

General Conditions of Purchase

These General Conditions of Purchase are issued by Global Tungsten & Powders spol. s r.o., with its seat in Bruntál, Zahradní 1442/46, Postal Code 79201, Czech Republic, Identification Number 27808408, and shall apply to all contractual relationships which are entered into by and between Global Tungsten & Powders spol. s r.o. as a buyer, and third persons or legal entities as sellers or suppliers. The General Conditions of Purchase were issued on the date set below and shall supersede any and all general terms and conditions of purchase which have been adopted by Global Tungsten & Powders spol. s r.o. or by its legal predecessors hitherto.

1. General Provisions

- 1.1 The contract is based exclusively on the General Conditions of Purchase of Global Tungsten & Powders spol. s r.o. (the “buyer”), as hereinafter set forth. They are valid by analogy also if the subject-matter of the contract is any work.
- 1.2 The supplier’s selling conditions shall not apply, they do not become part of the contract even if they are mentioned in the order confirmation and are not expressly rejected by the buyer.
- 1.3 These General Conditions of Purchase are also valid for future businesses without further express agreement.
- 1.4 Any commercial or other contract relevant correspondence is to be done with the buyer’s purchase department. Order number and reference number are to be mentioned in the 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 Samples, drawings, or tools handed over or ordered and paid must not be handed over to 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 or use 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.
- 2.3 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.
- 2.4 Changes or amendments to the contract require written form. This applies also to an agreement on revocation of the requirement of written form.
- 2.5 In doubt, prices mentioned in the documents issued and/ or concluded by the supplier are fixed prices free recipient’s works.

2.6 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.

3. Delivery

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 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 passes to the buyer when the goods are actually handed over to him, or at the final inspection of a machine or plant.

3.6 The buyer has no obligation to accept COD shipments.

4. Payment

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 acceptance 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. Defects and compensation

6.1 Notice of defects is to be given within two weeks from discovery.

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 is essential. The same is true 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. 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, labeling and packaging are concerned.
- 8.4. The declaration by supplier of the order on compliance with the requirements set by directive RoHS and edict No. 221/2004 Coll.: Directive 2002/95/EC RoHS (Restriction of Hazardous Substances) demands that the products launched on the market after 01.07.2006 must not contain selected hazardous substances, i.e. lead, mercury, hexavalent chromium, cadmium and PBB and PBDE. Edict No. 221/2004 Coll., valid since 1.5.2004, 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 this Contract, comply with edict No. 221/2004 Coll. and EU directive 2002/95/EC, 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 edict No. 221/2004 Coll. as well as specific hazardous chemicals listed in Supplement 2 of this edict. The use of chemicals must also respect the directive 2002/95 EC (Restraining of use of certain hazardous substances in electrical and electronic appliances OEEC).

- 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 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 spol. s r.o., 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. Final provisions

- 9.1 This contract is subject to Czech Law. Any relations of the contracting parties not determined in this General Conditions of Purchase or in contract of the contracting parties are governed by respective provisions of the Commercial Code of the Czech Republic, Act. No. 513/1991 Coll. and other related Czech legal regulations.
- 9.2 The place of jurisdiction is the court of law competent at the domicile of the buyer.
- 9.3 The use of the buyer's name for advertising purposes is not permitted.
- 9.4 Unloading hours are Monday to Friday, 7.00 hrs. to 15.00 hrs.
- 9.5 Visits to the buyer are done only after prior agreement with the responsible persons at the purchasing department.

January 20, 2009