

## **I. General**

1. These General Terms and Conditions shall become an integral part of any Purchase or Supply Contract. Modifications and amendments shall only be effective when provided in written or electronic form; this shall also apply for any abolition of this requirement of written or electronic form. Purchasing conditions to the contrary of or in addition to these Terms and Conditions or any other limitations of Purchaser shall not be recognised unless Seller has expressly agreed to them in writing from case to case; agreement in such a case shall only apply to the transaction for which agreement has been granted.

2. These General Terms and Conditions shall also apply to all future transactions with the Purchaser until new terms and conditions are agreed upon.

3. These General Terms and Conditions apply exclusively to companies (§ 14 of the German Civil Code / "BGB"), legal entities under public law or special funds under public law within the meaning of § 310 sub-section 1 BGB.

## **II. Quotation, Orders, Assignment**

1. Quotations of Seller shall have no binding force with respect to price, quantity, delivery time and possibility of delivery.

2. Orders by Purchaser shall only become binding for Seller when confirmed by Seller. Confirmations shall be performed in written or electronic form.

3. Purchaser may not assign rights under purchase and delivery contracts with Seller unless Seller gives its prior written consent.

## **III. Invoicing**

1. The determination of weight which is decisive for invoicing shall be carried out at the shipping point of Seller's supply plant, unless Purchaser, at its own costs, demands that weighing is performed at the station of departure.

2. Calculation basis for the agreed price shall be the purchase price for the necessary ingoing material. Should Seller be able to prove that the officially quoted raw material price for the ingoing material required from time to time, as quoted at the LME and published by Argus Metals, exceeds the calculated purchase price by more than 5%, the agreed selling price shall increase accordingly.

## **IV. Payment Conditions, Payment Transactions**

1. Verification of the invoice by Purchaser has to be carried out within 10 days after its receipt. When no objection is made during this term, the invoice shall be considered as acknowledged.

2. For defaults in payment, the legal provisions shall apply. In addition to that, Seller shall be entitled to keep back further deliveries or partial deliveries – even when already confirmed – and to make these, in Seller's discretion, dependant on prepayment of the purchase price or provision of adequate security. If Purchaser defaults at least two payments from the business relations with Seller, any and all payment obligations of Purchaser under any and all business relations with Seller shall become due immediately.

3. Down-payments and prepayments have to be performed subject to the addition of statutory turnover tax (*Umsatzsteuer*), which may be due. Purchaser shall be liable in the amount of statutorily owed turnover tax in the event of failure to invoice for it in case of factual domestic deliveries as provided for in German turnover tax law (*Umsatzsteuergesetz*), particularly in cases, when material is collected and it is subsequently omitted to provide Seller with the required proofs of exportation / certificates of delivery.

4. Payments shall only be deemed as effected when the respective amount has been finally credited to a bank account of Seller.

5. Purchaser may only carry out set-offs or claim rights of retention in case of accounts receivable which have been determined by a decree absolute or are uncontested. Purchaser shall furthermore only have rights of retention

to the extent that its counterclaims are based upon the same contractual relationship.

## **V. Deterioration of Assets**

1. Should it be discovered after conclusion of a contract with Purchaser that fulfilment of its contractual duties is jeopardised due to its financial situation (in particular in case of cessation of payments, petition for insolvency proceedings, attachment or forced execution measures, protest acts for bills of exchange or cheques and returns of debit notes, also in relations with third parties) Seller shall be entitled to withhold delivery until, in Seller's discretion, prepayment of the purchase price is made or adequate security provided. This shall also apply when, due to payment defaults by Purchaser, well-reasoned doubts regarding its ability to pay or its credit standing exist.

2. If a current account relation exists within the framework of the business relation, Seller shall, in the cases mentioned in item IV.1, furthermore be entitled to withhold deliveries until all payments from acknowledged balances are received or adequate security is provided.

3. In the event that the prepayment or provision of security under Item V.1 is not fulfilled by Purchaser within fifteen days, Seller shall be entitled to rescind the respective contract.

## **VI. Delivery, Risk-Bearing**

1. Unless otherwise agreed, deliveries shall be "FCA" (Incoterms ® 2020) Hermsdorf. For the event that parties have, from case to case, agreed shipment of the goods to any other place, Seller reserves the right to select route and type of shipment. Additional costs caused by special shipment requests of Purchaser shall be borne by the latter. The same shall apply to increases of shipment rates occurring after contract conclusion, possible extra costs for re-routing, warehousing costs etc., unless delivery with freight paid has been agreed.

2. Delivery dates follow from the respective order confirmation and shall only be valid under the reservation that Seller itself receives deliveries correctly and punctually.

3. To the extent that a fixed delivery date has been agreed, Purchaser has to set an appropriate grace period for supplementary fulfilment in case of default. Only after effectless passing of this period, Purchaser may rescind the contract, unless such supplementary grace period is in exceptional cases made dispensable by law.

4. The risk of perishing, loss or damaging of the goods shall pass to Purchaser upon staging of the goods for collection on the agreed delivery date. If shipment has, from case to case, been agreed, the risk shall pass to Purchaser upon dispatch of the goods. The agreed upon Incoterms ® shall apply to determine the time of staging of the goods or dispatch.

5. Goods not received in time shall be stored at Purchaser's cost and risk.

## **VII. Force Majeure**

Force majeure of any type, e.g. war, terrorism, riot, fire, flood or other unforeseeable circumstances which the Party liable to perform cannot be held responsible for, especially disruptions of operations, traffic or shipping, lack of workforce, energy or raw materials, strike, lock-outs, decrees by the authorities or own incorrect or late supply, which prevent the liable Party from fulfilling its contractual obligations and duties, shall exempt such party from such contractual liability for the duration and scope of such impediment. The liable party will notify the other party of the circumstances of such impediment as well as the expected duration of the delay. If the impediment lasts for more than eight weeks, both parties shall have the right to rescind the contract. Should Seller's procurement sources be lost in whole or in part, Seller shall not be obliged to cover its requirements from other suppliers. In such an event, Seller shall have the right to distribute the available quantities of goods according to the sequence in which orders were received by Seller.

## **VIII. Reservation of Title**

1. The goods supplied shall only pass into Purchaser's ownership when Purchaser has fulfilled all its liabilities under the business relation with

Seller (including related costs and charges, claims for damages and payment of cheques and bills of exchange). If a current account relation exists within the framework of the business relation, ownership in the goods supplied shall only pass to Purchaser, when all payments under acknowledged balances have been received.

2. Having set an appropriate supplementary grace period, Seller shall be entitled to rescind the contract and demand surrender of the goods supplied under reservation of title ("Reserved Goods") from Purchaser, when the latter acts contrary to the contract and is at fault for such, especially when defaulting payment.; the Purchaser shall be obliged to surrender the Reserved Goods. The taking back of the Reserved Goods by the Seller shall always constitute a cancellation of the contract. The seizure of the Reserved Goods by the Seller shall also always constitute a cancellation of the contract.

3. Upon restocking of the reserved goods, Seller shall, following a previous threat to this effect, be authorised to appropriately dispose of these goods; the proceeds from such disposal are to be set off against Purchaser's liabilities, after deduction of appropriate disposal costs.

4. When reserved goods are processed, Purchaser is acting for Seller. If the reserved goods are processed, transformed, mixed or combined with goods which are not owned by Seller, Seller acquires co-ownership in the products so generated in the proportion of the invoiced value of the reserved goods to the invoiced value to the other processed, transformed, mixed or combined goods at the time of such processing, transformation, mixing or combination. The product so generated, shall be treated in the same manner as reserved goods. If combination or mixing is performed with a principal object of Purchaser, Purchaser is now already transferring the pro-rated co-ownership in the new object to Seller.

5. Purchaser has the obligation to keep the reserved goods in safe custody for Seller, maintain and repair them at its own expense and insure them against loss and damaging at its own expense within the framework of the due diligence which can be demanded from a prudent businessman. Purchaser herewith assigns its claims under insurance contracts to Seller in advance.

6. As long as Purchaser properly fulfils its liabilities towards Seller, Purchaser shall be entitled to dispose of the reserved goods in the orderly course of business; this entitlement shall however not apply to customers of Purchaser who have excluded or limited the assignment of payment claims directed against them. Purchaser is not authorised to attach, assign by way of security or otherwise encumber the reserved goods. In case of reselling, Purchaser has to make the transfer of ownership dependant on full payment of the goods by its customer.

7. Purchaser shall, at this time already, assign in advance all claims against its customers to Seller; this shall include any and all collateral and security rights arising from reselling reserved goods and serve as security for all claims against Purchaser accruing to Seller under the business relation. In the event that a current account relation under Section 355 HGB (*Handelsgesetzbuch*) exists within the framework of the business relations between Purchaser and its customer, then such assignment shall also cover the acknowledged balance. Seller accepts the assignment. If the reserved goods are sold at a total price together with other objects, then the assignment shall be limited to the pro-rated amount of Seller's invoice for the reserved goods included in such sale. If goods are sold, in which Seller holds a co-ownership share under Item VIII.4, then the assignment shall be limited to that part of the claim, which corresponds to the co-ownership share of Seller. If Purchaser uses the reserved goods for the remunerated improvement of objects in the ownership of third parties, Purchaser herewith assigns in advance its claim for remuneration against such third party to Seller, for security purposes as mentioned above.

8. As long as Purchaser fulfils its payment obligations from the proceeds collected in due time and in particular, as long as no petition for opening insolvency proceedings has been filed and as long as Purchaser does not stop its payments, Purchaser shall, subsequent to such assignment, retain entitlement to collect the claim under resales or improvements itself. Seller's entitlement to collect such claims shall remain unaffected. Purchaser is not authorised to perform attachments and assignments of any kind whatsoever of the claims against third parties which were assigned to Seller.

9. If Seller has the impression that realisation of its claims is jeopardised on account of any of the cases mentioned under Item VIII, Phrase 1, Purchaser shall, upon Seller's request, notify its customers of such assignment and submit all information and documents required for the redemption of such claims to Seller. When such a case occurs, Purchaser's right to redeem the claims shall become void.

10. Any attachments of the reserved goods and assigned claims in favour of third parties have to be notified by Purchaser to Seller without delay. In addition to that, Purchaser has to inform such third parties about the entitlements of Seller to the reserved goods and/or the assigned claims. If such third party is unable to reimburse the judicial and extrajudicial costs of an action under Section 771 ZPO (*Zivilprozessordnung*), Purchaser shall be liable for the loss incurred by Seller.

11. If the value of the securities Seller is entitled to exceed Seller's claims against Purchaser, which are subject to security, by more than 20 %, then Seller shall, upon Purchaser's demand, be obliged to release these accordingly. Selection of the security to be released shall be carried out by Seller.

#### **IX. Claims for Damages**

1. Seller's liability for damages caused by ordinary negligence is limited to damages caused by violations of cardinal contractual obligations, the fulfilment of which shall be a prerequisite for orderly performance of the contract and upon the observation of which the contract partner regularly relies and may rely. In this case however, liability shall be limited to typically foreseeable damages. This limitation of liability shall equally apply to damages caused by gross negligence of employees or agents of Seller, who are not corporate bodies or officers of Seller.

2. The limitation period is two years from the point of time, when the claim was created and Purchaser became aware of the circumstances upon which such claim is founded. The claim shall become time-barred three years after the event causing the damage, irrespective of Purchaser's knowledge of such event. In case of claims for damages due to defects, the limitation period shall be governed by item XI.4.

3. The limitations of liability shall apply to all claims for damages irrespective of their legal grounds, with the exception of claims for damages by Purchaser (i) due to intent, (ii) under product liability law, (iii) for fraudulent concealment of defects, (iv) defects in relation to which a guarantee of quality had been assumed, (v) from injury of life, body or health, (vi) for gross negligence of corporate bodies or officers of Seller as well as (vii) to the degree mandatorily provided for by law.

#### **X. Notification of Defects**

1. Notifications of defects will only be taken into consideration when these are communicated to Seller in writing with specific identification of the defect, immediately but not later than within ten days after arrival of the goods concerned. Purchaser has to specify the notification of defects by sending documentary evidence, samples and shipping lists, as well as indicating code and date of the respective invoice.

2. Another requirement for a warranty claim is that 80 % of the goods supplied are ready for inspection by Seller in their unopened packaging.

3. In case of concealed defects, written notification has to follow without delay but not later than within ten days after discovery of the defect; the burden of proving that a concealed defect is present is to be borne by Purchaser.

4. Rejected goods may only be sent back with express consent of Seller.

#### **XI. Claims Based on Defects**

1. In case of justified claims for defects, Purchaser shall initially be entitled to claim supplementary performance, with Seller having the right to choose reworking or additional supply; such supplementary performance is carried out without acknowledgement of any legal obligation. If supplementary performance by Seller fails, Purchaser may, in its discretion, reduce the purchase price or rescind the contract. Purchaser's claims for expenses necessarily incurred for the purpose of supplementary performance, especially transport, travel and labour costs and costs of materials are

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### QSIL Metals Hermsdorf GmbH

excluded to the extent, that such expenses increase because the delivered item has subsequently been relocated to another place than Purchaser's place of business, unless such relocation is in keeping with its intended use; Seller may invoice Purchaser for the additional costs incurred.

2. Damage claims under Item XI shall remain unaffected. Purchaser is not entitled to any further claims for damages.

3. Purchaser shall bear appropriate costs for any unjustified assertion of claims based on defects (e.g. when the goods were not defective).

4. Claims based on defects become time-barred one year after delivery. This limitation shall however not apply, when (i) a defect was fraudulently concealed or (ii) when a guarantee for the quality of a good was assumed. In case of claims for damages, this limitation shall furthermore not be applicable in the following cases: (i) Injury of life, body or health, (ii) intent, and (iii) gross negligence by corporate bodies or officers of Seller.

5. Agreements of warranties shall only be effective if in writing. A warranty shall only be effective when it describes the content of the warranty as well as duration and territorial scope of the warranty cover with sufficient precision.

#### XII. Quality of the Goods, Technical Advice, Use and Workmanship

1. Only the quality described in Seller's specifications will be considered as quality of the goods.

2. Any consultation of Seller relating to application technology, be it orally, in writing or through experiments, shall be carried out to its best knowledge but is only considered as information provided without any commitment, also in relation to possible intellectual property rights of third parties. It does not release Purchaser from performing its own examination of the goods supplied by Seller for their suitability for the intended processes and purposes. Application, use and processing of the goods happen outside the realm of Seller's control and are thus the sole responsibility of Purchaser.

3. Seller has registered the substance, to the extent necessary, for certain applications under the REACH-Directive. Purchaser bears the sole responsibility for ascertaining, whether the application contemplated by Purchaser is registered as well. Use for purposes which are not registered is prohibited. Purchaser shall bear the sole and unlimited responsibility for violations.

#### XIII. Trademarks

1. It is not allowed to offer or supply substitute products in place of Seller's products and simultaneously refer to these products, or to combine product names of Seller, whether protected or not, with the word "substitute" or to contrast them with the names of substitute products in price lists or similar business documents.

2. When products of Seller are used for manufacturing purposes or processed subsequently, it is furthermore not allowed to use product names of Seller, especially its trademarks, on such goods, the packaging of these goods or related printed matter and advertising material without prior consent of Seller; this applies especially to indications as component. The supply of products under a trademark is not to be deemed as consent to use this trademark for the products manufactured from them.

#### XIV. Export Control

1. Purchaser undertakes to observe relevant national and international export control provisions as well as, if relevant, U.S. Export Administration Regulations (EAR), International Traffic in Arms Regulations (ITAR) and other controls relating to final use/final users ("catch-all"). Purchaser has to obtain all necessary approvals and licences as well as any other permits in time, which are required for the utilisation or exportation of the delivery item under all these applicable laws.

2. Purchaser undertakes to issue End Use Certificates and furnish any other documents required for filing applications with competent authorities, to the extent that such are requested by Seller. The Purchaser shall comply with all applicable laws and official regulations when performing the contract.

3. Purchaser shall be liable to Seller for any violations of the obligations under Item XIV.1 and Item XIV.2 as well as damages caused by government actions which are the direct result of false statements of Purchaser.

#### XV. Data Security Notice

The Parties shall observe the applicable provisions on data protection. Further information on the processing of personal data by the Seller is contained in the separate data protection notice of the Seller.

#### XV. Applicable Law, Place of Jurisdiction, Miscellaneous

1. Any and all legal relations in connection with the contract shall exclusively be governed by the law of the Federal Republic of Germany, excluding the UN Convention on Contracts for the International Sale of Goods (CISG).

2. Clauses for the supply of goods corresponding to normal trade practice are to be interpreted according to Incoterms® 2020.

3. In cases where it has been agreed that Seller bears the customs and importations duties of the country of destination, increases of such duties, which become effective between the time when the order confirmation was issued and the time of delivery of the goods, shall be borne by Purchaser. Declaration of customs and importation duties shall in any event be assumed by Purchaser. All other fees, taxes and costs connected with the purchase, exportation or importation of the goods shall also be borne by Purchaser.

4. In the event that individual clauses of these Terms and Conditions of Sale and Delivery are or become ineffective, then this shall not affect effectiveness of the other clauses. Any ineffective ruling has to be replaced by Parties with a ruling which comes as close as possible to the economic purpose of the ineffective ruling, and which is effective.

5. Place of performance for the respective delivery shall be the place of delivery or dispatch; for payments it shall be Hermsdorf.

6. Place of jurisdiction shall be the registered offices of the Seller. However, the Seller is entitled to file claims against the Purchaser at the Purchaser's registered offices.

7. Purchaser shall bear all fees, costs and expenses incurred in connection with the successful assertion of rights against Purchaser outside of Germany.

QSIL Metals Hermsdorf GmbH  
Hermsdorf March 2022