

Salgglas Glass Industry Joint Stock Company
3104 Salgótarján, Budapesti út 29.

GENERAL CONDITIONS OF DELIVERY AND PAYMENT

GENERAL CONDITIONS:

These present "General Conditions of Delivery and Payment" (further on: **Conditions**) are to be applied for all offers, delivery agreements prepared by and any service provided by Salgglas Glass Industry Joint Stock Company (further on: **SALGGLAS**). Each and every future business transaction is subject to these Conditions.

SALGGLAS shall be binded by Customers' divergent conditions only in the case they have been expressly accepted in writing. The individual sales contract based on the current offer respectively the order confirmation shall contain all conditions which are not contained herein or are different from the ones set down below. Customer acknowledges these present **Conditions** concurrently by placing the offer and by accepting **SALGGLAS**'s order confirmation. **SALGGLAS** shall send Customer by mail or by way of electronic transmission the Conditions and the "**Technical Specifications**", which shall be effective for all deliveries. All drawings, tools, written documents prepared by **SALGGLAS** which are necessary for the production of products delivered for the Customer shall remain the property of **SALGGLAS**. The documentation, drawings and written documentation that are required for manufacturing the products supplied for the customer and made by Salgglas remains Salgglas' property.

ORDER:

SALGGLAS accepts orders in written form. Verbal agreement shall be effective only in case it is confirmed in writing by **SALGGLAS**. In case of export sales **SALGGLAS** shall have Customer's conditions inspected by HERMES International Insurance Co. Individual sales contracts shall be effected by the written confirmation of the order. Letter, telefax or electronic forms of communication shall be regarded as being in written form. In the order dimension shall be given in milimeters (mm), in the following sequence: width, height and glass thickness.

The smallest value and quantity by orders is 200,000.- HUF or 800.- EUR.

- **In case of tempered products by types and orders 200 pieces** in case of flat, bent, screened printed products.
- In case of **laminated products** the smallest quantity shall be determined individually according to the packing unit.
- In case of car windshields or screened products not on stock: **50 pieces**.

TOOLS:

1.

The tools (bending-, screen printing tools, controlling calibers, graphics) that are required for manufacturing the products supplied for the customer remains Salgglas' property and stored in Salgglas' seat. The manufacturing costs of these tools are born by the customer, which has to be ascertained in the quotation given out for the customer.

2.

If there are other agreement between the parties, which rules that the tools are the properties of the customer, Salgglas has the right to buy back those from the customer after the termination of the business contact.

2.1

If the customer is a registered legal entity from an EU-member country, different from Hungary and the law of VAT year 1992 no. LXXIV 29/A § a.) cannot be fulfilled, Salgglas is obliged to charge VAT for the customer regarding the tools mentioned in point 2.

MODIFICATION OF CONFIRMED ORDERS:

Contracts concluded between **SALGGLAS** and Customer may be modified only in writing in case the cutting of the glass had not taken place. Modification of the order is possible by undertaking the related expenses charged by **SALGGLAS** and invoiced at the same time as invoicing the price of the product. In any other case modification shall not be possible.

PRICES:

Prices of products and tools supplied by **SALGGLAS** shall be understood delivered and loaded at the plant site of **SALGGLAS**, packed, without VAT (ÁFA). If after the confirmation of the order unforeseen, significant changes occur in the technical-, basic material and auxiliary material costs on which the order was based, **SALGGLAS** shall be entitled to revise the prices previously informed and to place a new price offer.

SALGGLAS shall charge additional premium in the following cases:

- small quantity: under 200 pieces
- urgent delivery: delivery date shorter than 4 (four) weeks.

DELIVERY DATE, PLACE AND TIME OF PERFORMANCE, DIFFERENCE IN QUANTITY:

SALGGLAS shall confirm the delivery date of the products depending upon production capacity. The individual sales contracts shall contain the delivery dates subject to conditions and penalties. **SALGGLAS** shall inform the Customer immediately about any evident/recognizable delay of the deliveries. **SALGGLAS** shall agree with the Customer regarding the amendment of the delivery date.

The delivery and acceptance of the products, performance of the sales contract shall take place when

- **SALGGLAS** delivered the products to the Customer or his forwarding agent at the plant site of **SALGGLAS**
- **SALGGLAS** delivered the products to the Customer at the plant site of the Customer or any other place designated by the latter.

The delivery and acceptance of the product shall be confirmed by the parties by signing the relevant delivery note.

Final products are served out from Monday to Thursday from 6:00 until 13:00 o'clock, on Friday from 6:00 until 12:00 o'clock. The Customer shall accept the products according to the delivery note issued by **SALGGLAS**.

In case of non-standard products $\pm 5\%$ tolerance is permitted to the contracted quantity. In case of difference within the mentioned tolerance Customer shall not request additional supply of the missing quantity, respectively shall accept the surplus at the price contained in the order confirmation or the sales contract and shall pay the price according to the payment agreement concluded with **SALGGLAS**.

PAYMENT CONDITIONS:

First order of the Customer (domestic and foreign) shall be settled by payment in advance. Payment shall be settled against a pro-forma invoice. Payment of further orders shall be settled by way of bank remittance against and invoice by the payment date according to the payment term agreed by the parties.

SALGGLAS shall issue an invoice only on the deliveries performed and accepted by the Customer. If **SALGGLAS** produced the product according to the confirmed order and it is not transported due to the fault of the Customer **SALGGLAS** may be entitled to claim for damages.

In case of delay in payment interim interest shall be charged according to the agreement of the parties.

Customer shall not offset any claims he may have against the price of the products due to **SALGGLAS**. Payments shall be made to the account at the bank determined by **SALGGLAS** without any losses due to costs of the transfer or currency exchange. Foreign customer shall bear bank charges incurred abroad.

GUARANTEE:

For tempered glasses **SALGGLAS** guarantees the technical specifications of the product until its delivery for the Customer or his representative, for other products the guarantee period is 12 (twelve) months. Improper loading, storage, build-in, processing are considered by **SALGGLAS** as disqualification of the guarantee.

The Customer is entitled to inform any claim related with quantity, quality within 8 (eight) working days from the acceptance of the product, together with written documents, photos, video recording or any other evidence verifying the claim.

SALGGLAS shall investigate the claim according to the regulations of the "Quality Handbook".

In case of claim Customer shall certify the origin of the product based on a document and that it was purchased from **SALGGLAS**. Such a document may be a delivery note, packing list, line coded label issued by **SALGGLAS**. The result of the investigation shall be entered on record.

CONFIDENTIALITY:

Contracting parties mutually undertake to handle all production and price information acquired during the performance of the contracts confidentially/as business secret and shall not communicate such information to any third party.

SETTLEMENT OF LEGAL DISPUTES, COURT JURISDICTION, APPLICABLE LAW:

Parties shall make effort to settle disputes arising during the performance of the contract amicably, by way of negotiations among themselves and only in case this is not successful shall turn to a court. The legal relationship between the parties shall be governed by exclusively by the Hungarian law, legal disputes shall come under the jurisdiction of the court according to **SALGGLAS**'s registered seat.

Salgótárján,

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SALGGLAS

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CUSTOMER