

STEEL-INVEST KFT.

GENERAL TERMS AND CONDITIONS OF CONTRACT

1. COMPANY DETAILS

1.1 Data of the Company:

Data:

Name of the company: STEEL-INVEST Tanácsadó és Kereskedelmi Korlátolt Felelősségű Társaság

Address of the Company's central administration: 2400 Dunaújváros, Papírgyári út 49.

Company registration number: 07-09-008621

Tax registration number: 12834561-2-07

EU tax registration number: HU12834561

Telephone number: +36 20 260 4444

E-mail address: steelinvest@steelinvest.hu

Website: www.steelinvest.hu

2. GENERAL TERMS AND CONDITIONS OF CONTRACT

- 2.1 Unless otherwise provided in an agreement concluded by and between the Company and the party who requests a price offer, the customer, buyer and any other partner who establishes business relations with the Company (hereinafter **Partner**, and the two parties collectively referred to as **Parties**), the services¹ to be provided by the Company to the Partners as well as the rights and obligations of the Parties are² regulated in these conditions (hereinafter **GTC**), unless the Parties otherwise agree in writing. Any agreement signed by the Company's representative with content differing from the GTC is valid only and exclusively if the effective company representation and signatory regulations governing signature are fully observed.

The Company shall provide opportunity for the Partner(s) to familiarise themselves with these GTC. In its price offer made by the Company in response to the Partner's request, the Company shall remind the Partner of the opportunity to familiarise itself with the GTC. Furthermore, the Company shall highlight to the Partner that forwarding an order to the Company constitutes acceptance of the GTC.

¹ The term 'service' is defined in Clause 3.1 hereof.

² In view of Clause 2.2 hereof

- 2.2 Unless otherwise agreed by the Parties, these GTC shall be applicable as appropriate, based on the various conditions of performance and depending on the Partner's orders and performances (e.g. payment terms, delivery conditions).
- 2.3 The agreement concluded between the Company and its Partners shall be subject to the effective GTC. These GTC are valid until withdrawn.
- 2.4 The Company shall not regard draft agreements made in conflict with these GTC applicable to the Parties' agreements. The Company's effective GTC is published on the Company's website at any time (www.steelinvest.hu). The Company's GTC shall be valid and applicable even if despite the Partner's different contractual conditions, the Company provides service to the Partner.

3. PERFORMANCE

- 3.1 The services provided by the Company to the Partner (e.g. chopping, splitting) and trade in the products distributed by the Company at any time (hereinafter **Product or Products**) as well as the related services (e.g. the use of loading and unloading equipment, hereinafter collectively referred to as **Services**) shall be subject to these GTC.

3.2 Bid and the binding force of the bid

- (a) On request from the Partner, the Company shall compile an offer with content according to the request, and send it signed by one of its authorised representatives to the Partners for approval.
- (b) As the price offer made by the Company for the Partner is in each case merely informative, unless the Company makes an express written commitment to this effect, the Company is not bound by its price offer.

3.3 Prices

- (a) Unless otherwise stated, the prices set by the Company are exclusive of VAT and are quoted for Products issued to the Partner at the Company's site. In accordance with the requirements set out in the order, the Products include the test certificate compliant with the standard entitled "**Metal Products. Types of Test Certificates**" EN 10204. Product sale is performed in compliance with the rules of the effective VAT regulation.
- (b) The prices in the price list include the costs of tests and verifications required during or after Product manufacturing for the performance of the conditions of quality and size determined in the prevailing standards.
- (c) If in the period between making the order and performance supplier prices increase, the Company shall be entitled to modify the prices of the Products by the justified extent. If prices change as regulated in this clause, the Company shall inform the affected Partners of the price increase and its rate in writing without delay. The affected Partner shall be entitled to waive the agreement in writing within 3 working days, as a peremptory deadline, following receipt of the notice. If by the above deadline the affected Partner fails to indicate its intention to waive the agreement, it may no longer waive the contract with the price increase quoted as a reason.

3.4 Orders and conclusion of the supply contract

- (a) A supply contract between the Parties³ can be considered concluded if the Parties have put it down in writing.
- (b) Verbal orders are only valid if the Partner confirms it in writing.

3.5 Liabilities related to the performance of the order

- (a) The Company shall perform orders sent by the Partner to the Company in compliance with the GTC and confirmed by the Company by handing the Products over to the Partner or its agent at the Company's site or branch office on the basis of the relevant consignment note. Unless otherwise provided, performance shall in general be subject to the terms and conditions laid down in INCOTERMS 2000. The trade term applicable to performance shall be FCA.

Faulty/late performance by the Partner or its agent of contractual obligations excludes the Company's faulty or late performance, and gives rise to the Partner's breach of contract. If the Partner's performance is defective, the Company may refuse performance and claim damages for faulty performance.

The Partner or its agent shall ensure that the Products are safely fixed on the vehicle of transport. The Company shall not be liable for damages arising from wrong or insufficient fixing.

The Company shall hand over the Product ordered by the Partner to the person specified by the Partner in writing. At the latest by the take-over of the Product the Partner shall specify the name of the person authorised to take the Product over (or in the case of a forwarder, the forwarder's company name), and the registration number of the vehicle (by sending an AVISO).

In the course of delivery and take-over, the Partner and the Company shall jointly check the volume, number of pieces and bulks, damage in packaging and the external features of the Products ordered and handed over to the Partner, and the Parties then sign the consignment letter to certify the performance of delivery and take-over. Following the delivery and take-over procedure, the Company does not accept complaints.

- (b) Following the delivery and acceptance procedure, i.e. the signature of the consignment note and finishing loading the Products, the risk of damage shall be borne by the Partner.
- (c) The Parties agree that in view of the Product attributes and the technology applied, quantitative tolerance shall be plus/minus 10% of the ordered amount.
- (d) Unless separately otherwise agreed by the Parties, the Company shall be entitled to partial performance of the Partner's order as agreed with the Partner. The Company shall be entitled to refuse the performance of additional partial performance if the Partner fails to fulfil its obligations vis-a-vis the Company or fulfils them

³ The supply contract is an agreement made by the Parties on the supply of the Products, which is either in conflict with or in supplement to the GTC in the case of a provision made in reference to the latter.

inappropriately (including especially but not limited to any of its payment obligations).

- (e) The cash discount, rebate or other (price) reductions provided by the Company to the Partner shall be valid only and exclusively if the Partner has fully and contractually performed all of its obligations vis-a-vis the Company. In the case of a faulty/late performance or breach of contract by the Partner, it loses all the discounts, reductions and allowances granted by the Company, and the Company shall be entitled to enforce them retrospectively against the Partner.
- (f) The Supplier may hand over the Product at the Buyer's premises to any one of the Buyer's representatives who is supposed, with generally expectable care, to be authorised to receive the Product. . The Supplier shall be liable for reimbursing the Buyer only for the damage caused in the course of honouring its obligations related to the handover of the Product that stem from the Supplier's gross negligence or wilful breach of obligation. The Supplier shall not be held answerable for (i) such acts performed or failed to be performed by it in good faith, and/or (ii) acts performed or failed to be performed by it on the basis of documents the credibility of which the Supplier can reasonably trust, including the written declarations made for the purpose of this contract that the Supplier may, in good faith, deem original. The Supplier assumes no liability for falsified documents or any fraud or pretence, nor shall it be responsible for establishing the boundaries of the Parties' right of representation, and the Buyer may not cite the rules of misrepresentation in such cases. Based on the agreement between the Parties, the Supplier may hand over the Product at its own premises or at the Buyer's to any one of the Buyer's representatives who is supposed, with generally expectable care, to be authorised to receive the Product.

3.6 Obligations related to the performance deadline

If the Company does not perform its undertaking simultaneously with placing the order, it shall notify the Partner in writing of its performance. If for reasons within the Partner's competence performance fails to take place within eight days following the performance deadline agreed by the Parties, the Company shall keep the Product in a condition ready for shipping or choose, at its discretion, to transport it at the Partner's cost to a destination specified by the Partner. If the Company keeps the Product in its responsible custody, it shall be entitled to invoice the consideration of the Product, HUF 100 per metric tonne per calendar day as a storage fee, and 1% of the value of the goods per day as a penalty. The Partner shall also pay the Company's damages exceeding the penalty.

3.7 Payment obligations

- (a) Unless the Parties otherwise agree on this matter, based on its order the Partner shall pay by bank transfer or in cash whichever is specified in the confirmation of its order, before take-over of the Products, in the currency determined by the Parties and confirmed in the confirmation.
- (b) In the event of late payment by the Partner, the Partner shall be obliged to pay the Company late payment interest subject to Section 6:155.§ (1) of Act V of 2013 on the Civil Code (the new CC), together with EUR 40 or an equivalent HUF amount calculated at the official National Bank of Hungary middle exchange rate effective on the first day of the obligation to pay late payment interest to cover costs charged as collection expenses, upon receipt of a lawyer's notice. The fulfilment of this

obligation shall not exempt the Partner from other legal consequences of late payment.

- (c) All transaction costs related to the transfer shall be borne by the Partner.
- (d) The payment due date of invoices shall be 8 days, from which the Parties may only depart under a separate agreement.

3.8 Maintenance of ownership

- (a) Ownership title to the Product shall be transferred to the Partner upon full payment of the purchase price to the Company, i.e. the Company shall maintain title to the Product until the purchase price is fully paid by the Partner.

Unless otherwise agreed, the Parties consider the purchase price paid when it is credited to the Company's bank account, or when the Company's other receivables provided as coverage for the Product have or a bill of exchange has been successfully enforced by the Company.

4. COMPLAINT AND PRODUCT LIABILITY

4.1 Warranty

- (a) The Company undertakes statutory (standard) warranty for the Product.
- (b) The Company does not accept complaints about or assume liability for damages caused by fault in graded substandard products, in view of the observation of effective and mandatorily applicable statutory regulations (primarily to protect consumers).

4.2 Complaints and complaint management

- (a) If the goods fail to meet the chemical, mechanical and other attributes required in the contract, the Partner shall make its warranty claim no later than within thirty days following performance by the Company.

In the case of faults that cannot be detected within 30 days even with the most careful check, warranty may be claimed within 3 months following take-over of the product.

- (b) The Partner's written complaint shall be deemed to have been made to the Company if it is forwarded in an e/mail message or in a letter. The time of receiving the complaint shall be the time when the Company confirms receipt of the e-mail and fax message, or the day when the postal consignment is delivered.

There are no formal restrictions on the form or report, but in each case it shall include the reason for the claim, the accurate quantity concerned, and the unique identifier. The Partner shall make appropriate evidence available for the Company (e.g. photographic documentation, a sample, expert opinion).

- (c) Review of the complaint forwarded by the Partner to the Company shall be the Company's responsibility. Within 5 [five] working days following receipt, the Company shall start inquiry of the facts included in the complaint reported in agreement with the provisions of section (b) herein, and inform the Partner of this fact in writing. Following inquiry the Company shall inform the Partner of settlement in writing.
- (d) Quality, finish, size and weight shall be subject to the standards and conditions defined in the confirmation of the order. Final settlement with the weight shall be based on the consignment note issued for the Partner.
- (e) The Company shall be entitled to engage agents to inspect the Product concerned with the complaint on the site in order to verify legitimacy of the claim. Without the Company's consent the Partner may not give unilateral instructions regarding the physical conditions or the legal status of the Product before the legitimacy of the warranty claim is ascertained. If the Partner fails to meet this requirement, it shall lose all its rights to warranty.
- (f) During inquiry of the complaint, the Partner shall store the Product in an appropriate place and manner in order to protect it and maintain its condition.
- (g) The stocks affected by complaint may only be used with the Company's written consent.

4.3 **Limitation and exclusion of liability**

(a) **Limitation of liability**

The Company shall do its utmost to comply with the due date of performance but may modify the set delivery deadline for a reason arising beyond its control.

If the Company fails to perform by the modified deadline, Partner shall be entitled to unilaterally waive from the contract in writing with respect to the non-performed part.

- (b) The Partner is not entitled to demand compensation for its direct losses and lost profit with reference to faulty and/or late performance. Direct loss shall include any and all loss of which Company could not have been aware of even with due care.
- (c) The Partner shall not be entitled to settle its warranty claim by setting it off against the purchase price without the Company's consent. In the case of setting off, the Parties should agree in the amount of reduction. A complaint concerning any item of the delivered Product does not entitle the Partner to withhold the purchase price or reject the receipt and payment of the rest of the items (Product). The Company shall bear no liability for any withheld or unpaid purchase price.
- (d) The Company does not assume liability in the following cases:
 - (i) Performance of the requirements not specified in statutory regulations, standards or the contract.
 - (ii) Non-proper or irregular use of the Product. The Company shall not be liable in the case of a special use of the Product by Partner which has not been

approved in writing by the Company. The Partner shall compare the notification of the Company with the minimum requirements set out in the law (standard), and consult the Company in the case of any discrepancy;

- (iii) Quality issues arising with regard to a Product not properly stored by the Partner.

5. WITHDRAWAL FROM PERFORMANCE

5.1 The Company is entitled to unilaterally withdraw from the individual supply contract, or depending on the circumstances suspend performance thereof at its own discretion, without complying with unlawful compensation and with the enforcement of its lawful damage claims, upon the occurrence of the following events:

- (a) Force majeure events⁴including but not limited to natural disasters, war, mobilization, blockade, export and import limitations and prohibitions, outages and such other unforeseen events or reasonably unavoidable circumstances that hinder the performance of the contract.

In the case of force majeure, the Parties shall notify each other without delay.

- (b) An adverse change in the Partner's liquidity conditions, including but not limited to: insolvency, initiation of bankruptcy or winding up procedures;
- (c) the Partner fails to notify the Company in writing about a change in its corporate form or corporate data within three days of occurrence;
- (d) the Partner sets out the means of carriage in a manner other than what is specified in Clause 3.5;
- (e) the Partner delays receipt by more than 30 (thirty) days.

5.2 If the Partner delays receipt by more than 30 [thirty] days, Company may charge 20% failure penalty, calculated on the basis of the net value of the Product, in the case of the Company's withdrawal from the contract.

5.3 If the Partner rejects receipt and payment, all costs and expenses relating to the given transaction (e.g. raw materials, goods, services, ancillary materials) shall be payable by it.

6. CONFIDENTIALITY

Any and all facts, information, solutions or data pertaining hereto, whose confidentiality is in the reasonable interest of the Customer, for which the Customer has made the necessary arrangements, shall be considered business secrets.

The Parties shall treat all data and information revealed to them in relation to the performance of the agreement between them and, disregarding the cases defined in statutory regulations, they may not disclose them to third parties without the other Party's preliminary written consent.

⁴ In the case of a force majeure event also the Partner will become entitled to withdraw from the agreement of the Parties.

The Partner shall be liable to pay compensation for any damage, direct or indirect, caused by the breach of business secrecy.

7. PARTIAL INVALIDITY

Should any provision of these GTC become invalid, all the other provisions of these GTC shall remain unaffected.

8. LEGAL DISPUTES

In any eventual dispute arising from their contractual relation, the Parties submit to the exclusive jurisdiction of the Court of Dunaújváros Region and the County Court of Székesfehérvár.

9. GOVERNING LAW AND INTERPRETATION

All issued left unregulated by these General Terms of Contract shall be governed by the provisions of the Civil Code and other relevant Hungarian statutory regulations.

These GTC have been drawn up in Hungarian, English and German. In the event of any discrepancies due to interpretation, the Hungarian version shall prevail.

10. ENTRY INTO FORCE

These GTC shall be effective as from 1 September 2015 and apply to contracts concluded on or after 1 September 2015.

Done in Dunaújváros, on 1 September 2015

FOR STEEL-INVEST

Mátyás Kmety
Managing Director