

**STEEL-INVEST KFT.
GENERAL CONDITIONS OF CONTRACT
(FOR SUPPLY CONTRACTS)**

APPLICABLE IN THE CASE OF Steel-Invest Kft.'s POSITION AS CUSTOMER

GCSC

EFFECTIVE AS OF: 10TH OF JANUARY, 2017

These General Conditions for Supply (Purchase) Contracts (GCSC) shall constitute and be treated as an integral part of the Supply Contract. In the event of any conflict between the Supply Contract and these General Conditions for Supply Contracts, the provisions of the Supply Contract shall be applicable. Agreement on any departure from these General Conditions shall be subject to a written statement signed by both Contracting Parties.

1. The object of the GCSC and conclusion of a Supply Contract

1.1. Pursuant hereto, the supplier or service provider (hereinafter referred to as Supplier) agrees to deliver the required quantity of goods or services from its stocks or range of services available from time to time (hereinafter referred to as Goods) to or at the agreed-upon places, respectively, and by the agreed-upon deadlines, all this on the basis of orders placed and confirmed in accordance with the terms and conditions set forth herein by **Steel-Invest Kft.** as customer (hereinafter referred to as Customer). (The Parties shall hereinafter collectively be referred to as Contracting Parties).

1.2. Order and conclusion of a Supply Contract

A Supply Contract between the Parties shall be considered concluded after it has been made in writing by the Parties or if an order placed by the Customer by mail, fax or other means has been confirmed by the Supplier in writing. For an order made orally to be valid shall also require to be confirmed by the Customer in writing.

2. Date of delivery

The contractual date of delivery shall be the day on which the complete delivery of the Goods takes place. The Supplier shall deliver the Goods on the date of delivery stipulated by the Customer. Delivery shall take place on business days, between 07.00 and 15.00 hours. Early delivery shall exclusively be subject to approval by the Customer in a separate written agreement. The Supplier shall advise the Customer of any circumstances preventing delivery without delay and take any actions within its power to eliminate such circumstances. If despite such actions the Supplier fails to deliver the Goods on the specified date of delivery, it shall notify the Customer thereof in writing immediately after finding out about this fact and indicate the estimated date of delivery (Modified Date of Delivery). If the Modified Date of Delivery does not suit the Customer, the Supplier shall deliver the Goods by the new deadline set by Customer. If delivery takes place not on the original date of delivery but on the date of delivery approved by the Customer, the Supplier shall also be liable to a late performance penalty set forth herein for the period between the original date of delivery and the approved date of delivery.

3. Place of delivery

As a rule, the Supplier shall fulfil the order at the Customer's seat (delivery terms: DAP). The Parties may depart therefrom in writing. If the Parties agree that the Supplier shall hand over the Goods to the Customer at its own site, the place of checking their quantity and quality check shall also be the Supplier's site. During the check, the Supplier shall take care of the appropriate storage of the Goods without charging a separate fee and bear liability for any damage occurring during this time for reasons beyond the Customer's control.

4. Handover and takeover

4.1. Packaging and identification

The Supplier shall deliver and hand over the Goods with appropriate packaging and labelling (the labelling system must ensure identifiability and traceability) suitable to preserve the integrity and intact condition of the Goods during both haulage and storage. In transporting the Goods, the Supplier shall proceed in compliance with regulations pertaining to transportation of the product. The Supplier shall bear unlimited liability for any damage caused by its violation of any such regulations. If the Goods are handed over with damaged packaging, the representatives of the Supplier and the Customer shall jointly prepare a memorandum, in which they record the fact and nature of the damage. In such a case, in the process of the acceptance of the quality of the Goods, the Customer shall check whether the damaged packaging has affected the quality of the Goods.

Upon notifying the Customer in advance, the Supplier may employ a haulier in order to fulfil the Supply Contract. The haulage fee and the costs of haulage shall be payable by the Supplier and may not be charged to the Customer either in the purchase price or directly. In the event of using a haulier, the Supplier shall bear liability toward the Customer for any damage caused by the haulier, subject to the provisions hereof on damage caused, and breach of contract, by the Supplier.

4.2. Acceptance of quantity and quality

4.2.1. The Supplier shall perform the delivery of the Goods promptly and without any defects and deficiencies, in full compliance with currently effective Hungarian regulations as well as standards and technological norms pertaining to the Goods having first-class quality certification.

4.2.2. The Supplier shall document compliance with effective Hungarian regulations and standards in the manner prescribed for the product or product line used for the Goods or services delivered. The manufacturer or distributor shall prove conformance by way of certificates of compliance, which the Supplier shall hand over to the Customer upon fulfilment of the contract. The Supplier shall also warrant that related descriptions and documentation shall comply with all applicable regulations and commercial terms. The documents required for the acceptance of the Goods, without which the Customer shall be entitled to refuse to accept the Goods, shall include the following: quality certificate; letter of warranty; technical and technological description and documentation; instructions related to the storage, movement, unpacking and assembly of the Goods; consignment note containing the following data: designation, quantity and Customer order number.

4.2.3. In the process of accepting the Goods delivered, the Customer shall immediately perform checks for quantitative and visible defects and deficiencies. It shall start the verification of contractual performance (to check compliance with chemical, mechanical and other requirements) without delay but no later than within 8 business days of receipt of the Goods and complete it within 30 days at the latest. This deadline shall not apply to hidden defects not detectable by the Customer upon receipt of the Goods, in which case the deadline set forth in the Civil Code shall be applicable.

4.2.4. If the Customer detects defects/deficiencies in quantity and/or quality, it shall prepare a memorandum thereof; notify the Supplier of the defects by sending the memorandum to it; and concurrently indicate its warranty claim. The Supplier or its representative shall cooperate in preparing the memorandum about defects/deficiencies identified upon fulfilment of the contract. The memorandum shall contain the following:

- the date and place of the quality/quantity check;
- the names and signatures of persons performing and participating in the check;
- the defect/deficiency in quantity or quality;
- the date and No. of the consignment note;
- the No. of the delivery note;
- the Customer's claim against the Supplier.

If the Supplier or its representative fails to cooperate in preparing or sign the memorandum, that fact shall not influence the veracity of the findings recorded in the memorandum. Any inaccuracy in specifying the Customer's claim against the Supplier may be reworded subsequently for the sake of technical correctness.

4.2.5 The Customer shall make a complaint about defective performance to the Supplier in writing in all cases. The complaint shall contain all data and information that can help the investigation. Available documents (e.g. memorandum, consignment note, investigation report etc.) shall be attached to the complaint.

4.2.6. The Supplier shall send the Customer its response to the complaint in writing within 5 business days. The Supplier shall investigate the complaint within 30 days of its receipt and inform the Customer of the results in writing. Failure to do so shall not influence the findings contained in the complaint subsequently.

4.2.7. The Supplier shall be entitled to initiate an on-site review within 5 business days of the receipt of the complaint in order for the Parties to jointly verify the defects/deficiencies entered in the memorandum. If an on-site review is held on the date agreed on by the Supplier and the Customer, its results shall be recorded by the Parties in a joint memorandum.

4.2.8. If the Supplier gives an unacceptable answer to the Customer, the Customer may, within 8 days of the receipt of the answer and in writing, request the Supplier to review its decision. In the event of the Parties' failure to reach an agreement in respect of the identified defects/deficiencies, the provisions on settling legal disputes shall be applicable.

5. Procedure in case of acknowledgment of defective performance

In the event of defective performance the Supplier shall, without any special agreement of the Parties, be obliged to

- replace the Goods in the shortest possible time, in the event of deficiency in quantity;
- In the event of deficiencies in quality, the Customer shall be entitled to request repair; replacement; or a price discount, or to decide to cancel the contract unilaterally. In the event of contract cancellation, the purchase price shall be repaid. In the event of cancellation, the Supplier shall also be liable to cancellation penalty.

In the event of defective performance, the Supplier shall also pay the Customer default penalty set forth herein. In addition to the penalty, the Supplier shall also be liable to damages for any proven losses incurred by the Customer. The Supplier's obligation to pay damages shall also extend to direct and consequential damage. In the event of the Customer's failure to fulfil its obligations to its own partners due to the Supplier's default, the Customer shall be entitled to make covering purchases, the cost of which shall be borne by the Supplier.

6. Representations and warranties

Pursuant to the provisions of Act IV of 1959 (the Civil Code), the Supplier shall have warranty obligations in respect of the Goods delivered. Within the scope thereof, the Supplier shall represent and warrant that no third party has any rights in respect of the Goods delivered that prevents or restricts the Customer from taking free and clear title of the Goods or taking into possession or using them.

The Supplier shall also be bound by guarantee obligations. The guarantee period shall be: 12 months from the date of handover/takeover for the Goods specified by law or, in the case of statutory guarantee, the period of time set forth by law

7. Issuance, submission and payment of invoices

7.1. The Price shall be valid until the contract made between the Customer and Supplier is performed fully and with zero quality defects, and shall remain unchanged until contractual delivery is performed. The Supplier shall represent that it has specified the Price in full awareness of all requirements vis-à-vis the Goods.

7.2. The Supplier guarantees that the Price applied in respect of the Goods shall not be less favourable than what it offers to any other market actor for Goods of the same quantity and quality during the term of the contract. In the event of breaching the above commitment or if the Supplier reduces its prices during the term of the contract, it shall be compelled to give the same discount to the Customer, which the Customer shall be entitled to enforce upon contract performance or the Supplier shall be required to pay back the difference to the Customer by bank transfer within 5 days of the receipt of such request.

7.3. If the Supplier unilaterally departs from any provision of the contract to the detriment of the Customer, the Customer shall be entitled to deny payment either in full or in part until the breach of contract has been cured, for which the Supplier may not charge the Customer default interest. The Customer may, at its sole discretion, decide to terminate the contract in such a case. In the event that the Customer has any claims against the Supplier on any grounds, it shall be entitled to settle such claims by offsetting them against the fee payable to the Supplier.

7.4. Payment of the Price for the Goods shall not be construed as acceptance by the Customer of the quality of the Goods and any payment shall take place with the reservation of all those rights of the Customer which can be enforced in the event of defective performance (including, without limitation, any hidden defects of the Goods not known to the Customer/Supplier) or other breach of contract by the Supplier.

7.5. In the event of performance in excess of the quantity specified in the Contract, the Customer shall only be obliged to pay if it made such a commitment in writing before performance.

7.6. The invoice shall be made out to the name and address of the Customer. The Supplier shall send the invoice in 1 copy to the Customer and its address: Steel-Invest Kft. H-2400 Dunaújváros, Papírgyári út 49. The Supplier shall attach to the invoice a certificate of performance duly signed by the Customer or the consignment note confirmed by Steel-Invest Kft. The dates of performance on the consignment note and the related invoice shall be identical. In the case of a summary invoice, the date of performance and the date of the consignment note may differ. In other cases, the Customer shall be entitled to make a complaint and return the invoice to the Supplier for correction.

The Customer shall pay the Supplier's invoice by bank transfer on the 60th (sixtieth) day following performance.

As a precondition of payment of the invoice by the payment deadline, the invoice shall

- contain the order No. or contract No.;
- contain the Customer's own tax No.: HU12834561

- comply with effective statutory requirements;
- contain the appropriate TESZOR (CPA) code according to the contents of the contract;
- have as an annex the certificate of performance signed by the Customer's contact person or the consignment note confirmed by Steel-Invest Kft.;
- arrive at Steel-Invest Ltd's seat within 15 days of performance.

In the event that the invoice is not submitted as set forth in the contract, Steel-Invest Kft. shall be entitled to return it unpaid and without the legal consequences of late payment.

The Customer shall not be held liable for late or erroneous payment due to inaccurate data provided by the Supplier.

8. Delayed performance by the Parties

In the event of the Customer's failure to pay the duly issued and sent invoice by the set deadline, it shall pay the Supplier default interest as set forth in Section 301/A of the Civil Code. In the event of the Customer's failure to take over the goods on the date agreed on by the Parties or to take the necessary measures to do so, the Supplier shall not be held liable for failure to meet the performance deadline stipulated in the Supply Contract.

In the event of the Supplier's late performance, the Customer may decide to terminate the contract at any time and, in addition to a cancellation penalty, it shall also be entitled to enforce claims for damages for any proven losses, including direct and consequential damage, incurred by the Customer in excess of the amount of penalty.

9. Cancellation

The Customer may terminate the contract for convenience at any time but shall be obliged to pay damages for the Supplier's proven losses. The Customer's obligation to pay damages may not exceed the purchase price stipulated in the Supply Contract. In the event that the Customer exercises its right to terminate in the case of breach of contract, the Customer shall not be obliged to repay any costs or liable to any damages. In such a case, in addition to exercising its right to terminate, the Customer shall also be entitled to enforce its claims against the Supplier for penalty and damages stipulated herein.

10. Penalty

- The Supplier shall be liable to penalty in cases set forth herein.
- The Supplier shall be liable to late performance penalty in the event that it misses the contractual deadline. The basis of penalty shall be the net contractual price and the amount of penalty shall be set at 1% of the basis of late performance penalty for each day or fraction thereof but not exceeding 20% in total.
- In the event of defective performance, the Supplier shall be liable to default penalty of 10% of the total net contract value as the basis of penalty.
- In the event of non-performance or frustration of contract imputable to the Supplier or refusal by the Supplier to perform without a justifiable reason, the Supplier shall be liable to non-performance penalty. The basis of the non-performance penalty shall be the net contract value and its extent shall be 20%.
- In addition to penalty, the Customer may also enforce its claim against the Supplier for damages for proven losses and may enforce its other claims arising from non-performance as well.
- In the event of breach of business secrecy laid down in Clause 14, the Supplier shall pay the Customer HUF 3,000,000 in penalty.

The penalties set forth in this clause may also be enforced concurrently. The Customer shall enforce its penalty claims against the Supplier by offsetting their amount against the Supplier's invoice upon payment of the invoice.

11. Liability for damage

The Supplier shall bear unlimited liability for any damage caused to the Customer by defective or late performance or otherwise. The Supplier's liability shall also extend to direct or consequential damage. The Supplier shall also indemnify the Customer for any damage arising due to the Customer's failure to inform the Supplier in writing prior to the commencement of performance about the type of business transaction established between the parties, and as a result thereof extra tax payment obligation is imposed on the Customer at the end of the transaction. The Supplier shall bear liability for any adverse changes in the Goods, their condition or fitness for use occurring during the storage of the Goods at the Supplier's site.

In the event of using a haulier, the Supplier shall bear liability for any damage caused by the haulier, subject to the provisions of Clause 4.1. The Supplier shall indemnify and hold harmless the Customer against any and all damage, claims, losses or costs related to a person's death or to damage to assets or to any damage or loss that has demonstrably arisen, in full or in part, from breach of contract or defective performance related to the Goods.

12. Transfer of title and risk of loss

The title of the Goods delivered shall pass to the Customer upon the payment by the Customer of the purchase price set forth in the Supply Contract. Upon the transfer of the Goods delivered, the Customer shall become entitled to take title of and use them or – if the Customer has purchased the Goods not for its own use but, in particular, without limitation, for resale or installation – to resell, install or otherwise use them. The risk of loss in respect of the Goods shall pass to the Customer upon their handover to the Customer, regardless of whether the handover takes place at the Customer's site or at another location designated by the Customer, or at the Supplier's site. In the event of hiring a haulier, the risk of loss shall pass to the Customer upon delivery by the haulier of the Goods to the Customer, except if the haulier has been assigned by the Customer.

13. Insurance

The Supplier shall take out and maintain an insurance that provides cover for any direct or consequential damage of the Goods caused to the Customer.

14. Confidentiality

All facts, information, solutions or data related to this Contract, in the secrecy of which the Customer has a reasonable interest and for the confidentiality of which the Customer has taken the necessary measures shall be considered business secrets.

The Supplier shall keep all business secrets and other confidential business information disclosed to it in relation to the Customer's operations fully and at all times and, for their safekeeping, shall take and enforce the necessary measures in respect of all its employees concerned and other persons involved in performing the assignment.

Without the Customer's prior written consent, the Supplier may not advertise or publish in any manner the fact that it has been assigned by the Customer; disclose any information pertaining to the order; or use the Customer's name in advertisements or other publications.

15. Notices

The Parties shall send each other any notice concerning the Contract in writing (by registered mail; fax; or e-mail).

The notice shall be considered effective as of the date of delivery or as of the date set forth in the notice (whichever occurs later). The notification addresses shall be included in the Contract. Unless otherwise stated in the Contract, the Parties' seats indicated in the Contract shall be considered as their respective notification addresses. Any notice and its contents sent to these addresses shall be considered legally effective even if the Party has changed its above address or does not stay at that address and fails to notify the other Party thereof.

Until proven otherwise, a written notice shall be considered delivered

- on the day of receipt, in the case of registered mail with return receipt requested or in the case of delivery in person;
- on the 5th day from the postmark date, in the case of registered mail;
- at the time of confirmation of receipt, in the case of sending it by fax;
- on the day of confirmation, in the case of sending it by e-mail and receiving a written response from the addressee. Notification by e-mail shall not be considered legally effective without confirmation.

16. Settlement of disputes

The Customer and the Supplier shall seek to settle any disputes arising from or in connection with the Supply Contract in an amicable manner. Failing that, the Parties shall accept the exclusive jurisdiction of the Dunaújváros District Court or the Székesfehérvár Court of Law, depending on their competence, in order to settle disputes arising from or in connection with the Supply Contract.

The Hungarian law shall be applicable to the Supply Contract.

17. Compliance with official, regulatory and other requirements

17.1. The Customer operates a certified Integrated Management System in compliance with international standards (ISO 9001, ISO 14001 and MSZ 28001). The Customer attaches primary importance to the compliance of procured products with environmental and health and safety (EHS) regulations. At the buyer's request, fulfilment of requirements laid down in the RoHS Directive (2002/95/EC) must be substantiated. The requirement of delivering Goods with packaging; marking; and valid material safety data sheets (MSDS) complying with Decree 44/2000 (27 December) of the Minister of Health on Hazardous Materials and Mixtures and the REACH Regulations (1907/2006/EC; 1272/2008/EC; and 453/2012/EC) shall be enforced.

17.2. The Supplier guarantees that it shall fully comply with all official and statutory regulations. Any costs related thereto have been included in the Price. In addition, subject to Act X of 1993 on Product Liability, the Supplier guarantees that it shall comply with all relevant requirements; standards; technical rules; legal regulations; etc. pertaining, in particular, to environmental protection; packaging; product marking; product liability; and quality, as well as to occupational safety. The Supplier shall bear full liability for any damage and bear any costs arising from non-compliance with such regulations.

17.3. In respect of materials; machinery; equipment; and tools used to deliver the service, the Supplier shall comply with and enforce the relevant provisions of Act XCIII of 1993 on Labour Safety (hereinafter: Labour Safety Act, LSA) and its implementing regulations.

17.4. The Supplier guarantees that the Goods delivered by it shall not cause exposure to radioactive radiation and the specific gamma activity value of the Goods shall be below the approved level of 100 Bq/kg.

17.5. Upon entry to the Customer's seat, site or branch at any time, the Supplier shall, in addition to the regulations referred to above and other requirements, comply with Steel-Invest Kft.'s EHS requirements and rules of stay. By signing the Supply Contract, the Supplier shall acknowledge that it has familiarised itself with such rules. The Supplier shall bear full liability for any damage and bear any costs arising from non-compliance with such requirements.

17.6. The Supplier shall acknowledge and accept that in the event of a work accident occurring at the Customer's site or work area and affecting any of the Supplier's employees it shall not enforce any claims for investigation, damages, or transfer of financial liability against the Customer in relation to any such accident or damage.

17.7. It shall be the Supplier's responsibility to supply its own employees with personal protective equipment (PPE). The Supplier's employees may not perform any work activities without PPE at the Customer's seat and work area.

17.8. The Supplier shall compensate the Customer for any damage caused by the Supplier's employees.

17.9. In performing activities at the Customer's site, it shall be the Supplier's responsibility to manage, collect, and arrange for the removal of any (hazardous and non-hazardous) waste generated from the materials belonging to the Supplier, unless otherwise instructed by the Customer.

18. The language of the GCSC

The GCSC have been written in Hungarian. If in the event of its translation into other languages any conflict arises between the Hungarian and translated versions, the Hungarian version shall be applicable.

Done in Dunaújváros, on 10 January 2017.

FOR STEEL-INVEST KFT.

Mátyás Kmety
Managing Director