

General Conditions of Sales and Supply

1. § Scope of validity

Our supplies and performances 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 to all coming deals made with the Customer on the basis of the present business relationship.

2. § Offer and signing a contract

(1) Our offers shall be without any commitment and shall not be binding. This will also apply in the case where we have transferred to the Customer catalogues, documentations and other product descriptions or documents - even in electronic format - for which our proprietary right and copyright is reserved.

(2) Ordering the goods shall be considered as a binding contractual offer by the Customer and shall not be considered to be accepted unless we have confirmed it in writing. Each process made either verbally or by phone shall be confirmed in writing.

(3) No amendment to or change in any agreement concluded including these General Conditions of Sales and Supply (GCSS) shall become effective unless in writing. In order to maintain a written form, it will be sufficient to send it through telecommunications, particularly by fax or via e-mail when transmitting a copy of a signed declaration.

3. § Prices and payment terms

(1) Our prices are to be understood on Ex Works (EXW Incoterms 2010) shipping conditions including VAT being currently effective. 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 on delay. After the due date, a default interest amounting to 8% above the current annual basic interest rate shall be charged. In addition, a default flat charge of 40.00 EUR shall also be asserted. We also reserve the right to enforce a default damage exceeding it.

4. § Reserving the proprietary right

(1) All goods delivered shall remain our property (reserved goods) until all claims, particularly the current balance claims which are due to us from the business relationship are fulfilled. This also will apply when the payments are made to separately designated claims. As soon as the Customer is on delay with payment, we will have the right to demand issuance of the goods delivered. All costs thereof shall be borne by the Customer.

(2) No cancellation of the Contract in taking back the goods and asserting reservation of the proprietary right will exist unless we declare it strongly.

(3) The working or processing of goods supplied shall always be performed by the Customer for us. Should the reserved goods be processed or unseparately linked with any other object not belonging to us, we will acquire a joint property for the new item, in 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 any longer due to linking or mixing, the Customer will even now transfer to us all property rights due to him relevant to the new items or range to the extent of invoice value of the reserved goods and shall keep it free of charge for us. Any associate property right arising accordingly shall be considered as reserved goods under Paragraph (1).

(5) The Customer shall be allowed to sell the reserved goods in usual business turnover under his normal business conditions only until he is in delay provided that any claim arising from a resale according to Paragraphs 6) and 7) will pass onto us. The Customer shall have no right to make a different provision concerning the reserved goods.

(6) The Customer will assign to us any claim arising from the resale of reserved goods even now. They serve, to the same extent, for securing the reserved goods.

(7) Should the Customer sell the reserved goods with any other goods supplied by other than us, the assignment of any claim arising from resale shall be valid to the extent of our invoice for the reserved goods sold currently. For the sale of any goods for which we have an associate property right under Paragraph 3, the assignment of claim shall be effective in the proportion of associate property right.

(8) The Customer shall have the right to collect any claim arising from Paragraphs (6) and (7) until withdrawn by us. We will apply the right of withdrawal in a case where the Customer is on delay, or is under bankruptcy procedure or the stoppage of payment exists. In such cases, the Customer shall immediately notify us of any claim assigned including their debtors and supply to us all data required for the collection, issue all relevant documents and communicate the assignment to the debtors. The Customer shall not be entitled to assign any claim unless having our prior consent thereto only.

(9) Should the 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 situation caused by a third party.

5. § Supply contracts on the basis of drawdowns

In the case where for a supply contract based on drawdown, the drawdown or stoppage is not made in time, after setting out a failed deadline we will have the right to divide up and deliver the goods ourselves or to cancel the remaining part of the supply contract. After an unsuccessful additional deadline, the risk will pass onto the Customer.

6. § Delivery and delivery time

(1) Unless otherwise agreed upon, we will deliver under EX Works shipping conditions (EXW Incoterms 2010).

(2) Each delivery period will begin with our order confirmation but not before every detail of performance thereof is made clear and no other precondition to be met from the side of the Customer exists; the same shall apply to the delivery times. Shipments and partial shipments made before the delivery time are allowed if it can be expected from the Customer. The day of delivery is considered as the day on which the "ready for delivery" status is indicated, otherwise the day of sending out. Unless otherwise agreed upon or otherwise implied from the contractual legal relation, the delivery time given by us will, in every case, be not mandatory.

(3) Should the Customer fail to fulfil his contractual obligations to us (preliminary performance and deliveries) in due time, we can extend or postpone the deadlines for delivery and performance without prejudice to our rights arising from the delay of Customer.

(4) In case of a delay in acceptance or any other gross violation of obligation of Customer to participate, 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 participate.

7. § Vis Maior event

(1) Vis Maior cases such as violence, wage fights, blockades and measures by authority will entitle us to extend the delivery with the period of obstruction and a proper rise time, or to cancel the Contract either in part or in full due to the still unfulfilled part.

(2) Any unforeseeable condition such as breakdown, scrap and post-working which makes it impossible for us to perform the delivery on time despite the endeavour that can be expected is the same as a Vis Maior case; its burden of proof shall be on us. This will also hold true when any of the aforesaid obstructions occurs during a delay or with a subcontractor.

8. § Test procedure, acceptance

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

(2) If they request the acceptance, the scope and conditions thereof shall be fixed until signing the Contract. The acceptance shall be carried out at the supplier's factory at the cost of the Customer immediately upon reporting the "ready for acceptance" status. Should the acceptance be not made at all, or not in time or not completely, we will have the right to send 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 tolerances usual in commerce, within the framework of DIN rules and rules for casting technology are allowed. Size and weight figures indicated in our offers and order confirmations shall not mean a guarantee for quality.

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

10. § Dispatch and passing of risk of damage

- (1) Unless otherwise agreed upon in writing, the shipping clause EXW Magyarmet Bicske (Incoterms 2010) shall also apply. This will also apply if we have committed to take over organization of transport.
- (2) We will not cover the delivery with a shipping insurance unless expressly requested so by the Customer, and all costs arising in connection therewith shall be borne by the Customer.
- (3) The goods reported to be ready for sending out shall be taken over immediately, otherwise we will have the right at our discretion to dispatch it or to put it into storage at the risk of the Customer and 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, shipping company or forwarder, 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 perform the transportation.
- (6) Should we deem it necessary, we will package the goods at the cost of the Customer in a way as usual in commerce.

11. § Warranty and quantity defect

- (1) The warranty period shall be 6 months after acceptance or when the passing of risk is otherwise specified in the Contract. This will not apply when a longer deadline is set forth by law.
- (2) We will assume guarantee for the perfect manufacture of components supplied by us according to the provisions set forth in technical delivery conditions agreed upon. The Customer shall, in particular with regard to the envisaged purpose of use, be responsible for a workmanlike 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 supplied to us and the design of manufacturing units provided even if we offer modifications to which he gives an approval.
- (3) Furthermore, the Customer shall assume guarantee to ensure that no patent right or any other right of a third party is violated 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 deficiency that has arisen from improper use, improper installation or commissioning and normal wear.
- (5) The objects delivered shall be immediately examined carefully 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 5 working days upon arrival there at the latest, and for any hidden defect, immediately after detecting the defect, in writing.
- (6) In case of an acceptance as agreed upon or in the case of testing the first sample according to Paragraph 8, making a complaint concerning any deficiency which could have been stated 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 refused, or a not proportionate delay thereof, the Customer may reduce the purchase price proportionately after agreed thereupon in writing.

(8) Warranty shall not apply when the Customer changes or have the subject of delivery changed by a third party without our consent thereto and as a result thereof, it is impossible or difficult to an extent that cannot be expected to rectify 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 shall not assume any 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 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 tangible and personal damage, and generally for any damage caused by a defective part in use if the defect is attributable to the structure of the part or the unit into which it has been built into, or to any instruction issued by the Customer or to any work or modification that has been done on the component after dispatch.

(b) for any tangible and personal damage 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 tests done thereon which is needed by the mechanism, the application and the result wished to achieve.

(c) any direct and/or indirect incidental damage including loss of turnover, loss of profit, loss of chances, commercial losses, decrease in income, etc.

13. § Manufacturing units and parts to be cast, concerning the purchase order

(1) Any manufacturing unit relevant to the purchase order such as models, templates, core boxes, casting moulds, casting tools, mechanisms and checking gauges that are 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 thereupon. 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 the work piece to change as a result thereof.

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

(3) We will handle and keep any manufacturing unit with the same care as we do for our own items. We can return, at the costs and risk of the Customer, any manufacturing unit of the Customer, not needed for us any longer, or we can destroy it if the Customer fails to meet our reminder for removal thereof within a reasonable time limit.

(4) The proprietary right of any manufacturing unit relevant to the purchase order 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. The manufacturing units shall be kept for a period of 3 years after the last casting operation.

(5) The Customer only may enforce any claim arising from copyright or industrial patent right to such an extent as he points out the existence of such right to us 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 a manufacturing unit again or bear all costs of a replacement unit.

(7) The Customer shall deliver all parts to be installed by us in proper dimensional and perfect condition. In order to replace any part that has become unusable due to producing a scrap, a replacement part shall be supplied 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 aid supplied to the Customer. The Customer shall not 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 he or a third party shall not use and duplicate them, unless having our strong 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 site of performance of delivery of the goods shall be the registered center 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 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 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 lost regulation the best.

16. § Partnership clause

For any additional payment, particularly in regard to the size of compensation for damage, the economic interests of contractual partner according to mutual confidence, the type, scope and duration of business relation and the value of goods shall be taken into consideration in an appropriate way.