SZABADALAKÍTÓ KOVÁCSÜZEM KFT.

Address: 1089 Budapest, Könyves Kálmán krt. 76. Post Office Box: 1751 Budapest, Pf. 244. Office: 00 36 (1) 333-7153, 323-0390, 477-2378 Fax: 00 36 (1) 313-0739 web: www.szabadalakito-kovacsuzem.hu; e-mail: office@szabadalakito-kovacsuzem.hu Court of Budapest/Budapest Court as Court of Registration,nr: 01-09-678435

General Conditions of Contract

Unless otherwise stipulated in a written order, Szabadalakító Kovácsüzem Kft.(The Seller) will fulfill its contractual obligations towards the Buyer according to the present General Conditions of Contract.

1. Contract process

1.1. <u>Inquiry:</u> The Buyer requests an offer from the Seller by stipulating the exact parameters and delivery terms.

1.2. <u>Offer:</u> The Seller files the inquiry by giving an offer number and prepares an accurate offer after the coordination with the buyer according to the parameters of the inquiry. He specifies the cost of workmanship or the unit price of the product, the method and term of payment, the place and time of delivery for the finished product, ha specifies the parameters of the work to be performed, defines a validity time for the offer, all other cost resulting from the work to be performed that are charged, any warehousing costs and eventual other expenses resulting from the delayed acceptance of the the final product, in case of a payment delay the penalty to be enforced towards the Buyer

1.3. <u>Order:</u> Referring to the offer number the Buyer orders the production of the goods within the validity time of the offer.

1.4. <u>Order Confirmation:</u> with the confirmation of the order the contract for production or workmanship is created between the parties.

1.5. Any amendment of the order by the Buyer after the confirmation of the Seller is regarded as a new inquiry.

2. The contractor's fee, indemnity

2.1. The Buyer has to pay the contractor's fee or the purchase price to the Seller according to the method and term of the offer.

2.2. The Seller issues an invoice for the contractor's fee or for the purchacse price that he forwards to the Buyer for accountability according the concerning laws. The Buyer is obliged to settle the contractor's fee towards the Seller within the deadline of the agreement even if the Buyer hasen't accepted the goods until the deadline of the payment.

2.3. If the order is changed or canceled during the production the Buyer is charged for all resulting expenses of the Seller and has to compensate for all resulting losses of the Seller.

2.4. The payment deadline of the agreement is indicated on the invoice .

If the Buyer has overdue payment liabilities towards the Seller, the Seller can refuse the delivery of the goods until the debt has been settled.

2.5. Unless otherwise agreed upon the chargeable default payment for the Seller regarding the overdue amount for the time of the delay is twice the amount of the current central bank interest rate.

3. Acceptance, enforcing of claims

3.1. The Seller informs the Buyer about the time and place of fulfillment by phone, by fax, by E-mail or by mail even if the fulfillment takes place according to the contract between the parties.

3.2. Unless otherwise agreed upon the Buyer is obliged to pick up the goods at the place of fulfillment and at the time specified by the notification of the Seller.

3.3. After transfer of the goods to the Buyer or the Buyers forwarder the Seller is no longer responsible for any occuring damage in the product.

3.4. If the goods are not accepted by the Buyer within the deadline the Seller will take the goods into safe-keeping and the Buyer will be charged for all resulting costs and expenses.

If the the Buyer doesnt accept the goods after 30 days – after repeated written notices – the Seller can issue an invoice for them together with all occuring costs or sell them to a third party.

3.5. The Buyer is obliged to inspect the goods with the method and within the timeframe of the valid regulations and has to inform the Seller immediately about complaints. The Seller is not liable for any damage resulting from the absence of this notification.

In case of **qualitative** claim notified by the Purchaser the Supplier will investigate the claim in 3 workdays and considers the rightfullness 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.

3.6. If the Buyer or a third party performs an unprofessional intervention on the product he can not enforce his claim for warranty towards the Seller.

3.7. In case of complaints for commercial goods concerning the Seller but not produced by the Seller the warranty obligations are valid only to the extent of the warranty provided by the supplier of the goods.

4. Production and delivery conditions

4.1. In case of materials provided by the Buyer the Seller does not bear responsibility for any material defects blamed by the material or the production of the material. The material provided by the

Buyer always must have certificate in case of identification. If this is not fulfilled the production can be done only to the responsibility and expense of the Buyer.

5. Other conditions

5.1. The Buyer accepts that the goods reamain the property of the Seller until the invoice amount is settled. The Buyer is not allowed to transfer nor debit them

without the written consent of the Seller. If the invoice is not settled 8 days after the first notice for the overdue payment, the Seller is entitled to transport back the products. If the product is built in before the invoice has been settled the finished product can be sold only with the consent of the Seller.

5.2. For orders called down in several parts if there is an unpaid delivery the Seller is not obliged to release the goods of the next part shipment.

5.3. In case of Vis major, furthermore in a case of a verified break-down of the Seller or his supplier the Seller is entitled to change the delivery time without penalty or claim for damages or to cancel the contract.

5.4. Legal disputes between the parties will be solved by negotiation. If this dispute doesn't resolve within 30 calendar days after beginning of these negotiations the parties acknowledge the jurisdiction of the Budapest Central District Court or in default of its authority they stipulate the exclusive competence of the Capital Court.

The General Conditions of Contract of Szabadalakító Kovácsüzem Kft. are valid from 01.07.2012 until their revocation. Budapest, 12.06.2012

