

General Terms and Conditions of Purchase of AMMAG GmbH, bulk materials technology, spray granulation

1. General Terms and Conditions of Business:

a) All of our orders are exclusively based on these General Terms and Conditions of Purchase known to our contractual partner (hereinafter referred to as the "Supplier").

We shall not recognise the Supplier's deviating General Terms and Conditions of Business and these shall not be deemed agreed.

These General Terms and Conditions of Purchase shall apply for the entire duration of the business relationship as long as we have not rescinded them in writing. Future orders shall not require new reference to these General Terms and Conditions of Purchase.

b) The Supplier's special General Terms and Conditions of Business or verbal agreements, which are in conflict with these General Terms and Conditions of Purchase, shall only apply if we have declared express agreement with them in writing. Our objection to the Supplier's deviating provisions in offers or confirmations of order shall not be required. If ambiguities in the contract interpretation nevertheless remain these shall be dispelled in such a manner as that such content shall apply as agreed, which is customarily agreed in comparable cases.

2. Contract documentation:

2.1 Contract documentation for purchasing are:

- Our order with technical order specification, e.g. description of service, service specification and the associated drawings and attachments;
- Our tender and/or request;
- These General Terms and Conditions of Purchase;
- The technical part of the Supplier's offer as the service description;
- For the agreed services the general directives and technical standards applicable when the agreement is concluded shall be directly observed, such as the TÜV, VDI, IEC/EN (International Electrical Commission / European Standard), VDE, DIN, UVV, TRD, Technical Instruction on Air Quality Control and the Machinery Directive 2006/42/EC, Low Voltage Directive 2006/95/EC, EMC Directive 2004/108/EC, ATEX Product Directive 94/9/EC, Pressure Equipment Directive 97/23/EC together with the associated relevant standards and the general minimum regulations of Directive 2009/104/EC applicable for work materials – all as currently amended, insofar as they are transposed into national law and in absence of transposition. The Supplier shall procure these documents itself.

2.2 The aforementioned documents and regulations shall be applicable in the sequence as listed.

3. Orders:

These shall only be valid if we have issued them in writing and have been signed by the employee with signatory powers. Verbal and telephone agreements shall require written confirmation to be binding.

4. Scope of service, completion clause

4.1 All of the Supplier's services must correspond to the contractual scope of service and, in particular, the essential properties set forth therein and without restriction for the operating life customary in the business and the contractually provided purpose or if such purpose is not specified then be suitable for operations for the customary intended purpose.

4.2 Even if not expressly and separately set forth in the contract documentation the scope of service shall include:

- All parts, which are specified in the contractually agreed scope of service and which correspond to the state-of-the-art of technology for a ready-to-operate and safe system, which are required for contractual operation, free from defects, independent from whether they are actually listed in detail in the tender, the offer, the technical specification or in other written correspondence;
- Adherence to all mandatory technical and other regulations and knowledge for the owed service, in particular:
 - The prescribed safety and protective measures for work safety, e.g. in accordance with all laws, regulatory authorities, trade associations and other regulatory institutions for the respective services and the guaranteed occupational knowledge regarding the ergonomic design of the work;
 - Environmental protection, e.g. Emission Control Act, air (IG-L) with the associated ordinances, Technical Instruction on Air Quality Control, Technical Instruction on Noise Protection;

4.3 The Supplier shall be obligated to execute the delivery and scope of service corresponding to applicable European and Austrian legal provisions. In particular the Machinery Directive 2006/42/EC, Low Voltage Directive 2006/95/EC, EMC Directive 2004/108/EC, Product Directive 94/9/EC, Pressure Equipment Directive 97/23/EC together with the associated relevant standards and the general minimum regulations of Directive 2009/104/EC applicable for work materials – all as currently amended, shall be directly adhered to if transposed into national law and in absence of transposition.

4.4 Corresponding to the regulations, if ready to use the object of delivery shall bear the CE symbol; in addition, the risk analysis and EC declaration of conformity, in the event of a ready-to-use machine/system, or the manufacturer's declaration, in the event of a non-ready-to-use machine/system, shall be provided with the delivery at the latest on the date of operational readiness.

4.5 The Supplier shall provide the corresponding spare parts lists with price information at the latest at the start of installation, whereby the Supplier shall be obligated to clearly specify the information on the manufacturer of origin. The spare parts lists must be drafted clearly and completely enough for them to enable us to also be able to request and order from third parties.

4.6 The Supplier's service shall also include notifying us promptly and in detail regarding if and insofar as a change in the scope of service is required for contractual performance.

4.7 In addition to the above services, the following specified services, insofar as applicable (e.g. installation), shall also form a component of the agreement and be deemed compensated for with the agreed prices:

- Lifting equipment as well as all necessary devices and scaffolding, excluding cranes, which we can provide, pursuant a separate agreement;
- Packaging, insofar as required;
- The disposal of the Supplier's accrued work waste materials;
- All necessary dismantling, cleaning and modification work to the existing systems, furnishings and buildings, insofar as required for the installation, operation and use of the entire scope of service;
- The complete ready-for-operation installation of all furnishings delivered, including trial run and commissioning up to acceptance; as well as loading and unloading the parts, including intermediate transport, to the installation/assembly point.
- Theoretical and practical instruction of the operating and maintenance personnel with respect to the functioning and operation of all system components.

5. Due diligence (as applicable, e.g. in the acquisition of machines, systems, control systems)

The Supplier shall be obligated prior to conclusion of contract to inspect localities and buildings, access routes, installation sites for work machines, foundations and scaffolding relevant for the provision of service and other facilities concerned and familiarise itself with local circumstances. The Supplier cannot later object regarding circumstances relating to obstacles and complications recognisable at the conclusion of contract and shall have no right to additional compensation with respect to these conditions. The Supplier shall be fully responsible to itself undertake measures and drawing controls for the installation and commissioning with respect to compliance with the existing systems, furnishings and buildings, which are required for the execution of the order, for the constructive specifications and for the installation and commissioning. Our approval of a design shall not release the Supplier from its responsibility.

6. Prices:

a) In lieu of other express agreement the prices, which were specified to us, shall be understood to be including all fees and additional expenses, including packaging and transport costs and customs. Prices agreed and/or which form the basis of the agreement shall be considered fixed prices. We shall not accept price adjustment clauses and the like unless they are separately negotiated and specified in writing.

b) Changes in currency parities shall be borne by the Supplier.

7. Delivery schedules:

a) The agreed delivery schedules shall be binding and must be adhered to. They are always understood to be without a grace period. In the case of exceeding the delivery deadline, we shall be entitled at our discretion to either delivery and demand for compensation for damages due to delay or to withdraw from the agreement and claim compensation for damages due to non-performance.

b) The Supplier shall immediately report delays arising immediately after becoming aware of them and provide information on the grounds and duration thereof.

c) A contractual penalty for the event of delay is agreed independent from fault, which shall not be considered forfeit money (cancellation fee). It shall amount to 1% of the entire order total for each commenced calendar day. Damages in excess of the contractual penalty shall also be reimbursed.

8. Deliveries:

a) Deliveries must be fundamentally made to the ordering address. If deliveries to our end customers are agreed and effected then a delivery notice shall be sent to the place of delivery and an additional delivery notice to our administration in Gunskirchen. The order number shall be specified on the delivery notice.

b) The delivery shall be understood to be to our plant freight prepaid and free of all charges. We shall only bear expenses and transport costs if otherwise agreed in writing on an individual case basis. In such cases, dispatches shall always be shipped to us via the least expensive route. We shall not recognise any additional expenses incurred due to non-adherence to this provision as well as costs for freight charges etc. at the point of departure and place of receipt.

c) Goods deliveries via motor vehicles to our place of receipt shall only be accepted Monday through Thursday from 7.00 am to 3:00 pm, Fridays to 11.00 am.

9. Deviations from the agreement:

9.1 The Supplier's services deviating from the agreement (changed or additional services) shall not justify any entitlement for it to additional remuneration, unless we approve the deviations in writing prior to the execution of services.

9.2 If the Supplier deems changed or additional services necessary or the services we have requested as not included within the contractual scope, it shall unasked and immediately submit a written subsequent offer based on the basis of the agreement's price basis; Underperformance under the agreement shall be hereby taken into consideration. The subsequent offer must encompass all technical, commercial and construction schedule consequences of the deviating services. The issuance of subsequent offers shall be free of charge for us.

9.3 The consent for deviating services shall be via our written issuance of a subsequent order insofar as we have not otherwise specified on an individual case basis.

9.4 Service schedules or deadlines shall only be impacted by changes in the service if expressly agreed in writing.

9.5 If there is a dispute between the Supplier and ourselves regarding whether a service is to be categorised as an additional or modified service then the burden of proof shall be on the Supplier that the disputed service is not or is not included in this form in the contractual scope to date. This shall also apply if we expressly mandated the provision of the disputed service.

10. Transfer of risk:

The costs and risk of transport shall be borne by the Supplier. The risk of destruction or damage shall not pass to us until termination of the unloading process at the point of destination.

11. Withdrawal:

a) In the case of strike, lockout, fire, explosion, natural disasters, epidemics, labour or transportation difficulties, breakdowns due to any cause, war, riot, mobilisation, governmental actions, insolvency on the part of the Supplier or other circumstances, which are not in our sphere of influence and which impact our possibilities of accepting and/or processing the ordered goods,

we can withdraw from the agreement, whereby all claims against us - in particular claims for compensation for damages - shall be excluded, insofar as legally permissible.

b) The Supplier shall be immediately informed regarding the withdrawal.

12. Guarantee and compensation for damages:

a) The Supplier guarantees that its service is in every respect free from defects and complete and in particular exhibits the essential properties agreed as such in the agreement and is suitable for the intended purpose under the customary operating conditions. The Supplier likewise guarantees that the object of delivery meets the recognised rules of technology. Only such parts of the supplementary performance obligation shall be excluded, which have been expressly agreed as wear parts with service lives, prior to the placement of the order.

b) In the case of defect in delivery or incorrect delivery we can at our discretion request improvement, exchange, price reduction and redhibitory action and/or compensation for non-performance. The Supplier shall immediately comply with our request for improvement and remedy the defect at its own expense. If it does not meet this obligation we can take the necessary measures ourselves at cost and risk to the Supplier; moreover we reserve the right to all statutory claims.

c) We shall not accept liability exclusions in any respect as well as the Supplier's liability restrictions, in particular from the warranty of title or compensation for damages, unless this has been expressly negotiated with us in detail and set forth in writing. This shall consequently also apply for, e.g. changes in the statutory burden of proof to our disadvantage, abbreviating the deadlines etc. We shall hence also not accept the exclusion of the right of recourse pursuant § 933 b of the Austrian General Civil Code [ABGB].

d) The period of guarantee shall be two years after delivery if the statutory period is not longer. The period of guarantee shall be interrupted by each written notification of defects; it shall restart after each remedy of defects to the relevant item.

e) In the case of a culpably delayed or incorrect delivery, the Supplier shall be liable to us beyond our warranty rights for the reimbursement of all damages and expenses we thereby incur. The statutory statute of limitations shall apply for such damage claims.

f) If claims for compensation are asserted against us by a third party, as a result of a delayed or incorrect delivery, we shall be entitled to recourse against the Supplier, whereby it shall indemnify and hold us harmless.

g) We cannot undertake an inspection of the goods at once, immediately following receipt thereof. We are therefore not obligated to the immediate notification of defects; § 377 of the Austrian Corporation Code [UGB] is expressly excluded. The Supplier waives the objection to delayed notification of defects.

h) The order shall be placed in the assumption and under the prerequisite that the Supplier has insured the product risk to cover any product liability risk beyond the framework of the normal liability insurance. The Supplier shall in any event indemnify and hold us harmless regarding any product liability claims.

i) The statute of limitation of claims for services not rendered or improperly rendered shall be measured according to statutory provisions. It shall begin upon final acceptance. Deviating from this the statute of limitations for replacement and spare parts shall first begin upon the installation, commissioning or use thereof and end at the latest five years after delivery.

13. Offsetting and right of retention:

We shall be authorised to offset and/or assert rights of retention for all outstanding and not due claims to which we are entitled against the Supplier.

14. Certifications

The Supplier has a certified quality management system pursuant ISO 9000/9001 or a certified in-house production control pursuant EN1090 or pursuant a comparable set of rules. If these certifications do not exist it shall be the Supplier's responsibility to expressly indicate this in writing. For all products found in the Supplier's delivery programme, it shall have the necessary material certificates, such as EN 10204, VO EC 1935/2004, VO EC 10/2011, FDA, REACH VO EC 1907/2006, as a component of its documentation or produce these as individual proof. The Supplier shall be liable for all damages we incur as a result of breaching this term.

15. Invoices:

A single copy of invoices shall be sent to us with a copy of the delivery notice at the latest on the date of the dispatch of the goods. Please always indicate our order number, commission number and agreed payment conditions.

16. Payment:

a) Place of payment is Gunskirchen

b) Unless otherwise expressly agreed our payment term shall be 60 days from invoice receipt. In the case of payment within 14 days from receipt of invoice we shall be entitled to a discount deduction of 3%. If the accounts are contractually settled in instalments we also not shall lose this discount deduction for the timely payment of instalments if other partial payments are not paid within the discount/payment deadlines.

17. Health/environmental regulations:

The Supplier warrants that its deliveries correspond to the provisions of (EC) regulation no. m1907/2006 for the registration, evaluation, approval and restriction of chemical substances ("REACH Regulation"). In particular the Supplier warrants that the substances contained in the products it has delivered, insofar as required under the provisions of the REACH Regulation, have been pre-registered and/or registered following expiration of the transitional periods and that safety data sheets corresponding to the provisions of the REACH Regulation and/or the information required under Art. 32 of the REACH Regulation have been provided to us. Insofar as the Supplier delivers products in terms of Art. 3 of the REACH Regulation, it also warrants in particular that it meets its obligation to share certain information pursuant Art. 33 of the REACH regulation.

18. Governing law:

Austrian material law shall apply. The applicability of the United Nations Convention on Contracts for the International Sale of Goods shall be excluded. The contractual language is German.

19. Jurisdiction:

The court locally competent in the subject matter at our company's head office shall have jurisdiction for the resolution of all conflicts arising under this agreement. We shall have the right, however, to also take legal action at the Supplier's general place of jurisdiction or have final judgement regarding all conflicts arising under this agreement decided according to the Rules of Arbitration and Mediation of the International Court of Arbitration of the Austrian Chamber of Commerce in Vienna (Vienna Rules) by one or more arbitrators appointed in accordance with these rules.