

REFERENCE METALS COMPANY, INC.
GENERAL CONDITIONS OF SALE AND DELIVERY
VERSION JANUARY 1, 2010

1. Definitions

- 1.1 In these General Conditions:
- a. "Agreement" means an agreement for the supply of Products by RMCI to Purchaser.
 - b. "General Conditions" means these general conditions of sale and delivery.
 - c. "RMCI" means Reference Metals Company, Inc., having its registered office in Bridgeville, PA.
 - d. "Purchaser" means any person, legal or natural, that has entered into or wishes to enter into an Agreement with RMCI.
 - e. "Offer" means any written offer for the supply of Products submitted by RMCI to Purchaser.
 - f. "Order" means an order of the Purchaser for the supply of Products, specifying the quantity and specifications of the Products requested.
 - g. "Products" means FeNb, Nb-Oxide and FeNb Powder, FeNb Cored Wire, NiNb and FeNb Vacuum Grade and all other products RMCI markets.
 - h. "Sales Confirmation" means the formal agreement of terms and conditions of RMCI for the delivery of Products. A Sales Confirmation can only be issued in writing, by email, letter or fax.

2. Applicability

2.1 The General Conditions shall apply to and be part of any Agreement between RMCI and Purchaser. These General Conditions also apply to all pre-contractual situations between RMCI and Purchaser.

2.2 Any general conditions put forward by Purchaser shall not apply, are expressly not accepted and shall not be binding, unless and to the extent that they have been specifically accepted by RMCI in writing.

3. General Conclusion of Contract

3.1 Unless otherwise explicitly agreed in writing, any Offer will only be valid for 10 (ten) days.

3.2 All Orders and Offers are not binding on RMCI unless they are confirmed and accepted by RMCI by written Sales Confirmation. RMCI reserves the right to refuse an Order, at its sole discretion. Unless the Purchaser disputes the Sales Confirmation within 10 (ten) days after receipt thereof, the Sales Confirmation shall be binding upon the parties. Statements of acceptance, verbal agreements and all other acts intended to have legal effect by RMCI's representatives shall only become binding in so far as they have been confirmed by RMCI in a Sales Confirmation.

4. Prices

4.1 Unless otherwise agreed, prices agreed upon shall be FOB RMCI's warehouse. Any additional costs as for example incurred by packaging, freight, import duty, installation, insurance premiums etc. are for the Purchaser's account.

4.2 The price applicable shall be the price confirmed in the Sales Confirmation.

5. Terms of Payment

5.1 RMCI shall invoice the Purchaser for each separate delivery of the Products upon conclusion of the agreement further to article 3 hereof. Payment of all invoices shall be made before the date scheduled for delivery, or within the payment term agreed between the parties.

5.2 If payment has not been received before scheduled date for delivery, Purchaser shall be in default, without further notice being required and RMCI may postpone delivery of the Products until payment is made. In case other payment terms are agreed between the parties, the delivery will then be performed accordingly.

5.3 If payment has not been made in accordance with the article 5.1 hereof RMCI, will charge interest, without prior notice being required, at an interest rate equal to 1 ½ % per month of the highest rate permitted by law, whichever is less. Of course, should failure to make timely payment be based upon unusual circumstances beyond your control, please bring this to our attention immediately. If we find it necessary to take legal action to pursue the collection of amounts due and owing, we shall be entitled to recover our attorneys fees and costs of suit. This shall not prejudice RMCI's right to seek full compensation for damages incurred as a result of or in connection with violation of payment obligations.

5.4 Payments to RMCI shall be made without deduction of taxes, customs duties, withholding taxes, value added tax and/or any other tax that might be levied ("Tax"). In the event that the Purchaser is under a legal obligation to withhold Tax, the amounts due and payable by the Purchaser to RMCI shall be grossed up with such amount that following the withholding, RMCI receives the same amount as it would have received without the imposition of such Tax.

5.5 Unless otherwise agreed, all costs associated with payment such as, but not limited to banking costs, shall be for the account of the Purchaser. RMCI receives the same amount as it would have received without the imposition of such costs.

5.6 Except in the event that a counterclaim has expressly and in writing been acknowledged by RMCI, all payments shall be made without set-off, counterclaim, recourse or other defense.

6. Time of Delivery

6.1 Periods and dates of delivery shall be non-binding, unless they have been designated by RMCI as binding expressly in the Sales Confirmation.

6.2 If Purchaser requests a change as to the terms and conditions of delivery, the parties shall agree on good faith on such change in writing. In such event, RMCI shall be entitled to extend the period of delivery accordingly.

6.3 The agreed period of delivery shall be based on the circumstances as foreseen at the time of conclusion of the Agreement. In the event that delivery is prevented by unforeseen circumstances RMCI shall be entitled to extension of the period of delivery for the term of the impediment. RMCI shall notify the Purchaser of such impediment promptly.

6.4 If delivery is prevented for a reason other than an unforeseen circumstance of force majeure as set under article 11 hereof, RMCI shall only be in default after the Purchaser has served notice upon RMCI granting a reasonable period for delivery, and delivery has not been made within this period.

7. Delivery

7.1 Unless explicitly otherwise agreed in writing, delivery shall be made FOB RMCI's warehouse.

7.2 Transport is always to take place in the name of, and for the account and risk of the Purchaser. Purchaser is liable for all damages and losses caused during transport unless otherwise agreed in writing.

7.3 RMCI shall be entitled to deliver the Products in portions and/or lots, unless it is agreed upon differently in writing.

7.4 Purchaser shall co-operate with the delivery of the Products and shall timely take receipt of the Products. If Purchaser refuses delivery, the day on which Purchaser refuses to take delivery shall constitute the day of delivery. Purchaser shall be deemed to have refused delivery, if the Products have been presented for delivery, but delivery has proved impossible by reasons attributable to the Purchaser. In such case the Products will be stored for the risk of Purchaser. The costs of storage and handling will be for the account of Purchaser.

7.5 RMCI shall deliver the Products with packaging to be determined by RMCI. If the Purchaser requires different packaging and in case such a packaging is possible to be processed by RMCI or its third party servicing companies this will be charged separately.

7.6 This article 7 shall not prejudice RMCI's retention of title as set out under article 8 hereof.

8. Retention of Title

8.1 The title to all Products delivered by RMCI to Purchaser shall remain with RMCI until full and final settlement of all amounts payable under the Agreement or any other agreement between RMCI and Purchaser.

8.2 If the delivered Products are meant for export, the retention of title are subject to the law of the state of destination, insofar as such law regarding the retention of title is more favorable to RMCI.

8.3 The Purchaser shall be entitled to process the Products under the right of retention only in the course of normal business transactions and at its normal terms.

8.4 The authorization to process the Products shall lapse without prior notice being required, if the Purchaser defaults its payments obligations under the Agreement or any other agreement or in the event that RMCI has reasons to expect that Purchaser will default its payment obligations.

8.5 If the authorization of the Purchaser to process the Products lapses, Purchaser shall be obliged to provide RMCI with information concerning the Products falling under RMCI's right of retention and to return the Products to RMCI, upon first request of RMCI. In order to enforce the claim for return of the Products, RMCI has the right to remove the Products to which RMCI retains title.

9. Inspection, Complaints and Warranty

9.1 Purchaser shall upon delivery of the Products immediately and as thoroughly as possible inspect the Products. Purchaser shall notify RMCI in writing of any complaints regarding the Products within 60 days after delivery of the Products.

9.2 RMCI's obligations under the Agreement shall be deemed to have been duly performed and discharged on the expiry of the time limitations stated in article 9.1 of the General Conditions. After expiry of these limitations Purchaser shall not submit to RMCI any further complaint of any possible defects in the Products, and RMCI may disregard any such complaint.

9.3 RMCI warrants that the Products sold to Purchaser shall be free from defects in material and workmanship at the time of sale. RMCI shall not make any further warranty with regard to the suitability of the Products for the intended purpose of the Purchaser.

9.4 RMCI does not make warranty of any kind, express or implied, including without limitation, any WARRANTY OF MERCHANTABILITY OR FITNESS FOR PARTICULAR PURPOSE with respect to the Products sold. The Purchaser must make its own determination of the suitability and completeness of the Products for the intended purpose.

9.5 The filing of a complaint does not discharge Purchaser from its payment obligations towards RMCI.

9.6 If a complaint is justified and timely submitted RMCI shall at its discretion replace the defective Products, or take the Products back and credit Purchaser for the purchase price. RMCI is also entitled to grant the Purchaser a reduction on the purchase price corresponding to the extent of the justified claim.

9.7 Notwithstanding the time limitations of article 9.1., Claims of the Purchaser based on defects in the Products shall be terminated after lapse of a period of 12 months after delivery. This limitation period can only be interrupted in writing sent by registered mail.

10. Warranty and Limitation of Liability

10.1 RMCI's liability is restricted to direct loss or damage, whether caused by breach of contract, tort or otherwise and shall be limited to the invoice value of the respective delivery.

10.2 Neither party shall be liable to the other party for any consequential or indirect loss or damage, such as but not limited to, loss of production, loss of revenues or profit, loss of interest, costs of recall, loss resulting from interruption in the operations, loss suffered by third parties, costs of delays or any loss or damage resulting there from.

10.3 The above provision may not apply to claims arising from personal injury or damage to property under product liability law.

11. Force majeure

11.1 Neither party shall be liable for any default or delay in the performance of its obligations if such default or delay is caused by events beyond the control of the party affected, provided that such events were unforeseeable on the date of signing of this Agreement.

11.2 In the case of RMCI, force majeure shall include the situation in which RMCI is not or only partially supplied with Products by its supplier .

11.3 If any force majeure event substantially prevents, hinders, or delays performance under the Agreement for more than 7 (seven) consecutive months, then each party may terminate the Agreement without incurring any liability.

12. Applicable law and Jurisdiction

12.1 Any dispute arising out or in connection with this Agreement shall exclusively be submitted to the competent courts in the Commonwealth of Pennsylvania.

13. Data of the Purchaser

13.1 RMCI is entitled to register personal data of the Purchaser by electronic data processing.