

**General Conditions of Purchase
valid and effective as of 1 January 2015**

These General Conditions of Purchase (hereinafter "**GCP**") are issued by the company Global Tungsten & Powders spol. s r.o., with its registered seat in Bruntál, Zahradní 1442/46, Postal Code 79201, Czech Republic, ID No.: 278 08 408, registered in the Commercial Register administered by the Regional Court in Ostrava under File No. C 52380 (hereinafter "**Global Tungsten & Powders**" or the "**buyer**") and shall apply to all contractual relationships which are entered into by and between Global Tungsten & Powders as a buyer and third persons (natural persons or legal entities) as sellers or suppliers (sellers and suppliers are hereinafter jointly referred to as the "**supplier**"). The GCP were issued on the date set above and shall supersede any and all general terms and conditions of purchase which have been adopted by Global Tungsten & Powders or by its legal predecessors hitherto.

1. General Provisions

- 1.1 The contract is based exclusively on these GCP of Global Tungsten & Powders as the buyer. These GCP are valid by analogy also if the subject-matter of the contract is any work.
- 1.2 These GCP are also valid for future businesses without further express agreement.
- 1.3 Contact details of the buyer are as follows:

Global Tungsten & Powders spol. s r.o.

Zahradní 1442/46

792 01 Bruntál

Czech Republic

ID-No.: 278 08 408

Tax ID-No.: CZ27808408

Order number and reference number are to be mentioned in any commercial or other contract relevant correspondence.

2. Conclusion of Contract

- 2.1 The supplier has to obey exactly the specifications of the buyer both in offer and order confirmation. Any deviation has to be indicated expressly and in writing. The contract is concluded when the supplier receives the buyer's order confirmation in writing. Apart from the deliveries and products as specified in the order, the order volume contains also the requirements for a proper execution and performance of the ordered goods. All deliveries and products have to meet the legal requirements of the state where the delivery is executed and conform with the present state of the art. Every order has to be based on a written purchase order mentioning a purchase order number.
- 2.2 The Parties hereby exclude the application of Section 1740 (3) and Section 1751 (2) of Act No. 89/2012 Coll., the Civil Code, as amended (hereinafter the "**Civil Code**"), which provide that the contract is concluded also if there is no full conformity of expression of the parties' will.
- 2.3 Samples, drawings, or tools handed over or ordered and paid must not be handed over to any third parties without the agreement of the buyer, or be used for other purposes than those of this contract, or their content disclosed to third parties. They have to be kept carefully and to be protected against theft, unauthorized use or misuse by third parties. The supplier has to hand them over to the buyer as soon as they are no longer required for the purposes of this contract.
- 2.4 In call orders, an obligation to purchase comes to effect only after express call off of the buyer. This is also valid if the goods are already produced. The buyer has the right to change delivery dates, if no important reasons of the supplier are an obstacle.
- 2.5 Should the supplier deliver to the buyer a greater quantity or number of goods (or other performance) than agreed, the contract covering this greater amount shall be concluded only if the buyer expressly accepts the greater amount without undue delay after their delivery. Otherwise the contract covering this greater amount will not be concluded, i.e. provisions of Sec. 2093 of the Civil Code shall not apply.

- 2.6 Changes or amendments to the contract require written form. This applies also to an agreement on revocation of the requirement of written form.
- 2.7 In doubt, prices mentioned in the documents issued and/ or concluded by the supplier are fixed prices (including packaging) free recipient's works.
- 2.8 If prices are not agreed in advance, they have to be quoted bindingly in the order confirmation. In this case, the buyer reserves the right to withdraw from the contract within four weeks, without any claim for compensation of any kind for the supplier.
- 2.9.1 The Buyer is entitled to withdraw from the contract if:
 - a) the supplier is unable to meet delivery terms within the meaning of the order and agreed conditions,
 - b) the supplier repeatedly delivers defective goods,
 - c) the supplier is repeatedly in delay with the supply,
 - d) the supplier is insolvent,
 - e) proposal for insolvency has been filed against the supplier,
 - f) the supplier violates these GCP.

3. Delivery conditions

- 3.1 Delivery times have to be absolutely kept as agreed. However, if the supplier notices a delay of the delivery, he has to inform the buyer immediately and in writing about the reason and the expected duration of the delay. This does not affect the consequences of a delay in delivery.
- 3.2 Delivery has to be indicated immediately after shipment in two copies and mentioning the order number and reference number. Partial shipments have to be indicated.
- 3.3 Delivery has to be done to the place of supply as specified by the buyer by the fastest possible way and means of shipment. The buyer has no obligation to accept goods without proper shipment papers. The supplier is liable for the consequences of incorrect information on the shipment papers.
- 3.4 In the case the buyer bears the costs of shipment, the supplier has to select the cheapest way of transport. In any case, the shipment instructions of the buyer have to be followed by the supplier absolutely.
- 3.5 The risk of damage on the goods passes to the buyer when the goods are actually handed over to him, or at the final inspection of a machine or plant. The same applies also if the goods is handed over to the carrier for the transmission to the buyer.
- 3.6 The buyer has no obligation to accept COD shipments.
- 3.7 INCOTERMS 2010 shall apply for all trade clauses.

4. Payment conditions

- 4.1 Invoices are to be addressed to the accountancy department mentioning the order number. They must not be added to the shipment.
- 4.2 Payments are due within 14 days from receipt of invoice with a 3% cash discount, within 30 days net. This term does not begin before complete and free-of-faults supply.
- 4.3 Partial invoices are to be indicated.
- 4.4 Payment by accepted bills of exchange is permitted.

5. Provision of material

- 5.1 Material provided by the buyer remains in his property.
- 5.2 The material provided by the buyer has to be carefully kept by the supplier. The supplier has to inform the buyer immediately in case of any loss or damage of the provided material.
- 5.3 In processing or mixing of the material provided by the buyer with other material of the supplier, the buyer becomes co-owner. The amount of co-ownership is based on the relation of value of the provided material to the other material. The supplier grants co-ownership to the buyer for this case and commits himself to execute the co-ownership for the buyer by free-of-charge safekeeping.

6. Rights of defective performance, warranty, warranty claim, liability for damages

- 6.1 The supplier is liable for ensuring that the goods have no legal defects. Should the supplier not provide a longer warranty, it is deemed that the supplier provides for the goods a warranty of two years from its handover, unless it has shorter useful life period under respective laws; the supplier is obliged to deliver the goods so that at the time of transfer of ownership right to the goods on the buyer, the useful life period has not been exhausted more than one of its third and the supplier provides a warranty in the length of the useful life period. The supplier is obliged to instruct the buyer on conditions of storage, use and handling with the goods in a proper way.
- 6.2 In the case of apparent or hidden defects by the supplies of goods, as well as within the warranty period, the buyer has a right of defective performance in accordance with the Civil Code. Should the buyer not select between the statutory demands set out in the Civil Code within five business days from the date filing of a warranty claim, it applies that the supplier is obliged to provide the buyer with a reasonable discount on the price in the form of credit note in the amount corresponding to the value of difference between defective and perfect goods. The supplier is obliged to deliver the credit note to the buyer within a week from claiming of a reasonable amount of discount by the buyer. If the price has already been paid by the buyer, the supplier is obliged to refund part of paid price corresponding to the claimed discount to the buyer within one week from claiming of the discount by the buyer. If the buyer requests delivery of alternate goods, the supplier is obliged to deliver the alternate goods within one week from lodging of this claim. The supplier will be obliged to pay any and all damages incurred by the buyer due to defective performance.
- 6.3 To file a warranty claim it is necessary to notice the defects of goods in writing. Notice of defects is to be given within two weeks from their discovery.
- 6.4 The supplier is liable for ensuring that the goods meets all the requirements imposed on these goods by the laws and regulations of the Czech Republic and the European Union. The supplier is obliged to hand over the operating instructions in the Czech language and other related documents to the buyer together with the handover of the goods at the latest. Should the supplier violate this obligation, or should the documentation handed over and presented to the buyer contain false, misleading or incomplete information, the supplier will be obliged to pay damages incurred by the buyer due to the aforementioned in full.
- 6.5 The supplier undertakes to meet all obligations related to the goods towards its creditors so that the buyer will, along with the ownership right to the goods, not acquire any obligation that could be associated with the goods within the meaning of Sec. 1106 of the Civil Code. Should the buyer acquire such obligation, the supplier will be obliged to pay the debt to the creditor in full within 15 days from the delivery of the buyer's call, or within the same period, to arrange differently that the buyer will not have to pay the debt to the creditor. The supplier's obligation to pay any and all damages incurred by the buyer shall remain unaffected.

7. Assignment of claims

- 7.1 In the case the supplier assigns his claims arising from the contract with the buyer to a third party the buyer charges the supplier a general processing fee of € 35,00.

8. Safety and Environmental Directives

- 8.1. Delivered goods and services as well as their production processes must comply with legal requirements, especially Act. No. 22/1997 Coll., the law on technical working aids (Machinery Guarantee Act), Act No. 356/2003 Coll., the Chemicals Act, as well as other relevant norms and technical rules. Additionally, they must comply with the requirements of buyer. Furthermore and apart from the above, compliance with the rules of every international group or organization is essential. The same applies also for the norms on environmental protection.
- 8.2. The necessary security measures are included in the price.
- 8.3. Directives pertaining to transport of hazardous cargo must be adhered to by the supplier. If the order contains a note of further transport by sea or air as planned, the supplier must adhere also to all norms for this type of transport as far as markings, labelling and packaging are concerned.
- 8.4. The declaration by supplier of the order on compliance with the requirements set by Directive 2011/65/EU on Restraining of Use of Certain Hazardous Substances in Electrical and Electronic Appliances OEEC ("RoHS 2" - Restriction of Hazardous Substances which replaced the original RoHS Directive 2002/95/EC) and decree No. 221/2004 Coll. The RoHS 2 Directive demands that the products launched on the market must not contain selected hazardous substances, i.e. lead, mercury, hexavalent chromium, cadmium and PBB and PBDE. Decree No. 221/2004

Coll., as amended by decree No. 135/2007 Coll., forbids launching on the market products with hazardous substances such as polychlorinated biphenyls (PCB), polychlorinated terphenyls (PCT), asbestos fibres, dichlor(dichlor-2-methylbenzyl)benzene (mixture of isomers) - trade name: Ugilec 141, chlor(chlorbenzyl)methylbenzen (mixture of isomers) - trade name: Ugilec 121, brome (brombenzyl)methylbenzen (mixture of isomers) - trade name: DBBT. The supplier must declare that all products duly supplied under his name, in accordance with the contract, comply with decree No. 221/2004 Coll. and RoHS 2 Directive, which forbids use of the aforesaid substances.

- 8.5. The supplier is responsible for safety and health protection of all persons involved in the performance of an order and must ensure their safety especially by providing protective aids, regular training and supervision in the field of safety at work, health protection at work, hygienic norms and by taking all necessary preventive steps to protect health and life of such personnel. While working at buyer's site, the supplier must ensure cleanliness and order at place of work. During performance of the order he must ensure, at his own cost, that no obstruction or damage to onsite items occurs. The supplier is also required to immediately remove all pollution and rubbish generated by him and his staff at the place of performance of work.
- 8.6. The supplier is obliged to continuously and without delay remove and dispose of all waste generated during performance of work and to proceed in compliance with Act No. 185/2001 Coll. about waste, and with other generally binding legal norms relating to handling of waste and health protection and protection of the environment. During performance of the contract the supplier is the generator of waste in the sense of the aforesaid law. All costs and fees relating to the performance of the aforesaid duties by the supplier are included in the agreed price.
- 8.7. The supplier undertakes to inform buyer of all substances, which are planned to be used during performance of the contract, especially about hazardous chemicals (such as paints, chemicals, building materials etc.). During performance of the contract it is forbidden to use specified hazardous chemicals, which must not be launched on the market any more according to decree No. 221/2004 Coll. as well as specific hazardous chemicals listed in Supplement 2 of this decree. The use of chemicals must also respect the RoHS 2 Directive.

- 8.8. The supplier must not pour any leftover chemicals or waste water generated during performance of the contract at buyer's premises into drainage system without prior approval of the authorized employee of buyer.
- 8.9. All leftover substances and materials used at buyer's premises during performance of the contract must be always removed from buyer's premises by the supplier.
- 8.10. During performance of the contract, the supplier must adhere to all obligations arising hereof as well as to the instructions of Global Tungsten & Powders as the buyer, all ČSN norms, safety, hygiene and other generally binding legal norms relating to his activities during performance of the contract.
- 8.11. The supplier must inform buyer of any potential risks in the aforesaid areas.
- 8.12. If the supplier causes any accident, he must immediately inform buyer thereof.
- 8.13. The supplier must ensure that his employees and persons performing the contracted activities are qualified for executing such activities.

9. Compliance with laws and “conflict mineral“ clause

- 9.1 When concluding a contract in accordance with these GCP, the supplier makes the following representations and guarantees to the buyer that:
 - a) it will comply with all laws, regulations or other legislation concerning the goods to be provided under the contract concluded in accordance with these GCP, including any national, international, and European laws dealing with the environment, health and safety, labor and employment, transportation or storage of hazardous materials, and import/export or customs requirements, including without limitation and if applicable, the manufacture and shipment of the goods purchased or returned hereunder; further, the supplier agrees to adhere to and act in a manner consistent with the principles and expectations set forth in Plansee Group Code of Conduct (<http://www.plansee.com/code-of-conduct/EN.pdf>) and in the Supplier Policy (www.plansee.com/supplier-policy); upon request, the supplier shall provide the buyer with written assurances of compliance and cooperate with any efforts to verify the integrity of supplier's supply chain, in particular raw material feed streams;
 - b) it will comply with the pertinent local, national and international provisions concerning the import or export of all goods to be supplied hereunder;
 - c) the supplies, products, materials or other performance of the supplier which will be bought by the buyer, whether standard or specifically developed by the supplier for the buyer, must not contain any product material or substance prohibited by the legislations or regulations applicable to the European Union and, more generally, in all of the countries in which these supplies, products or parts are marked and used;
 - d) in the case of delivery of tin, tantalum, tungsten, their ores and gold derivatives and products made from these raw materials and minerals, the supplier represents and guarantees to the buyer that these raw materials and minerals are not derived from or sourced from mines or illegally taxed on trade routes from areas affected by conflict, high-risk areas and lands controlled by non-governmental military groups, or unlawful military factions, in particular from the Democratic Republic of Congo and all adjoining countries or any other conflict-affected and high-risk areas.
- 9.2 The supplier makes the above representations as of the day of conclusion of the contract concluded in accordance with these GCP and all representations will be considered made again by the supplier as of each day of validity of the concluded contract.

9.3 The supplier is fully liable for the damage suffered by the buyer in connection with the supplier's violation of any representation or obligation under Article 9.1 and 9.2 hereof, or due to the fact that some of the suppliers' representations will prove to be false or incomplete.

10. Confidentiality

10.1 The supplier shall be obligated to keep confidential any non-public information and data (inter alia, business and technical information and data) of which it becomes aware as a result of the business relationship with the buyer, and not disclose it to third parties. Any sub-suppliers or other third parties, which the supplier must inevitably involve to implement the contract, shall similarly be bound by supplier to maintain confidentiality.

10.2 The supplier may not use the buyer's company name or trademark for advertising purposes, or to provide references, unless it has obtained the buyer's prior written approval.

11. Final provisions

12.1 This GCP is subject to the Czech laws. Any relations of the contracting parties not determined in this GCP or in contract of the contracting parties are governed by respective provisions of the Civil Code and other related Czech legal regulations.

12.2 The parties further agree that the buyer is entitled to set off any claims against the supplier's claim, including its claim against the supplier which can be deemed uncertain or vague within the meaning of Sec. 1987 (2) of the Civil Code.

12.3 The supplier's right to invoke the data records of legal proceedings and other matters in the buyer's electronic system pursuant to Sec. 562 (2) of the Civil Code to the supplier's benefit shall be excluded. Furthermore, the supplier's right to invoke the content and exposure time of the documents relating to legal facts occurring during normal operation of the buyer's enterprise under Sec. 566 (2) of the Civil Code to the supplier's benefit shall be excluded.

12.4 The place of jurisdiction is the court of law competent at the domicile of the buyer.

12.5 The use of the buyer's name for advertising purposes is prohibited.

12.6 Unloading hours are Monday to Friday, from 7.00 a.m. to 3.00 p.m.

12.7 Visits to the buyer are done only after prior agreement with the responsible persons at the purchasing department.

12.8 The supplier hereby accepts the risk of change of circumstances, and that no change of circumstances of whatever nature entitles the supplier to make related claims of any kind whatsoever. The application of Sec. 1765 (1), Sec. 1766 and Sec. 2000 of the Civil Code is expressly ruled out.