

# General Terms and Conditions of Sales of HÜBNER-H Kft., Nyíregyháza

## I. Scope of Validity / Offers

1. These general terms and conditions of sales shall be valid exclusively for all present and future contracts and other commercial performances. The customer's terms and conditions are expressly refuted. Different terms and conditions shall neither be accepted by silence nor by acceptance of goods / performances.

2. Alterations or additions to these general terms and conditions of purchase and to orders based on these terms and conditions must be made in writing. This applies equally to a waiver of the written form requirement.

3. Hübner's offers are subject to change. Hübner's written order confirmation is decisive. Any documents submitted with the offer such as catalogs, prospectuses, illustrations, drawings and technical data contain only approximate statements and descriptions and do constitute neither any specifications of properties nor any guaranties as far as not explicitly stipulated otherwise.

4. Deviations of the goods / performances from offers, specimens, samples and prior deliveries are permitted pursuant to the respectively valid DIN standards or other usually applicable technical standards. Dimensions shall be determined according to the DIN standards. DIN ISO 3302 respectively DIN 16901 shall be – as far as applicable – the basis of each contract.

## II. Prices

1. Unless agreed otherwise, the prices are stated in EURO, generally EX WORKS Nyíregyháza in accordance with INCOTERMS 2010, and each plus VAT respectively.

2. The customer shall bear unforeseen extra expenses arising from carrying out the delivery and for which no price surcharges are agreed, unless Hübner is responsible for such circumstances.

3. If forecasted quantities (total amount or yearly quantity) on which the price calculation was based shall not be reached, Hübner shall be allowed to charge to the customer's account the not called delivery amounts at the end of the year or each delivery period considering saved expenses unless Hübner is responsible for not reaching the forecasted quantities.

4. If, as an exception, prices are agreed in a foreign currency, then the agreed price shall be based on the conversion rate of the EURO to the foreign currency in question quoted in Germany on the day on which the order is confirmed. If this rate changes prior to the payment due date, then either side may demand corresponding price adjustments.

## III. Payment

1. Payment must be made cash or via bank transfer within 14 days with 3% discount, within 30 days net, and in the case of deliveries to points outside Germany are payable within 21 days with 2% discount, within 60 days net, as from invoice date respectively. Any discount requires the full balancing of all due payables at the time of discounting. The invoice amount shall be available for Hübner at the due date latest.

2. Counterclaims that Hübner contests or which have not been established by declaratory judgment shall not entitle the customer to withholding or to setting off any amounts.

3. If circumstances become known to Hübner subsequent to the conclusion of contract that indicate a substantial deterioration in the customer's financial situation and that put our payment claims at risk, especially in case of the circumstances mentioned in section V/9, a reduction or cancellation of the customer's limit by the commercial credit insurer in the scope of Hübner's commercial credit insurance, Hübner shall be entitled to hold the customer as due to pay for all payables arising of the business relation, to ask for cash payment / bails, and to interdict to resale and processing of the Goods especially according to section V., or to ask for prepayment / other bails for outstanding deliveries/performances. If the customer shall default with payments Hübner shall be entitled to repossess delivered goods at the customer's expenses after setting an appropriate period of grace, to withdraw from the contract, and to ask for reimbursement of expenses and damages for delay amounting at least up to 8 percentage points above the prime lending rate. The customer can avert all these legal consequences by effecting payment or by providing bail.

## IV. Delivery periods / Force Majeure

1. The statement of a delivery period is not binding. A binding delivery period is only agreed if Hübner confirms it as such in writing.

2. Delivery periods, and especially binding delivery periods, begin with the date of Hübner's order confirmation but not, however, before receipt of the order and full technical clarification of the order and before an agreed on advance payment shall be credited. If subsequent alterations are requested by the customer, then delivery dates and delivery periods shall be prolonged to an appropriate extent as far as Hübner shall have accepted these alterations if necessary with adaptation of the conditions.

3. Delivery dates and delivery periods shall be prolonged to an appropriate extent in the case of force majeure events as measures within the context of labor disputes, especially strikes and lockouts, and in the occurrence of unforeseeable hindrances beyond Hübner's will, insofar as such hindrances exercise significant influence on the manufacture or delivery of the goods. This applies equally if the circumstances occur at sub-suppliers of Hübner. Hübner shall immediately notify the customer of such circumstances. If implementation of the contract becomes unreasonable for one of the parties, then the party in question may withdraw thus far from the contract.

4. The delivery periods shall be complied with if the goods are ready for dispatch and Hübner shall have given due notice hereof.

## V. Retention of title

1. All delivered goods remain Hübner's property (reserved goods) until all obligations from the business relationship are fulfilled, for whatever legal reason, including future or conditional claims.

2. Re-working and processing of the reserved goods shall be undertaken for Hübner as manufacturer in the meaning of sections 133-135 Hungarian Civil Code (Ptk) without obligating Hübner. The processed goods are considered as reserved goods in the meaning of section V/1. If the customer processes, combines and mixes the reserved goods with other goods, Hübner shall be entitled to co-ownership of the new goods in the

ratio of the invoice value of the reserved goods to the invoice value of the new goods. If Hübner's proprietary rights extinguish through combining or mixing, then the customer herewith assigns to Hübner the proprietary rights to the new stocks or goods to which he is entitled in the scope of the invoice value of the reserved goods and safekeeps said rights for Hübner free of charge. The co-ownership rights arising hereby shall be considered to be reserved goods in the meaning of section V/1.

3. The customer shall be allowed to sell the reserved goods in the course of usual business to customary conditions of business for as long as he is not delayed, and on condition that the claims from the reselling pursuant to sections V/4 to V/6 shall pass over to Hübner. The customer shall not be entitled to dispose of the reserved goods in any other way.

4. The claims of the customer from resale of the reserved goods are herewith assigned to Hübner. They serve as bail to the same extent as the reserved goods. If the customer sells the reserved goods together with goods not sold by Hübner, then the assignment of the claim from the reselling is only valid for the amount of the reselling value of the respectively sold reserved goods. If goods of which Hübner has co-ownership rights pursuant to section V/2 are resold, then the assignment of the claim shall be valid for the amount of these co-ownership shares.

5. The customer is entitled to collect receivable claims from the reselling until Hübner's revocation which may be exercised at any time. At Hübner's demand, the customer is obligated to immediately inform his customer of the assignment to Hübner and to give Hübner all the information and documents necessary for collection.

6. The customer is obliged to immediately notify Hübner of a distraint or other damnification through third parties.

7. If the value of existing bails exceeds the value of the secured receivable claims by more than 10 percent in total, Hübner shall be release bails of Hübner's choice at the request of the buyer.

8. The customer is obligated to issue all declarations, submit applications and recourse to other measures necessary and appropriate to secure Hübner's proprietary rights. Particularly in the case of orders from abroad, the foreign customer is obligated to cooperate in every respect and comply with the respective formal requirements in order to realize the reservation of proprietary rights or a corresponding collateralization (e.g. ordering a right of lien).

9. In case of cessation of payments, petition in or opening of bankruptcy proceeding, or out of court proceedings as well as in case of challenge of such proceedings due to lack of mass, the right to resale, disposal and mounting of the reserved goods, and the collection authorization of the respective claims shall cease. Hübner shall be entitled to retrieve the goods; if the customer has mixed the goods Hübner shall be entitled to selection by means of invoice documents in accordance with the customer; if the customer shall not cooperate, Hübner shall be entitled to selection on its own with the help of an expert.

## VI. Dispatch of deliveries / Transfer of hazard / Package

1. The hazard in all transactions shall transfer to the customer on handing over the goods to a forwarder or haulage contractor, but at the latest, however, on leaving Hübner's warehouse or – in the case of third party deals – the dispatching works.

2. Hübner shall decide the shipment route and means, as well as forwarder or haulage contractor, unless agreed otherwise in writing.

3. The goods will be delivered packed. Hübner shall invoice the packaging at cost as charged to Hübner; shuttle packaging must be returned to Hübner in a usable condition within an appropriate time and carriage-paid to Hübner's works.

4. Hübner shall be entitled to carry out partial deliveries to a reasonable extent. Excess and short deliveries of manufactured goods deviating by up to 5 percent from the agreed quantity are permissible.

5. In the case of call orders, Hübner shall be entitled to manufacture or have manufactured the order quantity for 6 months in a single closed batch. Any alterations can no longer be considered following issue of the order, unless expressly agreed otherwise. Unless firm agreements were concluded, call dates and quantities can only be complied with within the framework of Hübner's delivering or manufacturing possibilities. If the goods shall not be called in accordance with the order Hübner shall be entitled to bill the goods after a reasonable grace period.

## VII. Warranty and liability / Statute of Limitation

1. The customer shall be answerable for the correctness and completeness of any specifications and specified dimensions given to Hübner in order to carry out the order, and of other statements or requirements to fulfill Hübner's performance. Respective errors on the part of the customer cannot constitute any defaults in Hübner's performances.

2. The customer shall immediately inspect the delivery and report recognizable defects in writing immediately, at the latest within 10 days after performance. Defects that were not recognizable during the inspection must be reported in writing immediately, i.e. at the latest within 10 days following discovery. The afore mentioned periods will only apply insofar as the Convention on the Contract for the International Carriage of Goods by Road (CMR) does not indicate any shorter terms.

3. Hübner will remedy justifiably asserted defects in its performance by subsequent fulfillment as repair or delivery of a new good. If the subsequent fulfillment should fail within an appropriate period of grace set for this purpose, then the customer may withdraw from the contract or appropriately reduce the price/remuneration.

4. Warranty claims shall be statute barred 12 months following the transfer of hazard. This does not apply insofar as the law determines longer statutory periods of limitation as mandatory. In case of subsequent fulfillment, the statutory periods of limitation shall not start anew.

5. Any warranty shall be given under the reservation that the goods are properly maintained and handled. No warranty shall be assumed for damages arising especially from the following reasons: improper use, erroneous assembly respectively operating start by the customer or third parties, natural wear and tear, erroneous and careless handling, unsuitable auxiliary working materials or replacement materials. All warranty rights shall be void if the customer or third parties shall carry out alteration or maintenance work improperly without Hübner's prior written approval.

6. The customer shall not be entitled to rely on a default as long as he shall not have submitted the rejected good or a sample hereof to Hübner. Expenses associated with the subsequent fulfillment shall

be borne by Hübner solely as far as they are adequate to purchase price.

7. Damage compensation claims of the customer, for whatever legal reason, especially due to breach of the duties from the obligatory relationship and from tortious act, are excluded. This shall not apply to willful misconduct or gross negligence, or to claims due to injury to life, body or health, to liability pursuant to the product liability, to a guarantee that Hübner may have accepted, to the damage caused by a culpable breach of essential contract duties, or in other cases of mandatory statutory liability. Essential contract duties are the respective contractual main duties, as well as any side duties of the contract that in case of a breach of duty can endanger the fulfillment of the contract purpose. The liability for the breach of essential contract duties is, however, restricted to compensation for the foreseeable contract-typical damages.

8. Other claims than the one mentioned in section VII/4 shall be statute barred 6 months following the customer's taking notice respectively the negligently not taking notice if the customer shall not prove a notice taken at a later point of time.

## VIII. Copyrights

1. Hübner reserves the proprietary rights and copyrights to all cost estimates, designs, drawings and other documents; they may only be made accessible to third parties with Hübner's explicit written consent. Drawings and other documents pertaining to offers must be returned on demand.

2. If Hübner has delivered goods according to drawings, models, specimens or other documents previously submitted by the customer, then the customer assumes the guarantee that third party industrial property rights shall not be infringed. If third parties under reference to industrial property rights prohibit especially the manufacturing and delivering of respected goods, then Hübner shall be entitled – without being obligated to scrutinize the legal situation – to thus far cease any further activity and to demand compensation for damage if the customer is at fault. The customer moreover obligates himself to indemnify Hübner immediately against all third party entitlements in connection therewith.

## IX. Trial components, molds, tools

1. If the customer has to provide parts for undertaking the order, then they must be delivered carriage-free and at own risk to the place of production in the agreed quantity, or in an appropriate excess quantity for any wastage, in due time, free of charge and without defects. If this does not happen the customer shall bear the costs and other consequences thereby caused. Hübner shall be liable for machines and tools applied in manufacture for the diligence exercised in own matters. The customer shall bear the costs related to maintenance, care and replacement as far as nothing different has been agreed between the Parties.

2. The manufacture of trial parts, including the costs for molds and tools, shall be borne by the customer.

3. Unless expressly agreed otherwise, Hübner shall be and remain the owner of trial parts, molds and tools manufactured by Hübner or on its instructions. Insofar as necessary for fulfillment of the agreed output quantity, Hübner shall provide cost-free replacement of molds and tools that have become unusable, unless the customer is responsible for uselessness. Hübner shall use these parts solely for purposes of the customer; this restriction of use shall be cancelled if, despite reminder and setting of a period of grace, the customer fails to perform his payment and acceptance obligations towards Hübner. Hübner shall safekeep these parts for the duration of two years as from the time of their last implementation for the customer; at the request of the customer the parts shall be insured at the expenses of the customer.

4. If the customer should become the owner of molds and tools pursuant to express agreement, then the ownership thereof passes to the customer only after complete settlement of the order for which these molds and tools were manufactured, including complete payment of the full remuneration. If the customer does not thereafter assert his entitlement to have these items surrendered to him, then Hübner shall, unless explicitly agreed otherwise, not be obligated to safekeep these parts free of charge for longer than two years. The safekeeping shall be carried out at the risk of the buyer.

## X. Confidentiality

The customer shall keep all information arising from or besides the business relation in strict confidentiality. The customer shall use the submitted information solely for the purpose of the order, however not for its own purposes unless Hübner shall have given its prior written consent. Information that the customer has legally received by third parties in a non-confidential way as well as free accessible information shall not be comprised.

## XI. Final Provisions

1. The place of fulfillment for all deliveries / performances shall be Hübner's works in Nyíregyháza unless agreed otherwise.

2. The place of jurisdiction shall be the main place of Hübner's business (Nyíregyháza), the courts being there located and having appropriate authority shall be exclusively competent.

3. All legal relationships between Hübner and the customer shall be subject to the laws of the Republic of Hungary under exclusion of the uniform UN Convention on Contracts for the International Sale of Goods (CISG).

4. Should a part of the contract or of these general terms and conditions of sales be void, then the validity of the contract or of these terms and conditions of sales shall not be affected thereby for the rest. An effective provision which shall comply economically with the intend of Hübner at the most possible extent shall replace the void part. This same shall apply in case of a gap.

5. In cases of doubt regarding the wording or translation, the original German language version of these General Terms and Conditions of Sales shall be valid.