



## WALZEN IRLE CONDITIONS FOR DELIVERY

### Conditions for delivery for cast breakage and foundry steel scrap - HBLGG's

The supply of cast breakage and foundry steel scrap is based on the general purchasing conditions of the buyer and the following „usual trade terms“. In the case of objections the last mentioned terms are having priority.

#### 1. Delivery dates

For the observance of the agreed delivery dates with shipping per train the receipt at the station of arrival is valid, with shipping per truck the receipt at the recipient and with shipping per ship the receipt of the material at the port of destination.

#### 2. Performance of delivery

The seller is obliged to declare the agreed delivered goods variety-specifically and to distribute them in the agreed time as possible rationally or to deliver them accordingly to the agreement. This is valid not only for the total quantity delivered, but also for the delivery of separate sorts. According to the acceptance the buyer has the same obligation.

#### 3. Extent of delivery

The contractually agreed quantities must be exactly observed.

#### 4. Reservation of title

a) The delivered scrap is owned by the supplier until the fulfilment of all requirements from the business relation. For current accounts the reserved property is valid as security for the balance claim.

b) Processing or transformation of the conditional goods take place for the supplier as a manufacturer in the sense of Civil § 950 Civil Code – without obligating him.

With processing, combination or intermixture of the conditional goods with other goods by

the buyer, the supplier has the right of joint ownership of the new object in relation to the invoice value of the conditional goods and the invoice value of other used goods.

If the ownership of the supplier expires throughout combination or intermixture, even now is made the agreement that the buyer assigns to the supplier the joint ownership of the new stock or the subject on the scale of the invoice value of the conditional goods and that the buyer stores them for him free of charge.

The goods developed throughout processing, combination or intermixture, are valid as conditional goods in the sense of part a).

c) The buyer is permitted to sell or to process the conditional goods only in the usual business connections, as long as he does not

d) The claims of the buyer from the resale of the conditional goods together with all side-rights are assigned to the supplier already now to the full extent – whether to one or to more buyers. If the conditional goods are sold by the buyer with other goods which are not owned by the supplier, the claim is assigned to him only in the amount of his invoice amount.

If the conditional goods are sold after combination or intermixture with other goods which are not owned by the supplier, the assignment takes place only in the amount of his joint partnership share of the sold object or stock. If the conditional goods are used by the buyer for the fulfilment of a contract for services or a contract for work and materials, the claim from this contract is in advance assigned to the supplier to the full extent, as is it determined in the above-mentioned parts for the claim from resale.

e) The buyer has the right to collect claims from resale of the conditional goods or from their use for the fulfilment of a contract for services or a contract for work and materials until the revocation of the supplier. The supplier will use his right to revoke only if the buyer is behind with his payments or if he does not meet his obligations. In this case the buyer is obliged - when required by the supplier- to declare the assignment to third buyers or to hand over the supplier all information and documents which are needed for the collection.

f) If the value of the existing securities exceeds the secured claims more than 10 per cent, the supplier will insofar release the securities hold by him.

## **5. Payment date**

The payment is made until the 20th of the following month after the receipt of goods.

## **6. Suspension**

a) The seller has to accept any kind of suspension which is declared by the buyer in advance by phone and afterwards confirmed in writing or by telex. Because of the telephone information (if it is given until 12 o'clock) the shipping has to be suspended at the latest at the expiration of the next working day. If the information is given after 5 p.m., the shipping has to be suspended at the latest at the expiration of the working day after tomorrow.

b) The receipt of goods which can be still shipped later can be refused by the buyer already at the station of destination. Hereby incurred costs are for the sellers account.

c) Ships which are loaded or already on the way must be announced the buyer by phone immediately after the announcement of the suspension. The buyer and the seller will make an agreement about it. The buyer demands a proof of the Estimated Time of Arrival (ETA) of the ship.

## 7. Shipping

a) In all shipping documents (for example: consignment note, waggon stickers, delivery note and bill of lading) must contain the exact sort name, main supplier number, sub-supplier number, delivery weight and place of receipt.

b) The seller is obliged to carry out the shipping with minimum costs for the buyer.

c) The kind of shipping must be agreed before between the buyer and the seller.

d) With delivery by train have to be used exclusively well-swept waggons with steel superstructures.

e) With delivery by ship have to made before several agreements regarding to the type of ship and possibilities for unloading.

f) For delivery by ship is valid: Even with cif-contracts the buyer determines the unloading place. After dispatch the buyer has to receive the following information – per telex or by phone:

aa) Name of the ship

bb) Consignment (quantity of different sorts)

cc) Day and place of dispatch

dd) Expected arrival at unloading place

The bills of lading have to be sent to the buyer immediately.

## 8. Weight

For the calculation of the bill the net weight determined by the buyer is decisive. Differences towards the weight declared by the seller are considered according to the following regulations:

a) Weight differences with delivery per waggon until +/- 300 kg are not taken into consideration.

From +/- 301 kg difference weight the net weight determined by the buyer throughout weighting certification about full- and empty weighting.

Axle weighting is admissible under specific conditions (regulations of gauging office). In the weighting certificate has to be noticed that the total weight was determined by axle weighting.

b) For shiploads which have been unloaded by the buyer or by the carrier or stored on demand of the buyers is determined the net weight by full- and empty gauging in the port of unloading. Weight differences in the so determined net weight towards the bill of lading weight are not taken into consideration until +/- 0,5 per cent. Difference weights from +/- 0,5 to 3 per cent are to proven by means of an gauging certificate about full- and empty gauging. Difference weights of more than +/-3 per cent determined during the full gauging have to be passed on to the seller

before unloading the ship. In this case the unloading can begin only after the seller's consent. Hereby incurred costs are for the seller's account.

c) For delivery by truck the net weight determined by the recipient's plant adjusted scales by full- and empty weighting is decisive for the calculation of the bill. Axle weighting is admissible under specific conditions (regulations of gauging office). In the weighting certificate it has to be noticed that the total weight was determined by axle weighting.

d) Agreed global deductions for soiling and/or throughout weighing or gauging determined rubble are deducted from the weight of the load in order to fix the weight for the calculation of the bill.

## 9. Defects

The industrial condition is decisive for the determination of defects and for the classification of sorts. With the complete unloading the goods are valid as delivered as per agreement according to discernible defects. The factory can also claim damages due to hidden defects also later, however only to the amount of the countervalue for the wrongly delivered goods or there can also be demanded a substitute delivery.

a) A refusal has to be made if a defect or a wrong declaration of sorts is determined during the unloading.

b) If the scrap delivery is observed by the buyer in the port of unloading before or during the unloading, this is not a determination of the final accounting sort. This happens according to the above-mentioned part by means of industrial condition.

c) Any scrap must be free from all components which are damaging to the casting application.

d) Any scrap must be free from ionizing radiation which exceeds the natural own radiation (if by the help of an appropriate measurement instrument is determined a value which is higher than the environmental underground radiation).

This radiation is documented after a further control measurement in a measurement report. If such an ionizing radiation of the scrap should have been determined, the buyer has the right to refuse the acceptance of the load and to inform the relevant authority and the seller about it. If the authority does not order any other measure, the seller must pick up the scrap within two working days after the information of acceptance refusal. If the seller is not active within this period, the buyer has the right to arrange the return transport or the waste disposal. All costs combined with the refusal or the return transport are for the seller's account. If the authority orders special measures (for example isolation and examination of all scrap parts of an as loaded recognized cargo, a temporary storage at the business premises, an evacuation under special safety regulations, waste disposal), the costs are also for the seller's account. The seller has to give the buyer during new scrap consignments – otherwise at the beginning of each calendar year – a written confirmation with the following content: „During the shipment from our own storehouse we assert that we will deliver only scrap which has been inspected before by our own measurement instruments for freedom from ionizing radiation. Therefore we are always able to make the statement in advance for each delivery quantity in all conscience that the scrap is due to the above-mentioned inspection free from ionizing radiation which exceeds the measured environmental underground radiation.

During the shipment by sub-suppliers (transfer orders) we declare that we made our sub-sup-

pliers aware of the obligation to inspect carefully the scrap delivered by them for freedom from ionizing radiation which is higher than the measured environmental underground radiation. Our suppliers have asserted that they will carefully inspect the scrap by their own measurement instruments and that they can in all conscience declare that the scrap is free from ionizing radiation which is higher than the measured environmental underground radiation. During scrap consignments from direct import per ship, wagon or truck we declare that the contract from which the import quantities come from expressly contains the warranty that the scrap is free from ionizing radiation which is higher than the measured environmental underground radiation because of own measurement instruments."

## **10. Explosion substances and explosion suspected hollow bodies**

a) The accident prevention regulation „Explosive devices and hollow bodies in the scrap“ of the smeltery and steel-mill trade association and the regulation for the prevention of damages by weapons (weapons regulation) of the federal state North Rhine-Westphalia are components of these conditions, even if one contractual partner has his seat outside the territory of the above-mentioned regulations.

b) Any scrap has to be delivered free from explosive devices, explosion suspected objects and closed hollow bodies. Scrap consignments with explosive devices, explosion suspected hollow bodies have to be taken back by the seller.

c) The supplier has to give the entrepreneur who smelts down scrap during new scrap consignments – otherwise at the beginning of each calendar year – a written confirmation with the following content: „ During the shipment from our own storehouse we assert that we will deliver only scrap which has been inspected before by us for freedom from explosive devices, explosion suspected objects and closed hollow bodies. Therefore we are always able to make the statement in advance for each delivery quantity in all conscience that the scrap is due to the above-mentioned inspection free from explosive devices, explosion suspected objects and closed hollow bodies. During the shipment by sub-suppliers (transfer orders) we declare that we made our sub-suppliers aware of the obligation to inspect carefully the scrap delivered by them for freedom from explosive devices, explosion suspected objects and closed hollow bodies. Our suppliers have asserted that they will carefully inspect the scrap and that they can in all conscience declare that the scrap is free from explosive devices, explosion suspected objects and closed hollow bodies. During scrap consignments from direct import per ship, wagon or truck we declare that the contract from which the import quantities come from expressly contains the warranty that the scrap is free from explosive devices, explosion suspected objects and closed hollow bodies."

d) Scrap from emptied ammunition can be delivered even during presence of a corresponding certificate of non-objection only after a prior agreement with the buyer.

e) Düsseldorf Agreement

A corresponding liability insurance according to the Düsseldorf Agreement has to be proven.

## **11. Cost for refusal**

a) With complaints due to quality reasons or other aspects which can occur for the buyer are calculated costs for refusal for the seller to the amount of the agreements made with the conclusion of the contract. Furthermore, the seller has to pay the demurrage amount which comes

into being because of the complaint.

b) If explosive devices, explosion suspected objects or closed hollow bodies are found in the scrap, the buyer can demand from the seller a premium.