

Terms of Purchasing of Ferro Duo GmbH

1. General

1.1 These terms shall be the basis of all – also future – conclusions of transactions concerning supplies and services, with companies, public law bodies and public special assets. Deviating terms of the Supplier's which we do not expressly recognize in writing, shall not be binding on us, even if we do not explicitly object to them or accept the work or service without any separate objection.

1.2 Verbal agreements, assurances and guarantees made, given or assumed by our employees shall only become effective by means of our written confirmation.

2. Purchase orders

We shall only be bound by our purchase orders if we have received a written declaration of acceptance within 14 days of the date of the purchase order.

3. Prices, conditions

The prices stated in the purchase order shall be fixed prices; they shall apply freight prepaid, packaging-free and without fees to the shipping address stated. We reserve the right to return packaging material. We shall be entitled to reduce the invoice by the cost incurred in doing this.

4. Delivery

4.1 Delivery shall in any case be made at the Supplier's risk.

4.2 Delivery and/or performance dates and times shall always be binding. Decisive shall be the receipt of the goods and/or of the service by us.

4.3 Part shipments or performance by successive instalments shall require our prior approval.

4.4 The delivery of waste material to us must be made on Mondays to Thursdays during the time from 6.00 hrs to 15.30 hrs and Fridays from 8.00 hrs to 14.00 hrs.

Exceptions from this shall require to be co-ordinated with us and to be confirmed in writing by us. Written advice of delivery is to be sent three days in advance. Deliveries not co-ordinated can be rejected.

4.5 Work in the area of our works is to be carried out in such a way that the plant operations and third parties are impeded no more than is unavoidable. In particular, the requirement of reciprocal consideration is to be observed. Motor vehicle traffic is to be restricted to that required for contractual handling, the maximum speed permitted on our site of 10 km/h having to be observed without fail. The instructions of the personnel, in particular of the check weighman and the yard foreman are to be followed unrestrictedly. Should the instructions not be observed, the motor vehicle driver and/or the company of the motor vehicle driver can, depending on the severity of the violation, be excluded from use of the plant site.

5. Takeover of waste

5.1 The Customer must take care to ensure the complete and correct declaration of waste handed over to us. If these substances are within the scope of the Ordinance on Waste Recovery and Disposal Records, the declaration shall be effected by the handover of the declarations of evidence required according to that ordinance, even if the privileged procedure according to Articles 10 et seq. of the Ordinance on Waste Recovery and Disposal Records is applied.

5.2 We can also demand the submission of a declaration analysis even if it is not necessary according to the ruling legal provisions. On request, we can prepare the declaration analysis or have it prepared for the Customer at its expense.

5.3 We shall be entitled to take a sample from the waste material handed over to us for disposal or recycling and to take it as a basis for the order as a binding quality sample. Should a remnant or waste material not correspond to the declaration, we shall be entitled to reject it or, at the option of the body liable to carry out disposal, to dispose of it or recycle it elsewhere at its expense.

5.4 The Customer shall be separately invoiced for any administrative fees incurred as a result of the processing of a record of proper waste disposal.

5.5 To the extent that waste material handed over to us is within the scope of the provisions of dangerous goods legislation, the Customer must take care to ensure that the transport documents relevant to the sender are available in accordance with the statutory provisions which it is obliged to observe in each case.

5.6 To the extent that waste material handed over is subject to the provisions of the Ordinance on Hazardous Substances, the Customer shall have to hand over to us the safety data sheets required according to that ordinance.

5.7 We shall be entitled to have the contractual services performed by third parties. The entitlement to disposal services by us shall be transferrable to the extent that disposal/recycling takes place in plants approved for the purpose.

5.8 The Customer is in agreement with the waste taken over being passed on to free use within the scope of the statutory provisions.

6. Payments

6.1 Payments shall be made after complete delivery or, if agreed upon or if required by law, after acceptance and receipt of the invoice, within 30 days net.

6.2 Interest after due date cannot be demanded. The default interest amounts to 5 % points above the base interest rate. In any case we shall be entitled to provide evidence of a lower default loss than that claimed by the Supplier.

6.3 We shall have rights of offsetting and of retention to the statutory extent.

7. Additional payments by the Supplier

7.1 Payments shall be due immediately in euros without any deductions.

7.2 The Supplier shall not be allowed to claim any rights of retention under other transactions, even such from the current business relationship. Offsetting on the part of the Supplier shall be excluded, unless the counter-claim is undisputed.

7.3 The Supplier shall be in default at the latest 7 days after delivery or in the event of the exceeding of a time allowed for payment going beyond that.

In these cases we shall charge interest in the amount of 8 % above the base interest rate.

The right to claim for possible further loss/damage shall be reserved.

7.4 If the Supplier defaults on the payment of a not inconsiderable amount or if the Supplier does not honour a bill of exchange when it is due or if the opening of insolvency proceedings have been applied for, we shall be entitled to accelerate maturity with immediate effect of all of the accounts receivable under the current business relationship which have not been subject to the statute of limitations.

7.5 If after the conclusion of the contract it becomes apparent that our claim for payment will be endangered by a lack of ability to pay on the part of the Supplier, we shall be entitled to the rights under Art. 321 of the German Civil Code (BGB) and, in fact, for all other outstanding payments from the business relations with the customers. We shall then also be entitled to accelerate the maturity of all accounts receivable, under the current business relationship, which have not been subject to the statute of limitations.

8. Notice of defects, claims under warranty and claims for damages

8.1 Examinations and notices of defects regarding the items delivered need to take place only after removal from our warehouse.

8.2 In the case of material defects we can, at our option, claim the rights to which we are entitled according to the statutory regulations. Reworking by the Supplier shall be deemed to have failed already after the first unsuccessful attempt.

We shall have a right of rescission even if the violation of duties by the Supplier is only insignificant.

8.3 The expenditure necessary for the purpose of subsequent performance shall be borne by the Supplier.

8.4 Claims based on a material defect shall be subject to the statute of limitations two years after removal of the goods in the meaning of Item 6.1 or acceptance of the work or service if an acceptance inspection is required by law or has been agreed upon and in five years in the case of work or services which have been used for a building structure, at the latest, however, 10 years after delivery of the goods or acceptance of the work or service.

8.5 For claims for damages, the statutory provisions shall otherwise apply.

9. Retention of title

9.1 We shall recognize retentions of title in the usual form provided that ownership of the goods passes to us as soon as they have been paid for.

9.2 We shall not be obliged to protect the rights of the Supplier under all kinds of retentions of title against third parties.

9.3 In the case of payment by cheque /bill of exchange procedure, it is agreed that the Supplier's retentions of title shall be maintained until the honouring of the bill of exchange by us.

10. Non-assignment

Assignments to third parties of claims by the Supplier from transactions concluded shall be excluded unless these are assignments within the scope of extended retentions of title, the agreement of which on the part of the Supplier we had to expect.

11. Prohibition of advertising

This purchase order must not be disclosed to third parties or used for advertising purposes.

12. Applicable law /place of jurisdiction

12.1 German law shall apply to all business transactions, also to business transactions with abroad.

12.2 If the conditions for an agreement concerning the place of jurisdiction according to Art. 38 of the Code of Civil Proceedings are met, the place of jurisdiction for all claims of the parties to the contract shall be Duisburg

Signed, the Management, June 2008

Terms of Performance and Payment

Ferro Duo GmbH

I. General remarks

II. Quotations, order acceptance and prices

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VIII. Applicable law, place of jurisdiction

I. General remarks

These terms shall be the basis of all – also future – conclusions of transactions concerning supplies and services, with companies, public law bodies and public special assets. Deviating terms of the Supplier's which we do not expressly recognize in writing, shall not be binding on us, even if we do not explicitly object to them.

II. Quotations, order acceptance and prices

1. Our quotations shall always be without engagement. They shall remain subject to sale.

Verbal agreements, assurances and guarantees by our employees shall only become binding after written confirmation by us.

2. Quotations, estimates, drawings and brochures with all documents must not be made accessible to third parties. We shall retain copyright to them and, as long as the order is not placed with us, also ownership of them.

3.1 Qualities, dimensions and weights shall be determined in accordance with the DIN/EN standards applying at the time of the conclusion of the contract, in the absence of such in accordance with business practice, in particular with the Incoterms in their respective latest version and shall not constitute assurances or guarantees, just as little as they constitute test certificates, manufacturer's declarations and corresponding marks such as CE and GS.

3.2 Indications of dimensions and weights shall otherwise be subject to the usual variances.

'Approx.' before indications of quantities shall entitle us to supply 10 % more or less.

4. Decisive for the scope of services shall be our quotation and/or our declaration of acceptance.

Any objections to these declarations are to be made known to us in writing without delay before the execution of the order, at the latest within one week of receipt.

5. The prices are to be understood as ex works or warehouse plus VAT, freight and cost of collection and disposal of packaging as well as unforeseen additional expenditure resulting from the making of delivery and for which we have not agreed on any additional prices shall be borne by the Customer unless we are responsible for their being incurred.

6. Increases in our costs, e.g. changes to purchase prices, wages, freights, customs duties and taxes and any other levies or charges shall entitle us to a corresponding price adjustment, if there is a period of more than four weeks between the conclusion of the contract and delivery.

III. Making of delivery and performance of service

1.1 Delivery shall be made ex works or warehouse according to the choice of shipping route and means as well as of the forwarding agent or carrier by us at the Customer's risk. Unloading must be carried out by the Customer without undue delay and properly and appropriately. Waiting times shall be at the Customer's expense.

1.2 If, without any fault of our own, transport via the envisaged route or to the envisaged place within the envisaged time is made impossible or considerably more difficult, we shall be entitled to deliver via a different route or to a different place at the Customer's expense.

2. Insurance against damage in transit and transport losses shall be taken out only at the express wish of the Customer for the Customer's account. Reports of damage or loss are to be made immediately upon receipt of the goods and information is to be provided in writing concerning the type and extent without undue delay.

3. Goods for which notification of readiness for despatch has been given must be called off without undue delay. If that does not happen, we shall be entitled, at our option, to dispatch them at the expense and risk of the Customer or, at our discretion, to store them and to charge for such immediately.

4.1 The Customer shall have to accept part shipments, unless the Customer provides evidence of the fact that their acceptance cannot reasonably be expected of it. We shall be entitled to excess or short deliveries/services customary in the trade.

4.2 In the case of conclusions of contracts with continuous despatch we must be given call-offs for approximately equal monthly quantities.

4.3 If the contractual quantity is exceeded by the Customer's individual call-offs, we shall be entitled, but not obliged to deliver the surplus quantity. We can invoice the surplus at the prices valid at the time of call-off or delivery.

5. The performance of the contract and the meeting of delivery times and time limits for services assume:

- timely and correct delivery to ourselves by our supplier, unless the non-delivery or delay is due to a fault of ours,
- correct and timely performance of the cooperation actions which the Customer is obliged to carry out, in particular provision of all of the information, documents and services necessary for the performance of the services,
- the correct and timely completion of the advance performance of work/services by the customer or other third parties, in particular the provision of suitable unloading aids, necessary for the performance of our work/services.

6. The delivery times and time limits for work/services shall be extended by the period of time by which the Customer does not meet its obligations towards us as well as in the event of a labour dispute for the duration of the disruption induced by it.

The same shall apply by analogy to the delivery and work/service dates.

IV. Payment

1. General terms of payment

1.1 Payments shall be due in euros immediately without deduction. If agreed upon, discount for early payment shall be granted, if all of the previous invoices have been settled, with the exception of such invoices as are opposed by justified objections by the customer. For calculation of discount for early payment the net invoice amount after deduction of discounts, freight etc. shall be decisive.

1.2 The Customer shall not be allowed to claim any rights of retention from other business transactions also within the current business relations. Offsetting by the customers shall be excluded, unless the counter-claim is undisputed.

1.3 The Customer shall be in default at the latest 14 days after delivery or in the event of the exceeding of a time allowed for payment going beyond this time limit.

In these cases we shall charge interest at a rate of 8 % above the base interest rate. The right to claim for any possible additional loss shall be reserved.

1.4 If, after the conclusion of the contract, it becomes recognizable that our claim for payment is endangered by the lack of ability to pay on the part of the customer, we shall be entitled to the rights under Art. 321 of the German Civil Code (BGB) and in fact also for all further outstanding work/services from the business relationship with the Customer. If the Customer does not perform the work/service or if it does not provide collateral within a reasonable period of time, we shall also be entitled to accelerate maturity of all accounts receivable under the current business relationship not subject to the statute of limitations so that they are payable immediately.

1.5 In the cases of Nos. 3 and 4, we can demand payment in advance for deliveries still outstanding.

1.6 The consequences mentioned in Nos. 3 to 5 can be averted by the Customer by the provision of collateral in the amount of our endangered claim for payment.

1.7 Otherwise the statutory regulations concerning default in payment shall remain unaffected.

2. Special terms of payment for the payment transaction

2.1 Payments shall be made after complete delivery and if agreed or provided for by law after acceptance as well as receipt of the invoice within 30 days net.

2.2 Interest after due date cannot be claimed. The default interest rate shall be 5 % points above the basic interest rate. In any case we shall be entitled to provide evidence of a lower loss caused by delayed performance than that claimed by the Customer.

2.3 We shall be entitled to offsetting and retention rights within the statutory scope.

V. Retention of title

1.1 All of the goods delivered shall remain our property (goods subject to retention of title) up to the settlement of all claims, in particular also of the particular balances of account receivable to which we are entitled within the scope of the business relationships.

This shall also apply to future accounts receivable to be incurred and conditional accounts receivable, e. g. resulting from acceptors' bills, or in the case of the cheque/bill of exchange procedure up to the honouring of the bill of exchange by the Customer and also, if payments are made for specially designated accounts receivable.

1.2 The value and the goods subject to retention of title is the net invoice amount of the goods supplied by us plus a hedging mark-up of 50 % (25 % value mark-down, 4 % acc. to Art. 171 of the German Insolvency Act (InsO), 5 % acc. to Art. 171 II of the Insolvency Act (InsO) and 16 % value-added tax) which, however, shall be disregarded to the extent that it is opposed by third-party rights.

1.3 The balance reservation shall finally expire upon the settlement of all the accounts receivable which are still outstanding and covered by this balance reservation at the point in time of the payment.

2. Machining and processing of the goods subject to retention of title shall be carried out for us as the manufacturers in the meaning of Art. 950 of the German Civil Code (BGB), without any obligation for us. The machined and processed goods shall be considered goods subject to retention of title in the meaning of No. 1. For processing, combination and mixing of the goods subject to retention of title with other goods by the customer we shall be entitled to co-ownership percentagewise of the new item in the ratio of the invoice value of the goods subject to retention of title to the invoice value of the other goods used. If our ownership expires due to combination or mixing, the customer shall now already transfer to us the rights of ownership to which it is entitled to the new stock or the item within the scope of the value of the goods subject to retention of title and shall preserve them free of charge for us. Our co-ownership rights shall be deemed to be goods subject to retention of title in the meaning of No. 1.

3.1 The Customer may sell the goods subject to retention of title only in the ordinary course of business on its normal terms and conditions and as long as one of the cases mentioned in Items IV 3 and 4 has not occurred, provided that the accounts receivable from the resale in accordance with Nos. 4 to 6 pass to us.

The Customer shall not be entitled to any other disposal of the goods subject to retention of title.

3.2 The goods subject to retention of title are to be stored separately from other goods and/or to be identification marked as our property. We shall be entitled to seize the goods at the Customer's expense and for this purpose to enter the Customer's site or business premises. Taking back shall not be considered rescission of the contract. Regulations of the German Insolvency Act shall remain unaffected.

4.1 The Customer's accounts receivable from resale of the goods subject to retention of title, also by way of installation as an essential integral part of a plot of land, shall now already be assigned to us with all collateral. They serve the purpose of securing to the same extent as the goods subject to retention of title. If the goods subject to retention of title are sold by the Customer together with other goods not sold by us, the account receivable from the resale in the amount of the value of the goods subject to retention of title shall be assigned to us.

4.2 For the sale of goods of which we hold co-ownership shares according to No. 2, a part corresponding to our co-ownership share shall be assigned to us.

5.1 The Customer shall be entitled to collect accounts receivable from resale, unless we revoke the collection authorizations in the cases of default on payment, the non-honouring of a bill of exchange or of the application for the opening of insolvency proceedings mentioned in Section IV/. We shall only exercise our right of revocation if, after the conclusion of the contract, it becomes apparent that our claim for payment from this or from other contracts with the Customer is endangered by the Customer's lack of ability to pay.

5.2 The Customer shall be obliged, at our request, to inform its customers immediately of the assignment to us – unless we do it ourselves – and to let us have the information and documents necessary for collection. The Customer shall in no way be entitled to further assignment of the accounts receivable. This shall also apply to factoring deals unless assignment by way of genuine factoring is involved which shall be indicated to us and in the case of which the factoring proceeds exceed the value of our secured account receivable. Upon the crediting of the factoring proceeds, our account receivable shall become due for payment immediately. If the Customer has agreed upon a prohibition of assignment, it shall hereby authorize us to collect these accounts receivable.

6. The Customer must inform us without undue delay about any attachment/seizure or any other prejudice by third parties. The Customer shall bear all of the costs which have to be incurred in order to secure the return of the goods subject to retention of title, unless they are refunded by third parties.

7. If the value of the existing securities including the goods subject to retention of title in the meaning of Item 4 exceeds the accounts receivable secured by collateral by more than 50 % in total, we shall, at the Customer's request, to that extent be obliged to release collateral at our option.

VI. Liability for material defects

1.1 Notification of material defects is to be given in writing without undue delay, at the latest within 7 days of delivery. Entrepreneurs, public law entities and public

special assets must also give notification in writing of non-obvious material defects if these can be ascertained by a reasonably acceptable examination without undue delay after their discovery, but not later than before the expiry of the agreed or statutory statute of limitations; otherwise Art. 377 of the German Commercial Code (HGB) shall remain unaffected.

1.2 If acceptance that has been agreed upon or is provided for by law is omitted for reasons beyond our control, material defects can to that extent no longer be claimed.

1.3 If material defects only become recognizable during processing, complaints can only be taken into account if the processing of these defective items is immediately suspended.

1.4 If the Customer does not give us, without undue delay, an opportunity to satisfy ourselves as to the existence of a material defect, if it does not in particular place the goods complained about or samples thereof at our disposal without undue delay, the claims for material defects shall be forfeited.

2. In the case of a justified notice of defects received within the time limit, we can initially at our option eliminate the defect or deliver an item free of defects (subsequent performance).

3.1 In the event of failures or refusal of subsequent performance the Customer can reduce the purchase price or after the setting and the fruitless expiry of a reasonable period withdraw from the contract, unless the defect is not insignificant or the goods have already been sold, processed or transformed.

3.2 The Customer shall be entitled to claims for damages in accordance with the provisions of Item VIII.

4.1 We shall bear expenses in connection with the subsequent performance only if they are reasonable in the individual case, in particular in relation to the remuneration for the service.

4.2 Expenses which are incurred as a result of the transfer of the goods to a place other than the place of performance shall not be refunded by us unless this corresponded to their use under the contract.

5.1 Claims by the Customer based on material defects shall be subject to the statute of limitations one year after delivery to the customer, even if they are used for a building structure, unless this manner of use had been agreed upon in writing.

5.2 In cases of subsequent performance, the period of limitation shall not start running again.

6. Claims by the Customer based on intentional and grossly negligent breach of duties on our part, in the case of fraudulent concealment of material defects or the assumption of a guarantee by us as well as the Customer's rights of recourse under Art. 478 of the German Civil Code (BGB), unless these go beyond the statutory claims based on material defects, shall remain unaffected by the above-mentioned provisions.

VII. Other liability

1. On the basis of the breach of contractual and non-contractual duties we shall also accept liability for our senior executives and other vicarious agents only in cases of intent and gross negligence, restricted to the damage typical of the contract foreseeable at the time of the conclusion of the contract.

2. With regard to the statute of limitations, the provisions of Item VII,5 shall apply accordingly.

3. These restrictions shall not apply in the case of culpable breach of essential contractual duties if the achievement of the purpose of the contract is endangered, in cases of mandatory liability according to the Product Liability Act, in the case of harm to life and limb and health impairment and not even then if and to the extent that we fraudulently conceal defects or have assumed a guarantee.

4. The rules concerning the onus of evidence shall remain unaffected.

VIII. Applicable law, place of jurisdiction

1. German law shall apply to all business transactions, also to foreign business.

The application of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

2. If the criteria for an agreement on a place of jurisdiction are met according to Art. 38 of the German Rules of Civil Procedure, the place of jurisdiction for all and any claims of the parties to the contract shall be Duisburg.

Signed by the Management, June 2008