

GENERAL DELIVERY AND PAYMENT TERMS

Phoenix Mecano Kecskemét Kft., 6000 Kecskemét, Szent István krt. 24., CG.-03-09-102028

1. AUTHORITY

- 1.1. Our General Delivery and Payment Terms (hereafter: GDPT) are exclusively applicable; we do not accept contrary delivery and payment terms from Customers; unless we have approved them in writing. Our Delivery and Payment Terms also apply if we are aware of contrary terms and conditions of partners to whom we are only delivering and offering service based on our delivery and payment terms.
- 1.2. The GDPT in effect at the point of signing the contract shall be applicable. We are entitled to up-date and modify our GDPT from time to time. Our customers can read our up-to-date GDPT at any time on our website: www.phoenix-mecano.hu.
- 1.3. Retrofitting (additional modification) of the existing GDPT when the contract is already in effect is possible with providing an early written notification of the planned changes to the Customers. If the Customers do not contradict the planned modifications within 4 weeks we assume the approval of the modified GDPT. When we communicate the modification plans to our Customers we are obliged to draw attention to the fact that non reply will mean approval. If the Customer does not accept the modifications of the GDPT, we have the right to terminate our Contract with immediate effect at the moment as the new GDPT comes into force.

2. CONTRACTING

- 2.1. When the Customer order qualifies as an offer by virtue of article 6:64§ of the Civil Code we can accept that within four weeks.
- 2.2. If our offer does not include a specific deadline with regards to validity, our obligation to hold the offer will be 28 days from the date of sending the offer.
- 2.3. When the offer is accepted, the contract comes into existence. If the offer is accepted with modifications and additions it is considered a new offer. In case of a framework agreement, the contract comes into force with the confirmation (approval) of the order.

3. DELIVERY / DELIVERY TIME

- 3.1. Delivery deadlines or delivery terms are only valid if they have been confirmed in a written format. Deadlines or terms apply to the date of sending and will come to effect by the confirmation of fitness to delivery confirmation set out in 4.4.
- 3.2. Partial delivery or consignment is allowed within reason until it causes unreasonable extra costs to the Customer.
- 3.3. Vis a vis force major and other cases where we have no control over the events such as mechanical failure, traffic tie-up, problems with obtaining raw material or energy, labour dispute, official procedures, armed conflict, delays in deliveries when suppliers do not deliver for some reason that make it difficult or impossible for us to deliver will free us from our delivery obligations. This is also relevant in case of temporary natural obstacles, but only until such obstacle lasts and with a reasonable modification of the delivery deadline. If the Customer cannot accept an order due to the delay in the delivery, they can terminate the delivery contract with immediate effect after a written statement to us.

3.4. In case the Customer delays the acceptance, or if the delivery is delayed by the request of the Customer, or the Customer is at fault in meeting their obligations with regards to cooperation, we are entitled to compensation, including but not limited to additional costs (such as storage costs). Delivery deadlines will be extended by such time as the Customer requires to meet their obligation based on the contract (e.g. giving guarantee or payment). This is also applicable in the case of terms. All rights and claims reserved.

4. PRICES, SENDING PACKAGING

4.1. In case there is no separate agreement, actual prices, fees and costs are calculated and applied such as are in force at the time of offering the service. Prices and fees as calculated above do not include travel costs, fares, packaging fees, carrying costs and insurance costs. These costs will be separately calculated and invoiced to the Customer. All prices are manufacturing prices without packaging, increased by the applicable VAT.

4.2. If the payment for the service is not received in Hungarian Forints by the agreement of the Parties, the conversion is to be calculated by the prevailing official National Bank of Hungary rates. In case following sending the offer, or after contracting, the rate changes by 2,5% or more we have the right to modify the price with equal rate and this will be fixed in the contract or in the offer in all deliveries or completions following the change.

4.3. In case the production costs increase due to the increase of the raw material prices, the increase of world market price of energy or due to any other reason, we are entitled to unilaterally modify our prices set out in the offer or contract.

4.4. Delivery is at the risk of the Customer. The risk of accidental ruin or damage is over to the carrier when the product is dispatched or at the latest by the Customer latest when goods are leaving the factory. If dispatch is delayed for reasons of our responsibility, the risk is assigned at the confirmation of deliverability.

4.5. We only take back packaging materials such as pallets, wooden crates and other materials if we have previously agreed in writing with the Customer and the cost of the packaging materials is listed separately on the invoice.

5. INVOICING, PAYMENT, AND WAIVER OF CLAIMS

5.1. Invoices are payable in whole from the date of issue thereon, based on the payment terms to the carrier, provided that the Customer receives the delivery.

5.2. The payment deadlines based on the agreement are to be kept if the amount payable is available by virtue of section 6:42§ (2) of the Civil Code.

5.3. The Customer's right to waiver is only applicable to demands that are not disputable based on this contract and are declared by law.

5.4. In case of problems with delivery or completion, the payment can only be withheld in the amount of the value of the delivery or the non-compliance.

5.5. Payment is first calculated on previous delay claims against the Customer. In case there is a default interest we have the right to calculate first the interest and then the main claim.

- 5.6. In case of delays, the Customer is obliged to pay the interest set out in the section 6:155§ (1) of the Civil code and also as provided in section 6:155§ (2). If the Customer falls into delayed payment he is responsible to pay all costs that originate from collecting the outstanding amount especially the warrant for payment and cashing or any court procedures or impoundment, post, legal and other administrative costs.
- 5.7. In case there is a doubt with regards to the Customer's ability to pay, especially if there is already a delay in payment, non-payment, liquidation or in case of a moratorium, all payments become due immediately. This is also applicable if bankruptcy proceedings are initiated against the Customer's assets or in the case of initiation of bankruptcy proceedings – even if this is refused on the grounds of solvency or lack of bankruptcy. In this case we demand a payment in advance and a guarantee and we are entitled to withdraw the given deadline. This can also be a cause to terminate the contract.
- 5.8. The Customer can only count in payment amounts that we are not disputing and that are determined by law.

6. RESERVATION OF OWNERSHIP

- 6.1. We have ownership of the delivered goods until the payment due is made. Partial payment of the goods' price does not mean transfer of ownership.

7. OBLIGATIONS REGARDING QUALITY CLAIMS

- 7.1. The quality of the products should exclusively match the product description or system specification. We are only accountable for the appropriate use of the products if we have made a prior agreement in writing referring specifically to the use.
- 7.2. We are offering our services based on relevant technology and agreed specifications. We reserve the right to have minor differences between the products and the order especially with regards to the material and the finish within the framework of technical development.
- 7.3. The Customer is obliged to check the quantity and weight of the products upon delivery in the presence of the carrier and then take the products over. If the Customer finds fault, difference in quantity or damage of the packaging or in case the product delivered is not the product ordered, they are obliged to take a protocol in the presence of the carrier and mark the existence of the protocol on the delivery note or bill of delivery. The carrier must sign the protocol.
- 7.4. The Customer is obliged to send the protocol to us within three (3) days.
- 7.5. If the Customer does not prepare a protocol, they lose the right to delivery of the missing quantity or the right to a warranty and they will not be able to claim for damages moreover they will become responsible to all costs that could have been claimed from the carrier.
- 7.6. The Customer is obliged to start a quality check upon delivery, but no later than within eight (8) days and to complete that as soon as possible. If the Customer finds a fault or deficiency, they are obliged to notify us immediately, but as a minimum within three (3) days in writing. The Customer is obliged to store the problem products separately until we investigate the complaint.
- 7.7. We are offering our services based on standard practice with professional employees or partners.

7.8. As long as we are offering our service to our Customers, we are providing appropriate tools and equipment and employment for our employees.

7.9. In case of business contracts, after a successful delivery and hand over, we are only accepting quality complaints for hidden structural faults. When noticing the problem, the Customer has to immediately, but no later than within three (3) days send us a report on the problem. If the problem is not reported within two (2) weeks of noticing it, we consider it accepted by the Customer. Claims need to be detailed and in writing.

8. WARRANTY

8.1. The Customer cannot refuse takeover of delivery with negligible excuses.

8.2. In the case of quality claims, we have the right to judge if we fix the problem free of charge or re-deliver the problem free products.

8.3. We are responsible for damages specified in the Civil Code. We are responsible in the extent of the value of the defective products without VAT – in case of partial completion also in the value without the VAT except damages that are intentional, or due to gross negligence or a result of criminal act, or if there is a breach of contract that lead to damage in human life, fitness or health.

8.4. Returning faulty products is permitted if there is written prior agreement thereto. We are not obliged to accept products returned without prior written agreement. In this case the cost of delivery is to be paid by the Customer.

8.5. Claims on requisite products or services are valid for one (1) year after delivery. Claims for bodily harm caused, or damage in health, or intentional damage, or gross negligence are valid for a period stated by law.

8.6. Warranty claims terminate when they are the result of service or implementation, or they are subject to delivery changes. If the Customer refuses to allow us to check and examine the quality problem, or chooses to correct it without our agreement, their right to warranty is forfeit except in cases when such correction is necessary to avoid further damages or deterioration. Warranty cannot be used for normal wear and tear of products or for claims that resulted from inappropriate use, inappropriate installation, or as a result of electrical or mechanical influence that originate from normal operation.

9. COPYRIGHT

9.1. In the case of documents provided for delivery or completion, the Customer guarantees that no copyright of third parties are violated or breached. It is the Customer 's responsibility to stand for claims from breaching any third parties' copyright and to cover costs arising from such claims. If any third party prohibits performance, production, delivery or use owing to third party copyrights, we reserve the right to stop all work – without examination of relevance – and to claim all expenses originating from this matter. Documents, tools and other materials sent to us will be returned upon reimbursement of costs. Otherwise we have the right to destroy these three (3) months after sending the offer.

9.2. For samples, models, cost calculations, drawings and similar information that is objective or immaterial – also in electronic format – and for other documentation we reserve our copyright and right for unlimited use and the provision of these to a third party is only permitted following a written agreement between the parties. Offers and enclosed drawings must be returned without delay should we request it.

10. INDUSTRIAL PROPERTY, COPYRIGHT WARRANTIES

10.1. If there is no written agreement otherwise, we are only obliged to deliver free of breaching a third party's copyright (industrial property) to shipping location countries. If there should be a breach of industrial property originating from our delivery against our Customer we are responsible as set out in 8.5 of these Terms, within the deadlines to apply for industrial property on our own expense or we amend the specification in order that it does not violate industrial property and the Customer has the right to statutory withdrawal or price reduction.

The above is only applicable if the Customer has informed us without delay of any such claims from third parties, if the Customer does not accept that such a claim is as a result of their negligence and has provided us every opportunity to initiate proceedings to protect our position. If the Customer stops using the products to reduce costs or for other business critical reasons, they are obliged to notify the third party about these actions and in such cases this does not automatically imply that they accept that there is a violation of industrial property.

10.2. Should the Customer act in cases of industrial property breach, they lose the right to claim from us in these cases.

10.3. Claims from the Customer are also invalid if their specifications have breached copyrights for a Carrier in unforeseen implementation or in case the Customer changed the delivery such that they apply other products not sley from us together with our delivered products.

11. TRANSMISSION OF THE DELIVERY CONTRACT

11.1. We have the right to transfer the order or part thereof to a third party without prior written agreement from the Customer. We are responsible for any such third party based on the rules of fulfilment assistant.

12. TRANSFER OF DANGER

12.1. In case of freight free delivery, the Customer is responsible as follows:

- a) in case of deliveries without implementation or installation, when the delivery was dispatched or when it was collected. Upon the request of the Customer it is possible to insure the delivery against usual risks.
- b) in case of deliveries with implementation or installation, on the day of handover in the factory or if the parties agree after a problem free test run.

12.2. If there is a delay during sending, dispatching, implementation or execution or during handover at the manufacturing unit, during the test run and the Customer is responsible for it, the threat of danger is on the Customer.

13. TERMINATION OF PAYMENT, BANKRUPTCY, LIQUIDATION PROCEDURES

13.1. In the event the Customer terminates payment, a Receiver is appointed to the Customer by Courtm Bank or Civil Code, bankruptcy or liquidation proceedings are initiated over their assets or there is a bill or exchange or check demand against them, we have the right to terminate our contract in full or in part without leaving any room for responsibility or proceedings against us. If we terminate the contract, all fulfilled obligations, services are to be settled as set out in the contract.

14. PARTIAL INFIRMITY

14.1. If parts of this GDPT are considered unlawful or become unlawful over time, the remaining statements will remain valid. The same applies to any legal loopholes.

15. JURISDICTION, APPLCABLE LAW

15.1. In the cases of dispute between the Partners the Hungarian laws apply exclusively.

In disputes between us and the Customer with regards to legal disputes arising from contracts between us or this GDPT or the understanding thereof, the relevant bodies are based on the Civil Procedures – the relevant (by the address) local courts or courthouses exclusively.

15.2. Statements to justify, explain, protect or practice rights need to be in written format. Written format is data transfer in text format (e.g. e-mail) or fax, except as any written format is otherwise specifically specified by law.

15.3. In any questions where the answer is not in the GDPT, the rulings of the 2013 year V. regulations of the Civil Code are applicable.

15.4. This GDPT has been prepared in Hungarian, English and German languages. If there is a dispute in understanding, the Hungarian version is applicable.

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