

thyssenkrupp Materials Hungary Corp.
General Terms of Delivery (sale) from the 11 of December 2017

Unless otherwise agreed, this General Terms of Sale (delivery, forwarding) (hereinafter GTD) apply to all agreements concluded by thyssenkrupp Materials Hungary Corp. (hereinafter: Vendor and/or Supplier) in written form with its contracting partners (hereinafter: Buyer and/or Customer) for product delivery or for services pertaining to that.

This GTD is effective from the 11th of December 2017 until withdrawal and can be seen and downloaded from Vendor's Internet homepage (www.thyssenkruppmaterialshungary.hu).

Unless explicitly otherwise stated in writing, confirmation by the Vendor does not mean the acceptance of the Buyers own general terms of contracting.

1. Validity of offer

Unless otherwise stated, Vendor's verbal, written or electronic offer is indicative and does not mean any commitment.

2. Price

Unless otherwise agreed, Vendor's current list prices shall be applied.

Unless otherwise agreed, Vendor's prices apply for acceptance in the Vendor's facility and are net prices including the costs of loading onto the transport vehicle, and shall be established at billing increased by VAT pursuant to the prevailing regulations.

Vendor is entitled to increase the price of the ordered product even after the conclusion of the contract in the event of circumstances emerging after contracting that would entail increased costs for the Vendor without increasing his price (e.g. price increase, exchange rate change). Vendor is obliged to advise the Buyer in writing on the fact and rate of price increase.

Unless otherwise agreed, the freight costs are to be born by the Buyer and are not included in the product price.

3. Quality certification

Vendor shall certify the quality of products sold by him in a form required by EN standards or regulations and/or as requested by the Buyer.

4. Contract performance

4.1. Time of delivery

The delivery time indicated in the confirmation of order is not binding, unless the parties expressly agree in that in writing (in a letter, fax or e-mail).

The time of delivery is the time agreed by the parties in advance by fax or e-mail.

4.2. Notice on delivery

In the event if performance does not take place at the time of contracting but later, parties agree in the time of delivery by fax or e-mail.

Should the Buyer or his agent transport the product, parties shall also agree in the proper means of transport simultaneously with the delivery of the product.

Should the Buyer not fulfill his acceptance obligation in due time, Vendor is entitled to take the product not accepted by the Buyer in responsible custody. The daily fee of responsible custody is 0.1% of the list price of the product, which amount shall be indicated in the commercial invoice as a separate item.

Should the Buyer not accept the product within 8 days reckoned from the agreed time without excuse, Vendor shall consider this that the Buyer has unlawfully abandoned the contract.

4.3. Partial delivery

Vendor is entitled to partial and/or early delivery and Buyer can refuse this only if acceptance would entail for him verifiable and disproportionate extra costs.

In the event of early and/or partial delivery the Buyer is obliged to pay the price in proportion to the performance.

Should the Buyer not settle the price of products delivered as partial delivery, Vendor is entitled to deny further performance until the settlement of the invoice.

4.4. Place of delivery

The place of contract performance is the facility of the Vendor.

At the acceptance of the product the Buyer or the forwarder hired by him is obliged to observe the Vendor's following material handling and security standards:

- at entering Vendor's facility products distributed by the Seller must not exist on the transportation vehicle;
- the transportation vehicle should be suitable for loading depending on the nature of the purchased product (open from above for loading by crane and open from the side for loading by trolley);
- Buyer has provided the information needed for the identification of the firm or person hired by the Buyer for forwarding the product, and the appearing forwarder certifies his identity by satisfactory documents.

Vendor may withhold performance if the above conditions are not met.

The forwarder hired by the Buyer is obliged to observe the labour safety rules prevailing at the Vendor's facility and to wear personal protective equipment. The investigation, recording and reporting of any accident resulting from omitting this is the responsibility of the Buyer.

Parties may agree that the Vendor shall transport the product, in which case the place of delivery is the Customer's facility and/or the delivery address indicated by the latter. In this event the freight costs indicated in the invoice as a separate item shall be paid by the Buyer/Customer to the Vendor/Forwarder.

5. Complaint and settlement

The Buyer is obliged to announce his complaint related to quantity fault immediately upon acceptance of the goods and indicate this on the delivery note. The signature of the Buyer or his

agent on the delivery note, invoice or freight documents means the quantitative acceptance of the product.

Time and mode of announcing complaints related to the quality defect of products:

- quality complaints concerning mechanical defects of a whole bale, bundle or any other packing unit (damage, corrosion) shall be announced immediately upon performance by indicating the defect in the delivery note and attaching photo(s) to document the quality defect.
- quality complaints due to open defect concerning single rods or single plates within the packing unit shall be announced in writing within 8 calendar days reckoned from acceptance;
- hidden defects shall be announced in writing immediately upon detection but not later than within 12 months reckoned from acceptance.

The minimum substantial requisites of complaint: quality, size, quantity of the objected product, number of the delivery note, charge number, records of investigation verifying the quality defect of the product and/or photo documentation. We ask you to indicate the quantity of the complained products as per each defect type and delivery charge, separately the quantity of materials delivered and in processed condition. The complaint may be announced in writing by e-mail, fax or postal mail.

Vendor shall confirm the received complaint within 1 day (in the case of a banking holiday on the next workday), the time of reception of the complaint is the date of confirmation.

Buyer is obliged to preserve the delivery status of the product concerned by quantity and/or quality complaint, and to store the claimed product separately, and to make it accessible to the Vendor for inspection, identification and examination – as necessary.

Vendor's liability covers the requirements only stipulated in statutory regulations, standards or in the contract.

Vendor shall refuse any complaint, claim and liability if:

- the Buyer does not provide for the unambiguous identification of the product concerned by complaint or for sampling – as necessary – simultaneously with the announcement of the claim;
- the product concerned by complaint has been processed or transformed in any other way (e.g. by heat treatment) in relation to its delivery status, unless the Vendor has approved that in writing in advance;
- the quality defect of the product concerned by complaint occurred because of improper storage or of use or utilization other than its general use;
- the quality complaint has been announced late in time or is incomplete in contents or made verbally;
- at the time of its acceptance the product concerned has not deviated from the agreed specification or only slightly, or if its deviation from the contracted quantity has not exceeded +/-10%;
- the product does not meet the special demands – related to manufacturing or use – of the Buyer, unless the Vendor has confirmed in writing these special buyer demands.

In the event of unjustified complaint the Vendor shall charge the Buyer with the full amount of transportation, investigation and depreciation costs related to the complaint.

In the event of a slight hidden or open defect of the product the Buyer can enforce a claim towards the Vendor for only a price reduction.

6. Payment of the equivalent of the product

The payment of the equivalent of the product shall take place in advance upon contracting and/or by deferred payment – at a time agreed by the parties, as a rule upon delivery – in the agreed currency by bank transfer.

Precondition of deferred payment is that the Buyer has adequate credit insurance and credit line.

The payment deadline of the invoice of deferred payment shall be established in calendar days, banking holidays will be included in the payment deadline.

In the event of late payment the Buyer shall be obliged to pay a default interest stipulated by law (as per Civil Code) and prevailing at the invoice due date.

Vendor is entitled to suspend any delivery and confirmed order, or to bind further deliveries to conditions if the Buyer does not meet any of his payment obligations towards the Vendor in due time or exceeds his agreed credit limit.

Unless otherwise agreed, the invoice value shall be settled as a lump sum.

Buyer is not entitled to transfer or assign to a third person his rights and obligations resulting from the contract concluded with the Vendor without the prior written approval of the Vendor.

Buyer is obliged to settle the equivalent of products delivered by the Vendor without the right of counterclaim or set-off. The complaint of the Buyer, if any, has no delaying force on the current payment obligation.

7. Retention of title

The ownership title of products the price of which has not or not completely been paid shall be retained by the Vendor until the full settlement of the purchase price regardless of whether the Buyer has already resold the products or utilized them in any other way. The storage costs of the goods concerned by retention shall be born by the Buyer, and the Buyer's responsibility is the safeguarding of the goods from any damage and destruction.

8. Termination of the contract

The Buyer may waive the contract related to usual and regular products distributed by the Vendor until the acceptance of the product, while in the case of special products procured exclusively for the Buyer's demand until the conclusion of the procurement contract between the Vendor and a third person.

Vendor may waive the contract if the Buyer has not accepted the goods at the delivery time and/or does not accept them without excuse within 8 days following the reception of the related notice.

Any of the parties may waive the contract if bankruptcy or winding up procedure has been launched or initiated against the other contracting party.

9. Applied law and settlement of legal disputes

In the interpretation of the contract the Hungarian regulations shall govern in each case. Issues not regulated in this contract shall be resolved by applying the provisions of the Civil Code and/or other related Hungarian regulations.



If any provision of this GTD will be ineffective, unfeasible or not interpretable, this does not concern the validity of other provisions.

Parties shall make attempt to settle amicably any legal dispute resulting from this contract. Should this fail, they stipulate the exclusive jurisdiction of the court competent according to the seat of the Supplier.

Budapest, 11th of December, 2017

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