

General Terms and Conditions of Purchase

These General terms and Conditions of Purchase shall cover all terms and conditions of purchasing of goods and services of all companies of Messer Group in Bosnia and Herzegovina (Messer Tehnoplina Ltd., Messer BH Gas doo, Messer Mostar Plin Ltd and Plin Sarajevo Inc.), hereinafter: Purchaser. Goods and services in accordance with these General terms and Conditions are all goods and services (hereinafter referred to as "goods and services" or only "goods"), which Purchaser purchases from third parties, hereinafter: Supplier.

1. Offer

- a) The Supplier shall adhere exactly to the request of the purchaser; the Supplier shall indicate explicitly possible deviations.
- b) Offers from Suppliers are considered to be binding. They must be drawn up completely and thoroughly.

2. Order

- a) Only written orders are valid. Requests given in other form only become valid by written order. Every order has to be confirmed immediately by the Supplier by using the form attached to the order. Additional arrangements only become valid if they are confirmed by the purchaser in written form.
- b) The terms and conditions of the Supplier are only accepted, as long as they do not contradict these terms for purchasing or restrict or eliminate legal rights of the purchaser. This is also effective if the purchaser does not disagree to other conditions or accept the consignment without opposition. The execution of the order is regarded as an acceptance of these terms for purchasing by the Supplier.
- c) The Supplier is responsible in favor of the purchaser for the adherence to the obligation resulting from the contract including responsibility for the sub-contractors as well as for own defaults.
- d) If the Supplier has not confirmed the order within 10 days after its receipt in writing, we have the right to revoke the order without any disadvantages for us.
- e) These terms for purchasing also apply to business transactions with the Supplier in the future.

3. Delivery time

- a) The delivery date referred to in the order is binding. The receipt of the consignment at the destination stated by us is relevant for the adherence of the delivery date.
- b) If the Supplier can expect that delivery within the time limit is not possible completely or partially it is his obligation to immediately communicate the delay in written form by declaring the reasons and the estimated duration of delay. The rights of the purchaser will thereby stay unchanged.
- c) If the Supplier does not fulfill the obligations in the delivery period agreed upon he is liable in favor of the purchaser according to the legal requirements.
- d) In case of delay in delivery we are entitled to demand a penalty of 1% of the order value for each commenced week, but only a maximum of 10% of the order value. All further statutory rights are reserved. The penalty will be credited against any compensation for damages. The Purchaser shall be obliged to declare the reservation of the contract penalty on payment of the first invoice which follows to the delayed delivery the latest.
- e) In case of delivery earlier than agreed we reserve our right to return the consignment at Supplier's expenses. If in case of earlier delivery than agreed a re-consignment does not take place we will store the consignment at Supplier's risk and expenses. In case of earlier delivery the due date does not change.
- f) Partial deliveries are only accepted after explicit written agreements. In case of such partial deliveries the remaining quantity has to be listed in the delivery receipt.
- g) The Supplier can only refer to the absence of documents to be provided by the purchaser if the Supplier sends a reminder in

written form before and has not immediately received the documents afterwards.

4. Acceptance

Delivery items which have to be installed in the purchaser's plant shall be accepted when installation has been carried out according to the contract and a test run has been completed successfully.

5. Warranty

- a) The Supplier guarantees that the delivery item shows no defects which impact its value, capability or condition agreed upon or guaranteed.
- b) The obligation of examination and notice of defects starts in all cases -no matter if the consignment devolved to the purchaser's ownership before or has been delivered to the shipper, freight carrier or other agent- only at the time when the consignment has been received at the receiving centre stated in the order. From that time on the period for the notification of defects is extended up to one month (thirty days). The exception is in the case of hidden defects.
- c) Supplier shall be liable for all defects according to the delivery item which occur within the agreed warranty period. If the delivery item, purchase order or contract does not provide a longer period, the warranty period is 24 months from the date of delivery to the Purchaser. The Supplier is obliged to remedy the identified defects no later than thirty (30) days accounting from the day of the received notice from the Purchaser, or to execute the replacement of the product in the case of no possibility for eliminating the deficiency. The Purchaser can also request removal of defects or delivery of goods being free of defects, as well as in the event of the defined deadline expiration, if that request is in accordance with the applicable law. In urgent cases or if rectification of defects or replacement free of defects by the supplier is delayed the purchaser is allowed – at supplier's expense – to either remedy deficiencies himself or buy goods free of defects from another supplier - at supplier's expense. Supplier shall be liable to Purchaser for all damage and loss of profit, which occurred due to the reasons mentioned in this article.
- d) The demounting, remedy and re-delivery of the rejected goods takes place at supplier's risk and expense. Replacements have to be delivered and installed at supplier's risk and free place of use. For replaced or repaired delivery items a new warranty starts according to Article 5. point c) of these General Terms and Conditions of Purchase.
- e) The Supplier is responsible for not violating any right of third parties and indemnifies us from any possible claim of third parties.
- f) Unless otherwise expressly stated in these general conditions the Supplier shall be liable according to the law for all delivered goods and services.

6. Limitation Period

If the purchaser has indicated a defect to the supplier within the warranty period in written form the warranty claim of the purchaser named under Article 5 prescribes 24 months after dispatch of the notice of defect.

7. Accident Prevention

The supplier undertakes to execute the order taking into account all appropriate safety and accident prevention regulations and to also deliver the necessary safety arrangements. Beside the mentioned instructions the special instructions issued by us or our Purchaser have to be considered during an installation. The supplier is obliged to ask for the existence and content of such instructions before installation. If potentially necessary protective devices are not included in the total price of the order this has to be pointed out particularly to the purchaser.

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8. Trademark Right

Irrespective of regulations Article 5 and 6 the Supplier shall be liable for not infringing patents, copyrights or trademark rights of third parties neither inland nor abroad by the delivery.

9. Invoice and Payment

Invoices shall not be attached to the consignment, but have to be sent by post with an indication of the order number, except in cases where is a legal obligation to send invoices together with goods. The Purchaser is obligated to pay delivered goods and provided services within sixty (60) days, unless expressly agreed longer payment period. In exceptional cases of advanced payments on the account of the Supplier, the Supplier is obliged to provide an unconditional bank guarantee for good performance and delivery orders, on the entire amount of the advance payment. Because of organizational reasons payments of the Purchaser always take place without examination of the rendered services of the supplier. Payments are not to be regarded as acknowledgements and do not include the declaration that the consignments are contractually accepted.

Assignments of receivables from the Purchaser to third parties can only be made by the purchaser's written agreement, except in cases where it is not permitted by law.

10. Documents

a) The supplier is obliged to provide the purchaser –by request – with plans, execution charts, authorizations etc. relating to the delivery item for the purchaser's access and acceptance and to abandon these in the requested quantity after verification by the purchaser. By request the supplier has to deliver to the purchaser also spare part graphs for the essential spare parts with sufficient information for the purchaser to order replacement parts.

b) Documents, models, forms and tools of the purchaser – even though they have been manufactured by the supplier for account of the purchaser – become respectively stay the exclusive possession of the purchaser and have to be given back to the purchaser unasked in a useable condition together with the outstanding delivery the latest. A right of retention of the supplier of the mentioned items is excluded. The items are not allowed to be made accessible for third parties, to be used by the supplier for the purposes of third parties or own purposes and to be used for commercial purposes.

c) In terms of this rule third parties are also all companies, which sell the products of the purchaser. These rules also apply to products, models and documents, which have been produced in corporate work of purchaser and supplier or have been changed at the suggestion or by collaboration of the supplier.

d) Supplier and purchaser are liable to one another for all damages which accrue from the infringement of one of the above mentioned rights.

11. Dispatch

a) The delivery item has to be dispatched packed and exempt from charges to the receiving centre appointed by the purchaser.

b) Supplier has to declare reference no., order no. and purchase order date as well as the receiving centre on the transport documents (consignment note, dispatch form, bill of lading etc.). The delivery address indicated by the purchaser has to be strictly observed.

c) In case of piece goods, parcels and postal items as well as collective delivery every unit has to be tagged with labels or tickets on which reference no., order no. and purchase order date as well as the receiving centre have to be indicated. In case of compact wagon loads due to a single order a label on the wagon is sufficient.

d) A delivery note indicating the delivery no. has to be attached to every particular consignment. Every order has to be listed separately in the shipping documents.

e) The risk of delivery to the Purchaser receiving centre, shall be covered by the Supplier.

f) Delayed outstanding delivery has to take place carriage free and exempt from charges for the purchaser. Additional freight costs which have to be expended for using faster means of transport in order to shorten the delay of the supplier are entirely for the account of the supplier.

g) Supplier shall be liable to Purchaser for all damage and loss of profit, which occurred in case of delay of delivery. Regardless of said above, the Supplier is obliged to pay a penalty of 1% of the order value for each week of delay, but maximum up to 10%, or that amount will be deducted when paying invoices.

12. Other provisions

If one provision of these conditions for purchasing or the supply agreement should be or become ineffective the parties shall agree – without affecting the validity of the terms and conditions in other respects – upon a provision to replace the ineffective provision that reflects as closely as possible the economic intent of the previous provision.

The Supplier must adhere to the UN Global Compact principles which, as a key component of our Messer Code of Conduct, form the commercial basis of our activities. The supplier must demand, in an appropriate manner, that his own suppliers likewise adhere to them. Should the Supplier commit a serious breach of these respective principles, Purchaser may terminate the Contract without notice.

13. Jurisdiction and Law

The place of jurisdiction shall be the court in Sarajevo. The contractual relationship is governed by the laws of the Bosnia and Herzegovina.