seller. In case we accept the goods not expressly objecting these Conditions, the Seller may in no case assume our consent with his conditions.
2. Any oral agreements made by our employees before or at conclusion of contract shall not be binding unless confirmed by us in text form.
3. Any trade terms shall be interpreted according to the Incoterms as amended from time to time

## **II. Prices**

1. The contract price shall be regarded as a fixed price.
2. In case of "free house" deliveries, deliveries "free place of destination" and other "free"-deliveries, the price shall include the costs for freight and packaging. In case of "unfree" delivery, we shall bear the lowest possible freight rates only, unless a special kind of delivery has been requested by us.

## **III. Payment**

1. Unless otherwise agreed payment shall be made either within 14 days with 3 p.c. discount or within 30 days without discount. In case the Seller's conditions for payment are more favourable, they shall prevail.
2. Payment and discount periods shall begin with the receipt of the invoice but not before the receipt of the goods / services and, where the contract includes documentation (e.g. test certificates acc. to EN 10204) or similar written documents, such periods shall begin only after receipt of such documents as agreed in the contract.
3. Payment shall be made by cheque or bank remittance. Payment is considered to have been made in time if the cheque is posted / the bank has been instructed to make the remittance on the due date.
4. We will be liable for interest only if and so far as we are in arrears for payments, not at their mere maturity date. The interest rate will then be 5 % points above the Basic Interest Rate. We are, in any case, entitled to prove a lower rate than claimed by the Seller.
5. We shall be entitled to all statutory rights as set-off and retention of our claims against the Seller's. In particular, we are entitled to retain payment of the purchase price, if and as long as we are not provided with the agreed test certificates acc. to EN 10204.

## **IV. Delivery Times / Late Delivery**

1. All contractual terms and dates of delivery shall be binding to the Seller. In case of imminent delays the Seller shall immediately inform us in text form and make adequate proposals

to remedy the consequences of such delays.

2. Unless otherwise agreed in text form, any dates of delivery shall be considered to be met only if and in so far as the goods have been handed over to us at such dates.

3. If and in so far as the Seller defaults in delivery, we shall be entitled to our statutory rights. In particular, we shall have the right to claim damages for non-performance if and in so far as the Seller fails to effect delivery after a reasonable grace period set to him has elapsed. Our right to request delivery shall be excluded only if the Seller has compensated us for our damages.

4. The Seller shall not be entitled to invoke the missing of required documents to be provided by us, unless we have failed to provide such documents within a reasonable grace period to be set by the Seller in text form.

## **V. Retention of Title**

1. The Seller's terms covering his retention of title shall be valid subject to the condition that title in the goods shall pass to us on the date of payment for such goods. Consequently, the expanded and extended retention of title shall not apply.

2. The Seller may claim return of the goods on the basis of the retention clause only if he has previously withdrawn from the contract.

## **VI. Performance of Deliveries and Passing of Risks**

1. The Seller shall bear the risks of accidental loss and accidental deterioration of the goods until it has been handed over to us at its place of delivery. This provision shall also apply in cases of "free delivery" including "franco domicile".

2. Partial deliveries are subject to our consent.

3. Unless otherwise agreed in writing, the Seller shall bear the costs of packing. Should we, in a given case, agree to bear such costs, the Seller will charge us with the lowest possible costs only. Any obligations to take back packing material shall be governed by the Packaging Decree (Verpackungsverordnung), as amended from time to time or the German Packaging Act of 5 July 2017 (Verpackungsgesetz).

## **VII. Declarations of Origin**

1. The Seller will, upon our request, provide us with a supplier's declaration regarding the preferential origin of the goods.

2. Where the Seller makes a declaration in regard to the preferential or non-preferential origin of the sold goods, the following terms shall apply:

a) The Seller will allow verification through customs authorities and submit all necessary information as well as any required certification.

b) The Seller shall compensate us for any damages and losses incurred to us, if and in so far as the competent authorities, due to any deficient certification or impossibility to verify, fail to acknowledge the declared origin, unless he proves that he is not responsible for such consequences.

## **VIII. Warranty Provisions and Statute of Limitations**

1. The Seller shall deliver the goods free of any material and legal defects. He will warrant in particular that his deliveries comply with the state of the art and with any applicable standards regarding the quality of the material.
2. We will examine the quality and quantity of the goods upon their receipt to the extent both reasonable and technically feasible for us. Any notice of a defect will be deemed to be in time if it reaches the Seller within eight working days by letter, telefax, e-mail or by telephone. Periods for such notice shall not start before we – or in case of direct sales (Streckengeschäfte) our buyers – have detected or should have detected the defect.
3. In the event that the goods show a defect, we may exercise our statutory rights. The expenses required for the remedy of the defective delivery to be reimbursed by the Seller acc. to sec. 439 para. 2 of the German Civil Code (BGB) include any costs related to the locating of the defect as well as sorting costs. If the Seller tries to repair the goods, such remedy is considered to have failed after the first unsuccessful attempt. We shall have the right to withdraw from the contract also in the event a breach of contract is not considered to be material.
4. Where the goods were already defective at the time the risk passed to us, we may claim from the Seller also those expenditures in connection with such defect which we are obliged to pay to our customer.
5. Any claims arising from defects of the goods shall fall under the statute of limitations within a period of 36 months. The foregoing period shall begin with the timely notification of the defect in accordance with the provisions of para. 2 of this clause. The Seller's warranty for the goods will elapse at the latest ten years after their delivery. Such time limit will not apply if our claims rely on facts which the Seller knew or should have known and which he did not reveal to us.
6. The Seller hereby assigns to us - on account of performance – the benefit of any claims against his supplier arising from the delivery of deficient goods or of such goods not conforming with the guaranteed characteristics. Such assignment is hereby accepted. The Seller will provide us with any documents required to enforce such claims.

## **IX. Place of Performance, Jurisdiction, Applicable Law, Applicable Version**

1. Unless otherwise agreed to, our plant shall be the place of performance for the delivery.
2. Place of jurisdiction is the Local or District Court in Nürnberg / Germany. We may, however, sue the Seller at his place of jurisdiction.
3. All legal relationships between us and the Seller shall be governed by the laws of the Federal Republic of Germany supplementing these Purchase Conditions, including the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).
4. In cases of doubt, the German version of these General Conditions of Purchase shall apply.