

Valid as of May 1, 2005

A. General Provisions

I. Conclusion of Contract

- Our deliveries and other services shall be carried out exclusively on the basis of the following General Standard Terms and Conditions of Payment and Delivery. Conflicting or deviating terms and conditions of the purchaser shall not become a part of the agreement; they also shall not apply even if we do not expressly contradict them or if there is an exchange of performance.
- Our offers shall be nonbinding.
- Purchase orders in any form whatsoever shall only be valid if they are expressly confirmed as having been accepted by us. Failure to respond to such a purchase order shall not be equivalent to acceptance.
- Any of declarations with regard to conclusion, amendment or termination of agreements shall be made in writing; however, machine-processed order confirmations shall be valid even without signature.

II. Purchase Price, Terms and Conditions of Payment

- The purchase prices indicated in the price per unit lists for the respectively specified products shall apply for the contractually stipulated products unless otherwise agreed with the purchaser. In this case price per unit list agreed upon for the intended delivery period shall apply unless a price for a specified day of delivery has been agreed.
- If agreement has been reached with regard to acceptance/materials testing, the purchaser shall be responsible for any personal acceptance costs; the material acceptance costs shall be invoiced in accordance with our price list. Acceptance shall be carried out at the supplier's plant.
- In the event that we agree to take special requirements or regulations on the part of the purchaser into consideration, for which a price cannot be determined in accordance with our price lists, we shall reserve the right to negotiate an agreement with regard to the price.
- We require additional charges for the shipment of products on the basis of the agreed freight basis in accordance with the conditions specified in Section B. IV.
- The purchase price shall be due for payment on the fifteenth calendar day of the month subsequent to supply or delivery at the latest.
- If the manufactured products are to be delivered or made available only at the request of the purchaser, we shall be entitled to invoice such products starting with notification of availability for shipping; in this case the purchase price shall be due for payment on the fifteenth calendar day of the month subsequent to notification of availability for shipping at the latest. Rights arising out of default in acceptance as well as acceleration of maturity in accordance with Section II. 9. shall be reserved.
- Payment shall be effected without a discount deduction in such a way that the respective amount is available to us on the day of maturity. If the time allowed for payment is exceeded, then interest in the amount of eight percent (8 %) above the respective base interest rate shall be charged; assertion of greater claims for damages shall be reserved.
- The purchaser may only set off outstanding amounts that are either undisputed or recognized by declaratory judgment; the purchaser shall only be entitled to rights of retention insofar as they are based on the same contractual relationship.
- Insofar as our pecuniary claim is endangered due to the occurrence of subsequent circumstances that result in a substantive deterioration of the purchaser's assets, we shall be entitled to make such claim due immediately – independently of the term of any bills of exchange accepted for the purpose of payment.
- In the cases of Section II. 9. and Subsection A. V. 8. we shall be authorized to revoke the direct debit authorization (Section A. V. 7.) and require pre-payments or appropriate collateral for outstanding deliveries.
- The purchaser shall be able to avert the legal consequences specified in Section II. 9. and in Subsection A. V. 8. through the provision of security in the amount of our endangered pecuniary claim.
If in the cases of Section II. 9. or Subsection A. V. 8 the purchaser neither provides pre-payment nor corresponding security within an appropriate period of time, then we shall be entitled to cancellation of the agreement to the exclusion of any claims on the part of the purchaser.
- Any legal provisions with regard to delay of payment shall remain unaffected.
- In the case of delay of payment based on a recognizable deterioration in the assets of the purchaser, then we shall also be entitled to cancellation without be required to specify a corresponding time limit. Section 321 of the German Civil Code [BGB] shall remain unaffected.
- We shall be authorized to unilaterally increase the price independently of the price per unit lists in the event of a substantial change in the cost of raw materials, unfinished materials, energy, transport services or environmental protection or introduction of a new or substantial increase of existing public charges or comparable charges, whether they be under private or public law and which individually or as a whole result in a substantial increase in our manufacturing costs compared with the underlying costs at the time of conclusion of the individual contracts for delivery; however, this shall not apply if

a binding or nonbinding date of delivery has been agreed within the first three months following conclusion of the individual contract for delivery; moreover, this shall not apply if the change in cost was foreseeable in concrete terms. The above regulations shall apply accordingly in the case of framework agreements with an agreement on price(s), under the condition that the period of three months begins with conclusion of the framework agreement.

The price increase shall be limited to the actual change in cost and immediately communicated to the purchaser. The purchaser shall be entitled to cancellation of the respective delivery transaction to the exclusion any other rights within two weeks after receipt of such notification.

III. Collateral

We shall – without prejudice to our legal and contractual rights – have a claim to the customary collateral for our receivables in accordance with the respective nature and scope, including the extent to which they may be limited or conditional.

IV. Group Clearing

- In agreement with all of the companies belonging to Salzgitter Aktiengesellschaft group of companies we shall be authorized to set off any and all receivables payable to us by the purchaser and to set off any and all receivables to which the purchaser, for whatever legal reason, may be entitled on our part, Salzgitter AG or its group companies. The same shall apply even if one party has agreed on cash payment, while payment in the form of bills of exchange or other services has been agreed on account of performance by the respective other party. If required, these agreements shall refer only to the balance. If the outstanding amounts have different dates of maturity, then accounting shall be based on the respective value date(s).
- Salzgitter AG group companies shall be characterized by the fact that they are designated as such in their respective letterhead. We shall provide a complete list of these companies on request.
- Any collateral which obtains for us or any of the aforementioned companies shall also be available for the respective receivables of all of these companies.

V. Retention of Title

- Any goods which have been delivered shall remain our property (conditional products) until fulfillment of all claims, in particular the respective claims balance entitled to us within the scope of the business relationship. This shall also apply to future and conditional claims, e.g. from acceptor's bills.
- Machining and processing of the conditional products shall be performed for us as manufacturers within the meaning of Section 950 of the German Civil Code [BGB] without placing any obligation on us in any way. Machined and processed products shall be considered as conditional products within the meaning of Section V. 1.
- If the conditional products are processed, combined or mixed with other commodities by the purchaser, we shall acquire joint ownership of the new product in proportion to the ratio of the invoice value of the conditional products to the invoice value of the other commodities employed. If our property is extinguished through combination, mixture or processing, then the purchaser shall hereby transfer any ownership and/or rights in course of acquisition to the new stock or item within the scope of the invoice value of the conditional products, in the case of processing in proportion to the invoice value of the conditional products to the invoice value of the other commodities employed and safeguard them for us free of charge. Our joint ownerships shall be considered as conditional commodities within the meaning of Section V. 1. ***
- The purchaser may only resell the conditional products in the normal course of business subject to the purchaser's standard terms and conditions of business and as long as the purchaser is not in default, provided that the purchaser reserves ownership and the claims arising out of resale in accordance with Sections V. 5 and 6. pass to us. The purchaser shall not be authorized to dispose of the conditional products in any other way whatsoever. Resale within the meaning of this Section A. V. shall also include use of the conditional products in order to fulfill contracts for work.
- The claims of the purchaser from resale of the conditional products shall hereby be assigned to us. They shall serve as collateral to the same extent as the conditional products within the meaning of Section V. 1.
- If the conditional products are resold by the purchaser together with other goods, the claim from resale of the conditional products shall be assigned to us in proportion to the ratio of the invoice value of the conditional products to the invoice value of the other commodities. In the case of resale of goods in which we have shares of joint ownership in accordance with Section V. 3., that proportion of the claims corresponding to our share of the joint ownership shall be assigned to us.
- The purchaser shall be entitled to collect claims arising from resale unless we revoke the direct debit authorization in the cases specified in Sections A. II. 9. and A. V. 8. At our request the purchaser shall be obliged to inform his or her customers immediately with regard to such assignment to us – insofar as such is not effected by us – and provide us with the information and documents required for collection.
The purchaser shall not be authorized to assign claims in any case whatsoever.
- In the event that the purchaser gets into arrears in a manner which indicates a substantial deterioration of the purchaser's ability to satisfy a significant part of our claims, we shall be entitled to prohibit any processing of the delivered products, to repossess such products and, for this purpose, to enter the purchaser's premises if necessary. Repossession shall not be equivalent to cancellation of the agreement.

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9. The purchaser shall inform us immediately of any third party seizure or other encumbrance.
10. If the value of the existing collateral exceeds the secured claims by a total of more than ten percent, then we shall be obliged to release collateral to that extent at the purchaser's request.

B. Subject Matter of the Agreement and Performance of Delivery

I. Delivery Item, Production and Origin of Goods

1. The delivery item, delivery quantity and quality shall be determined in accordance with the written provisions of the specific contract.
2. Our range of products is primarily manufactured using unfinished material from in-house production and primarily with our own rolling, machining and processing plant. We shall determine the amount of in-house and third-party materials as part of our production scheduling; we shall provide information related thereto to the purchaser on request. With regard to those parts of the contractual goods and services scheduled for manufacturing from our own input production, or scheduled for production in our own plants, our performance obligations shall be limited to these forms of in-house production (restricted obligation to supply unascertained goods). In cases of incapacity or impossibility for in-house production we shall only be obligated to undertake hedging transactions with regard to those definable parts of our performance which, according to our production scheduling, should have been purchased or supplied by third parties.
3. There is no entitlement to the supply of goods originating in the European Union within the meaning of the provisions on preferential customs duties, unless such origin of goods has been expressly agreed.

II. Reservations; Delivery Periods; Force Majeure

1. Delivery quantities, deadlines and dates of delivery shall be subject to the reservation of unforeseeable production disturbances and punctual, correct and sufficient self-supply of raw materials, unfinished materials and external services. An overrun of periods and dates of delivery confirmed under reservation shall not represent a delay in performance.
2. Periods for delivery shall begin with the date of our confirmation of the order, however not before complete clarification of all of the details of the order; the same shall correspondingly apply to dates of delivery.
3. If the purchaser fails to fulfill contractual obligations – including the duty to cooperate or subsidiary duties – such as opening of a letter of credit, procurement of domestic or foreign certificates, rendering pre-payment or the like on time, then we shall be entitled to appropriately postpone our dates and periods for delivery – without prejudice to our rights from delay on the part of the purchaser – in accordance with the constraints of our production schedule.
4. The time of dispatch ex works shall be decisive for meeting the delivery periods and delivery deadlines. If the products cannot be shipped in time for reasons for which we may not be held responsible, then dates and periods for delivery shall be considered as having been adhered to with notification of availability for shipping.
5. In cases of force majeure the contractual obligations of both parties shall be suspended and the dates and periods for the fulfillment of contractual obligations shall be postponed accordingly; cases of force majeure shall also include labor disputes in the company's own and third-party enterprises, serious transport obstacles, serious machine failure, sovereign acts of state and other circumstances for which neither of the parties may be held responsible. The event of force majeure shall be communicated immediately to the respective other party to the agreement. Either contracting party may, to the exclusion of any respective substitute obligation, withdraw from the contract provided that the event of force majeure has persisted for four weeks.
6. In the event of noncompliance with the periods or dates of delivery the purchaser shall be entitled to the rights arising out of Sections 281 and 323 of the German Civil Code [BGB] only if we are in delay of performance and the purchaser has specified an appropriate deliver deadline which – insofar as a deviation from Sections 281 and 323 of the German Civil Code [BGB] is involved – is connected with the declaration that the purchaser shall reject acceptance of performance upon expiration of the specified term; the claim to fulfillment shall be excluded after unsuccessful expiration of the term.
7. We shall be liable for any and all damage and expenditures arising out of or in connection with delays of the performance due only in the case of culpable default of binding dates or periods for delivery; in this case our liability shall be assessed in accordance with the provisions of Section C. Without prejudice the purchaser's obligation under law to reduce the respective damage, the purchaser shall be obliged in particular to notify us immediately in writing with regard to any imminent damage due to delay. Insofar as the prerequisites of Section II. 6. are not given, performance of a covering purchase shall require our prior approval. We reserve the right to suggest covering purchase possibilities to the purchaser.

8. The purchaser may cancel the agreement without specifying a period of notice if it becomes ultimately impossible for us to provide complete delivery prior to passage of the risk. Furthermore, the purchaser may cancel the agreement if execution of a part of the delivery becomes impossible for a purchase order and the purchaser has a justified interest in refusal of the partial delivery. If this is not the case, then the purchaser shall

be obliged to pay the contract price attributable to the partial delivery. The same shall apply in the case of our inability. Section C shall apply in all other respects.

III. Dimensions, Weight, Quality

1. Weights are theoretically determined with the specific weight of 7.85 kg/dm³ and shall be determining for invoicing if no other means of weight determination has been agreed.
2. Deviations from dimension, weight and quality shall be permissible within the scope of valid or recognized standards or valid practice.

IV. Shipping, Packaging and Passage of the Risk

1. We ship the products at the expense and risk of the purchaser and select a suitable carrier or haulage contractor. Transport insurance shall be arranged for at the purchaser's request.
2. Shipping expenses shall be invoiced as surcharges based on the agreed freight basis.
 - a) We take over shipment freight prepaid:
 - for forwarding by rail: to the station of destination;
 - for forwarding by truck: to the recipient;
 - for forwarding by ship (if agreed): to the port of destination.
 - b) The surcharge for shipment within the Federal Republic of Germany shall be determined as follows from the agreed freight basis to the place of destination regulated in letter a):
 - aa) the freight surcharge for forwarding by rail shall be determined for the distance freight basis to the station of destination within the Federal Republic of Germany on the basis of the distance in accordance with the German Rail and Freight Rates [DEGT] as specified in our freight catalog.
 - bb) The freight surcharge shall be determined as follows for forwarding by truck:
 - the freight surcharge shall be determined in accordance with our freight catalog based on the distance in kilometers (Distance Rules for Road Transport/EWS) between the freight basis and the receiving location.
 - Our published freight surcharges shall apply to works dispatch.
 - In the case of third-party shipment a surcharge shall be invoiced in accordance with our freight surcharge list.
 - If we have agreed to the collection of goods by the consignee's own vehicles (works transport), then the freight surcharge for 26 tons shall be invoiced from the freight basis to the consignee and the 26-ton freight surcharge shall be credited from the place of shipment to the consignee in accordance with the freight rates of our works dispatch.
 - Shipment by road shall be based on the prerequisite of unrestricted access on paved traffic roads to the discharge point. Freight surcharges shall only cover the freight rates as such. Any other cost incurred for transport shall be invoiced separately.
 - c) Freight surcharges shall be agreed respectively for shipments by sea to destinations in Germany or abroad and for shipments by rail or by road to destinations abroad.
 - d) Other costs, insofar as they have not been taken into consideration in the freight surcharges, shall be invoiced separately. Additional costs arising from the performance of any shipment and for which no freight surcharges have been agreed shall be borne by the purchaser unless we are responsible for the incurrence of such additional costs.
3. The following additional shipment provisions shall apply:
 - a) We shall have the right to refuse the loading of vehicles which appear inappropriate for the safe transport of goods or which do not have the appropriate means for securing loads.
 - b) The purchaser shall be responsible for unloading the goods. The purchaser shall return unloaded wagons and transport units to the carrier in a completely unloaded, duly cleaned and decontaminated condition, complete with all loose components to the haulage contractor.
4. If loading or forwarding of the products is delayed for any reason for which the purchaser may be held responsible, we shall be entitled to store the products at the purchaser's risk and expense at our reasonable discretion and to take all measures considered appropriate for preserving the products. The same shall apply if products ready for shipment are not called within four days. The statutory provisions on default in acceptance and our right to invoice in accordance with Subsection A.II.6. shall remain unaffected.
5. As a rule, goods are delivered without packaging or protection. Any resulting external corrosion, soiling due to transport, and surface impairments shall not be considered as damage to the goods. Special packaging or protective measures (e. g. for longer-term storage or transport by sea) shall only be provided in the event of a special order and for additional remuneration. Any packaging, protective or transport materials are not returnable.
6. In the event that any damage has occurred in transit, the purchaser shall arrange for an ascertainment of the facts related to the incident by the respectively competent authorities without delay.
7. Insofar as there are no provisions to the contrary, any risk of accidental loss or deterioration of the goods shall pass to the purchaser once the products are handed over to the forwarding agent or carrier; in all other respects, upon readiness for shipment at the latest. If, at the purchaser's request, the goods are to be made available for shipment or shipped upon the purchaser's request, the risk shall pass to the purchaser at the time the products are handed over or after seven calendar days following the notice of availability for shipment, whichever date is earlier. Section B. IV. 4. shall remain unaffected.

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V. Rights Associated with Defects

- The stipulated condition and faultlessness of our products shall be exclusively assessed in accordance with the express agreements on the quality and quantity of the ordered products at the time of passage of the risk under the condition that insignificant production-related deviations do not represent a material defect within the scope of conventional industry or standardized tolerances. Liability for a specific application purpose or a particular suitability shall only be accepted if such has been expressly agreed; in all other respects the risk of suitability and utility shall be the exclusive responsibility of the purchaser. We shall not be responsible for perishing or deterioration or improper handling of the products after passage of the risk.

- The contents of the agreed specification and any expressly agreed intended purpose shall not establish a warranty; assumption of a warranty shall require written agreement.

- The purchaser shall be obliged to examine any received products immediately after receipt. Rights associated with defects shall only obtain if defects are immediately reported in writing. Latent material defects must be reported immediately following their discovery.

Any defects which should have been determined with the performance of an agreed acceptance shall be excluded after such acceptance has taken place.

- In the event of complaints the purchaser shall be obliged to immediately provide us with the opportunity to examine the products in question; on request the nonconforming products or a sample of the same shall be made available to us at our own expense. We reserve the right to charge the purchaser freight and handling costs as well as the inspection costs at customary market prices in the case of unfounded objections.

- In the case of products that have been sold as to the purchaser as downgraded material (e.g. so-called II-a material), the purchaser shall not be entitled to any rights associated with material defects with regard to the indicated errors and those with would normally have to be taken into account.

- In the event of a material defect we shall provide for subsequent performance at our own discretion – while taking the interests of the purchaser into consideration – either by replacement or by reworking.

In the event that we are unsuccessful in providing subsequent performance within an appropriate period of time, then the purchaser shall be entitled to specify an appropriate period for subsequent performance, after the fruitless expiration of which the purchaser may either lower the purchase price or cancel the agreement in accordance with legal provisions. Any other claims, e.g. to payment of damages or substitution of futile expenditures shall obtain only in accordance with the regulations contained in Section C.

In the case of sectional steel products the rights of the purchaser associated with any material defects that are limited to a few identifiable parts of the products and which do not substantially impair the employment of the remaining parts shall by way of departure from Sentence 1 be covered by an appropriate reduction in the purchase price which is to be agreed in individual cases.

- In the event of a defect in title we shall have the right to provide subsequent performance through elimination of the defect in title within an appropriate period of time, which in general amounts to at least two weeks starting with receipt of the notice of defect(s). In all other respects Section V. 6 Sentences 2 and 3 shall apply accordingly.

- The period of limitation in the case of defective delivery of moveable property which has been used for a building in accordance with its customary use and which thus caused the defectiveness of the latter shall end three years following delivery without prejudice to Sections 478 and 479 of the German Civil Code [BGB] and insofar as no other express agreement has been reached by the parties.

- The period of limitation because of defective delivery of other moveable property shall end one year following delivery without prejudice to Sections 478 and 479 of the German Civil Code [BGB] and insofar as no other express agreement has been reached by the parties.

- The period of limitation shall not begin again as a result of reworking or replacement.

- By way of departure from Sections V. 8 to 10, the legally prescribed periods of limitation shall apply in the case of personal injuries or damage to privately used property or in the case of intent.

- Any rights of recourse asserted against us by the purchaser in accordance with Section 478 of the German Civil Code [BGB] shall be limited to the legal scope of the warranty claims asserted against the purchaser by third parties and presuppose that the purchaser has fulfilled the purchaser's own inspection and reporting obligations with regard to us. The purchaser shall be obliged to avert such claims insofar as possible.

C. General Limitation on Liability

- Our liability for damages or compensation for expenses based on any legal reasons whatsoever shall be excluded or limited by the provisions contained in this Section C.

- We shall be liable only in case of intent or gross negligence on the part of any of our legal representatives or vicarious agents as well as in case of any culpable breach of substantial contractual obligations.

- In the case of any culpable breach of substantial contractual obligations we shall be liable –except in the case of intent or gross negligence on the part of our legal representatives or vicarious agents – only for foreseeable damage typical which is typical for the agreement.

- Liability for loss of production or loss of profits shall be excluded in any case.
- Our liability based on any legal grounds whatsoever shall be limited to the total value of the order and to the value of the requested order in the case of framework agreements, unless there is a higher insurance cover or unless higher claims for damages exist against third parties outside the Group.

- The limitations and exclusions of liability set out in these General Standard Terms and Conditions of Payment and Delivery shall not apply in cases of personal injuries or damage to privately-used property or in any other case of mandatory liability under law.

D. Other Provisions

I. Taxes, Customs and Other Duties

- In addition to the purchase price we also invoice the legally valid value added tax for transactions in the Federal Republic of Germany.
- Cross-border deliveries are carried out free of both duties and taxes. Insofar as customs duties, taxes and other duties are charged, they shall be at the expense of the purchaser.

II. Proof of Exportation

If a purchaser resident outside the Federal Republic of Germany or the purchaser's authorized agent collects any products and transports or ships such abroad, the purchaser shall be required to provide us with proof of exportation by means of documentation which satisfies the requirements of the value added tax legislation of the Federal Republic of Germany. If such proof is not furnished within thirty days after delivery of the goods, the purchaser shall be required to pay the value added tax as calculated on the basis of the invoice amount at the rate applicable to deliveries within the Federal Republic of Germany.

III. Data Processing

- Any data generated in connection with the contractual relationship and order processing shall be processed and stored in electronic data processing installations.
- We reserve the right to notify insurance companies and institutions securing supplier credits with regard to data on contract and payment performance and other information from the contractual relationship that may be suitable for assessing credit ratings.

IV. Applicable Law

The Law of the Federal Republic of Germany shall apply exclusively to any contractual relations between the parties to the exclusion of the provisions of the "United Nations Convention on Contracts for the International Sale of Goods" of April 11, 1980.

V. Place of Performance and Jurisdiction

- The place of performance for both contracting parties shall be Peine.
- The place of jurisdiction shall be Braunschweig. We shall also be entitled to choose the purchaser's general place of jurisdiction.