

GENERAL TERMS AND CONDITIONS OF SALES AND DELIVERY

I. Contractual basis

1. The General Terms and Conditions of Sales and Delivery apply to all business partners to whom MEVACO Kft (hereinafter: Supplier) sells products or goods, or renders related services to, and with whom it thus establishes a business relationship (hereinafter: Purchaser). Establishment of the business relationship consists of the following steps: the Supplier confirms the order of the Purchaser. In case the confirmation does not differ from the order, the Supplier shall deem the Agreement as being duly established. In case the confirmation differs from the order, and the Purchaser does not within 48 hours from receipt of the confirmation dispose otherwise in writing, the Agreement is deemed to be duly established with the contents of the Supplier's confirmation.

2. The offers of the Supplier become binding upon due establishment of the Agreement. Agreements and amendments thereto only become binding upon receipt of the related written confirmation.

3. The drawings, sketches, specifications and other documentations prepared by the Supplier form the technical basis of the Agreement; to the raw materials the customary raw material norms, terms and DIN tolerances apply. Orders differing from the characteristics specified in the DIN standard need to be agreed upon separately (e.g. weight). To deviations in the nominal measures the standards of the rolling mills and other suppliers, respectively, apply. For construction of the ordered perforated plates, the regulations of DIN standard No. 24041 apply regarding manufactured size tolerance, hole size tolerance and edge size tolerance. As for those plates, in case of which a non-perforated edge is compulsory, deviations with regard to the tools and equipment on hand are permitted. The differences shall be distributed evenly to the sides of the plates to the extent possible. The Supplier shall not ensure specific surface conditions and degreasing. These may be subject to separate agreements.

II. Purchase price and terms and conditions of payment

1. According to the present Terms and Conditions, the prices set in the order and/ or in the confirmation do not include VAT as due at the date of delivery. Costs of delivery and insurance shall be borne as agreed upon.

2. In case of significant modification of the cost factors (e.g. change of the raw material prices) the Supplier may adjust its prices accordingly.

3. The Purchaser has no right of retention whatsoever regarding the purchase price and is further not entitled to impute or discount on basis of counterclaims against the Supplier.

4. The purchase price has to be paid as stipulated without deduction. In case of delay in payment, interests amounting to twice of the National Bank's actual prime rate fall due.

5. The Purchaser may withdraw from the Agreement after its establishment on the following conditions:

- Prior to production start – the Purchaser has to reimburse the costs that emerged during the prearrangements
- Subsequent to production start – the Purchaser has to reimburse the production costs as well as 50 % of the purchase price of the ordered products.

III. Terms of delivery

1. The Supplier undertakes to keep the delivery deadlines as set forth in the Agreement. This regulation shall only apply in case all technical and business matters have been cleared. The delivery deadlines are to be considered as kept in case the goods to be delivered arrive at the customer site or a point of delivery operated by a third party upon the expiration of the delivery deadlines communicated in the order confirmation and dependent on the term of delivery set forth in the order confirmation.

2. The delivery deadlines may only be exceeded out of reasons attributable to a vis maior. Apart from the applying legal provisions, the following are to be deemed vis maior in the context of the Agreement: labor law disputes, strikes, mobilization of the armed forces, a confiscation, boycotts, an embargo, a foreign exchange transfer prohibition, rebellion, an epidemic disease, missing means of transport, general lack of raw material and aids, restrictions on energy consumption, war, danger of war, civil war, armed uprising, fire, elemental damages, in case these affect the Supplier, further any interruption of the business activities of the Supplier or the supplier of the Supplier, moreover delay in delivery of the materials, raw materials, supplementary and basic materials ordered by the Supplier, in case the delay is attributable to one of the above reasons. When the subject matter of the Agreement is changed, the delivery deadlines change as well.

3. Observance of the delivery deadlines implies that the Purchaser fulfills its duties under the Agreement.

4. The Supplier shall store the products two weeks free of charge subsequent to the completion report. In case the Purchaser does not transport the products subsequent to receipt of the notification, 0, 5 % of the purchase price of the products shall be charged per day.

5. With regard to the characteristics of the products manufactured and distributed by the Supplier, partial delivery of the products is licit; these partial deliveries shall be accepted by and based on the invoiced counter value, paid for by the Purchaser. In case release orders of the partial deliveries are not in accordance with the Agreement, the Supplier may invoice the counter value of the due quantity, and may, after two weeks simultaneously invoice to the Purchaser the processed as well as the unprocessed materials at the counter value as determined in the Agreement, but at least at the value of the costs of the Supplier. In case the counter value of the partial performance is unpaid, the Supplier may refuse further deliveries until the payment is effected.

6. With regard to the character of the delivered products, in case of individual manufacture the delivery is to be deemed as due, if the difference in quantity does not exceed $\pm 0\%$ in case of an ordered quantity of 1 – 20 pieces, $\pm 5\%$ in case of 21 – 100 pieces, $\pm 3\%$ in case of 101 – 500 pieces, $\pm 2\%$ in case of 501 – 1000 pieces, 1,5 % in case of 1001 pieces. On specific demand of the Purchaser, the Supplier shall undertake to deliver the exact quantity of products ordered.

IV. Delivery to the Purchaser; risk assumption

1. Place of delivery, unless stipulated otherwise, is the site of the Supplier; costs and risks of transport are to be borne by the Purchaser. Transfer of liability for the risks of transport to the Purchaser, in case not stipulated otherwise, is effected upon delivery to the Purchaser or to the carrier as appointed by the Purchaser, but the latest upon delivery from the site, irrespective of the fact whether the transport

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is effected with the Purchaser's own means of transport, or whether a carrier is assigned for the transport.

2. The Purchaser shall ensure appropriate conditions for loading as well as immediate unloading. In case of noncompliance with this stipulation all excess cost are to be borne by the Purchaser.

3. The Supplier is entitled to invoice the counter value of the products, even in case the Purchaser does not comply with its duties of acceptance or transport. In that case, the Supplier shall, by simultaneously notifying the Purchaser, take the products in its custody, the costs of which, along with the costs of transport, are to be borne by the Purchaser. The Supplier is entitled to sell the products as stipulated in this Item. The Supplier is not obliged to keep products, which have not been accepted or forwarded, in its custody for a period exceeding 30 days. The Supplier may, after exceeding of this deadline, subsequent to notification of the Purchaser, sell the products. In case the Purchaser can only sell the products on conditions that are worse than the ones stipulated in the Agreement, the Purchaser shall reimburse the Supplier's damages resulting thereof (security sales).

V. Retention of property rights

1. Transfer of the property rights to the Purchaser is effected upon delivery to the Purchaser and receipt of the complete counter value by the Supplier, and further, if the Purchaser has fulfilled all of its obligations under the Agreement.

2. Notwithstanding the retention of property rights by the Supplier as specified in Item V/1., the Purchaser is entitled to use the products in course of its usual business operations. The Purchaser is not entitled to transfer the property rights related to the products to third Parties, or to encumber the products as a guarantee to third Parties. The Purchaser undertakes to store and guard the products in such a manner so that it is obvious to third Parties that the products form property of the Supplier.

3. In case the Purchaser does not fulfill any of its other significant obligations, due to which the Supplier is entitled to withdraw from the Agreement, the Purchaser shall, after receipt of the notification on withdrawal, return the products to the Supplier.

4. In case the Purchaser has resold the products to a third party, or else, the goods, to which the products have been processed or into which they have been incorporated, the Purchaser is obliged to assign its claims against the third party to the Supplier, at least in the amount of its obligations towards the Supplier.

5. Unless stipulated otherwise, the calculations, drawings, other documentation, the tools necessary for fulfillment of the assignment, as well as the equipment, are the property of the Supplier and are the intellectual products of the Supplier, respectively. The Purchaser is not entitled to use these for its own operation, and may not transfer them to third Parties either. Claims for damages as well as further liability may be based on a breach to these stipulations.

VI. Warranty

1. The signature of the Purchaser or its assignee on the waybill, invoice or transport documents acknowledges quantitative receipt of the products. A quantitative complaint may only be reported within three days subsequent to receipt at the latest. The Purchaser can evaluate quantitative problems only in case the Purchaser has kept

and is able to present the whole amount of the delivered products in its state of delivery.

2. The place of qualitative receipt is the site of the Purchaser. A qualitative complaint may be reported within eight days from receipt in writing. To deficiencies noticed later no warranty applies.

3. The Supplier has to warrant that the products it delivered contain the characteristics determined in the Agreement. The warranty only applies to products not manufactured by the Supplier that are warranted by their supplier, and only in case this warranty is still effective towards the Supplier.

4. In case the complaint is deemed to be justified, the Purchaser shall, in the first instance, repair or replace the product, or, alternatively, repair the deficiencies by price reduction or withdrawal from the Agreement. In case of replacement and withdrawal the product complained about shall be the property of the Supplier.

5. In case the Supplier does not fulfill its warranty obligations, the Purchaser is entitled to withdraw from the Agreement after expiry of a period jointly established (but at least 10 working days).

6. The Purchaser shall not warrant for those products that are subject to premature wearing out due to their material quality or their usage; the Purchaser shall further not warrant for deficiencies or damages, that are due to unprofessional storage, usage, natural wear-out, deficient or unprofessional handling, excess usage, unfit work equipment, deficient construction, or impacts originating in the temperature, or the weather, or else impacts of chemical or natural origin.

7. The warranty period lasts 6 months, and starts upon transfer of risks. In case of additional delivery a new warranty term starts. Subsequent repair works have no effect on the initial warranty period.

8. The warranty rights may not be enforced in case the Purchaser conducts repair works on the product without prior written consent of the Supplier.

VII. Applicable law, prevailing language version

1. To rights and obligations not specified in this Agreement the provisions of the Hungarian Civil Code apply (Act IV. from the year 1959, as amended). The Parties undertake to try amicable settlement of all disputes arising from this Agreement and only initiate court proceedings in case amicable settlement failed. The Parties submit to the exclusive jurisdiction of the Szekszárd City Court and the Tolna Municipality Court, respectively, depending on their scope of competence.

2. In case the Agreement has been established in more than one language, all language versions are valid, but in the event that interpretative questions arise, the Hungarian/ German / English version shall prevail.