

November 2014

Unless otherwise expressly agreed the following conditions shall apply to the contractual relationship. These general conditions are deemed to be agreed upon execution (first delivery) of the purchase order and shall also govern any subsequent deliveries. Any deviating or supplementary conditions of the supplier shall apply only if expressly recognized by us in writing.

1. Formation of Contract

- 1.1 Purchase orders and any amendments thereto shall be valid only if issued or confirmed by us in writing.
- 1.2 Unless our purchase order is confirmed in writing within five business days we shall no longer be bound to it.
- 1.3 If the supplier discontinues its payments or the supplier or any of its creditors files a petition for insolvency we are entitled in addition to any other legal remedies to rescind the contract or terminate the contract effective immediately. The supplier shall inform us of any such circumstances immediately.

2. Shipping, Documentation

- 2.1 The shipping instructions as stated in the purchase order shall be strictly followed.
- 2.2 Any costs arising in connection with the failure to submit the correct certificate of origin or the failure to obey any shipping terms are at the supplier's expense.
- 2.3 Any documents pertaining to the supplier's deliveries which ensure the timely and complete fulfilment of our obligations to our customers are part of the documentation to be delivered. Such documents may pertain to the production, quality control, warnings, safety provisions, shipment, export, custom clearance, storage etc. The documentation is an essential part of the supplier's scope of supply.

3. Prices, Invoices and Payment

- 3.1 All prices are fixed prices and cover any incidental performances and expenses in accordance with the agreed Incoterms. Any packaging material and transport devices are returned at supplier's expense unless we are provided its ARA (Altstoff Recycling Austria) license number.
- 3.2 The payment term starts upon our receipt of the invoice corresponding to the purchase order, but never before complete delivery.
- 3.3 If delivery is made prior to the agreed delivery date, the payment term starts at the agreed delivery date.
- 3.4 Any faulty or incomplete shipping papers or documentation causes an extension of the payment term.
- 3.5 Payment shall be made upon receipt of the goods in conformity with the purchase order and once the correct and verifiable invoice has been received within 30 days at 3 % discount, 60 days at 2 % discount, or 90 days net.
- 3.6 In case of a defect we are entitled to postpone the payment until complete correction of such defect. Our payment does not constitute acceptance.

4. Delivery

- 4.1 The goods/services are to be delivered in their entirety and in compliance with the documents on which the purchase order is based. They have to comply with any laws and regulations, directives and standards applicable in Austria and at the place of delivery at the time of delivery.
- 4.2 Without our express prior written consent no excess or partial deliveries are allowed.
- 4.3 The scope of delivery includes any customary ancillary services and parts necessary to warrant the delivery of the goods ordered even if such parts or services are not specified in the purchase order.
- 4.4 Any stated delivery dates are fixed dates unless expressly agreed otherwise. If the delivery does not take place at the date stated we are entitled to rescind the contract without setting a grace period. The notification of rescission will be given in writing within three working days. If such notification is not given within this delay an appropriate grace period shall be deemed given which, however, shall not be longer than 14 days. If we do not exercise our right of rescission, the supplier shall not be excused from its obligations to deliver, and our rights for damages shall neither be limited nor waived.
- 4.5 If it becomes uncertain whether a delivery date will be met, the supplier shall give us immediate written notice. If, even before a delivery date, it becomes obvious that the specific order will not be fulfilled correctly and/or in a timely manner we are entitled to carry out the order ourselves or through third parties. Any additional costs are at the supplier's expense. Delivery dates are considered to be met only if the documentation has also been completely delivered.
- 4.6 In the event our customer causes a rescheduling we are entitled to request the supplier to store the goods at its cost and risk.
- 4.7 In the event that a specific order requires us to become active in any way the supplier has to remind us of such obligation in a timely manner. Failure to do so leads to the supplier's forfeiture of any claim that we are responsible for its delay.
- 4.8 If any agreed delivery dates are not met we are entitled to liquidated damages of 1 % of the overall contract value for each commenced week of delay (starting with the business day immediately following upon the delivery date) with a limit of 10 % of the overall contract value. The liquidated damages do not excuse the supplier from meeting its delivery obligations or affect our claims for damages exceeding the liquidated damages.

5. Acceptance

The verification of compliance with the contractual specifications of any delivery will only be made when it is put to its intended use, at the latest, however, 24 months upon delivery. The supplier waives its right to an immediate examination and the objection of related notification of defects.

6. Warranty

- 6.1 The supplier warrants that all its deliveries and services shall be fit for their intended purpose and of first class quality, comply with all contractual specifications and be free of intellectual property rights or other rights of third parties for the period of 24 months after put to their intended use or 36 months after delivery, at the latest.
- 6.2 During the warranty period the supplier shall immediately remedy any defects at its cost upon request. Any expense associated with the diagnosis and

correction of a defect including, without limitation, costs of examination, transport, disassembly and reassembly shall be at the supplier's cost. The warranty period shall be interrupted for the duration of any corrective action. A new warranty period of 24 months shall be applicable for any parts exchanged or repaired within supplier's warranty starting at the date of exchange or successful repair.

6.3 The warranty period for latent defects shall start to run as of the date such latent defect becomes apparent.

6.4 If defects occur repeatedly or are of a fundamental nature, supplier shall, in our discretion, promptly exchange or repair similar parts, even if they are not actually affected.

6.5 Place of performance of corrective action is in our discretion. Any additional legal rights shall be unaffected.

6.6 If the supplier does not upon request promptly comply with its warranty obligation, we are, in cases of minor defects or of particular urgency, entitled to perform the corrective action ourselves or have it performed or obtain other substitute performance at the supplier's cost.

6.7 We may immediately request rescission of contract or reduction of price instead of repair and exchange. Supplier shall indemnify us against any damage caused by faulty deliveries.

6.8 If we, as the producer of the final product, become liable for damages caused by defects of the raw material or partial product delivered by the supplier, the supplier shall indemnify us and hold us harmless against any claims, loss or expenses regardless of its fault.

7. No assignment

Rights and obligations must not be transferred to third parties without our prior written consent. Any subcontracting is subject to our written approval.

8. Confidentiality

8.1 Any documents, drawings, calculations or other material submitted for purposes of making an offer or performing an order remain our exclusive property and shall be returned to us with the offer or upon execution of the order. These materials must not be copied or given to third parties without our prior written consent.

8.2 The supplier shall treat the order and any works, documents or equipment related thereto, as business secret and shall keep them strictly confidential. Any subcontractor engaged upon our prior approval shall be subjected to identical restrictions.

9. Retention of Title

9.1 By accepting our order the supplier waives any right to retain title for goods to be supplied.

9.2 Upon down payment or partial payment the respective material or any products partially or entirely produced therewith become our property. All these items are to be stored separately as of such date, to be marked as our property, and to be stored on our behalf, provided that the supplier remains liable for number, quality, completeness and accidental loss until the final acceptance at the place of delivery.

10. Applicable Law, Place of Jurisdiction

10.1 Our orders are subject to substantive Austrian law under the exclusion of principles of private international law and the United Nations Convention on the International Sale of Goods.

10.2 Exclusive jurisdiction shall be the competent court at the seat of the company within the Binder + Co AG group of companies which placed the order, unless there is a written agreement containing a different provision.