

**General Terms of Delivery and Sale
of the Josef Romberger Maschinenfabrik GmbH,
Triffterner Str, 54, D-84371 Anzenkirchen**

Status as of July 2009

I. Scope of validity

1.

Our general terms of delivery and sale apply to all legal relations between the contractual parties in effect now and in the future. Any deviating terms shall be in effect only if we expressly confirm these in writing.

2.

Any of the contractual partner's (hereinafter named „buyer“) general terms and conditions deviating from or contrary to these general terms of delivery and sale shall not apply to us, even if we do not expressly object to these.

3.

Our general terms of delivery and sale apply only to our relations to businesses as defined in §310 sec. 1 BGB (German civil code).

4.

If a clause in our general terms of delivery and sale is or becomes legally ineffective, this shall not affect the validity of the other clauses.

5.

German shall be the contractual language.

II. Quotation / quotation documents

1.

Our quotation is subject to confirmation provided the quotation does not explicitly state differently. All performance ratings we state are only approximate values.

2.

All records and documents comprising the quotation e.g. depictions, weight and dimensional statements as well as samples are only approximately authoritative unless explicitly stated to be different.

Quotation inquiries must be submitted in German. If inquiries are not submitted in German, the performances and versions stated in the quotation shall in particular be exclusively authoritative.

If the good are to be exported to a foreign country, irrespective of the fact if we have been made aware of that intention or not, we shall be notified in writing of the particulars pertaining to the respective country. Any additional work will be invoiced.

As a rule, the product treated in the process will be submitted as sample prior to the beginning of the planning phase. If this is not possible or feasible, the product conduct will be described in detail. If diverse products are used in the process, the proportional quantity share will be defined.

If we supply machinery and equipment as components of an overall plant, the customer is responsible for design and handling of the overall plant.

The orderer or his agent as plant designer and operator is responsible for obtaining any permits and risk analyses and for compliance with any other statutory or public-law conditions (e.g. emissions, explosion and fire prevention, constructional conditions and/or regulations, etc.).

If we perform contracts on the basis of orderer drawings or samples, the orderer shall be responsible for assuring that these drawings or samples do not violate any third-party rights. This applies also if we develop or design the ordered goods upon orderer's instructions. The orderer shall hold us harmless against all related third-party claims.

3.

We are eligible to accept orders inside of six weeks; such acceptance period begins at the time the order is received.

4.

Our written acknowledgement of order shall be decisive for scope of delivery or performance.

Any assurance of characteristics, contract amendments or ancillary agreements must be in writing in order to be legally effective.

5.

Our sales staff is not authorized to come to any verbal ancillary agreements or assurances extending over and beyond the contents of the written agreement.

6.

We reserve title and copyrights to depictions, drawings, calculations, and other records. The buyer needs our express written approval before passing these on to third parties

7.

We are authorized to deliver in installments if the buyer may reasonably be expected to accept these.

III. Prices / Terms of payment

1.

Unless stated differently in the order confirmation, our prices are stated in euros and shall be „ex warehouse“ or „ex works“ w/o shipping costs, customs, packaging, loading costs, and plus the valid VAT.

2.

We reserve the right to change our prices appropriately in the event costs rise or sink after the contract is concluded, in particular due to collective wage agreements, changes in material costs or foreign-currency fluctuations. We will substantiate these to the orderer if so requested

We are also authorized to increase the agreed prices appropriately after the contract is concluded if the orderer requires changes to the contractual item and these changes require additional expenditure. We will substantiate this additional expenditure to the orderer if so requested.

3.

Discounts may be deducted only with explicit written agreement.

Unless the order confirmation provides differently, the purchase is due for payment net (without deductions) within 8 days of invoice date. Partial invoices will be made out for partial deliveries. Each partial invoice will have its own time allowed for payment.

In case of delayed payment, we are entitled to payment of interest for due payments and delay as provided by law. This shall not affect our right to assert further claims and rights.

4.

We will accept bills of exchange or checks only for processing but not in full discharge of an obligation and only if explicitly agreed. Our claim shall be considered satisfied only from the time we can dispose of the countervalue without the risk of claims to return debit. The buyer shall always bear encashment charges, bill discount and exchange charges as well as interest; these will be due for immediate payment.

5.

The buyer may offset only against undisputed and legally effective claims. The buyer has a right of retention only if his counterclaim is based upon the same contractual relationship.

6.

If material has to be stored, storage charges and interest may be due for payment, if expedient also in partial invoices.

IV. Product particulars / design changes

1.

The buyer is obligated to describe to us in accurate and comprehensive detail the conditions under which the delivered goods are to be used.

2.

We reserve the right to implement design changes under due consideration of technical progress provided such design changes do not bring about any changes in function.

V. Delivery schedule

1.

Any statements on delivery periods and schedules are non-committal unless as an exception the delivery time was expressly stated as being committal.

Compliance with delivery schedules is under the proviso of correct, complete and timely prior delivery to us.

2.

The delivery period begins at the time the order is confirmed, however not before submission of the documents, permits, and releases to be provided by the buyer as well as receipt of any agreed down payment, opening of a letter of credit and providing of evidence that agreed collateral has been furnished.

3.

The delivery period shall be considered observed if the goods leave the Triftern storage within the delivery period or readiness for shipment has been communicated within the delivery period.

4.

In the event of unforeseeable obstructions outside our scope of responsibility, which we are unable to foresee even with all due diligence and irrespective if afflicting us or a subsupplier, for example vis majeure (e.g. war or natural catastrophes), delays in the delivery of essential raw materials or other circumstances not within our scope of responsibility, we are authorized to withdraw from the delivery contract or to extend the delivery period by the time equivalent to the duration of obstruction. We are also entitled to these rights in case of strikes or lockouts afflicting our upstream suppliers or us. We will immediately notify our customer of any such circumstances.

This applies also to any inability to work afflicting any involved key personnel such as project managers, engineers, and supervisors as well as any non-culpably caused breakdown of technical equipment or other production disruptions and not-at-fault accidents.

5.

In the event of delivery delay, the buyer may withdraw from the contract after effectless expiration of an appropriate grace period. In the event of impossibility of our contractual performance, he is entitled to such right also without grace period. A period of at least six weeks shall be considered appropriate; for items made to specification, such appropriate period shall be at least three months.

Delay in delivery shall be equivalent to impossibility if the delivery is delayed by more than one month or - for items made to specification - more than two months.

Claims to compensation for damages (including any consequential damages) are excluded without prejudice to sec. 6; this applies also to repayment of expenses.

6.

The liability disclaimer in sec. 5 shall not apply to the extent an exclusion or a limitation of liability for damages resulting from injuries to life, body or health has been agreed, which is

based upon intentional or negligent breach of duty by the user or intentional or negligent breach of duty by user's legal representative or vicarious agent. The disclaimer shall also not apply if an exclusion or limitation of liability for other damages has been agreed based on intentional or grossly negligent breach of duty by user's legal representative or vicarious agent.

To the extent we culpably violate an essential contractual obligation or cardinal duty, liability shall not be excluded but shall be restricted to contract-typical and foreseeable damages. The abovestated shall also apply analogously to repayment of expenses.

7.

If the buyer is in delay of acceptance or if he violates his duty to collaborate, we are entitled to insist upon compensation for the damages we suffer including any additional expenditures. In that case, the risk of accidental destruction or deterioration of the purchase item passes to the buyer at the time he comes into delay of acceptance.

VI. Passage of risk / packaging costs / insurance

1.

The risk of accidental destruction or deterioration of the purchase item passes to the buyer at the time the goods are handed over to the forwarder or transport carrier, however at the latest at the time it leaves our premises. Incoterms 2000 clause „ex works/ab Werk“ (German version) shall apply.

It is at our reasonable discretion to choose shipping modes. We are not obligated to choose the cheapest, safest or fastest shipping mode or to insure the merchandise.

2.

If handover/delivery is delayed due to circumstances within the buyer's scope of responsibility or on his instruction, the risk shall pass to the buyer from the day of communication of the readiness for shipping. Upon buyer's express written instruction, we are obligated to insure the items at our facility at the buyer's expense. This applies also in those cases a delivery date was not distinctly agreed under the condition that the risk passes to the buyer seven calendar days after the day of communication of the readiness for shipping.

3.

Upon buyer's written instruction we will take out a transport insurance for the shipment; the buyer will bear all associated costs.

4.

Transport packaging and all other packaging in compliance with the packaging ordinance (Verpackungsordnung) will not be taken back. Exceptions are EURO pallets, grid boxes and containers, which are not object of this contract and shall not be considered to be packaging. These shall remain our property. The orderer at his own expense (transport costs, customs, customs clearance costs, taxes and charges) and risk will import and later export these to return them to us. The buyer is obligated at his own expense to dispose of the packaging in compliance with pertinent waste management regulations. Ownership, risk, and waste management responsibility shall pass to the orderer at the time the waste accrues.

5.

The buyer is obligated to accept delivered goods, even if they have insignificant defects and irrespective of his rights as defined in §§ 433 et seq. BGB (German civil code).

VII. Right of ownership

1.

We retain rights of ownership to the delivered goods until purchase price is paid in full including all subsidiary claims and until payment in full of all other claims in context with the business relation. Until such time, the buyer is not authorized to pledge the goods to third parties or to assign these as collateral. The buyer will store the conditional commodity at no cost to us.

2.

If the buyer processes, mixes or incorporates the conditional commodity into or with other items, we acquire co-ownership rights to the new item in the ratio of the conditional commodity's invoice value to the aggregate of things. The co-ownership rights thus acquired shall be considered conditional commodity as defined in sec. 1.

3.

The buyer is authorized to sell the conditional commodity in the ordinary course of selling operations unless he is in arrears with payment of our purchase price claims.

4.

The buyer already now assigns to us all claims he incurs from onward selling of the conditional commodity to third parties. If the conditional commodity is sold after processing, mixing or incorporating, the assignment of claims from the onward selling shall be restricted to the amount of the conditional commodity's value invoiced by the seller to the buyer. This applies also if the conditional commodity is sold onwards together with other items also not belonging to the seller.

5.

The buyer is entitled to collection of a claim also after assignment. We may restrict the direct debit authorization for legitimate interest and may also revoke it for significant cause, especially in case of delayed payment. We may insist that the buyer informs us about the claims assigned to him as well as their owing debtors, and that he discloses all information pertinent to collection, delivers all documents pertaining thereto, and discloses the assignment to his debtor.

6.

We agree to release the collateral made available to us as defined above at our discretion and at the buyer's request if their realizable value exceeds the claim to be secured by 20% or more.

7.

The buyer already now agrees that persons we charge with handling the assigned conditional commodity for this purpose may enter the property and/or building on/in which the assigned items are located by foot or in vehicles to take possession of the conditional commodity.

8.

The buyer will immediately notify us about any seizure, compulsory execution, or any other actions by third parties infringing upon our property rights. The buyer will bear the costs for measures to defend against the third-party measures, in particular any third-party action.

VIII. Warranty and liability

1.

If there is a defect and this defect has a cause within our scope of responsibility, we are at our own discretion entitled to correction of fault or substitute delivery. This is done under the condition that the defect is not insignificant. In case of correction of fault, we are obligated to

bear transport, work and material costs to the extent these are not increased by the delivered items being brought to another location than the place of fulfillment.

We acquire ownership rights to the parts we replace.

If one of the two or both of these supplementary contractual performance options is impossible or unfeasible, we are entitled to refuse them.

We may refuse supplementary performance as long as the buyer fails to meet his payment obligations towards us in a ratio reflecting the flawless part of the performance.

2.

If the correction of fault or substitute delivery is not made within an appropriate period of time - under due consideration of our delivery options - or if correction of fault or substitute delivery fail, the buyer is entitled to demand reduction of purchase price or to step down from the contract.

3.

The buyer's rights arising from product defects prerequisite that he properly complied with his inspection obligations and his obligation to give notice of defects as defined in §377 HGB (code of commercial law). The notice of defect must be made within five days.

4.

Unless stated differently below (sec. 5), the buyer has no further claims irrespective of the legal basis (in particular claims from violation of contractual principal and secondary obligations, repayment of expenses apart from those as defined in §439 II BGB (German civil code), claims in tort and from other tort liability); this applies in particular to damages not caused to the delivery item itself as well as to claims for loss of profit as well as claims not resulting from the purchase item's defectiveness.

5.

The exclusion of liability as defined in sec. 4 shall not apply to the extent an exclusion or a limitation of liability for damages resulting from injuries to life, body or health has been agreed, which is based upon intentional or negligent breach of duty by the user or intentional or negligent breach of duty by user's legal representative or vicarious agent. The disclaimer shall also not apply if an exclusion or limitation of liability for other damages has been agreed based on intentional or grossly negligent breach of duty by user's legal representative or vicarious agent. To the extent we culpably violate an essential contractual obligation or cardinal duty, liability shall not be excluded but shall be restricted to contract-typical and foreseeable damages; as for the remainder, liability is excluded as is stated in sec.4.

The exclusion of liability shall also not apply in those cases in which the product liability act stipulates that liability is in effect for defects in delivery items causing injuries to persons or damages to objects used for private purposes.

The abovestated shall also apply analogously to repayment of expenses.

6.

No warranty is given for damages

a)

caused by designs specified or defined by the orderer or based on materials specified or supplied by the orderer, including sample material, or any other things provided by the orderer;

b)

caused after passage of risk by faulty or improper treatment, operation by unskilled personnel, excessive strain, inappropriate operating means, faulty construction work, unsuited terrain other particular external influences, which are not stated in the contract, as well as non-reproducible software defects;

c)

caused by incorrect modifications or maintenance/repair work performed by orderer or third parties;

d)

caused by the orderer's failure to comply with our instructions on how to use the contractual object (instruction manuals, safety notes) and on which precautionary measure are to be taken in regular intervals and in specific situations;

e)

caused by items/goods (including software) provided by the orderer

f)

caused by faulty assembly (not by us).

We are also not liable for expendable parts of the contractual object. Such wearout/ physical expenditure is the progressive loss of material at a solid body's surface caused by mechanical stress, i.e. contact and relative movements of a solid, liquid or gaseous antibody, or by chemical or thermic stress.

Particular unusual conduct of products treated in the facility process also gives no rise to warranty claims or claims of any other nature. Increased attrition, corrosion, emissions, deposit build-ups and other problems related to the product also give no rise to any complaints or notices of defects.

7.

Claims to supplementary performance, compensation for damages, and repayment of expenses are struck by the statutes of limitation one year after the purchase item is delivered.

Claims to demand reduction of purchase price or to step down from the contract are excluded if the statutes of limitation strike the claim to supplementary performance.

However, in case sentence 2 applies, the buyer may refuse to pay the purchase price if he would be entitled to such due to withdrawing from the contract or reduction of purchase price. In case withdrawing from the contract is excluded and there is subsequent refusal to pay, we are authorized to withdraw from the contract.

8.

This clause shall not affect the rights of recourse against manufacturers.

IX. Liability for secondary obligations

If due to our fault the buyer cannot use the delivered object as stipulated in the contract due to missing or defective work based on suggestions and advice given prior or after conclusion of contract or due to other secondary contractual obligations or if damages are caused thereby, the regulations laid out in paragraphs VIII and X apply accordingly under exclusion of any further buyer claims.

X. Buyer's withdrawal from contract and our liability

1.

The following regulations apply to violations of duties apart from liability for defects and are not designated to exclude or restrict statutory rights to withdrawal.

They are also not designated to exclude or restrict any legal or contractual rights we may have.

2.

The buyer may withdraw from the contract if the entire contractual performance becomes impossible; this applies also to inability to perform.

The buyer may also withdraw from the entire contract if an order for identical items is placed and a part of this contractual order cannot be fulfilled and we are to be held accountable and the buyer is not interested in partial performance. If this is not the case, the buyer may reduce the counterperformance accordingly; the right to withdraw from contract shall not apply in the case of insignificant violation of duty.

3.

If performance of contract is delayed and the buyer granted us an appropriate grace period after being notified of the delay and this grace period expires without any effect, the buyer is entitled to withdraw from contract. In case of partial delay of performance, sec. 1 sentence 2 applies accordingly.

If prior to delivery the buyer requests changes to the delivery item, the delivery period will be stayed up to the day of agreement about the change and if applicable will be extended by the time needed for actually implementing the changes.

If in the course of the ongoing order the orderer or his vicarious agents were given technical drawings for approval and release, the progress of the delivery period will be stayed up to the day of agreement on the approval and release.

If the supplier preponed other manufacturing projects due to waiting periods, this might lead to longer delays in delivery than the waiting period actually is.

4.

Withdrawing from the contract is excluded if the buyer is solely or largely responsible for the circumstance that entitles him to withdraw from the contract or if the reason within our scope of responsibility occurred during the buyer's default in acceptance.

In the event of impossibility, we retain our claim to counterperformance as defined in §326 sec. 2 BGB (German civil code) in the abovestated cases.

5.

The buyer has no further claims irrespective of the legal basis (in particular claims from culpa in contrahendo, violation of principal and secondary contractual obligations, repayment of expenses, claims in tort and from other tort liability); this applies in particular to damages not caused to the delivery item itself as well as to claims for loss of profit as well as claims not resulting from the purchase item's defectiveness.

This shall not apply if the damage cause is based on intent or gross negligence by us, our legal representative or vicarious agents. This shall also not apply if the damage results from culpable injuries to life, body or health.

To the extent we culpably violate an essential contractual obligation or cardinal duty, liability shall not be excluded but shall be restricted to contract-typical and foreseeable damages.

XI. Place of performance and jurisdiction

1.

Place of performance for both parties' obligations from all legal relations shall be Triftern.

2.

Legal relations between the buyer and us shall be governed by the laws of the Federal Republic of Germany.

The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply.

3.

Place of jurisdiction for all disputes arising in context with this contractual relationship shall be Triftern. We are also authorized to bring legal action at the buyer's legal domicile.

The German version of these General Terms of Delivery and Sale shall be solely authoritative; the English version is for information only.