

Terms and Conditions of Sale - Version 06/2008

Note: This is a translation of the German version. In cases of uncertainty or conflict, the German version shall prevail.

I. General

1. All of ANCOFER's existing and future supplies and services shall be exclusively based on the following terms. In addition, drop shipment transactions shall be subject to the terms of the price list issued by the factory to which a contract has been awarded. Variations from these terms shall be subject to written agreement. The Purchaser's purchasing conditions shall be rejected herewith. Verbal agreements, assurances, promises and guarantees by any of ANCOFER's employees associated with the signature of a contract, shall only become binding after written confirmation by ANCOFER.
2. ANCOFER's quotations shall be subject to prior sale. If in doubt, trading conditions shall be based on the latest version of Incoterms. Drawings and plans issued by ANCOFER shall remain the property of ANCOFER.

II. Delivery

1. Delivery shall be affected subject to ANCOFER receiving correct deliveries in time, unless non-delivery or delays are caused by ANCOFER.
2. No specific properties shall be assured, in particular no assurances shall be given for the fitness of products for a specific purpose. Variations in colour between products forming part of a set shall not constitute any defect.
3. ANCOFER shall be entitled to effect and invoice part deliveries of an acceptable scope.
4. For call-off orders, products reported ready for shipment shall be called off immediately, otherwise ANCOFER shall be entitled, at ANCOFER's sole discretion, to either dispatch the products to the addressee after a reminder, at the Purchaser's cost and risk or to store the products and invoice them immediately. For contracts subject to continuous call-offs, call-off volumes shall be notified to ANCOFER for approximately identical monthly volumes. Otherwise, ANCOFER shall be entitled to allocate volumes according to ANCOFER's fair discretion. Should individual call-offs exceed the total order volume, ANCOFER shall be entitled but not obliged to supply such excess volumes. ANCOFER shall be entitled to invoice any excess volume at prices applicable on the date of call-off and/or shipment.
5. Goods supplied by ANCOFER may only be returned to ANCOFER subject to a separate agreement with ANCOFER. Returns shall be exclusively effected in the condition supplied and postage paid. Returned goods shall be credited to the Purchaser's account minus any pro rata storage and administrative costs incurred, but at least at 15% of the amount invoiced.
6. ANCOFER reserves any changes in supplies and services subject to being acceptable to the Purchaser in both parties' interest.

III. Qualities, Dimensions, Weights

1. Qualities and dimensions shall be based on DIN/EN standards or material specifications applicable on signature of the contract. Should these not exist, commercial practices shall apply. Any references to standards, factory standards, material specifications or test certificates and any details referring to qualities, dimensions, weights and suitability shall not constitute any assurances or guarantees, in addition to certificates of conformity, manufacturers' statements and appropriate marks such as CE and GS.
2. Surplus and short supplies of any quantity ordered, as customary in the industry, shall be tolerated.
3. For weights of drop shipment transactions from ANCOFER's suppliers, the above weighing procedure shall apply. Evidence of weights shall be provided by weighing certificates. As and when legally allowed, weights may be calculated by standards without weighing. Surcharges and reductions customary in the steel trade of the Federal Republic of Germany (commercial weights) shall be unaffected by the above. Any numbers, numbers of coils, etc. stated in the dispatch note shall not be binding for products charged by weight. Should no individual weighing be effected as a rule, the total weight of a shipment shall apply. Any differences versus calculated individual weights shall be distributed to these pro rata.

IV. Deliveries and deadlines

1. ANCOFER agrees to make every effort to supply as fast as possible. There shall be no fixed delivery dates. The date of delivery shall be the day on which the products leave the factory or warehouse or should the said date not be defined, the date on which the products are made available to the Purchaser. Deliveries and dates shall be deemed adhered to should the products not be shipped on time without ANCOFER's fault.
2. Deliveries shall commence on the date of confirmation of order, at the earliest on clarification of all details of the order. Deliveries shall be extended by any period during which ANCOFER's purchasers do not comply with their duties, including delivery dates.
3. Products reported ready for shipment according to the contract shall be called off without delay, otherwise ANCOFER shall be entitled to ship the goods at the Purchaser's cost and risk or to store the goods at ANCOFER's sole discretion and invoice them immediately. The choice of shipping route and type of shipment shall be reserved to ANCOFER.
4. Act of God, including any Act of Good occurring during existing delays, shall extend delivery for the period of impediment plus an adequate start-up time. In addition, the Purchaser authorises ANCOFER to fully or partly rescind from the contract for the portion of the contract not delivered, should services not be rendered, irrespective of customary and acceptable efforts. Act of God shall include any events being beyond ANCOFER's control, seriously jeopardising deliveries or rendering them impossible, such as currency or trade restrictions or any other government acts, strikes, lock-outs, disruptions in operation

and impediments on transport routes, irrespective of whether the said events have occurred at ANCOFER's, the factory or a subcontractor's premises. In the above cases, the Purchaser shall be entitled to rescind from the contract after an adequate extension of delivery having been set. Any other claims for damages shall be ruled out.

V. Transfer of Risk, Shipment

1. ANCOFER agrees to define the transport route and means of transport, the haulage company and carrier.
2. Should transport become impossible within the period of time envisaged, without ANCOFER being at fault, by the route or to the location scheduled, ANCOFER shall be entitled to deliver by another route to any other location. Any additional costs incurred shall be paid by the Purchaser. The Purchaser shall be given an opportunity for comments prior to shipment.
3. On hand-over of the products to the haulier or carrier, but at the latest on leaving the factory or warehouse, the risk, including any risk of attachment of the goods due to any transactions whatsoever, shall be transferred to the Purchaser, including delivery postage paid to the Purchaser's premises. The Purchaser shall be responsible for the duty and cost of unloading.
4. Steel shall be supplied unpacked and without any rust-protection. Packaging and any items provided for protection or transport may be provided at the Purchaser's expense and shall be non-returnable.

VI. Prices

1. Unless otherwise agreed, at the time of delivery ANCOFER's prices shall be subject to statutory VAT. For drop shipments, prices of the last factory price list published shall apply appropriately.
2. Should charges and any other third-party costs included in the agreed price change later than four weeks after signature of a contract or should new charges be incurred, ANCOFER shall be entitled to change prices accordingly.

VII. Acceptance Tests

1. Any acceptance tests agreed shall only be performed in ANCOFER's factory or warehouse immediately after notification of readiness for testing. Personal costs for acceptance tests shall be paid by the Purchaser. Material costs for acceptance tests shall be invoiced to the Purchaser based on ANCOFER's price list or the price list of the factory delivering the products.
2. Should non-performance of, delays in or incompleteness of acceptance tests not be caused by ANCOFER, ANCOFER shall be entitled to dispatch the products without an acceptance test or to store and invoice the products at the Purchaser's cost and risk.

VIII. Payment and Settlement

1. Payments shall be effected strictly net for the free disposal of ANCOFER when due. The cost of payments shall be paid by the Purchaser. The Purchaser shall only have a right to retention and offsetting subject to any counterclaims of the Purchaser being uncontested or legally substantiated.
2. ANCOFER agrees to accept cheques and drafts for payments subject to payment of their face value without affecting the due date of ANCOFER's invoices. Acceptance of drafts shall be agreed in writing. Costs and charges shall be paid by the Purchaser.
3. Accounts receivable by ANCOFER shall be due on receipt of the invoice by the Purchaser. ANCOFER shall be entitled to define a later date for payment in the invoice. This shall not affect commencement and term of the period of statutory limitation.
4. When missing the date of payment or in case of delay, interest of 8 percent above base rate shall be charged. ANCOFER reserves any further claims for losses.
5. Should ANCOFER become aware after signature of a contract that ANCOFER's claim for payment is jeopardised due to cash-flow problems of the Purchaser, ANCOFER shall be entitled to claim his rights based on § 321 BGB (defence of insecurity) and shall furthermore be entitled to demand return of the products and possibly be granted access to the Purchaser's premises in order to retrieve the products. Return of the products shall not entitle the Purchaser to rescind from the contract. In this case, ANCOFER shall also be entitled to demand payment of any accounts receivable not subject to statutory limitation from the current business relationship with the Purchaser. In all other respects, a defence of insecurity shall apply to any other supplies and services outstanding from the business relationship with the Purchaser.
6. ANCOFER shall be entitled to use payments for settlement of the oldest items invoiced plus any accrued interest for delay and costs in the following sequence: costs, interests, principal.
7. Based on a power of attorney of the AG of Dillinger Hüttenwerke, Vertriebsgesellschaft Dillinger Hütte GTS GmbH, Stuttgart and Jebens GmbH of Korntal-Münchingen, ANCOFER shall be entitled to offset any accounts receivable against any accounts receivable due to ANCOFER from the Purchaser, irrespective of the legal reason, from the above companies.

IX. Reservation of Title

1. Any products supplied shall be subject to reservation of title by ANCOFER prior to settlement of any accounts receivable, in particular balances due to ANCOFER within the scope of ANCOFER's business relationship with the Purchaser, including payments effected for specific accounts receivable. This shall include any accounts receivable of the future and conditional accounts receivable, for instance from acceptor's bills and when payments are affected for specifically defined accounts receivable.
2. ANCOFER, the manufacturer agrees to handle and process any products subject to reservation of title in compliance with §

950 BGB without being committed to do so. Handled and processed products shall be deemed products subject to reservation of title in compliance with paragraph 1. In case of processing, integration and admixture of any products subject to reservation of title, ANCOFER shall become the joint owner of the new product pro rata of the invoiced value of any products subject to retention of title, of any other products used. Should ANCOFER's title become null and void due to integration or admixture, the Purchaser agrees at this point in time, free of charge to ANCOFER, to transfer any title in the new inventories or object up to the level of the value invoiced for any products subject to retention of title and to store these free of charge for ANCOFER. ANCOFER's joint title shall be deemed products subject to retention of title in compliance with paragraph 1.

3. The Purchaser agrees to sell ANCOFER's products subject to retention of title by normal business transactions only and for as long as his payments are not delayed, subject to any accounts receivable resulting from future sales in accordance with paragraphs 4 to 6 being passed to ANCOFER. The Purchaser shall not be entitled to dispose of any products subject to retention of title in any other way whatsoever.
4. Accounts receivable by the Purchaser from any sale to third parties of any products subject to retention of title shall be assigned to ANCOFER at this point in time together with any securities acquired by the Purchaser for the said accounts receivable and shall be used as a security to ANCOFER for any products subject to retention of title to the same extent as any other products subject to retention of title. Should any products subject to retention of title be sold by the Purchaser together with any other products not sold by ANCOFER, ANCOFER shall be assigned any accounts receivable from the said sale pro rata of the value of any other products invoiced, for any of ANCOFER's products subject to retention of title. Should the products, in which joint ownership exists in accordance with paragraph 2 be sold, an appropriate share shall be assigned to ANCOFER of these joint ownership products.
5. The Purchaser shall be entitled to collect accounts receivable from any onward sale. This authority to collect shall expire due to revocation but at the latest should payments be delayed, drafts not be paid or insolvency proceedings be instituted. The Purchaser agrees to inform his purchasers without delay of any assignment should ANCOFER not effect notification. The Purchaser agrees to provide ANCOFER with any information and documentation required for collection. The Purchaser shall in no case be entitled to any other assignment of accounts receivable or to the signature of factoring agreements.
6. Should the products be subject to a lien or affected by third parties in any other way whatsoever, the Purchaser agrees to notify these of ANCOFER's title and to notify ANCOFER without delay. The Purchaser agrees to pay all costs paid for eliminating access to or the return of any products subject to retention of title, not refunded by third parties.

7. Should the value of existing securities exceed any secured accounts receivable by a total of more than 20 %, ANCOFER agrees to release securities accordingly at ANCOFER's option.
8. Assignments of accounts receivable in accordance with paragraph 4 shall have priority to any of the Purchaser's residual accounts receivable.

X. Liability for Redhibitory Defects

1. Obvious redhibitory defects shall be notified to ANCOFER without delay after arrival of the products at destination. Any redhibitory defects that cannot be found irrespective of thorough examination, shall be notified to ANCOFER in writing directly after being detected but by expiry of the agreed period of statutory limitation. Notification of defects shall be specified in writing. In all cases, the products shall be made available for inspection in delivered condition. Should the Purchaser not comply with this duty or should the products be handled or processed, this shall be deemed approved by ANCOFER subject to any liability of ANCOFER expiring at the same time.
2. For justified notifications of defects received by ANCOFER in due course, ANCOFER shall be entitled at his discretion to remedy the defects or supply products free from any defects (retrospective fulfillment). Should retrospective fulfillment fail or be denied, the Purchaser shall be entitled to reduce the purchasing price or rescind from the contract after setting and unsuccessful expiry of an adequate deadline. Minor defects shall be subject to reductions only.
3. Any expenses incurred in association with retrospective fulfillment shall only be paid by ANCOFER subject to being adequate in each case or in particular in relation to the purchasing price of the products. Expenses incurred due to the products sold being delivered to any other place than the registered office or the premises of the Purchaser, shall not be paid by ANCOFER, unless being an option of the contract.
4. After completion of agreed acceptance tests by the Purchaser, notification of any defects, which should have been found during the said agreed type of acceptance tests, shall be excluded. Should the Purchaser not have detected a defect due to negligence, the Purchaser shall only be entitled to claim the said defect against the Purchaser, due to the ANCOFER's malicious silence or having provided a guarantee for the condition of the products.
5. ANCOFER's warranty for the fitness of purchased products shall be limited to the fact that purchased products will be fit for use in accordance with the provisions and instructions of the manufacturer. The Purchaser agrees to ensure that any products purchased shall be used as specified and in accordance with any instructions supplied. Should this clause be infringed, the Purchaser shall have no claims against the vendors.
6. For products sold as inferior material, the Purchaser shall not be entitled to any rights due to redhibitory defects for any reasons stated for inferiority and any others, which might be normally anticipated. ANCOFER's liability due to redhibitory defects shall be excluded for the sale of class IIa material.

XI. Use and Processing

The Purchaser agrees to inspect any products supplied by ANCOFER for fitness for his intended purposes. Consultations and recommendations by ANCOFER – including any intellectual property rights of third parties – shall be without obligation. Handling or processing or use of the products supplied by the Purchaser shall be the Purchaser's sole responsibility.

XII. General Limitation of Liability and Statutory Limitation

1. Unless otherwise defined in these Terms and Conditions, ANCOFER shall only be liable for damages due to violation of contractual or any other duties due to intent or gross negligence. ANCOFER's liability shall include any loss/damage caused only that could not typically be expected under standard business conditions or for which the Purchaser has been or could have been normally insured – except any damage/loss caused by intent.
2. Unless otherwise agreed, any claims from the contract resulting to the Purchaser due to or associated with the supply of the products, shall be subject to a period of statutory limitation of twelve months from delivery of the products. The period of statutory limitation shall commence again in case of retrospective fulfillment.
3. The above shall not affect compulsory statutory regulations for liability and statutory limitation.

XIII. Place of Performance, Jurisdiction, Severability Clause and Applicable Law

1. The place of performance for ANCOFER's supplies shall be the factory when supplies have been agreed ex works and ANCOFER's warehouse for any other supplies. At ANCOFER's option, jurisdiction shall be at the location of its registered office or branch office effecting delivery or the Purchaser's registered office.
2. German law and commercial practice at the location of ANCOFER's registered office shall be applicable to any legal relationship between ANCOFER and the Purchaser. The provisions of the Agreement dated April 11, 1980 for international product sales shall not apply.
3. Should individual provisions of the contract and these Terms and Conditions of Sale become ineffective, the effectivity of any other provisions shall not be affected. Any ineffective provisions shall be reinterpreted in order to fulfil their intended financial purpose.
4. With reference to § 26 Bundesdatenschutzgesetz (Germany Federal Data Protection Act), ANCOFER points out that personal customer data will be saved by ANCOFER in order to lighten ANCOFER's work load.

XIV. Additional conditions for contract work orders

The following supplements or restrictions are additionally applicable for contract work orders:

1. Our liability for breach of contractual or extra-contractual obligations, in particular for non-performed or deferred deliveries, for breach of duties prior to the contract ("Verschulden bei

Vertragsanbahnung") as well as for tortuous acts – including our responsibility for our managerial staff and any other person employed in performing our obligations – shall be restricted to damages caused by our wrongful intent or by our gross negligence and shall in no case exceed the foreseeable losses and damages characteristic for the type of contract in question.

2. The aforesaid restriction shall not apply to such cases where we breach our fundamental contractual obligations and where such a breach of contract will endanger the contractual purpose; it shall neither pertain to damages to life, to the body or to health caused by our fault nor to any cases where we have guaranteed certain characteristics of the goods. Nor shall such clause affect our statutory liability laid down in the Product Liability Act (Produkthaftungsgesetz) of 15/12/89. Any statutory rules regarding the burden of proof shall remain unaffected by the aforesaid.
3. The Buyer must deliver the material to be processed as well as all technical documents required for working the material in good time and at the Buyer's own expense.
4. The material to be worked must be sound and in accordance with the stated values. It must be free from defects that hinder or impede the finishing process; it must have the additions that are normal for the prospective finishing process.
5. All additional costs and damages arising from the fact that the material is not in accordance with item 4 (e.g., porosity, sand content, brittleness, hardness or other conditions that increase working costs) shall be invoiced separately. This is also applicable to additional costs and damages due to erroneous technical documents (item 3). If the material should be unusable for one of the above or other reasons outside our responsibility, we shall have the additional right to claim payment for the work we have done up to detection of the defect.
6. We will perform the accepted work with due care and attention. We are not liable for damages or delays that are attributable to defects in the material, errors in the technical documents or other information, or to distortion of the piece during or after machining. In the case of justified notification of defects made in the correct form and within the correct time period, we will fulfill our responsibility exclusively through repairs. If, through our error, the material is made unusable, we will then accept the costs incurred by us up to detection of the defect. We are also prepared to accept the replacement material to be worked, sent free of all charges, in accordance with the conditions of this agreement.
7. Unless otherwise agreed, scraps, swarf, and other waste become our property.

**ANCOFER STAHLHANDEL GMBH
Mülheim an der Ruhr**