

# General Terms and Conditions of Purchase for Saarstahl Group

Revised 1/2024

Issued 15<sup>th</sup> March, 2024

## I. Applicability

- The legal relationships between the supplier and companies of the Saarstahl Group (hereinafter also referred to as "purchaser") apply pursuant to the following terms and conditions, unless otherwise agreed in writing.
- Conflicting terms and conditions on the part of the supplier apply only if these have been acknowledged expressly and in writing by the purchaser. This shall also apply if the purchaser does not expressly object to the terms and conditions contained in the proposal or in the order confirmation, or which are referred to. Receipt of the delivery or service shall not signify consent on the part of the purchaser to the General Terms and Conditions of the supplier.
- In all other respects, the legal provisions shall apply.

## II. Order

- Only orders issued in writing shall be legally binding. To be effective, oral agreements shall also require written confirmation by the purchaser.
- All orders shall be promptly confirmed in writing by the supplier. If the confirmation does not reach the purchaser within 2 weeks after the order date, the purchaser is no longer bound to the order.

## III. Prices

The agreed prices are firm and shall apply, unless otherwise agreed in writing, free to the point of delivery stated in the order.

## IV. Shipment

- Unless otherwise agreed in writing, forwarding shall be free to the point of delivery stated in the order. The supplier shall bear the transport risk, transportation charges and ancillary costs. In the case of an agreed acceptance for which the supplier bears the costs, the risk transfers only upon acceptance.
- For each consignment, the purchaser is to be provided dispatch papers in duplicate immediately upon dispatch. The dispatch notes must contain precise information about the content, including the individual weights, the items, etc. Dispatch notes, delivery notes, adhesive car labels and all correspondence must show the order number and point of delivery. In addition, the adhesive car labels shall contain the gross, tare and net weight as well as the prescribed notation of the unloading point. The declaration of the goods in the consignment notes shall be in accordance with the Harmonized Commodity Code (NHM).
- Partial delivery, if permitted by the purchaser, shall be identified as such in the dispatch documents.
- The supplier or his agent shall require the point of delivery to issue a certificate showing the proper receipt of all consignments. Delivery to a point of delivery other than that specified by the purchaser in the order shall not effect a transfer of risk, even if this site accepts the delivery.
- In the case of deliveries that are not free of transportation charges, all forwarding costs up to the commissioning railway station – travel expenses and carriage, in particular – shall be borne by the supplier; shipping shall be conducted at the most economical shipping rate for the purchaser. Otherwise, the purchaser shall deduct the difference.
- All costs incurred due to nonobservance of these shipping instructions shall be borne by the supplier.

## V. Packaging

- Packaging shall be paid for by the purchaser only if such compensation is expressly agreed in writing.
- Packaging may be returned at the supplier's expense and only if the corresponding information is clearly noted in the delivery documents; in the absence of such information, the packaging material shall be promptly destroyed by the purchaser and the supplier's entitlement to return lapses.

## VI. Issuance of invoices and payment

- Invoices are issued in one copy, separately – meaning they are not to be submitted together with the consignment. Invoices must contain the invoice number, the invoice date (=issue date), currency, the order number and the date of delivery or service.
- If deposits (settlement for a service still to be performed) are settled, this must be noted on the invoice.
- Invoices are to be sent preferably by e-mail to a separate e-mail invoice mailbox. The prerequisite for this is a form signed by the supplier/invoicing party "Declaration of consent to the electronic invoice by e-mail in PDF format", which regulates the exact requirements for this (including a clear sender e-mail address, attachments, etc.). Invoices sent electronically by e-mail may not be sent additionally by post.
- The invoice shall be paid after receipt of the goods or services in conformity with the contract and receipt of the verifiable invoice (mandatory information on the invoice) within the agreed payment period.

## VII. Claims for defects

- Delivery and performance at the transfer of risk shall be in accordance with the agreed conditions.
- For all deliveries and performance, the supplier shall comply with all applicable statutory, regulatory and professional provisions as well as other rules.
- The purchaser shall promptly report defects in delivery and performance in writing once they have been established in accordance with the conditions in the ordinary course of business; in this respect, supplier waives the objection of delayed complaints concerning defects (§ 377 HGB [section 377 of the German commercial code]).
- The rights of the purchaser are based on legal provisions. Unless the law provides for a longer term, these rights expire two years after the handover or

delivery of the goods. If acceptance is agreed for the delivery and/or performance, the term for the time limitation shall begin at the time of acceptance. In addition, the following shall apply: If the supplier fails to fulfill his obligation to rectify the defect despite being provided an adequate time extension, the purchaser is entitled to rectify the defect himself and to demand compensation for the required expenses, provided that the supplier does not refuse the rectification due to excessively high cost – notwithstanding § 275 II, III BGB (section 275 II, III of the German Civil Code). In all other respects, § 637 BGB (section 637 of the German Civil Code) shall apply.

## VIII. Assignment, transfer of execution of the contract

- Without the express written consent of the purchaser, which may not be withheld without reason, the supplier may not transfer, in whole or in part, either his rights or his obligations arising from the order to a third-party, or relinquish these to be exercised by a third-party.
- § 354a HGB (section 354a of the German commercial code) remains unaffected.

## IX. Delivery date

- The delivery dates agreed with the purchaser shall be strictly adhered to; adherence to the delivery dates shall be determined by the receipt of the goods at the point of delivery specified in the order. In the case of nonadherence to the schedule, the purchaser is entitled, after setting an appropriate time extension, to withdraw from the agreement or, if there is a culpable breach of duty, to claim compensation for damages in place of performance. The right to compensation for damages due to justifiable delays remains unaffected.
- An early delivery affects the payment deadline linked to the intended delivery date only if this is expressly agreed.
- If fulfillment by the purchaser of his contractual obligation is made impossible or significantly more difficult due to force majeure, strike or lockout, the purchaser may rescind all or part of the agreement or request that it be carried out at a later time without this resulting in any claims against the purchaser on the part of the supplier.

## X. Place of performance, place of jurisdiction, application of German law

- The place of performance for the delivery or service is the delivery point designated by us; the place of payment is Dillingen.
- The place of jurisdiction is the court of jurisdiction for the purchaser or, according to the purchaser's choice, the supplier's general place of jurisdiction.
- German law shall apply to all legal relationships between the purchaser and the supplier.

## XI. General provisions

- If bankruptcy proceedings are opened on the assets of a contracting partner, or if a request to open proceedings to declare bankruptcy is rejected for insufficiency of assets, or if the bankruptcy court orders precautionary measures following an application to declare bankruptcy, the other contracting partner is entitled to withdraw from the part of the contract that has not been fulfilled.
- If individual provisions of this agreement become void, illegal or unenforceable, the remainder of these provisions shall retain their full force. The void, illegal or unenforceable provision or provisions shall be replaced by relative provisions coming as close as possible to the economic intent of the original agreement.
- The business relationship existing with the purchaser may only be used for promotional purposes with the written consent of the purchaser

## XII. Ethical principles

- The Saarstahl Group stands for adherence with social, environmental and ethical principles. The company supports its suppliers in their obligation to achieve an especially high level of social responsibility in all corporate activities.
- The Saarstahl Group requires all suppliers to observe and support basic international principles in the areas of human rights, labor, the environment and anti-corruption. These include:
  - the ten principles of the United Nations Global Compact
  - the OECD guidelines for multinational enterprises
  - the principles of the International Finance Corporation
  - the basic principles and core labor standards of the International Labor Organization, and
  - the basic principles of the UN Convention against Corruption.
- The Saarstahl Group requires all suppliers to also comply with the Code of Ethics, the Code of Conduct for Sustainable Sourcing, as well as with the Policy Statement on Human Rights and Environment of the SHS Group.
- Violations of ethical principles can be reported via our whistleblower system.

## XIII. Secrecy

The supplier shall keep secret from third parties all operational processes, facilities, documents and information of which it becomes aware in connection with its activities, even after submission of the respective offers or completion of the contract. The supplier shall impose corresponding obligations on its agents.

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**The Saarstahl Group includes, among others, the following companies:**

- Saarstahl AG
- Kalksteingrube Auersmacher GmbH
- Saar-Blankstahl GmbH, Homburg
- Saar Rail GmbH, Völklingen
- Saar Stahlbau GmbH, Völklingen
- Saarschmiede GmbH Freiformschmiede, Völklingen

**Links Compliance, Corporate Social Responsibility and Sustainability:**

Code of Ethics

Code of Conduct for Sustainable Sourcing

Guidelines for Conflict Minerals

<https://www.stahl-holding-saar.de/shs/en/holding/compliance/publications/>

Policy Statement on Human Rights and Environment

<https://www.stahl-holding-saar.de/shs/en/holding/compliance/publications/>

Whistleblower system

<https://www.stahl-holding-saar.de/shs/en/holding/compliance/whistleblower-system/index.shtml>

Sustainability Report

<https://www.stahl-holding-saar.de/shs/en/holding/sustainability/index.shtml>