

GENERAL CONDITIONS OF PURCHASE (GCP)

Unless differing covenants have been agreed to in writing by a person authorized to represent our company, these GCP's apply exclusively for all and any legal relations with our suppliers, especially for all inquiries and orders.

All suppliers' conditions are explicitly contradicted hereby. Such conditions - irrespective of whether they contradict these GCP's partly, entirely or contain excess regulations - have no validity for our contractual relations with a supplier.

By accepting our order the supplier explicitly accepts the exclusive validity of these GCP. Should the supplier disagree with these GCP she/he undertakes to notify us in writing immediately. In such a case we may cancel our order without the supplier being entitled to any claims whatsoever.

These GCP's are also valid for all future contractual relations with the supplier, unless otherwise agreed upon in writing.

1. Order

Orders and call-offs as well as changes and/or amendments shall be binding only if placed in writing.

Any orders, changes and/or amendments made orally or by phone, email or telex/telefax, shall be only binding if confirmed in writing, unless the order or notice by email, telefax or telex contains a statement to the effect that no written order or confirmation will follow. Any transfer of our order, even in part, must be agreed upon by us in writing in advance.

2. Order confirmation

In case the supplier does not explicitly accept the order within 10 days after reception, we are entitled to revoke the order.

3. Delivery dates/Delay

All delivery dates are fixed dates unless otherwise stipulated explicitly in writing. In case delivery periods are agreed, these shall start to run on the order date.

If Supplier is in delay we shall be entitled to rescind the contract without setting a period of grace. We shall be entitled to do so even after having unreservedly already accepted part deliveries.

In case of any foreseeable delays in delivery Supplier shall inform us immediately and well-founded

In case of delay out of force majeure we shall be entitled to rescind from the contract (also partly) or demand the delivery at a later date without any claims thereof for the Supplier.

Irrelevant of any fault by the supplier in case of a delay we are entitled to a contractual penalty in the amount of 0,5 percent of the total order value per commenced week of delay until performance is effected as per agreement. This contractual penalty is limited with an amount of 5 percent of the total order value. This contractual penalty is not subject to mitigation by a judge. The assertion of any claims exceeding the contractual penalty is not excluded herewith.

The unconditional acceptance of delayed deliveries or performance does not constitute any waiver in regard to any and all claims and demands available to us because of this reason.

Delivery

Unless otherwise agreed upon in writing place of performance for delivery and place of transfer perils as well as costs shall be the plant SCHOELLER BLECKMANN OILFIELD TECHNOLOGY, Ternitz or any other place disclosed to the supplier. Delivery is to be effected DDP (Incoterms 2010). The shipping instructions indicated in the purchase order shall be adhered bindingly. Supplier is liable for any and all detriments, damages, costs, etc. incurred by us because of a non-observance of this clause.

Should the supplier use any third parties it shall be ensured that our shipping instructions are strictly observed. Supplier is liable for any and all detriments, damages, costs, etc. incurred because of a non-observance of this clause.

In case the collection of goods was explicitly stipulated, the supplier undertakes to store the contractual goods free of charge for a period of 4 weeks from the notification of the readiness for shipment, afterwards the supplier shall store the goods charging a customary fee. In such cases the supplier shall bear all risks until delivery to us or our carrier.

4. PAYMENT

Unless otherwise agreed, we shall pay within 30 days from the receipt of the goods or from the later receipt of the invoice therefor, deducting a discount of 3%, (45 days 2 %) or, within 90 days therefrom net (without discount), at our choice by cheque or by transfer.

Supplier shall agree to mutual claims and liabilities of any kind being subjected to compensation (setting of).

[Regardless of what currency is mentioned in the order, seller shall bear the risk of currency fluctuations in both the country of his business establishment and the country the currency of which is stated in the order. Complaints about deliveries entitle us to retain payments due.]

Any assignment of claims shall require our written agreement in order to be effective; the assignment shall contain order-number and purchase-number. Objections to the invoice or the delivery entitle us to hold back payment and delay maturity.

INVOICES

All invoices shall be transmitted to us in three copies and have to comply with § 11 UStG. Invoices attached to the goods are considered to be not duly received. Furthermore invoices are only transmitted in due form, if they include the order number, the date of the order as well as the shipping order number, the delivery date and the UID number of the supplier and us.

Invoices not duly transmitted, erroneously addressed or containing factual or calculative mistakes shall not constitute maturities until their arranged correction and can be rejected by us at any time. Payments shall not be considered as a recognizance of fulfilment of the respective contract and thus do not constitute a waiver of any claims based on warranty, guarantee, damages, etc..

5. PLACE OF PERFORMANCE / JURISDICTION / APPLICABLE LAW

For deliveries and payments the place of fulfilment (performance) in case of an accepted delivery shall be our business establishment. For all disputes exclusive jurisdiction shall be attributed to the Court competent *ratione materiae* having jurisdiction for Wiener Neustadt.

All legal relations from the above mentioned business between the parties shall be subject to (governed by) Austrian law exclusively.

6. Warranty

6.1. All legal regulations in regard to defects are valid, unless subsequently otherwise regulated.

6.2. Declarations by the supplier, which limit or cancel the statutory liability are invalid.

6.3. The warranty period for any defects amounts to 3 years. As far as the supplier does not prove differently, every defect appearing within this statute of limitation shall be regarded as having been in existence at the time of the delivery.

6.4. The supplier acknowledges approvingly that goods will not be inspected before their further employment. A notification of defects transmitted within a reasonable period after this point shall be considered in good time. Exempt from this regulation are defects, which are so blatant that they are noticeable on the occasion of delivery without any examination. A notice of defects interrupts all limitation periods for the protection of our claims.

6.5. All defects shall be rectified – according to our free choosing – by one or more of the following means:

- by reparation of defects, respectively by replacement of the affected goods, whereby all connected costs shall be borne by the supplier; or
- without granting time to rectify the defect and independent of the kind of defect by a reduction of price or by redhibitory action.

This without prejudice to all claims in excess thereof (e.g. damages).

6.6. A rectification or an exchange of goods shall be effected in the place where the goods are situated; unless the goods need to be transported to a different place; in any case all costs therewith connected shall be borne by the supplier.

6.7. In case the supplier does not completely satisfy the chosen obligation to rectify a given defect, we are entitled to effect the necessary rectification and/or substitute purchase according to our own free choosing and at the expense of the supplier. This without prejudice to the assertion of all other claims we are entitled to because of the delayed rectification or the substitute purchase.

6.8. Specifications concerning material, function, features, configuration and/or application of the goods are considered to be explicitly guaranteed. Also the supplier especially warrants that the ordered goods are CE-certified (as far as such a certification is applicable), first class quality, state of the art and completely functional and free of rights and claims by third parties.

6.9. Regarding any defects in title, particularly including intellectual property rights of third parties, the supplier holds harmless and indemnifies us as well as our customers from and against all claims by third parties. Furthermore she/he undertakes to compensate us for all costs in connection with a necessary and reasonable legal defence because of an infringement of third party rights.

6.10. Should we recall any of the goods we produced and/or sold, should our price have been reduced or should we have been called upon in any other way because of defects arising from goods delivered by the supplier, we are at all events entitled to any and all regress claims against the supplier.

6.11. The assertion of claims according to clause 6. shall not be excluded because of a treatment or processing of the delivered goods.

6.12. The supplier is - without limitation - liable for all damages and detriments, particularly consequential harm caused by a defect, which we incur because of a defect of the goods.

6.13. The supplier undertakes to ensure our provision with spare parts for a period of at least 15 years after a contractual delivery.

7. Guarantee/Product Liability

7.1. Without prejudice to and alongside with the warranty of the supplier, the supplier guarantees that no defects will arise within 3 years, if the goods are used as intended.

7.2. The regulations according to clauses 6.4. to 6.12. are valid analogously.

7.3. The supplier undertakes to hold harmless and indemnify us from and against any and all claims based on product liability, irrespective of whether such claims can be traced back to the delivered goods completely or only in part.

7.4 This indemnification includes also any costs, which arise out of measures taken in order to prevent damages and loss (for example recalls). If so demanded by us the supplier undertakes to insure the product liability risk with an adequate coverage. The supplier undertakes to restrict transferability of such an insurance to our benefit.

ORDER DOCUMENTS

CONFIDENTIALITY

All documents part to our requests or orders as well as plans, samples, etc. remain our property and may not be used in a way other than for the respective order or given to third parties without our written approval. They shall be returned to us after the execution of the order or otherwise when so demanded by us.

The Supplier shall be held to exonerate us from and to indemnify us for any claims and damages in connection with the goods delivered, resulting from disputes regarding infringements upon industrial property rights, copy rights etc. and he shall guarantee us the unrestricted use of goods delivered

Inventions, improvements as well as products, which have been produced according to our specifications belong to us exclusively and the supplier shall not use them herself/himself, nor offer or deliver them to third parties. Other than the agreed upon price no payment shall be effected therefore.

The supplier shall keep strictly confidential all information and documents which are given to her/him or with which she/he became acquainted with during the course of the fulfilment of an order, unless she/he has been released from this obligation in writing. The supplier shall use the disclosed information and documents exclusively for the placing of an offer and the fulfilment of the respective contract. All persons the supplier draws on for the fulfilment of the

respective contract shall be bound by this confidentially clause as well. Order documents shall be returned to us immediately, if so requested by us or uncalled with the offer, respectively after the fulfilment of the contract. The bidding includes the supplier's consent that all documents, samples, etc. for the technical verification are handed over to us without any claims by the supplier. Documents will not be returned. The composition of cost estimates, offers, plans, etc. is free of charge.

The supplier shall only advertise her/his business relationship to us after having received our written consent.

INSPECTION/INTELLECTUAL PROPERTY RIGHTS

Depending on the contractual object we are entitled to inspection and ongoing examination of the production, respectively to the rejection of defective parts during production.

Subcontractors, if any shall be announced to us. . We have no contractual relationship with such Subcontractors and Supplier is responsible and liable for selection and (any) default of his Subcontractors.

The supplier grants us a non-paid, transferable and indefinite right of use for all know-how capable of being protected, inventions as well as all other intellectual property rights, which are connected to the contractual object, embodied within or which come to existence through development measures during the contractual relation. The supplier shall ensure within its organisation that she/he can comply with this obligation.

The supplier is aware, that our products are being used worldwide. The supplier undertakes to immediately inform us about any use of publicised or non-publicised, own or licensed protection rights and protection right filings concerning the contractual goods.

The supplier warrants, that no third party protection rights conflict with the contractually agreed upon use of the goods, otherwise the supplier shall exempt us from all out of court and court claims by third parties including the herewith connected costs.

PACKING

Supplier shall be responsible for all costs, damages etc. arising due to instructions by us having been disregarded. . Packaging and respective documents shall show our order-number.

Unless otherwise agreed upon in writing the goods shall be packed in customary, appropriate and flawless packaging, so that particularly all applying legal provisions are complied with, wherefore the supplier assumes all liability. Packaging is included in the price. All package items shall be transferred to our ownership without further written agreement.

The supplier undertakes to transmit all necessary information concerning the packaging within 7 days after being so requested by us, so that a professional disposal is ensured. This without prejudice to our right to return the packaging items to the supplier at supplier's risk and expense.

Unless otherwise agreed upon in writing place of performance for delivery and place of transfer perils shall be the plant SCHOELLER BLECKMANN OILFIELD TECHNOLOGY, Ternitz , Hauptstraße 2, 2630 Ternitz

OPENING HOURS FOR DELIVERY MO – FR:07.30 – 13.00 Uhr

MISCELLANEOUS

Any assignment of claims shall require our written agreement in order to be effective.

The supplier waives his right to the stipulation of retention of title in regard to the goods or parts thereof. The acceptance of goods delivered under retention of title as well as the signing of invoices or shipping notes containing a retention of title clause has no explanatory value whatsoever in this regard and all deliveries shall be effected without being subject to retention of title

The avoidance or adaptation of contract by the supplier owing to mistake or laesio enormis shall be excluded.

If individual terms of these GCP are or become ineffective and/or void, either as a whole or in part, this fact shall have no effect on the validity of the remainder of these GCP. The Supplier agrees that we shall replace the ineffective/void

term by one which serves the purpose of the contract as closely as possible. The same applies for any non-intended loopholes.

Only written changes and amendments to these GCP are valid.

Force majeure

In case of force majeure, labour disputes, business disruptions not caused by us, unrests, official measures and any other inevitable events, irrespective of concerning us or our client, we are entitled – without prejudice to further rights and claims – to terminate the contract completely or in part, as far as a these circumstances effect a considerable reduction in our demand and are not just short-lived.