

MEISER Ferroste

INDUSTRIAL AND TRADING Ltd.

General Conditions of Contract

General Conditions:

1. Our Company is a German-Hungarian joint venture, **member of MEISER Group, a market leading company in Europe** in the production of gratings. The Company may be involved in the settlement of financial claims outstanding between Customer and other members of the company group, and it may be discriminated otherwise either due to being a member of the company group.
2. Every new partner of the Company shall automatically receive these General Conditions of Contract in printed form by fax, letter or e-mail upon inquiring for the first time or when the first order is confirmed. From then on our updated conditions shall be available on our web site (www.ferroste.hu) at any time or upon request we shall continue to post those to the address provided. Therefore in the case of all contracts concluded based on order and subsequent confirmation we assume our Customer to acknowledge the sales, delivery and payment conditions stipulated by the Company. This legal status shall not be changed even if the Order confirmation sent by us in every case is failed to be signed and returned.
3. Only the following conditions shall apply for the contracts to be concluded with the Company – unless separate amendments thereof are made by us in writing in the single contracts – even if different conditions are indicated by our customers in their requests for quotation. Our customers' conditions shall be binding for us only if these are specifically accepted by us in writing.
4. We have construction industrial certificates of compliance for our products, and as no applicable Hungarian standard exists for the products, they are produced meeting relevant EU DIN requirements. Unless otherwise stipulated in dimensional and shape tolerances, the guidelines of the Association of Grating Manufacturers in Germany (RAL) are applicable.

Ordering, Contracting

5. Received orders shall become contracts upon receiving the duly signed Order Confirmation sent by us in writing (including price, production deadline and other conditions) after having been approved by Customer without any change in its contents, even if the details of the order had been agreed during verbal discussions. The Order can be confirmed, as well as returned by Customer by letter, fax or e-mail, bearing his/her signature. If an amendment is made in any item or data of the order, the term of delivery shall restart from the date of acceptance of the amended order. If the order is amended at a time when the product has already been manufactured to some degree, the costs occurred until that time shall be charged to Principal.

The Order Confirmation sent by us based on the verbal orders shall become contract only upon receiving the duly signed Order Confirmation approved by Customer without any change in its contents. If Customer does not accept some parts of our contract proposal, the contract shall not be concluded and further agreement or the making of a new proposal is needed. In these cases the manufacturing of products shall be started only based on the above presented contract duly signed by both parties.

We draw all of our partners' attention to the circumstance that if the order specifies a term of delivery shorter than the three weeks of the usual processing time, and we accept it with any term of delivery shorter than three weeks, manufacturing shall be started also before the conclusion of the regular contract (receiving the confirmation signed by both parties). However possible financial consequences (e.g. due to cancellation, change, disputed technical or business parameters, etc.) shall be charged only to Customer. Accordingly in these cases it is of key importance to promptly send the reviewed, approved and signed confirmation to the company by letter, fax or e-mail.

6. We also contract for on-site consultation, survey on occasion, designing on regular basis. For works in this phase of quotation the contents of the quotation elaborated in details shall be delivered to our partner only if an order is placed. In this case only the total quantity, product type and total price will be included in our quotation.

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Prices, Pricing

7. Upon pricing our products the total rectangular area shall be taken as a basis. The area shall be regarded total together with the spacing between the joints and expansion gaps. For round grating panels, as well as segments the priced area shall be regarded to be the same as the smallest rectangular area including the required panel size.
8. The prices of individual grating panels are specified as unit price. Unit price shall include:
 - the basic price in proportion to the area,
 - the price of hot-dip galvanizing,
 - additional costs on account of small sizes for special gratings smaller than 0.7 m², graded
9. Rates of cut-outs in terms of linear metre (unit price in the case of small cut-outs of size less than 0.5 linear metre), prices of other services required by the Customer shall be included in separate rates.
10. Prices shall usually come with parity FCA upon delivery of the product at our site in Dunaújváros, and storage costs that can be charged in case of late takeover shall not be included in prices. The amount of storage cost shall be 0.2% of the net contract value + VAT, maximum 15% of the total value on daily basis.

The company often takes the cost of transport once, to the site of construction in the case of large-scale quotations, special agreements. This shall not evidently apply to additional orders.

11. All prices are net without VAT.

Payment Conditions, Securities Stipulated by the Contract:

12. The payment conditions applied by the company and the required securities shall change according to the total value of goods ordered by one contract as follows:
 - a) Goods ordered in an amount of less than HUF 300,000 + VAT shall be delivered to Customers only if the counter value is paid off in cash or the purchase price is transferred in advance. If Customer orders for the first time, we shall only conclude contract stipulating cash payment, advance payment by transfer or down payment, irrespective of the amount.
 - b) For contracts with an amount exceeding HUF 300,000 + VAT the payment conditions shall be stipulated by special agreement.
13. For advance payment by transfer the company shall issue an invoice with reference to the order, in which case the payment deadline shall be the performance deadline at the latest. Offsetting against the purchase price included in the invoices shall not be applicable.
14. Should Customer fail to meet his payment obligation until the performance deadline undertaken by us or until the payment deadline indicated on the invoice, he shall be in default, and we shall be entitled to use the legal possibilities available for us in case of Customer's failure. In case of a default in payment – with regard to decreased interest levels – we shall charge default interest equivalent to the double of the central bank's current prime rate and we shall not be enabled pursuant to the effective laws to put aside its payment.
15. If Customer owes also interest and cost besides the capital, and the paid amount is not enough to pay off the total debt, at first the cost, then the interest and finally the general debt shall be settled from it. Obligor's different provision shall not be effective.
16. For orders with greater value to be fulfilled the company may condition that special contracts for professional services be executed and payment securities be provided.

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The following documents may be stipulated as security at Customer's option:

- a) bank guarantee under Article 249 of the Civil Code;
- b) certificate of bank coverage, right to submit dated order of collection certified by Customer's account holding bank for the total amount of the purchase price;
- c) bill of exchange effective on the date of performance;
- d) establishment of pledge on the product or Customer's other assets;
- e) assignment of enforced claim to our company;
- f) liability of the joint and several guarantor accepted also by us.

Customer shall make a statement on the security selected, which shall be stipulated in the contract for professional services.

Extended Right of Ownership

17. The goods taken over by Customer shall remain in the possession of our company until the total purchase price is paid, and Customer shall keep those at his own charge according to the rules of responsible keeping. During this period the right of possession may validly be transferred to a third party only by keeping the rights due to us.

Term of Delivery

18. The term of delivery undertaken by us upon confirming the order - naturally taking the clarification of technical issues of execution into account - shall be automatically extended with the possible periods of default made by Customer. The term of delivery may also be extended by the period of obstacle due to following reasons beyond the control of our company:
 - reasons that can be regarded as force majeure pursuant to the civil law;
 - longer performance time arising from the change in the provisions regarding various authority proceedings;
19. We shall meet our delivery obligation by making a report of performance. Should we be in default in deliveries, Customer shall fix a fair extended deadline for us, and may rescind the contract only if the period until the extended deadline elapsed without any result.
20. Customer may reject partial delivery only if it is proven that further deliveries are impossible and partial deliveries cannot be applied by Customer.

Delivery - Acceptance

21. Unless otherwise stipulated, the place of contractual performance shall be our site at Dunaújváros. Customer shall accept the goods within 5 calendar days from the receipt of the report of performance as per item 18, at goods delivery time indicated on the report of performance. Unless otherwise agreed, Customer shall provide for the checking of the quantity and completeness of the goods and for its acknowledgement in writing, as well as its transport. **We are not in the position to accept subsequent quality complaint, demand to supply deficiency, either Customer or our company have transported.**
22. If Customer does not transport the goods during the available 5-day period, the company shall take the product in responsible custody – at Customer's cost and with the rate included in item 10 – and become entitled to issue the (final) invoice. The company shall have the right to rescind the contract when one month elapsed from the date of the report of performance, and we may require to be recompensated for losses arising from the failure of the contract. (The chance of selling the products manufactured with special dimensions to other customers is minimal!)
23. If the goods are re-sold for a third party, or if we contract for compliance with special quality requirements, the product may be delivered only by taking delivery-acceptance record at the same time.
24. Quality acceptance shall take place by random check (size, surface protection). The standard on hot-dip galvanizing is to be stipulated in the contract. The basic MSZ EN ISO 1461 standard specifies aesthetic demand very roughly: it says that hot-dip galvanizing is basically a way of surface protection with the purpose of corrosion prevention, giving a surface with an appearance applicable for the industry.

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25. We may take claims set up more than eight days from the receipt of goods into account only if the goods have latent defect. We reserve the right to make certain on site whether the quality complaint is justified. We shall provide warranty, if it is proven that the deficiency is to be charged for us. **We shall not accept responsibility for consequences arising from incorrect dimensioning, drawing errors, defective installation, missing additional back-ups under greater cut-outs or overload.** We shall refuse all problems arising from non-compliance with the requirement of joints specified in the laying plan of gratings. The application, special aesthetic demands on the appearance of gratings different from those for industrial purposes, expected loads and deflection are to be included in the order, because failing these we shall be release from providing warranty. The static figures specified by us shall be applicable only if the grating panels are fixed at four places according to the rules.

Upon assembling the gratings Customers are required to take assembly instructions into account. If no assembly instructions are available, we will post it at Customer's request.

Quality Certification

26. The Order Confirmation sent by us shall be the basic Quality Declaration relevant to the products of MEISER Ferroste Ltd. As regards its form and substance it complies with the requirements of the joint Ministerial Decree No. 3/2003. 8I.25.) BM-GKM-KvKM of Ministry of Interior, Ministry of Economy and Transport and Ministry of Environment Protection and Water Management (Conformity Statement of Supplier), so it is regarded as the Inspection Certificate as per item 2.3. of MSZ EN 10204. It is valid for a period of 10 years pursuant to the act on product conformity. **THE PRODUCT IS APPLICABLE FOR CONSTRUCTION INDUSTRIAL APPLICATION.** Unless otherwise stated it is of first-class quality.

Warranty and Liability

27. In case of a quality complaint – accepted also by us – for the goods accepted from the point of view of quantity we shall supply goods conforming to quality requirements instead of the complained product, repair the complained product, repurchase it or reimburse a proper part of the product price.

Unless having our special written approval, the modification, cutting, welding and further surface protection or correction of our products is forbidden! These actions shall imply the loss of warranty rights, and after that no discount, deduction may be asked from us under any title.

28. No goods returned without our previous approval shall be accepted.

Packing

29. Grating products are marked with the contract number and the position number by pressing those into the banding, and banded, as well as piled based on the principles stipulated in the order (e.g. drawing numbers); or other, rational separation principles stated by us. The piles are banded by galvanized steel or plastic, identification signs possibly included in the contract, requested by Customer are written on the products by indelible ink. Fasteners are packed in bags. Different packing demands are to be agreed separately.

Disputes at Law

30. The courts in the jurisdiction of our site shall be exclusively competent to settle the disputes arising from the contract.
31. All questions not regulated by this contract shall be governed by the general provisions of the Civil Code and the rules thereof relevant to supply contracts.