

General Sales Terms (Status as of May 2014)

1. Field of Application, Group Companies

1.1. The following General Sales Terms ("GST") constitute an integral part of all sales agreements between the respective selling company of the CRONIMET CF Group ("Seller") and the purchaser ("Purchaser") (subsequently also referred to individually as "Party", collectively as "Parties"). To the companies of the CRONIMET Mining group other GST apply. A List of the companies of the Cronimet CF Group ("Group Companies") using the GST and the current version of the GST are published on the CRONIMET website under www.cronimet.de. The list will be updated continuously. Among others, the Group Companies currently include: CRONIMET Holding GmbH; CRONIMET Ferroleger. GmbH; CRONIMET Services GmbH; ERG GmbH; CRONIMET Legierungen Dortmund GmbH; CRONILEG Rohstoffhandelsges. MbH; Schach-Matt Handels GmbH; Metalloy Metalle Legierungen GmbH; CRONIMET Noble Alloys GmbH; CRONIMET Base Metals GmbH; CRONIMET Alfa Ferrolegerungen GmbH; Metall Service Pedack GmbH; CRONIMET France SAS; CRONIMET Holland BV; CRONIMET Belgium NV; CRONIFER (UK) Ltd; CRONIMET (Great Britain) Ltd; Metals & Alloys International Ltd ; CRONIMET PL Spolka z.oo.; CRONIMET Ostrava SRO; CRONIMET Eesti Metall OU; CRONIMET Latvia SIA; Nichel Leghe SpA; CRONIMET Italia SRL; CRONIMET SA; Avarus AG; CRONIMET Hispania SA; CRONIMET Fegeista AB; CRONIMET I Norr AB; CRONIMET Corporation; United Alloys & Metals Inc; Unico Alloys & Metals Inc; CRONIMET Trading USA Corp.; Pure Iron JSC; CRONIMET Brasil Ltda; CRONIMET (RSA) Ltd; CRONIMET Shanghai Co. Ltd; CRONIMET Asia Pte Ltd; CRONIMET ABCOM Pte Ltd.

1.2. The GST apply even if the Seller does not specifically refer to them in future business transactions

1.3. Opposing or supplementary general terms and conditions, or terms and conditionals deviating from these GST, will – even if known by the Seller – not form an integral part of the agreement unless explicitly approved by the Seller in writing.

2. Interpretation

2.1. Any reference to the word "shall" induces mandatory obligations.

3. Offers

3.1. If not specified otherwise in the offer, the offer of the Seller can only be accepted without delay.

3.2. The Seller may revoke an offer at any time prior to receiving the Purchasers acceptance.

3.3. In case of doubt, the precise terms of the contract are based on the written sales confirmation or any such confirmation transmitted by fax or email.

3.4. No information contained in any offer of the Seller may be disclosed to any third party.

4. Prices

4.1. Obvious mistakes in the Sellers price calculation may be corrected at any time.

4.2. All prices of the Seller are net prices and shall be paid including the respectively applying VAT.

4.3. If the purchaser asserts that the goods are exempt from VAT and should special evidence be required in this reference, the respective sale shall be billed without VAT only after the respectively required special evidence has been provided.

5. Handling and Shipping

5.1. Any provision regarding handling and shipping is based on the currently effective INCOTERMS-clause specified in the offer and included in the sales confirmation. The same applies to any provision regarding the passing of risk involved in shipping goods.

6. Packaging

6.1. Packaging, protection means and transport equipment will not be taken back by the Seller.

6.2. Disposal costs for packaging, protection means and transport equipment shall not be covered.

6.3. Any packaging, safety device or other special protection for the goods to be delivered exceeding the regular requirement of shipment shall be subject of a specific agreement.

7. Periods of delivery

7.1. Any scheduled delivery periods referring to specific periods of time (for example, days, weeks, etc.) shall start with the date of the order confirmation by the Seller.

7.2. In case of non-compliance with the delivery periods, the Purchaser shall be entitled to any legal remedy only after granting the Seller by written notice a reasonable extension period for delivery (the "Extension Period"); such notice shall include the Purchaser's warning that the delivery will not be accepted after expiry of the Extension Period.

7.3. In case the Extension Period should expire unsuccessfully, the contractual performance shall be considered as failure.

8. Excess of Short Delivery

8.1. Deviations of the goods supplied by +/- 5% in weight, quantity and dimensions shall be within the contractual tolerance limit. Notwithstanding the Sect.11 and 12 any such deviations shall in no case give a right of refusal for the goods supplied.

8.2. The allowance of deviations of +/- 5% applies also in case of partial deliveries for each delivery individually.

9. Force Majeure

9.1. In case of Force Majeure, the performance of both Parties' contractual obligations shall be suspended and the time schedules and deadlines for contractual performance shall be postponed correspondingly.

9.2. "Force Majeure" as defined hereunder invoices, in particular but without limitation, wars, fire, labour disputes in foreign companies, transport delays, official duties and any other circumstances not covered by any Party.

9.3. The Party prevented, hindered or delayed from or in performing any of its legal obligations under the respective agreement by an event of Force Majeure shall promptly (and in any event within ten (10) days) after the occurrence of such event notify the other Party in writing by sending a notice of the occurrence of such event and the circumstances thereof. The Party affected by the event of Force Majeure shall thereupon give reasonable proof of the nature of such delay.

9.4. In case of the continuation of the event of "Force Majeure" and at the earliest eight weeks after delivery of the notice in acc. With Clause 9.3. both Parties are entitled to withdraw from the agreement due to Force Majeure. In case of a withdrawal due to Force Majeure, none of the Parties shall be entitled to compensation. However, any advance payments made for non-delivered goods shall be returned. Any goods, which are still in transit and have not yet been delivered, shall be returned.

10. Right of Retention/ Compensation/ Transfer of Agreement

10.1. The Purchaser is entitled to a right of retention only due to principal obligations that derive from the same contractual agreement.

10.2. The Purchaser may offset payments only with undisputed or legally established claims subsisting in the same agreement.

10.3. The Seller may offset existing claims with all receivables to which it or any other of the Group Companies is entitled to.

10.4. The Purchaser may not assign any contractual claim against the Seller to any third party without the Sellers written consent.

11. Examination and Quality Determination

11.1. The goods supplied by the seller (henceforth referred to as the "Goods") are considered to be free of defects when, at the time of the passing of risk, they do not or only insignificantly deviate from the specifications agreed upon for the particular delivery. The specifications of the Goods are exclusively determined on the basis of the explicit arrangements regarding quality and quantity of the goods, taking into consideration customary due business standards and terms.

11.2. Immediately after delivery, the Purchaser is obligated to examine the Goods and notice to the Seller any obvious defects. In order to detect other defects, the Purchaser shall be obliged to immediately perform a Sampling Inspection and/or Analysis of the Goods according to Clause 11.4 and promptly notice any defects detected in the course thereof by sending a Defect Notice.

11.3. All defects shall be noticed in text form (fax, email, letter, etc.) ("Defect Notice"); the Defect Notice has to contain a reasonable substantiation of the defects. Goods in respect to which the Purchaser has sent such Defect Notice have to be stored separately in unchanged condition in order to enable the Seller and/or Purchaser, and/or their representatives, to perform an examination of the Goods. The Goods are considered to be accepted without defects, (i) when no or no timely examination has been made, (ii) when no Defect Notice has been sent, or (iii) when the Defect Notice has not been made in time or in an appropriate manner.

11.4. In order to determine the quality of the Goods, the Purchaser is obliged to examine a delivered portion, perform a Sampling Inspection and/or (if required) make an Analysis. The "Sampling Inspection" in the sense of the regulations involves taking a representative sample from a specific delivered portion of the Goods in order to determine the agreed upon quality. "Analysis" refers to the process of examining the Goods by means of a recognized analysis method in order to determine the quality of especially but without limitation in respect to the included metals contained and other chemical components.

11.5. The Sampling Inspection is performed in the following manner:

11.5.1. The Sampling Inspection is to be performed in the presence of either Parties or their respective representatives as soon as both Parties agreed upon the number and composition of the samples withdrawn at the agreed upon and contracted place for sampling.

11.5.2. The Purchaser may only perform a legally binding Sampling Inspection in the absence of the Seller, or a representative authorized by the Seller, when both Parties made a specific arrangement.

11.5.3. At least three consistent samples are prepared for Analysis from the samples taken in the Sampling Inspection.

11.6. Customarily, the Analysis is made by a contractually determined laboratory at the expense of both Parties ("Arbitrary Analysis"). If no agreement has been made with regard to an Arbitrary Analysis, the following method shall be used:

11.6.1. First an Analysis is made by the Seller.

11.6.2. If the Parties should disagree on the results of the Analysis, and exchange Analysis shall be performed, i.e., both Parties may procure at their own expense a respective further Analysis. When a further Analysis is performed, a spare sample shall be sealed and deposited with the Purchaser in the event of an Arbitrary Analysis will have to be made.

11.6.3. If the Parties still disagree with the results, and Arbitrary Analysis is required. If no laboratory should be determined contractually in the respective agreement, the Parties will order an official expert who will conduct an Arbitrary Analysis that is binding for both Parties. The official expert will be determined by the IHK Düsseldorf if both Parties have a business location in Germany. In other cases, the official expert will be determined by the German chamber of foreign trade in the state of the Purchaser.

11.7. Differences between the Parties with regards to the results of the Analysis do not affect the payment date for the compensation to the extent in which the compensation is owed according to the results made and recognized by the Purchaser.

12. Warranty for Defects, Rescission

12.1. Within the terms of this Clause 12, a "Defect" shall mean any defect of the Goods, which has been noticed by the Purchaser in time by sending a Defect Notice in acc. with Clauses 11.2 and 11.3 and which is thereupon legally established between the Parties in acc. with Clauses 11.4 to 11.6.

12.2. In case that a Defect is established, the Seller may carry out a subsequent performance by means of substitutional and/or additional supplies ("Substitutional Supplies") in its sole discretion yet taking into consideration the respective interests of the Purchaser.

12.3. If the Seller fails to make Substitutional Supplies within an appropriate period of time, the Purchaser shall be entitled to reduce the purchase price by an amount reasonable in respect to the defects ("Reduction").

12.4. A termination of the agreement including its rescission subsequent thereto ("Rescission") shall be excluded unless the Purchaser is able to establish to the Seller that the Goods are unsuitable for its' purposes or may merely be used with considerable difficulties.

12.5. If a Defect cannot be removed by means of Substitutional Supplies, Reduction of Rescission, the Purchaser is entitled to claim compensation, according to Clause 16; the Purchaser is not entitled to make any claims in addition to such compensation.

12.6. Claims on the part of the Purchaser shall expire one year following delivery of the respective Goods, provided the Seller did not act on wilful intent. Any Substitutional Supplies do not legally affect in any way an expiry of such limitation period.

13. Reservation of Legal Title

13.1. The Seller reserves the legal title for all Goods delivered by it until all of his claims are settled, as well as the claims of the Group companies existing from the business relationship with the Purchaser (in summary the "Reservation of Title").

13.2. The reservation of the Title remains in effect even if any claim or all claims should be taken into the current account and the balance has been drawn and mutually acknowledged.

13.3. The reservation of Title shall include also any reservation of the legal title in respect to future and conditional claims. The Reservation of the Title is expanded and extended accordingly to the following Clauses (in the following referred to as the "Supply Collateral").

13.4. In case the Goods should be handled and processed by the seller into new product(s), the Seller shall be considered to be the "Manufacturer" and hence receives co-ownership of the new product according to Article 950 of the German Civil Code (BGB).

13.5. If the Purchaser has agreed also with other suppliers to consider them solely or in part as Manufacturer and if their goods should also be incorporated in the final product produced by the Purchaser, the Seller is entitled to the co-ownership of the new product on a pro ratio basis to the objective value of the Goods of the Seller at the time of delivery to the objective value of the other incorporated goods delivered under the reservation of title.

13.6. The Seller will receive proportionate (co-) ownership also in case that the Purchaser should mix the Goods inseparably with his own goods or with the goods of the other suppliers. Articles 848, 847 of the German Civil Code (BGB) shall apply hereto.

13.7. The Purchaser may sell the Goods, in which a Reservation of Title subsists, only in its ordinary course of business at his normal terms and conditions. In case of such resale, the Purchaser is obliged to arrange for a Reservation of Title to the benefit of the Seller.

13.8. The claims of the Purchaser from a resale of Goods supplied under Reservation of Title – even after processing or mixing the goods – are hereby now already assigned to the Seller in order to secure its claims. The scope of the assignment corresponds in value to (co-) ownership of the Purchaser in the resold product(s).

13.9. The Purchaser is entitled to collect claims from its' resale agreement until revocation by the Seller. Upon request by the Seller, the Purchaser is obliged (i) to provide the recipient with a notification of the assignment to the Seller, (ii) to prove such notification of the Seller and (iii) to submit to the Seller the information and documents required for the collection of the assigned claims together with notification.

13.10. The Purchaser is obliged to inform the Seller immediately of any seizure or any other damage to its' Reservation of Title on the part of a third party.

13.11. If the value of the Collateral Security of the Seller should exceed the value of its claims by more than 10 percent, the Seller is obliged to release the disproportionate Collateral Security on its sole discretion.

14. Terms of Payment

14.1. If the terms of payment have not been negotiated separately, the invoices are due and payable promptly after the invoice date without deduction.

14.2. If the payment deadlines are exceeded, the legal default interest shall be applied. This does not exclude the Seller from claiming further damage for delay.

14.3. If the Purchaser is in arrear with payments for more than two weeks, the Seller is entitled to supply further goods only after reception of an advance payment thereto.

14.4. The Seller is also entitled to render any and all payments due immediately, if legal insolvency proceedings, composition proceedings or comparable foreign proceedings have been requested or opened against the assets of the Supplier. The same applies when there is an inability to pay or a public register indicates the possibility of an imminent or existing inability to pay. In this case, the Seller is entitled to suspend outstanding deliveries until the Purchaser makes advance payments in the full amount of the value of the outstanding services, plus a security premium of 5% for any potential deviations.

15. Dimensions, Weights and Quality

15.1. For a determination of the weight which is to form the basis of the invoice, within tolerance limits, the net weight determined by the Purchaser when performing unloaded and loaded weighing on calibrated scales at the arrival of the goods shall be decisive. "Tolerance Limits" in this sense are deviations from the net weight determined on calibrated scales by the Seller prior to shipping:

a) in freight are shipments of less than +/- 301kg difference in weight,

b) in shiploads unloaded by the Purchaser or the carrier or haulage contractor of less than +/- 2% and

c) in truck deliveries of less than +/- 3%

15.2. Differences in weight within the Tolerance Limits mentioned hereinabove do not release the Purchaser from proving to the Seller that the goods upon arrival have been properly weighed on calibrated scales.

15.3. In case of weight difference beyond the Tolerance Limits mentioned, the net weight determined on calibrated scales by the Seller prior to shipping will be used as basis for settlement. However, prior to further assigning and/or processing the goods, the Purchaser may contact the Seller and request a weight determination by a neutral entity. In the latter case, the Purchaser is obliged to keep deliveries which are to be weighed by a neutral entity separate and unspoiled.

15.4. The Purchaser is obligated to inform the Seller immediately of the weight determined according to Clause 15.1. In turn, if the weight should be beyond the Tolerance Limit, the Seller is obligated to inform the Purchase immediately of the weight determined according to Clause 15.3.

16. Liabilities

16.1. The Seller always will have unlimited liability in the case of willful intent and gross negligence, in the event of a culpable damage to life, body or health, if the regulations of the German Product Liability Act are applicable in accordance with any independent guarantee statement.

16.2. In addition, in the event of simple negligence, the Seller will be liable only for defects resulting from a violation of an essential contractual obligation, meaning a contractual obligation, whose performance is essential for the proper execution of the contract and on whose abidance the contractual partner may rely on a regular basis ("Essential Obligations"). However, in the latter case, liability is limited compensation of the predictable, typically resulting damage.

16.3. Notwithstanding the aforesaid the Seller is exempt from any further liability, in particular but not limited to liabilities for contractual or non-contractual damages or any other legal entitlement whatsoever.

16.4. The liability restrictions according to Clause 16.1. to 16.3. may be applied *mutatis mutandis* to the liability of the Seller for any of its employees, assistants and of its' board members.

17. Claim Assignment; Use of Information

17.1. The Seller is entitled to transfer the claim arising out of the business relationship with the Buyer as well as any claim ancillary hereto to any third party in its sole discretion.

17.2. The Seller may collect, store and use any data, document and information submitted by and/or and about the Buyer. The Seller shall be entitled to forward any such data, document and information to any third party in order to prepare, allow, perform and carry out any claim transfer in the full extent as required under admissible laws and contracts.

18. Place of Performance and Place of Jurisdiction

18.1. the place of jurisdiction shall be the competent regular courts at the Seller's business seat. This applies also to actions filed under the summary proceedings based on bills of exchange and checks.

18.2. The Seller may also choose to file any legal action against the Purchaser at the Purchaser's registered business seat.

18.3. All legal relationships between the Purchaser and the Seller, as well as to all non-contractual obligations related to the agreements shall be governed by and construed under German Law, excluding the united Nations Convention on Contracts for the International Sale of Goods (CISG).

19. Final Provisions

If individual provisions of the agreements including these terms and conditions are or become invalid either in whole or in part the remaining provisions will remain unaffected hereby. In this case, the Parties shall agree upon a legally valid provision which comes as close as possible to what the Parties intended or would have intended taking into consideration the tenor and purpose of the respective regulation.