

**GENERAL TERMS AND CONDITIONS OF PURCHASE As at 07.2014
of SANDVIK TPS Division of Sandvik Materials Technology Deutschland GmbH**

1.0 Content and conclusion of contract

1.1 These General Terms and Conditions of Purchase apply to all orders placed now and in future, and their processing. We do not recognise any Supplier's terms and conditions that contradict or deviate from them, unless there is an agreement to the contrary in these terms and conditions of purchase or in the contract with the Supplier. If we accept the goods without express objection, we may not under any circumstances be deemed to have recognised the Supplier's terms and conditions.

1.2 The issue of quotations shall be free to us and non-binding on us.

1.3 The Supplier must confirm every order immediately, stating the binding price and the binding delivery deadline. If the Supplier does not accept the order within three weeks of receipt, we shall be entitled to revocation. Delivery call-downs become binding if the Supplier does not counter them within two weeks of receipt at the latest.

1.5 The prices are fixed prices. They include all expenses incurred in connection with the goods and services to be provided by you.

1.4 Price changes must be notified to Sandvik in writing 3 months in advance. If Sandvik objects to this in writing, the existing terms and conditions remain valid until full resolution of the situation.

2.0 Deliveries

2.1 Agreed delivery deadlines and periods are binding. We must be notified immediately in writing of any risk of delayed delivery.

2.2 Compliance with the delivery deadline or period is determined by the date of receipt of goods by us. In the case of "ex works" delivery the Supplier must have the goods ready in good time, taking account of the usual time required for loading and dispatch.

2.3. If there is a delay on the part of the Supplier, we are entitled to the relevant claims in law. In particular we are entitled, having allowed a reasonable subsequent period without satisfaction, to claim compensation in lieu of the delivery. Our claim to the delivery only expires once the Supplier has paid this compensation.

2.4 Force majeure, employment disputes, unrest, measures imposed by the authorities and other unforeseeable, unpreventable and serious events shall release the parties to the contract from their performance obligations for the duration of the disturbance in line with the gravity of its effects. However if the delivery is delayed as a result of force majeure for more than one month, both parties are entitled to withdraw from the contract.

2.5 The Supplier may only rely on the defence of missing documents that should be provided by us if they have not been received despite written warning and the setting of a compliance period.

2.6 In the case of early or late delivery (> 3 working days), as agreed, we reserve the right to return to goods at the expense of the Supplier or to store them at the expense and at the risk of the Supplier until the agreed delivery deadline.

3.0 Dispatch and transfer of risk

3.1 The Supplier bears the risk of any accidental destruction or diminished condition until the goods are handed over at the destination.

3.2 The costs of transportation and unloading of the goods are borne by the Supplier, unless there is a written agreement to the contrary.

3.3 If, in individual cases, Sandvik bears the cost of transportation, Sandvik may determine the mode and type of transport; otherwise the goods must be transported using the cheapest method.

3.4 Carriage charges to the railway station of departure are always borne by the Supplier.

3.5 Dispatch papers, such as delivery notes, packing slips and similar must generally be visibly attached to the consignments. All correspondence must quote the order numbers and the designations specified in the order. If, on receipt of the delivery, we do not have the proper dispatch papers, or if our order numbers are not correctly quoted in the dispatch papers, any additional costs incurred as a result shall be borne by the Supplier. In such cases, we are also entitled to refuse to accept the delivery, at the expense of the Supplier.

3.6 the goods must be packaged, if required by their characteristics, in such a way as to prevent transit damage as far as possible. The Supplier is liable for any damage that results from defective packaging.

3.7 Packaging costs are borne by the Supplier provided nothing is agreed to the contrary. If, in individual cases, we bear the costs of packaging, this shall be charged to us as cheaply as possible. The obligation to accept returns is in accordance with the Packaging Order of 21.08.1998, as amended.

3.8 the goods may only be delivered in complete consignments. We will only accept partial deliveries if we have given our prior consent in writing.

4.0 Liability for defects

4.1. The Supplier warrants that the articles supplied are in accordance with the performance description and specifications, and are suitable for the purpose for which they are intended. The Supplier warrants that they are free from material and production/processing defects, free from the rights of third parties and that the delivery is not in contravention of any laws, orders or other provisions imposed by official bodies.

4.2 On receipt, the goods shall be examined for quality and completeness, to the extent we deem to be reasonable and technically feasible. Notification of defects is given in good time if it is received by the Supplier, by

fax or e-mail, within eight working days. This period begins at the point in time when we discovered the defect or should have discovered it.

4.3 If the goods have a material defect, we are entitled to make a legal claim in the way we see fit. We shall be entitled to withdraw from the contract even if the breach of duty by the Supplier is only negligible.

4.4 We may claim from the Supplier the expenses arising as a result of a defect in connection with our end customers, if the defect was already present when the risk was transferred to us.

4.5 The statutory limitation periods apply to our entitlement to claim for defects. They begin at the moment the defect was duly notified in accordance with clause 4.2 above. The Supplier's liability for defects shall expire at the latest ten years after delivery of the goods. The periods specified in clause 4.5 do not apply if our claims are based on facts that were or should have been known to the Supplier, which the Supplier did not disclose to us.

4.6 If the Supplier is responsible for product damage, the Supplier is obliged to hold us harmless from third-party claims for damages to the extent that the cause lies within the Supplier's control and sphere of organisation and the Supplier is itself liable towards others. In this context the

Supplier shall also reimburse us for any expenditure incurred in connection with any recall action we are obliged to implement. We will – to the extent this is possible and reasonable – inform the Supplier of the content and scope of any such recall action, offering the opportunity to comment.

5.0 Reservation of proprietary rights / Technical documents / Tools / Supplies

5.1. Regarding the Supplier's rights of reservation of proprietary rights, the conditions are such that the ownership of the goods is transferred to us on payment for these items and, consequently, the extended forms of the current account and group reservations do not apply.

5.2. Based on the reservation of proprietary rights, the Supplier may only demand return of the goods if this is preceded by withdrawal from the contract.

5.3 Components supplied by us, including those supplied direct from third parties, may only be used for the execution of our orders. They should not be made available to third parties without our consent and must be stored properly, without cost to us, at the risk of the Supplier. If requested, the components supplied must be handed over, untreated and unprocessed, unasked-for, no later than two years from receipt by the Supplier. The components supplied remain our property at all times or, if they have been supplied direct from third parties and have not been fully paid for by us, are partly owned by the third-party upstream supplier.

6.0 Declarations and originating status

Should the Supplier make any declarations concerning the originating status of the goods sold, the following applies:

6.1 Proof of origin shall be obtained by the Supplier with all the necessary details and provided to us, duly signed, immediately.

6.2 The Supplier shall enable us to have this proof of origin examined by the customs authority and shall produce both the necessary information and any confirmation required.

6.3 The Supplier shall reimburse us for any damages arising from the eventuality that the declared origin is not recognised by the competent authority due to erroneous certification or lack of proof.

7.0 Sandvik Supplier Code of Conduct

7.1 Sandvik expects its suppliers to comply with the provisions of the Sandvik Supplier Code of Conduct in all their business relations with Sandvik, and to provide their services in accordance with these provisions. These provisions form a constituent part of the business relations between the suppliers and Sandvik.

7.2 The Sandvik Supplier Code of Conduct can be downloaded in English from the Sandvik website at: <http://www.sandvik.com/en/aboutsandvik/sustainability/code-of-conduct>. The Sandvik Supplier Code of Conduct in German can be requested from us.

8.0 Invoicing and payment

8.1 Invoices must be submitted separately from the dispatch of goods, simply stating our order number.

8.2 Provided nothing is agreed to the contrary, payments may be made within 14 days with a discount of 3% or within 30 days net. If the Supplier's terms and conditions of payment are more favourable to us, these shall apply.

8.3 Payment and discount periods run from the date of receipt of invoice, but no sooner than the date of receipt of the goods or, in the case of services, of their acceptance, and where documentation, test certificates (e.g. factory certificates) or similar papers are included in the scope of supply and services, no sooner than the contractual handover of these to us.

8.4. No interest for payments after the due date shall be payable. The interest on arrears is 5% points above the base rate. In all cases we are entitled to furnish proof of lower interest on the basis of lower losses than that claimed by the Supplier.

9.0 Place of performance and place of jurisdiction

9.1 The place of performance is Göppingen

9.2 The place of jurisdiction for all disputes is the District Court of Göppingen. We are, however, entitled to bring a case against the Supplier at any other competent court.

9.3 The law of the Federal Republic of Germany applies. In the case of cross-border transactions, the provisions of the United Nations Convention of 11 April 1980 on the International Sale of Goods, (CISG / UNCITRAL - Federal Law Gazette 1989 II p. 586), apply.