GENERAL TERMS AND CONDITIONS OF SALE OF BERVINA KFT. (BERVINA LLC)

(all previous conditions hereby lose their validity)

I. Validity/offers

1. These General Terms and Conditions of Sale shall apply to all – including future – contracts with entrepreneurs, legal entities under public law for deliveries and other services. We shall not be bound by the Buyer's terms and conditions of purchase even if we do not expressly object to them again after receipt by us.
2. Our offers are subject to change without notice. Agreements, in particular verbal collateral agreements, promises, guarantees and other assurances made by our sales staff prior to or upon conclusion of the contract shall only become binding upon our confirmation in text form.
3. The INCOTERMS in their latest version shall be decisive for the interpretation of trade clauses such as "EXW", "FOB" and "CIF".

II. Prices

1. Our prices are quoted ex works (EXW) excluding packaging, plus value added tax in each case.
2. If the goods are delivered packaged, we shall invoice the packaging at cost price; within the framework of the statutory provisions, except the case when Buyer organizes delivery.

III. Offer documents/conclusion of contracts

1. Documents belonging to our offers, in particular illustrations, drawings, samples and calculations shall be returned to us upon request and in any case if the order is not placed with us.
2. All drawings and calculations are not binding until the final order has been placed. Any liability claim is excluded to this extent.
3. Orders must be placed with us in writing. Orders placed with us shall not become binding until we have confirmed them in writing.
4. Unless otherwise agreed, the content of the contract, in particular the scope and time of delivery, shall be determined by the content of our order confirmation.
5. In the case of call-off orders, we are entitled to procure the material for the entire order and to manufacture the entire order quantity immediately. Any changes requested by the customer can therefore no longer be taken into account after the order has been placed, unless this has been expressly agreed. Partial deliveries to a reasonable extent are permissible.

IV. Payment and offsetting

1. Payment shall be made – without deduction of cash discount – in such a way that we can dispose of the amount on the due date. Unless otherwise agreed, our invoices are due 14 days after the invoice date. The buyer shall be in default at the latest 10 days after the due date of our claim, without the need for a reminder.
2. Counterclaims disputed by us or not legally established entitle the Buyer neither to withhold nor to offset. This shall not apply if the purchaser's counterclaims result from the same contractual relationship and/or if they would entitle the purchaser to refuse performance in accordance with Hungarian Civil Code.
3. If the term of payment is exceeded, at the latest after default, we shall be entitled to charge interest in the amount of the respective bank rates for overdraft facilities, but at least the statutory default interest. In addition, we shall charge a lump sum for default in the amount of 25.00 EUR. We reserve the right to assert further claims for damages caused by default.
4. If, after conclusion of the contract, it becomes apparent that our payment claim is endangered by the Buyer's lack of ability to pay or if other circumstances arise which indicate a significant deterioration in the Buyer's ability to pay, we

may refuse agreed advance performance and exercise our rights under Hungarian Civil Code. This shall also apply if our obligation to perform is not yet due. In such cases we can also make all claims from the current business relationship with the buyer due. The Buyer's inability to pay shall also be deemed to be insufficient if the Buyer is at least three weeks in arrears with payment of a substantial amount (from 10% of the due claims).

V. Delivery times

1. Delivery periods and dates shall be deemed to have been met if the delivery item has left our premises by the time they expire.
2. Our delivery obligation is subject to correct and timely self-delivery, unless we are responsible for incorrect or delayed self-delivery.
3. Events of force majeure entitle us to postpone deliveries for the duration of the hindrance and a reasonable start-up period. This shall also apply if such events occur during an existing delay. Force majeure shall be deemed to include currency, trade policy and other sovereign measures, strikes, lock-outs, operational disruptions for which we are not responsible, obstruction of traffic routes, delays in import/customs clearance, as well as all other circumstances which, through no fault of our own, make deliveries and services considerably more difficult or impossible. It is irrelevant whether the circumstances occur with us, the supplier or another sub-supplier. If, as a result of the aforementioned events, the performance becomes unreasonable for one of the contracting parties, it may withdraw from the contract by immediate declaration in text form.

VI. Retention of title

1. All delivered goods shall remain our property (reserved goods) until all claims arising from the business relationship have been settled, irrespective of their legal basis, including claims arising in the future or conditional claims (balance reservation). However, the balance reservation does not apply to prepayment or cash transactions which are settled step by step. In this case, the delivered goods shall remain our property until the purchase price for these goods has been paid in full.
2. The treatment and processing of the reserved goods shall be carried out for us as manufacturer within the meaning of Hungarian Civil Code without any obligation on our part. If the buyer processes, combines or mixes the goods subject to retention of title with other goods, we shall be entitled to co-ownership of the new item in the ratio of the invoice value of the goods subject to retention of title to the invoice value of the other goods used.
3. The purchaser must inform us immediately of any seizure or other impairment by third parties.

VII. Execution of Deliveries

1. With the transfer of the goods to a forwarding agent or freight carrier, at the latest however with leaving the warehouse or – in the case of drop shipments – the risk passes to the Buyer in all transactions, also in the case of "carriage paid" and "carriage not paid" deliveries. Duty and costs of unloading shall be borne by the Buyer. We shall only provide insurance at the buyer's instruction and expense.
2. We are entitled to make partial deliveries to a reasonable extent. In the case of manufactured goods, excess and short deliveries of up to 10% of the agreed quantity are permissible.
3. In the case of call-off orders, we shall be entitled to manufacture or have manufactured the entire order quantity in a closed system. Any requests for changes can no longer be considered after the order has been placed, unless this has been expressly agreed. Unless firm agreements have been made, call-off dates and quantities can only be met within the scope of our delivery or manufacturing capabilities. If the goods are not called off in accordance with the

contract, we shall be entitled to invoice them as delivered after a reasonable period of grace has elapsed.

4. In the case of contracts with continuous deliveries, we are to be given call-offs and classifications for approximately equal monthly quantities. If the goods are not called off or divided up on time, we shall be entitled, after setting a grace period without result, to divide them up ourselves and deliver the goods or to withdraw from the part of the contract still outstanding and demand damages instead of performance. At the end of the contract, our stock must be accepted.

VIII. Liability for defects

1. The properties of the goods, in particular their quality, type and dimensions, shall be determined in accordance with the agreed standards, in the absence of an agreement in accordance with the Hungarian and EU standards applicable at the time of conclusion of the contract, in the absence of such standards in accordance with custom and practice. References to standards and similar regulations as well as information on qualities, types, dimensions, weights and usability of the goods, information in drawings and illustrations as well as statements in advertising material shall not constitute assurances or guarantees unless they are expressly designated as such in text form. The same applies to declarations of conformity and corresponding markings such as CE and GS. Suitability and use risks are incumbent on the purchaser.
2. For the examination of the goods and the notification of defects, the provisions of the Hungarian Commercial Code shall apply with the following provisons:
   – The purchaser has the obligation to examine the relevant properties of the goods for the respective use immediately after delivery and to notify us of defects in the goods immediately in text form. In the event of an intended installation or attachment of the goods, the relevant properties for the installation or attachment shall also include the internal properties of the goods. The obligation to inspect also exists if a test certificate or other material certificate was supplied with the goods. Defects which cannot be discovered immediately after delivery, even with the most careful inspection, must be reported in text form immediately after discovery.
   – Insofar as, in the event of installation or mounting of the goods, the Buyer fails to inspect the properties of the goods relevant to the intended purpose of use at least randomly prior to installation or mounting (e.g. by means of functional tests or a trial installation), this shall constitute a particularly serious disregard by us of the care required in traffic (gross negligence). In this case, the purchaser’s rights in respect of defects with regard to these properties shall only be considered if the defect in question has been fraudulently concealed or a guarantee has been given for the quality of the item.
3. If the buyer discovers defects during or after inspection of the goods, he shall be obliged to make the rejected goods or samples thereof available to us for the purpose of examining the complaint and to permit inspection of the rejected goods within a reasonable period of time. Otherwise, the buyer may not invoke defects in the goods.
4. If the goods are defective, the Buyer shall be entitled to the rights to remedy defects in accordance with the statutory provisions of the Hungarian Civil Code – subject to the restrictions that we shall be entitled to choose between subsequent improvement and subsequent performance and that minor (insignificant) defects shall only entitle the Buyer to reduce the purchase price.
5. Costs of the buyer for consequential damages caused by defects such as loss of profit, downtime costs or additional costs for replacement purchases are not direct costs for dismantling and installation and are therefore not reimbursable. The same applies to sorting costs and additional expenses arising from the fact that the sold and delivered goods are located at a place of performance other than the agreed place of performance.

– The purchaser is not entitled to demand an advance payment for dismantling and installation costs and other costs of subsequent performance.

6. If the expenses claimed by the purchaser for subsequent performance are disproportionate in individual cases, in particular in relation to the purchase price of the goods in a defect-free condition and taking into account the significance of the lack of conformity, we shall be entitled to refuse reimbursement of these expenses. A disproportionality exists in particular if the expenses claimed, in particular for removal and installation costs, exceed 100% of the invoiced value of the goods or 200% of the defect-related depreciation of the goods.
7. Further claims are excluded in particular to claims for replacement of
   – Damages that have not occurred to the goods themselves (consequential damages),
   – costs for the self-correction of a defect without the legal requirements being met, and
   – dismantling and installation costs, insofar as the goods delivered by us were no longer available in their original property at the time of installation or installation or a new product was manufactured from the goods delivered prior to installation.
8. An unjustified demand for the removal of defects shall entitle us to compensation if the buyer could have recognised with careful examination that no material defect existed.

IX. General limitation of liability and statute of limitations

1. We shall only be liable for breach of contractual and non-contractual obligations, in particular for impossibility of performance, default, fault in consulting, culpa in contrahendo and tort – also for our executive employees and other vicarious agents – in cases of intent and gross negligence, in the latter case limited to the typical contractual damage foreseeable at the time the contract was concluded.
2. This shall not apply if Hungarian Civil Code prescribes longer periods as well as in cases of injury to life, body or health, in case of intentional or grossly negligent breach of duty by us or fraudulent concealment of a defect. In the event of defective subsequent performance, the limitation period shall not recommence.

X. Copyrights

1. We reserve the right of ownership and copyright to cost estimates, drafts, drawings and other documents; they may only be made accessible to third parties in agreement with us. Drawings and other documents belonging to offers must be returned on request.
2. Insofar as we have delivered items in accordance with drawings, models, samples or other documents provided by the purchaser, the latter shall guarantee that the industrial property rights of third parties are not infringed. If third parties prohibit us from manufacturing and supplying such objects by invoking industrial property rights, we shall be entitled – without being obliged to examine the legal situation – to cease any further activity and to demand compensation for damages in the event of fault on the part of the purchaser. In addition, the purchaser undertakes to indemnify us immediately against all claims of third parties in connection therewith.

XI. Test parts, molds, tools

1. If the buyer has to provide parts for the execution of the order, they shall be delivered free production site with the agreed, otherwise with a reasonable additional quantity for any rejects, in time, free of charge and free of defects. If this does not occur, any costs and other consequences caused thereby shall be borne by the customer.

2. The production of test parts including the costs for molds and tools shall be borne by the purchaser.
3. For tools, molds and other manufacturing equipment provided by the purchaser, our liability shall be limited to the same care as in our own case. Costs for maintenance and care shall be borne by the purchaser. Our storage obligation expires – irrespective of the purchaser's property rights – at the latest two years after the last production from the mold or tool.

XII. Place of Performance, Jurisdiction and Applicable Law

1. The place of performance for our deliveries, for subsequent performance and for payments by the Buyer shall be our premises. The place of jurisdiction shall be the registered office of our head office. We can also sue the buyer at his place of jurisdiction.
2. All legal relationships between us and the Buyer shall be governed by Hungarian law to the exclusion of the provisions of the United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 (CISG).

XIII. Applicable version

In case of doubt, the Hungarian version of these General Conditions of Sale shall prevail.

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