

## General Conditions of Sales and Supply

### 1. § Scope of validity

Our supplies and services shall be performed according to these conditions only. No other condition set out by the Customer shall be valid even if we have knowledge thereof and perform the supply without reservation. Our "General Conditions of Sales and Supply" shall apply also to all future transactions with the Customer of the present business relationship.

### 2. § Offer and signing a contract

(1) Our offers are without engagement and non-binding. This also applies, when we have transferred to the Customer catalogues, technical documentation and further product descriptions or documents - also in electronic form - for which we reserve our ownership and copyright.

(2) Ordering the goods shall be considered as a binding contractual offer by the Customer and shall not be effective unless we have confirmed it in writing. All arrangements, finalised either verbally or by phone, are subject to a confirmation in writing.

(3) All amendments to or changes in any agreement reached, including these General Conditions of Sales and Supply (GCSS) become effective, when confirmed in writing. For observing the written form, a telecommunicative transmission is sufficient, particularly by fax or via e-mail, as far as a copy of the signed declaration is forwarded.

### 3. § Prices and payment terms

(1) Our prices are calculated Ex Works (EXW Incoterms 2010) plus respective legally effective VAT.

Each price shall be valid for the scope of performance and scope of delivery set out in the order confirmations. Each extra and special performance shall be charged separately. Each price is to be understood in EUR, on Ex Works (EXW Incoterms 2010) shipping conditions plus packaging, VAT being currently effective - and for export deliveries, customs duty - and rates and taxes.

(2) Should the costs concerning the mandate change significantly after signing the Contract, the Contracting parties shall agree upon relevant adjustments.

(3) The purchase price shall be due within a period of 30 days upon delivery. After the expiry of the above payment term, the Buyer shall be in delay. After the due date, an interest on arrears, amounting to 8% above the current annual basic interest rate, will be charged. In addition, a default lump sum of 40.00 EUR will also be claimed. Beyond that, we also reserve the right to claim further damages for delay.

#### 4. § Reserving the proprietary right

(1) All goods delivered shall remain our property (reserved goods) until all accounts receivable, particularly the current balance claims, to which we are entitled from the business relationship, are settled. This will also apply, when payments to specially designated claims are being settled. If the Customer falls behind schedule with payment, we are entitled to demand return of the goods delivered. All costs thereof shall be borne by the Customer.

(2) The withdrawal of goods resp. the reference to the retention of title should be considered as cancellation of the contract only if we declare it explicitly.

(3) The working or processing of goods supplied shall always be performed by the Customer for us. Should the reserved goods be processed or inseparably linked with any other objects, not belonging to us, then we will acquire associate property in the new item, at the ratio of invoice price of goods to the other processed or mixed objects, at the date of processing.

(4) Should our property right cease to exist due to linking or mixing, then the Customer already now transfers to us the property rights in the new entity or object he is entitled to, to the extent of the invoice value of the reserved goods and shall keep it free of charge for us. The associate property rights arising accordingly, shall be considered as reserved goods in the sense of Clause (1).

(5) The Customer shall be allowed to sell the reserved goods in usual course of business, under his normal business conditions only until he is not in delay, provided that any claim arising from a resale according to Clauses (6) and (7) will pass onto us. The Customer is not entitled for different provisions concerning the reserved goods.

(6) The Customer is assigning to us his claims arising from the sale of reserved goods already now. They serve, to the same extent as security, as the reserved goods.

(7) Should the Customer sell the reserved goods together with other goods, not supplied by us, the assignment of claims, arising from the sale, shall be valid to the extent of our invoice on the reserved goods sold. For the sale of any goods, for which we have an associate property right acc. to § 3, the assignment of claims shall be effective in the proportion of associate property right.

(8) The Customer shall have the right to collect any claim arising from sales acc. Clauses (6) and (7) until cancelled by us.

We will have the right of cancellation in cases, when the Customer is in delay, a petition on a bankruptcy procedure has been placed or payments have been suspended. In such cases, the Customer is obliged to notify us immediately of all assigned claims, including their debtors, and forward to us all data, required for the collection, issue all relevant documents and communicate the assignment to the debtors. The Customer is not be entitled to assign any claim without our prior consent.

(9) Should the total sum of existing collaterals exceed by a total of more than 20% the secured claims, we shall - at our discretion - free the collaterals.

(10) The Customer shall immediately notify us of a seizure or any other disadvantageous interference caused by a third party.

## 5. § Call-off supply contracts

If in the case of call-off supply contracts the call-off or adjustment is not made in time, after the failing of an extension of time set by us, we have the right to schedule and deliver the goods ourselves or to cancel the remaining part of the supply contract. After the failing of the time extension the risk will pass onto the Customer.

## 6. § Delivery and delivery time

(1) Unless otherwise agreed, we deliver acc. the term Ex Works (EXW Incoterms 2010).

(2) The delivery time will begin with our order confirmation, but not before every detail of performance thereof is made clear and all other preconditions to be facilitated by the Customer are met; the same shall apply to the delivery times.

Shipments before the delivery date and partial shipments are allowed, if they are not unreasonable for the Customer. As delivery date is considered the day on which the "readiness for dispatch" is advised, otherwise the day of dispatch. Unless otherwise agreed upon or if it cannot be concluded otherwise from the contractual relation, in every case the delivery time, mentioned by us, will not be binding.

(3) Should the Customer fail to fulfil his contractual obligations (advanced performance and deliveries) in due time, we are entitled to extend or postpone the deadlines for delivery and performance regardless of our rights arising from the delay of Customer.

(4) In case of a delay in acceptance or any other negligence of the obligation of Customer to co-operate, we shall be entitled to the compensation of any damage arising therefrom, including possible extra expenditures. In such case, the risk of incidental destruction or spoilage of the goods will pass onto the Customer at the date of delay on acceptance or of any other violation of obligations to co-operate.

## 7. § Vis Maior event

(1) Vis Maior events, labour disputes, lockouts and procedures of authorities will entitle us to extend the delivery date by the period of obstruction and, if necessary, with a proper rise time, or to cancel the Contract either in part or in full in respect of to the still unfulfilled part.

(2) Any unforeseeable circumstance, such as breakdown, scrap and post-working which makes it impossible for us to perform the delivery on time, despite reasonable endeavour, should be considered equal to Vis Maior case; the burden of proof shall be on us. This will also apply, when any of the aforementioned obstructions occurs during a delay or with a subcontractor.

## 8. § Test procedure, acceptance

(1) Should the Customer require us to perform the necessary tests, he has to inform us thereon. The way and scope of tests shall be agreed upon until signing the Contract.

(2) If quality acceptance is requested, the scope and conditions thereof shall be fixed until signing the Contract. The acceptance shall take place at the supplier's factory at the cost of the Customer immediately upon the advice of "readiness for acceptance". Should the acceptance not occur at all, or not in time or not completely, we will have the right to dispatch or store the goods at the risk and costs of the Customer. By this, the goods will be considered as accepted.

## 9. § Dimensions, weight and quantity figures

(1) Deviations in size, weight and quantity (approx. +/-10%) within customary tolerances, relevant to DIN rules and cast technology specifications, are allowed. Size and weight figures indicated in our offers and order confirmations shall not mean a guarantee for consistence.

(2) For the calculation, the shipping weight and quantity figures stated by us shall be referred to.

## 10. § Dispatch and transfer of risk of damage

(1) Unless otherwise agreed upon in writing, the delivery clause EXW Magyarmet Bicske (Incoterms 2010) shall apply. This will also apply, if we have committed ourselves to take over the organisation of transport.

(2) We will not cover the delivery with a shipping insurance unless expressly requested so by the Customer, all costs arising in connection herewith shall be borne by the Customer.

(3) The goods advised as ready for dispatch shall be taken over immediately, otherwise we will have the right, at our discretion, to dispatch them or to transfer them to stock at the risk of the Customer, at a cost usually used in shipping. A week after beginning the storage, the goods shall be considered as delivered.

(4) Unless separately instructed, the selection of transporting means and transport route will be at our discretion.

(5) At the date of handover to railway, forwarding company or freight carrier, or a week after beginning the storage, but when leaving the factory or the warehouse at the latest, the risk will pass onto the Customer, even if we have undertaken to organise the transportation.

(6) Should we deem it necessary, we will pack the goods at the cost of the Customer in a way as usual in commerce.

## 11. § Warranty and quality defects

(1) The warranty period shall be 6 months after acceptance or when the transfer of risk is otherwise specified in the Contract. This will not apply, if a longer period is set forth by law.

(2) We will guarantee for the flawless manufacture of the components supplied by us according to the provisions set forth in the technical delivery conditions agreed upon.

The Customer shall, in particular with regard to the envisaged purpose of use, be responsible for an appropriate construction, taking into consideration possible safety rules, raw material selection and required test procedure, the correctness and completeness of technical delivery specifications, technical documentation and drawings handed over to us and the completion of production equipment provided, even if we offer modifications, which meet his approval.

(3) Furthermore, the Customer shall be liable for non-violating intellectual property rights or any other rights of third parties on the basis of his data.

(4) We shall not be responsible for any minor deviation from the quality agreed upon, and for any insignificant disadvantageous affect on usability and for any defect, which has arisen from improper use, incorrect installation or commissioning and normal wear and tear.

(5) The objects delivered shall be examined carefully immediately upon delivery to Customer or to a third party appointed by him.

The Customer shall make a complaint concerning any possible quality defect and obvious deficiency immediately, upon arrival of the goods at the place of destination, but within 5 working days upon arrival there at the latest, and for any hidden deficiency immediately after detecting the defect, in writing.

(6) In case of a prearranged acceptance or in the case of initial sample testing according to §8, making a complaint concerning any deficiency, which could have been detected here, shall be excluded.

(7) In the case of a quality defect of the goods delivered, we shall be obliged and entitled, within a deadline set out by us, to perform a repair or a replacement delivery at our discretion. In case of a failure, that is, when the repair or replacement is impossible, or cannot be expected, or has been refused, or of a not proportionate delay thereof, the Customer may reduce the purchase price proportionately after it has been agreed in writing.

(8) Warranty shall not apply when the Customer modifies the subject of delivery or has it changed by a third party without our consent, and as a result thereof, it is impossible or unreasonably difficult to rectify the defect. In every case, any additional troubleshooting cost arising from such change shall be borne by the Customer.

## 12. § Product liability and disclaimer

(1) We do not assume no liability for any act and/or failure from the side of the Customer or a third party. In order to be able to enforce our liability, the one, who intends to pretend a claim against us, shall prove that:

- (a) we have failed to meet one or more of our obligations,
- (b) the damage was foreseeable or could be reckoned with at the date of signing the Contract and not simply a potential damage is concerned, and
- (c) there is a causal relation between the aforesaid infringement and the damage.

(2) We shall not be liable, by no means, for:

- (a) any damage to property and persons, and generally for any damage caused by a defective part in use, if the defect is attributable to the design of the part or the unit into which it has been built into, to any instruction issued by the Customer or to any work or modification that has been done on the component after delivery.
- (b) for any damage to property and persons, and generally for any damage caused by a defective part in use, if the Customer uses the given part without having performed or having had all checks and tests done thereon, which are required for the structure, the application and the desired result.
- (c) any direct and/or indirect consequential damage, including loss of turnover, loss of profit, loss of chances, commercial losses, decrease in income, etc.

## 13. § Order related manufacturing units and ingrained parts

(1) Order related manufacturing units, such as models, templates, core boxes, casting moulds, casting tools, mechanisms and control gauges, provided by the Customer, shall be sent to us free of charge. The manufacturing units, provided by the Customer, including contractual specifications and drawings or samples, delivered to us, will not be examined by us unless expressly agreed upon. We will be allowed to modify any manufacturing unit, provided by the Customer, if it seems to be necessary for technical reasons and does not cause change to the work piece.

(2) The Customer shall bear all costs of any modification, maintenance and replacement of his manufacturing units.

(3) We will handle and store any manufacturing unit with the same care as usually applied for our own matters. We may return, at the costs and risk of the Customer, any manufacturing unit of the Customer, not needed by us any longer, or we can destroy it, if the Customer fails to meet our request for collection thereof within a reasonable period of time.

(4) The proprietary right of any order related manufacturing unit, which we have manufactured or purchased upon an order from the Customer, will not pass on even if proportionate costs are charged. Should an industrial patent right exist for any manufacturing unit, the Customer shall inform us thereon. We will store the manufacturing units for a period of 3 years after the last casting operation.

(5) The Customer may raise claims, arising from copyright or intellectual property rights only if he has advised us of the existence of such rights and reserves them expressly.

(6) When a scrap is produced during the use of a single-use manufacturing unit, the Customer shall either provide for another manufacturing unit or bear the costs of a replacement.

(7) The Customer shall deliver all parts to be assembled by us with correct dimensions and in perfect condition. Parts being rejected during production shall be replaced by the Customer free of charge.

#### **14. § Property and secrecy**

(1) We reserve proprietary right or copyright for any offer and cost estimate issued by us, including any drawing, figure, calculation, leaflet, catalogue, model, tool and any other documentation and appliance supplied to the Customer.

The Customer is not entitled to make available the aforesaid items either as such or in regard to content to a third party, and shall not disclose it to them, and neither he, nor a third party shall not use and duplicate them, unless having our explicit consent thereto.

(2) He shall, if requested so by us, return these items completely and destroy any copy thereof that has eventually been made, if he does not need it any longer in normal business or if the negotiations have not led to signing a contract.

#### **15. § Final provisions**

(1) The place of performance of delivery of the goods shall be the registered place of business of company Magyarmet in Bicske, Hungary.

(2) For any dispute arising from any contract signed under these General Conditions of Sales and Supply, Bicskei Alsófokú Biróság (Bicske Járásbiróság) /Bicske District Court/ or Székesfehérvári Törvényszék /Székesfehérvár Tribunal/ - depending on the value disputed - shall have competence.

(3) The relevant Hungarian laws shall apply. International commercial law shall be excluded. This particularly applies to the United Nations Convention on Contracts for the International Sale of Goods (CISG), as well.

(4) The invalidity of any provision set out in these General Conditions of Sales and Supply shall be without prejudice to the validity of the rest of regulations. Any invalid provision shall be replaced with a valid regulation that would allow to realise the economic purpose of the omitted regulation in the best way.

#### 16. § Partnership clause

In the case of any additional payment, particularly in regard to the amount of compensation for damages, while acting in good faith, the economic circumstances of the contractual partners, the type, scope and duration of the business relation, as well as the value of goods shall be taken into consideration in an appropriate way.

