

We, Schlager Industriefenbau GmbH Hagen, complete the orders placed with us for the delivery and assembly of our products exclusively on the basis of the conditions set down as follows, which will also be valid for any future transactions with you, our Customer. Our conditions will be applicable even if you place your own conditions that deviate from ours. Your conditions will only apply if we confirm the deviating conditions to you explicitly in written form.

1. Conclusion of the Contract

Our offers are non-binding offers and are subject to the proviso that we obtain correct and timely delivery ourselves, unless the binding character of the offer has been stated explicitly in the contract. The drawings, samples, catalogues and / or documents, which have been handed over or otherwise transferred to you in the context of the offers and / or other specifications within the preparations for the conclusion of the contract, will remain our property and will be exclusively at our disposal, by virtue of our copyright and / or patent right. They can only be made accessible to third parties with our explicit permission. The documents forming part of our offer and the indications concerning weight, measures and / or performance as detailed therein, are only approximately authoritative, unless they were explicitly confirmed as binding. First offers are generally made free of charge; further offers and design work are only carried out free of charge if this is followed by a delivery contract with you that is concluded effectively and performed, and if we assure gratuitousness in writing. The contract is concluded after clarification of all the technical and commercial conditions, when we accept your order with our written confirmation of order. This will also apply, if your order has been transferred by our representatives. Our confirmation of order containing the description of our performance to be rendered exclusively lays down the range of our obligation to perform as well as the details concerning the quality of our performance. This will also apply in the event

that the performance we owe is to be completed according to your instructions, in particular an engineering drawing provided by you. As far as there are no specific instructions concerning manufacture in the drawing, we are entitled to manufacturing within the framework of DIN or ISO or the prestandards that are valid at the time of the commencement of production. Concerning the specific nature of our goods and services, the DIN-EN 746 for the Industrial Thermoprocessing Equipment is applicable in its current version valid at any one time. If submission of samples with test reports is stipulated, the procedures in line with the industry standard are agreed; only after explicit written approval of the manufacture by you, the values given in the sampling will be stipulated as the contractual quality of the performance we owe. The right to technical changes is reserved at any time, as far as they are consistent with technological progress or safety regulations, and if they have been accepted by you, after being notified by us of the intended changes with detailed explanatory statement in writing. The specifications concerning the quality of the subject matter of the contract, which are contained in the confirmation of order, in catalogues and / or other documents exchanged in our correspondence concerning the contractual product or performance, do not constitute a guarantee under § 276 Abs. 1 BGB (German Civil Code), unless we have stated this explicitly in our written confirmation of order and have indicated for which result we give a guarantee. If the product is manufactured and delivered according to a design that was specifically prescribed by you – according to engineering drawing, design model or other specific details -, you will guarantee that the implementation will not infringe upon third party claims, in particular patents, utility patents and other proprietary rights. You are committed to release us from any third party claims that might arise from such infringement. If assembly, disassembly and / or repair are also part of the contract, you have to specify bindingly the correct weights,

measures, attachment points and particular properties of the machines, equipment and / or appliances that are to be transported and assembled or disassembled, for the preparation of our offer and smooth completion of the order to be placed with us. Specifications that we receive at your instance by third parties will be deemed to be provided by you. You ensure that ground conditions and other circumstances of the access roads to the site of operation and the site of operation itself are convenient for the risk-free and orderly passage of our vehicles and equipment and for the execution of the necessary operations, as far as the roads and squares are not public. The disposal of machines and equipment accruing from disassembly will be your responsibility, unless otherwise explicitly agreed in writing. All the electric and other supply lines have to be disconnected by you at the time of the commencement of disassembly. You ensure that a restart during disassembly operations is impossible. The determination of times in the offer aims at unimpeded and continuous procedure. Waiting periods, caused by obstructions or other disturbances that we are not responsible for (for instance extensions of the assignment that arise in the course of disassembly after detection of further defects in that part of the equipment that, according to the original assumption, was to be maintained), did not enter into the calculation and will be recalculated and invoiced subsequently by us on the basis of the agreed terms. Before the commencement of the completion of the contract, you have to check the state of the machinery and equipment to be disassembled, as well. In the event that you claim, after execution of the order placed with us, that a defect of the machinery and / or the equipment was caused by the completion of the operations, you have to explain and prove that the object concerned did not have this defect before the commencement of disassembly. You are obligated, furthermore, to warn us against any hazards that may arise during execution of the order, due to circumstances that are attributable to your facilities, as for instance

oils and /or other environmentally hazardous substances that may remain on or in the machine, equipment and appliances. You also have to give us all the particulars necessary to obtain the licenses required when indicated. If the contract with you concerning the performance to be rendered is concluded before issue of the license, it is subject to the suspensive condition that this license is issued. In general, the precise scale of the installation and assembly work has to be stipulated for each item separately in the contract, particularly:

- a) the lining of the furnaces and other units with refractory,
- b) installation and assembly of the devices and accessories that are delivered as completed components,
- c) electrical and other installations, connecting and interconnecting cables,
- d) pipelines for cooling, transport and supply equipment (gas and exhaust gas),
- e) foundations, foundation work and other structural alterations that may become necessary.

Unless otherwise explicitly stipulated in the confirmation of order in writing, you will accept the costs for the unskilled and skilled workers, whose number and qualification will be requested by us and provided by you, for all the necessary preparatory work (earthwork and foundation work; erection of scaffoldings etc. including the required building materials), and for the appliances, auxiliary tools, operating resources and personnel required for the assembly and commissioning of the installation. Before the commencement of assembly you have to provide all the necessary components and construction equipment on the site of assembly as agreed upon, and to procure that the hall in which the operations take place, is weatherized and the assembly personnel are not exposed to draft. In the case that your order refers to the removal of a malfunction or other defect of appliances and / or equipment delivered by us, which occurs after expiration of the warranty period, this malfunction has to be

specified as precisely as possible. We will charge the repair order only at actual cost. If we discover, after commencement of work, that there are further defects, we will give you notice in writing, but we will remove them only after obtaining your approval. If we cannot contact you, we are entitled to carry out the repair works, if these are necessary to maintain and restore operational safety, and if their costs are insignificant as compared to the costs of the repair order issued. You are, however, obligated to notify us explicitly, when you place the order, of any defects that do not occur immediately or continuously (e.g. drop-out or timing malfunction). We are, however, entitled to charge you for the costs incurred even if the repair cannot be carried out, either because the defect that was complained about does not occur during the check, or because the required spare parts cannot be obtained, or because you withdraw the order before completion.

2. Prices

Our prices in offers and confirmation of orders are calculated in EURO from our supplying plant, exclusive of the respective costs for packing and insurance, plus the respective statutory VAT and freight charges. All the prices listed in our offers are valid within a period of 4 months. All the prices of our confirmation of order are valid within the time-limit agreed upon, or up to 6 months. Our prices are based on the calculation factors and prime costs according to standard practice at the time of the preparation of the confirmation of order. If, in the case of delivery dates scheduled more than 6 months after the date of the confirmation of order, these change, having a lasting effect on the orders for goods to be delivered on demand, or framework agreements, we are entitled to adjust the agreed prices per item to the change of costs with equitable discretion. If, however, we demand an increase of more than 25 percent of the contract price, you are entitled to withdraw from contract. The amount of man-hours (for instance for assembling), which is taken as calculatory basis for offers and confirmation of order, is

only an estimate. We charge for the actual working time documented by us with hourly timesheets, which will be acknowledged by you with your signature on the timesheets. In the offer or the confirmation of order we assign definite daily rates for the personnel provided by us for assembling. Travel and waiting time is considered as working time. Unless otherwise explicitly agreed, travel expenses (air and train fare or kilometre allowance for return journey - for technicians economy class; for engineers business class) including costs for luggage and tools carried along, if necessary, have to be refunded by you, as well.

3. Payment

The purchase price and payment claims that we are entitled to will become due after acceptance of the agreed performance and on receipt of the invoice issued thereafter, and are payable net cash. On an individual basis we can arrange that you make down payments in advance. These will become due as follows:

After dispatch of the confirmation of order we will send you a preliminary invoice amounting to 40 percent of the total remuneration. This preliminary invoice is due directly on receipt, and your payment to us is the precondition for the commencement of the running of the delivery period. In general, payments always have to be made at the due dates indicated by us in the invoices or invoices for partial delivery. If you exceed the due date for payment by 6 work days, we will charge you default interest to the amount of 8 percent above the respective base interest rate. We accept bills of exchange and cheques expressly under reserve. As a matter of principle, they are only accepted for the purpose of payment, and the obligation is discharged only after cashing in as means of payment. Discount charges and other costs of means of payment are for your account. You are entitled to exercise the right of retention or discharge by way of counterclaim against our claims under the exclusive condition that such counterclaims are undisputed or determined by a non-

appealable court decision. In the event that you withdraw from the contract without justification, you will be obligated to pay us a lump sum compensation amounting to 15 percent of the gross contract price. We reserve the right, however, to claim a higher damage against you if ascertainable. We leave it up to you to prove that our damage is less than 15 percent of the gross contract price. In the event of a considerable deterioration of your financial position after delivery, which would jeopardize our pecuniary claim, we are entitled to make it payable immediately – irrespective of the term of the bills of exchange that were accepted in payment. If payment default indicates that the discharge of a considerable part of our claims is in jeopardy, we are entitled to prohibit further processing of delivered goods, and to enter your production facilities in order to control compliance with this obligation. This operating ban is only a measure of safeguarding. You are entitled to avert the aforementioned legal consequence by provision of securities to the amount of our claims in jeopardy. If you do not provide securities as aforesaid within an adequate time-limit to be fixed by us, we are entitled to withdraw from contract.

4. Dates of Delivery and Delivery

The specification of the date of delivery will be made to the best of our knowledge without guarantee. Agreed delivery periods commence on the day of our confirmation of order, but not before clarification of all the details of implementation. The receipt of the goods by you will be authoritative for compliance with the delivery date or period. In no case are we obligated, however, to make delivery or commence operations, unless we have received the agreed initial payment. We will not be deemed in delay if delivery is impeded due to circumstances beyond our control. We stipulate that events constituting a force majeure, labour disputes, lockouts, accidents and any other circumstances that cause partial or entire suspension of work, as for instance shortage

of materials, shortage of operational electricity, transport problems, problems of energy supply, any type of operating trouble that may also occur with our supplier firms, are circumstances that we are not responsible for. In all these cases we are entitled to postpone delivery to you by the duration of the hindrance. In all these events we will, however, inform you immediately of the beginning and the expected end of such hindrances. In the event of our delay of delivery you will have to grant an adequate period of grace of at least 4 weeks, with a warning of withdrawal added. In the case of items manufactured to order, however, which are not contained in the standard programme of our products but will be engineered especially for you, the period of grace will be at least 6 weeks. After the unsuccessful expiration of the deadline you can assert the right of cancellation or compensation for damage solely for that part of the scope of the contract that has not been fulfilled by us. You cannot, however, claim cessation of interest. In the event that substantial deterioration of your financial position occurs after conclusion of contract or that such deterioration of your financial position does not become known until after conclusion of contract, we are entitled to refuse performance or to demand that you eliminate the risk to the purpose of contract by provision of sufficient securities. If you do not meet our demand for provision of securities within an adequate time-limit to be fixed by us, we will be entitled to withdraw from contract and / or demand compensation for damages. The delivery will always be effected at your cost and risk in customary packing. Rail freight will be packed as customary in the trade, and packing will be charged at cost price. Unless otherwise agreed, the transport is effected from the supplying plant, without liability for the most cost-efficient mode of dispatch. Alternatively, the goods will be supplied, allowing for the extra time that is usual for loading and shipment. You have to take over goods that have been reported ready for shipment without delay, otherwise they will be stored

temporarily, or they can be dispatched, after fixing of a deadline, at our own discretion. One week after the beginning of storage the goods will be deemed delivered as to our contractual obligation to you. The risk passes to you, when the goods are delivered to the transport agent, at the latest, however, when they leave the supplying plant, alternatively, with receipt of notification that the goods are ready for shipment. Partial deliveries are permissible within a reasonable scale. We will test the delivery items in our factory as to measurement, material properties on the basis of workpiece drawings, surface defects and surface cracks, as far as these can be detected by mere visual check. The expenses for this test, which is carried out customarily, are contained in the prices agreed upon. Visible defects of packing or cargo must be recorded immediately on receipt in the shipping documents. Hidden transport damages that are not externally visible, have to be reported to us within 7 days.

5. Reservation of Title

The delivered goods remain our property until all our current and future claims - including conditional claims - resulting from the business connection have been discharged by you. In case of current account the retained property also serves as collateral for the balance claim. You are entitled to resell the goods subject to reservation in the usual course of business only with the proviso that you likewise stipulate the reservation of title with your business partner. With the sale, which is thus permissible, you will concomitantly assign your claims accruing from the resale to us in advance, amounting to the value of the respective goods subject to reservation. We hereby accept this assignment. You are, however, not entitled to pledging and transfer of our goods subject to reservation by way of security. Any processing of the goods subject to reservation according to § 950 BGB (German Civil Code) will always be effected for us. In the case of connecting or blending of the goods subject to reservation pursuant to §§ 947, 948 BGB (German Civil Code), we

acquire joint ownership of the new product, based on the ratio of the invoice value of the goods subject to reservation to that of the other goods, which were connected or blended, at the time of connecting or blending. If, in the case of connecting or blending of the goods subject to reservation, you have become sole owner pursuant to §§ 947, 948 BGB (German Civil Code), the proportional transfer of joint ownership of the principal product to us is deemed stipulated *mutatis mutandis*; in this case you will keep the object in safe custody for us free of charge. The upper limit for securities will be 120 percent; we will release securities held by us at your request to the extent that the value to be realized exceeds the claims to be secured by more than 20 percent.

6. Requirement to Give Notice of Defects, Warranty and Liability

With reference to the fact that none of our statements constitutes a guarantee under § 276 Abs. 1 BGB (German Civil Code), we give the warranty and undertake the liability for our delivery and performance in compliance with the following informal agreements supplementing the statutory rules:

You are obligated to test the goods delivered by us carefully on a random basis immediately after arrival on your premises - even though samples and test pieces were sent to you before - as to completeness and propriety, which includes the correctness of the quality of workmanship according to the contract. You have to ascertain, in particular, whether there are externally visible transport damages. In general, you ensure that the examination of the delivered goods as to defects will be carried out at the earliest possible in the manufacturing process or commissioning respectively. You will organize your manufacturing, as regards the receipt and processing of our goods, according to the principle first in, first out. All defects have to be reported to us, as soon as they have been discovered by you according to the circumstances of normal business procedure,

immediately in writing. If a complaint about defects is justified, we are obligated, in cases of straight contracts of sale or services, to effect supplementary performance by rectification or replacement of delivered goods. We are, however, entitled, to credit the value of the parts eliminated to your account. You can, however, demand rectification or replacement of delivered goods only if the defective parts exceed the limit on minimum quantity as defined in DIN 6903. We have to be given the opportunity to ascertain and / or examine the defect that has been notified, ourselves. We will bear the costs of remedy of defects, provided that these have not been increased by a transfer of the goods and / or services delivered by us to a place other than the place of delivery specified by you. If we fail in our obligation to remedy the defect or fail to accomplish this within an adequate period of time, you can set us a final deadline in writing, within which we have to meet our obligations. After expiration of the period without success, you are entitled to claim reduction in purchase price, or to withdraw from contract, or to carry out the necessary remedy of the defect yourself, or to have this performed by a third party at our expense and risk. Should you, in the event of resale of the goods delivered to you by us, have to face claims under a right of recourse, these claims can only be asserted inasmuch as you have not agreed upon terms with the purchaser that exceed statutory warranty claims. If the assembly is not carried out by us, we will send you the instructions for assembly and disassembly together with the operating instructions. If the contractual items delivered have been employed inappropriately, assembled and / or disassembled incorrectly, disregarding the instructions, we disclaim liability for defects. The same applies in cases of incorrect start-up by you or third parties, repairs and / or corrective maintenance and / or modifications without our previous written permission, the use of uneligible operating resources, which had not been specified by us and which will cause premature wear or abrasion. The properties of heat-treated materials

exclusively comprise their parameters, which are specified in the contract and the appendant set of standard specifications. A minimum operating life does not constitute a material property in terms of the contract, owing to the wide variety of operational circumstances in which they are used. We assume liability for all damages – including possible claims for reimbursement of expenses – on whatever legal basis, only

- in the case of intent,
- in the case of gross negligence on our part, likewise in the case of gross negligence of senior executives or organ institutions of our company,
- in the case of culpable impairment of life, physical injury or impairment of health of third parties,
- in the case of defects withheld with intent to deceive or defects whose absence we guaranteed in written form,
- in the case of defects of our performance as far as we are liable under the Product Liability Act for personal injury or damage to objects of privately used property.

In the event of culpable violation of essential contractual obligations we also assume liability in the case of gross negligence by employees in subordinate positions and in the case of slight negligence. In the latter case, however, our liability is limited to damages that are characteristic of the type of contract and reasonably foreseeable. All the aforementioned warranty claims, damage claims and / or claims for reimbursement of expenses or assembling will become time-barred one year after delivery or, in the case of items manufactured to order, after acceptance of the contractual items. This does not apply, however, if longer periods of time are compulsorily required by law, as for example in cases of defects of a building and defects of a product that was used according to its customary use in a building and caused its defectiveness, or if a longer period of limitation was declared in the confirmation of order. If you, as purchaser or ordering party,

infringe upon contractual secondary obligations, as described above, and if this causes damage to us or our subcontractors, you are liable for damages under the same conditions as those that apply for our liability towards you.

agreement that is the most appropriate in compliance with the economic purpose.

All our prior terms of delivery, payment and assembly are hereby superseded.

7. Final Regulations

The contracting parties commit themselves to treat any commercial and technical details which are not evident and which are disclosed to each other within the business connection, as business secret. In particular, technical documentation and similar objects must not be ceded or otherwise made accessible to third parties without our explicit consent. Reproduction of such objects (for instance workpiece drawings) is permissible only within the scope of the operational requirements and the proprietary provisions. In the event of continuing insolvency of one of the contractual parties and in the event of the commencement of insolvency proceedings against his assets, the other party is entitled to withdraw from contract for that part of the contract which was not performed. Force majeure, labour disputes, public disorder, official orders and other unpredictable and inevitable severe events will release the contractual parties, for the duration of the disturbances and according to the scope of their effect, from obligation to perform. This will also apply, if the events occur at a time when the contractual partner concerned is in delay. The contractual parties are obligated to provide the necessary information immediately within reason, and to adjust their obligations to the changed circumstances in good faith. Exclusive place of jurisdiction for both parties is Hagen. This agreement will be governed by the laws of the Federal Republic of Germany including the UN Convention on Contracts for the International Sale of Goods (CISG). Verbal additional agreements are valid only if confirmed by us in written form. Should a provision be legally invalid, the validity of the remaining provisions will not be affected. The invalid provision is to be replaced by an