
GENERAL TERMS AND CONDITIONS 2/1 pages

T-WEB-ASZ-EN

(2013.06.30)

1. Contractual relationships, procedure

1.1. Deliveries and executions are solely proceeded with our conditions specified hereunder (consequently the Purchaser's supply conditions are hereby excluded).

1.2. **Inquiry:** An oral or written inquiry with parameters and definition of deadlines of the Purchaser which refers to production or service from the Supplier's side.

1.3. **Offer:** A written offer from the Supplier with reference number, parameters and definition of deadlines are based on parameters stated in the inquiry and agreed afore with the Purchaser. In the Offer comes under definition the price of the product or the contractor's fee with the way and date of payment. In the Offer comes also under definition the date and place when and where the ready-made product will be handed over to the Purchaser. In case the base material is provided by the Purchaser means the Purchaser should fix the date and place where he hands over the base material for the Supplier. The Supplier gives validity to his Offer and also gives all the costs arising for the Purchaser in the course of execution as per his Order. The Supplier's Offer with e-signature is not accepted.

1.4. The Supplier's Offers are submitted to the Purchaser without obligation.

1.5. **Purchase Order:** A written document sent by the Purchaser to the Supplier within his Offer's validity duration referring to Supplier's reference number and being with the same content and conditions stated in the Supplier's Offer before. The Purchaser's Order with e-signature is not accepted.

1.5. **Confirmation of Order:** A written document of the Supplier recording therein the commercial and technical conditions of the production and service ordered by the Purchaser. In the Confirmation of Order there are recorded all the storage costs which can be endorsed to the Purchaser in case of his delayed receipt as per the ready-made product of the Supplier. In the Confirmation of Order there is recorded the rate of default interest which can be endorsed to the Purchaser in case of his delayed payment. In the Confirmation of Order there are recorded the rate of penalty and the date of reckoning which can be endorsed to the Supplier in case of his delayed execution. The Confirmation of Order with e-signature is not accepted.

1.6. **Confirmation of Order:** A written document of the Supplier recording therein the commercial and technical conditions of the production and service ordered by the Purchaser. In the Confirmation of Order there are recorded all the storage costs which can be endorsed to the Purchaser in case of his delayed receipt as per the ready-made product of the Supplier. In the Confirmation of Order there is recorded the rate of default interest which can be endorsed to the Purchaser in case of his delayed payment. In the Confirmation of Order there are recorded the rate of penalty and the date of reckoning which can be endorsed to the Supplier in case of his delayed execution. The Confirmation of Order with e-signature is not accepted.

1.7. **Recipients' declaration to the Confirmation of Order:** A written document which results the privity between the Supplier and the Purchaser only if the Purchaser sends it back without any modification to the Supplier with his authorized signature and stamp. In case the Purchaser does not send back the "Recipients' declaration to the Confirmation of Order" signed and stamped to the Supplier within 3 workdays means and results automatically that the Supplier's Confirmation of Order together with all its legal consequences are accepted by the Purchaser. In case the Purchaser sends back the "Recipients' declaration to the Confirmation of Order" to the Supplier with alterations results that privity will not come into effect between them and consequently a new inquiry should be placed by the Purchaser to the Supplier.

2. Contract price, compensation

2.1. The Purchaser is bound to pay for the service fee and the purchase price to the Supplier in the way and within the expiry date as stipulated in the Supplier's Confirmation of Order to the Purchaser.

2.2. For the service fee and purchase price the Supplier issues and hands over its invoice for the Purchaser under the current legal directions for payment. In case of advance payment the Supplier first sends his Proforma Invoice to the Purchaser and later will be issued the Supplier's Commercial Invoice for the service fee and purchase price to the Purchaser.

2.3. In case of any alterations or cancellation of the Purchase Order from the Purchaser's side in the course of production period results the Purchaser bears all the costs and replace all the losses of the Supplier arising from the above events.

2.4. In case of the Purchaser's overdue debt towards the Supplier there can be withheld any supply of any product or goods from the Supplier's side till the overall settlement of the Purchaser's outstanding overdue debt towards the Supplier.

2.5. For lack of any other agreement the Supplier can validate a default interest equal to the Hungarian National Bank's current doubled prime rate for his Hungarian Purchaser and a default interest equal to EURIBOR's current doubled prime rate for his foreign Purchaser for the overdue period and amount.

2.6. For lack of any other agreement the Purchaser is entitled to charge default interest in a rate of daily 0,2% but maximum 5% for the Supplier in case of his overdue execution.

3. Advice of readiness, acceptance of goods, enforcement of claim

3.1. In each case the Supplier advises the Purchaser - independently from what is recorded in the Confirmation of Order - per phone, fax, e-mail, mail per post about the readiness of his order. The Supplier's 'Advice of readiness' contains the exact time and place as per the acceptance of the goods.

3.2. In case the Purchaser sends his transportation facilities to the Supplier's premises without the Supplier's preliminary advice of readiness to him results that all the costs are arising from this situation should be born by the Purchaser and not by the Supplier.

3.3. Once the goods was taken over by the Purchaser or his authorized representative from the Supplier results the Supplier accepts no more responsibility for any damage can be arisen in the goods from that point.

3.4. In case the Purchaser does not take over his goods ordered in due time results the Supplier will take the goods in custody responsible and all the costs and fee arising from this custody should be born by the Purchaser. In case the Purchaser will not take the goods after 30 days the Supplier is entitled - upon sending his repeated written notice to the Purchaser - to invoice the Purchaser the goods together with all the costs arisen or the Supplier is entitled to sell the goods to a third party.

3.5. **Quantitative acceptance of goods.**

In case of transport performed by the Purchaser or his authorized transporter they are bound to check the goods received in the course of acceptance and also bound to give immediate notice about any eventual deviation in quantity they recognised still on the spot. The signature on the delivery note excludes any further quantitative claim from the Purchaser's side. The Purchaser is bound to draw up minutes about any quantitative deviation can be arisen in case of delivery by the Supplier. This minutes should be undersigned by the driver. For lack of the minutes the Supplier does not accept responsibility for any claim arisen from the quantitative deviation.

3.6. **Qualitative acceptance of goods.**

The Purchaser can take his notice in writing in connection with the quality of the goods ordered and delivered within 30 calendar days from the quantitative receipt of the goods. For any claim submitted by the Purchaser after the above mention 30 calendar days the Supplier does not accept responsibility. But there is an exception case which refers to the quality claim as per the surface of the products sandblasted by the Supplier where any eventual claim should be submitted by the Purchaser in writing within 3 workdays upon receipt of the quantitative acceptance of the goods.

3.7. **Settlement of claim.**

In case of **quantitative** claim accepted the Supplier makes up the shortage at his own charge.

In case of **qualitative** claim notified by the Purchaser the Supplier will investigate the claim in 3 workdays and considers the rightfulness of the claim and makes his proposal for the settlement of the rightful claim. In case of improvable defect the Purchaser can also repair - upon the Supplier's approval - the defect and thus the Supplier will replace the costs to the Purchaser. Costs of any repair without the Supplier's prior approval are charged for the Purchaser. Products which can not be repaired will be replaced by the Supplier at his own costs.

3.8. In case the Purchaser or a third party performed an unprofessional interference on the Supplier's product results that any request for warranty can not be enforced towards the Supplier from the Purchaser's side or from a third party's side.

3.9. In case of a claim which refers to a product understood as 'commercial' from the Supplier's point of view (a product which is not produced by the Supplier) the warranty liability can be validated to the tune of the warranty and against whom the commercial product delivered.

4. Production and delivery conditions

4.1. In case of production in jobwork - when the disk for heads is made of several pieces - the disk should be welded from pieces of sheets with the same thickness and material grade. The welding seam should be grounded planisphere in length of 450-450 mm inward from the disk's both edges on both sides. The height of the welding seam between the two 450-450 mm grindings should not be higher than max. 1,5 mm from the plain of the disk otherwise the welding seam in 100% length should be grounded planisphere on one side. When the heads are produced by cold-rolled technology (with machine BOLDRINI) means the welding-seams should be grounded in 100% length planisphere on both sides. The cut-ends of the disks should be burred. The scrap arisen from welding-defect is charged for the Purchaser. When the disks are not duly prepared for production the Supplier does not afford to take over them for work.

4.2. In case of production in jobwork the 12 pieces identity characters of the Supplier (e.g VR06-00500/1, etc) and also the charge number should be marked on each piece of sheet. In case of non-corrosive or laminated disks the "inward surface" should be definitely marked. Carrying the disks to the Supplier the marked surface should look downwards and the side with the welding-seam grounded planisphere should look upwards.



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4.3. The Supplier does accept the base materials delivered for production only together with the relating mill's test certificate. The Supplier's identity number (e.g. VR06-00500/1, etc) should be marked both on the mill's test certificate and on the delivery note. On the delivery note there should be definitely marked the real measures of the ready-made dishes and the real measures, thickness, pieces and the quality per standard of the sheets should also be marked thereon. In case of shortage in data supplying the Supplier will not start with production till the replacement of the missing data for him. For the respite that arising from this fact bears the Supplier no responsibility.

4.4. In case of materials delivered by the Purchaser the Supplier bears no responsibility for the quality defects arising from the base material itself or from the rolling activity of the base material or from scratching, impregnation or inclusion. In case of the material delivered to the Supplier the value of the impact test, the tensile strength and the yield point should be with minimum 20% above the allowed upper limit value of the standard related otherwise the Supplier will perform the production only at the Purchaser's costs and responsibility.

4.5. In case of either non-standardized dishes or dishes which are out of the Supplier's scope of production range there should be needed an extra preliminary agreement in connection with the real measures and material grades of the base materials are going to be delivered to the Supplier, with special regards to the products welded from several parts. For the loss arising from the absence of the above agreement the Supplier bears no any responsibility.

4.6. In case of heads hot pressed from stainless and high-alloyed materials the nominal diameters can be smaller with 12-14% due to the shrinkage of the material. At this case there should be needed an extra agreements between the Supplier and the Purchaser on the tolerances of the measures.

4.7. In case of products made by jobworks with base materials of aluminium and red brass the base materials should be delivered to the Supplier in annealed format. In case the base material is delivered in unannealed format to the Supplier results that the Supplier will not bear responsibility for any eventual damage or

loss arising during the production period. But in the frame of an extra agreement the Supplier ensures the possibility to execute the annealing.

5. Other conditions

5.1. The Purchaser acknowledges the evidence of the facts that the product he (the Purchaser) took over from the Supplier remains the property of the Supplier and he (the Purchaser) has no right neither to alienate nor to charge the product without the Supplier's definitive written contribution until the Purchaser pays-off the total countervalue of the product. In case the Purchaser does not pay-off totally the Supplier's invoice within 8 days reckoned from the date of the Supplier's first demand for payment the Supplier is entitled to deliver his product back. In case the Supplier's product has already been mounted in a Purchaser's product before the Purchaser pay-off the total countervalue of the Supplier's invoice results the Purchaser's product can be sold only with the Supplier's contribution.

5.2. When the Supplier executes the Purchaser's order with more calls for delivery and the Purchaser has overdue debt referring to the Supplier's former delivery results that the Supplier is not bound to execute the next due call for delivery to the Purchaser.

5.3. In case of either a Force majeure or a breakdown justifiably occurred at the Supplier or at his subcontractor the Supplier is entitled to modify the delivery time without arising any claim for damages or penalty or entitled to desist from the contract.

5.4. In case of legal dispute regarding the fulfillment the Parties try to conciliate in the way of negotiation. Failing the conciliation within 30 calendar days reckoned from its beginning the Parties stipulate the exclusive jurisdiction of the Court of Justice 'Pesti Központi Kerületi Bíróság' in Budapest but for lack of its competency the Parties also accept the Court of Justice ' Fővárosi Bíróság' in Budapest or the Arbitration Court acting nearby the Hungarian Chamber of Commerce in Budapest.

The above ' GENERAL TERMS AND CONDITIONS OF BUSINESS ' of TECHNOKOV Forging and Sheet Metal Pressing Co.Ltd. is valid from 1 July 2013 until recall.

Budapest, 2013. june 30.