

General Terms and Conditions for Domestic Supply of Machine Tools of DMG MORI Hungary Kft.

1. General

- 1.1. The General Terms and Conditions (hereinafter: GTC) set forth herein are in effect from January 1, 2017 and shall remain effective until revoked. Supplier reserves the right – primarily due to legal changes or changes in business policy – to amend the present GTC.
- 1.2. The present GTC shall be applicable to contractual transactions (hereinafter: Contract) concerning domestic sale of machine tools between DMG MORI Hungary Ltd. (hereinafter: Supplier) and the Customers, who according to §8:1 para (1) section 3) are not consumers (hereinafter: Customer) (hereinafter Supplier and Customer jointly referred to as Parties).
- 1.3. The statement of the Parties to conclude the Contract and the present GTC together contain the agreement of the Parties (hereinafter: Contract). Different conditions regarding procurement on behalf of the Customer do not become part of the Contract, even by the acceptance of the order. The Contract – in the absence of a different, special agreement – shall be concluded with the Supplier's written confirmation of the order. Any other form or method of contractual statements shall not constitute the conclusion of a contract; they do not bind Supplier to any contractual obligations. Customer acknowledges that at the time of placing an order – without any further legal statement – he accepts the present GTC of the Supplier.
- 1.4. The Supplier holds ownership, all intellectual- and industrial property rights to all samples, price calculations, drawings, as well as intellectual and physical forms of similar information – including their electronic forms. These shall not be disclosed to third persons, without the prior written consent of the Supplier. The Supplier undertakes to maintain secrecy of information and documents deemed confidential by the Customer, and shall only disclose these to third parties with the consent of the Customer.

2. Price and Terms of Payment

- 2.1. In default of any special agreement to the contrary, the prices are to be understood as ex Works, including loading at the place of manufacture, but excluding packaging. The prices indicated are net prices, on top of which the currently effective statutory rate of value-added tax shall be paid.
- 2.2. In default of any special agreement to the contrary, payment shall be made to the Supplier's account, without any deductions, via bank transfer, as follows:
 - 30% within 10 days from the date of the down payment invoice,
 - 60% within 10 days from the notification to the customer that the product is ready for shipment,
 - the remaining amount: within one month from the passing of the risk.
- 2.3. Payment shall be considered fulfilled when the full amount, without any deductions, of the invoice prepared by Supplier is credited to Supplier's bank account. The Customer is only entitled to withhold payment or to set off his counter-claim if the counter-claim is undisputed or has been established by a final non-appealable court decision. In particular, withholding payment and the inclusion of other claims (e.g. reduction of purchase price, or the party's interest in contractual performance has ceased) are prohibited in the absence of prior written consent from Supplier.
- 2.4. In the case of late payment, Supplier – in accordance with the rate set forth in §6:155 of the Civil Code, applicable to business entities – shall charge late-payment interest, as well as other costs incurred arising from late payment, in particular but not limited to provisions set forth in EU Directive 2011/7/EU.
- 2.5. If payment of the partial of the purchase price by the deadline becomes endangered, or if circumstances arise that negatively affect the creditworthiness of the Customer, Supplier may request prior guarantee of the full purchase amount. Supplier – up until the provision of full financial guarantee – at his own discretion – is entitled to withhold performance or withdraw from the Contract, and to claim compensation for damages incurred.

3. Delivery deadline, delay in delivery

- 3.1. Delivery times set forth in the Supplier's price offer are for information purposes. The representative delivery time for the Contract is provided by the Supplier in the order confirmation. Compliance with delivery time on behalf of Supplier requires that all commercial and technical issues have been clarified and that the Customer has fulfilled all obligations incumbent on him, thus e.g. required official certificates, authority permits, down payment, etc. On the contrary, delivery time shall be extended correspondingly. This provision shall not apply if and to the extent that the Supplier is responsible for the delay.
- 3.2. Compliance to delivery times shall be the responsibility of the Supplier if delivery to Supplier from sub-supplier(s) is correct and timely.
- 3.3. Delivery time is deemed complied with if the goods to be delivered have left the manufacturer's facility by the expiry of the delivery deadline, or when the notification of readiness for dispatch has been reported. This shall also apply in the case that the goods have been picked up.
- 3.4. If delay in delivery or dispatch are for reasons attributable to the Customer, the Customer will be charged for costs

incurred as a result of the delay, starting one month following the notification of readiness for dispatch.

- 3.5. If non-compliance with the delivery time is due to force majeure, conflicts or other events effecting the whole or majority of the workplace – events beyond the control of the Supplier, the delivery time shall be extended by an adequate time period. The Supplier shall inform the Customer of the beginning and the end of such circumstances as soon as possible.
- 3.6. The Customer is entitled to withdraw from the Contract – without providing a deadline – if performance on behalf of the Supplier becomes definitely impossible in entirety, before the risk has been passed. Moreover, the Customer is entitled to withdraw from the contract if in the context of an order the performance of one part of the delivery becomes impossible (partial impossibility) and the Customer has legitimate interest in refusing partial delivery. In the absence of such circumstances, the Customer is obliged to pay such portion of the contractually agreed price as corresponds to the partial delivery. The same shall apply in the case of the Supplier's inability to perform. For all others, Section 7.2. shall be applicable. If the impossibility or inability to perform occurs during a period where the Customer is in default of acceptance or the Customer is solely or clearly for the most part responsible for such circumstances, the Customer continues to be obliged to render the consideration.
- 3.7. If the Supplier is in default and damage is incurred by the Customer as a result thereof, the Customer is entitled to claim lump-sum compensation for the delay, amounting to 0.5% for each full week of the delay of the value of that part of the overall delivery which, due to the delay, is not available for timely use or proper use as guaranteed by the Contract; however, the amount of such compensation shall not exceed 5% of said value. If the Customer grants to the Supplier who is in default an adequate grace period for delivery – in consideration of the exemptions set forth in law – and if the Supplier fails to comply with such period, the Customer shall be entitled to withdraw from the contract in accordance with statutory provisions. Any further claims arising from the delay in delivery are exclusively subject to the provisions in Section 7.2 of the present GTC.

4. Passing of risk, Acceptance

- 4.1. Risk shall be transferred to the Customer when the goods to be delivered have left the premises of the manufacturer, even in the case of partial deliveries or if the Supplier has agreed to the performance of further services – e.g. acceptance to pay delivery costs, or obligation to deliver and install goods. In the case of an agreed upon acceptance deadline, acceptance of goods shall take place without undue delay, or after notification by the Supplier of the readiness for acceptance. The Customer shall not refuse the acceptance of the goods in case of a minor defect.
- 4.2. If the dispatch, and/or acceptance are delayed or expunged for reasons not attributable to the Supplier, the risk shall pass to the Customer on the day of notification of the readiness for dispatch. The Supplier is obliged at the request of and at the expense of the Customer to take out insurance policies requested by the Customer.
- 4.3. Supplier is entitled to partial- and early delivery.

5. Reservation of title

- 5.1. The Supplier reserves the title to ownership to the delivered goods until all payments under the supply contract, including the purchase price and costs of additional services, have been fulfilled. If installation or assembly services are to be performed, the title to the delivered goods shall only pass to the Customer after fulfillment of payment for the goods purchased and remuneration has been paid for assembly services. The provisions set forth in 5.2. - 5.10. below pertain to the period of the reservation of the title of ownership.
- 5.2. The Supplier is entitled to insure the delivered goods at the expense of the Customer against theft, robbery, fire, water, and other damages, unless the Customer has taken out such an insurance policy and can verify it with credible proof.
- 5.3. The Customer may only sell, transfer, or pledge the delivered goods to a third person with the prior written consent of the Supplier. In the case of an attachment or seizure related to criminal activity or other disposal by third parties, the Customer shall be obliged to notify the Supplier without delay.
- 5.4. In the case of breach of contract on part of the Customer – in particular, in the case of late payment – the Supplier is entitled to withdraw from the Contract following prior notification to the Customer, and is entitled to request the return of the delivered goods, and the Customer is obliged to return the said goods.
- 5.5. In the case that the Customer resells the delivered goods during the ordinary course of business, the Customer already now assigns to the Supplier any and all claims up to the final invoice amount (including VAT), which may accrue and may be owing to him by his customers or third parties from the resale, regardless of whether they will accrue or not. The Supplier shall be entitled to collect the assigned claims. For this purpose, the Customer is obliged to send notification to the claimant in accordance with Civil Code § 6:197 para (1) of the assigned claim at the time of the resale, and provide proof of this to the Supplier. Concurrently, the Supplier shall be notified of the respective debtors, and Customer shall provide all information required to collect claims and be required to hand over all relevant documents.
- 5.6. In the case of any processing or transformation of the delivered goods by the Customer, the title to the good remains with the Supplier. If the delivered good is processed together with other items not belonging to the Supplier, then the Supplier will share title to and become co-owner of the new good in the proportion of the value of the delivered good to that of the other processed goods at the time of processing. Apart from that, the new good generated by the processing/transformation is subject to the same provisions as the goods delivered subject to

the reservation of the title of ownership.

- 5.7. If the delivered good is inseparably mixed with other goods not belonging to the Supplier, the Supplier shall share title to and become co-owner of the new good in the proportion of the value of the delivered good to that of the other mixed goods at the time of the mixing. In the case that the mixing occurs in such a way that the value of the Customer's good is greater, the Parties agree to the transfer of the Customer's pro rata ownership from the Customer to the Supplier. The Customer shall retain the so-generated sole-ownership or co-ownership for the Supplier.
- 5.8. The Customer assigns to the Supplier those claims by way of security for the Supplier's claim, which arise against a third party from the union of the delivered good with real estate.
- 5.9. The Supplier shall undertake to release upon the Customer's request, the security provided to him to the extent that the value of the security exceeds the claims to be secured by more than 20%. The part of the security to be released is at the sole discretion of the Supplier.
- 5.10. If a petition in insolvency or bankruptcy is filed, the Supplier will be entitled to withdraw from the Contract and demand immediate return of the delivered goods.

6. Warranty

The supplier gives warranty of quality and title of the delivered goods excluding at the same time any further rights and claims of the customer – in accordance with the provisions in section 7. of the present GTC – as is described in the following:

6.1. Warranty on delivered goods

The Supplier grants the Customer a warranty period of 18 months. The warranty period shall commence on the date that installation and commissioning is carried out by the qualified technicians of the Supplier. However, the warranty period will commence no later than 3 months from the date the Customer accepts delivery of the machine; if documented installation and commissioning delays are caused by circumstances beyond the control of the Supplier. Any damage to the machine incurred as a result of improper use prior to the machine being commissioned is not covered by the warranty.

For extraneous goods, but those delivered by the Supplier, the warranty obligation of the Supplier is enforceable only if and to the extent of the warranty that the manufacturer provides for the good. The condition for the enforceability of warranty rights requires that the machine be used in accordance with intended use as set forth in the Contract, and in particular, proper maintenance instructions as set forth in the machine's documentation.

A warranty claim is only valid if appropriate servicing and maintenance has been carried out as stated in the operating instructions of the respective machines. In addition, all inspections are to be conducted by the manufacturer or by technicians authorized by the manufacturer at the required intervals. All operations must be documented in the logbook supplied with the machine and then confirmed using the 'DMG MORI MACHINEcheck' facility, if this is included in the product configuration.

6.2. Defects of New Goods

- 6.2.1. The Supplier is obliged to fix or replace – at his own discretion – any such part, free of charge, which was defective and proven to have become defective prior to transfer of risk. The Supplier shall be notified in writing of any such defect. Any replaced parts become the property of the Supplier.
- 6.2.2. The Customer is obliged, after consultation with the Supplier, to grant the Supplier the time needed and opportunity deemed necessary by the Supplier to make any subsequent improvements or substitute deliveries. Otherwise, the Supplier shall be released from the liability for any consequences resulting therefrom. The Customer is entitled to remedy or may eliminate the defect himself or through third parties, and to claim reimbursement of the necessary expenses incurred, only in urgent cases, where the operating safety is endangered or for the prevention of unreasonably high damage, in which case the Supplier has to be informed immediately.
- 6.2.3. If and to the extent that the complaint proves to be justified, the Supplier shall bear the direct costs of the subsequent improvement and/or the substitute delivery including the costs of dispatch. Furthermore, the Supplier shall bear the costs of deinstallation/disassembly, as well as personnel costs of necessarily required installers / assemblers. If the Customer relocates the delivered goods, in whole or part, from the contractually agreed place of installation to another location, the Customer shall bear any additional costs incurred as a result of the relocation, in particular, but not limited to any travel expenses incurred by the Supplier.
- 6.2.4. The Customer is entitled to withdraw from the contract within the limits of the law if the Supplier, in consideration of the exemptions provided for by law, fails to duly fulfill his obligations within a grace period granted to him for the purpose of the subsequent improvement or substitute delivery due to a defect of quality. In the case of a minor defect, the Customer will only be entitled to reduce the contractually agreed price. Apart from that, the right to reduce the contractually agreed price is excluded.
- 6.2.5. The warranty is in particular excluded in the following cases: unsuitable or improper use; defective installation or assembly by the Customer or a third party; regular wear and tear; improper or careless handling; improper maintenance; unsuitable operating facilities or tools; defective construction works; unsuitable building foundation; chemical, electrochemical, or electric influences – unless the Supplier is responsible for such circumstances.
- 6.2.6. If the Customer or a third party carries out subsequent improvements improperly, the Supplier shall accept no liability for the consequences resulting therefrom. The same also applies to any changes made to the delivered goods without prior consent of the Supplier.

6.2.7. In the case of defective performance, the Customer may only make claims for compensation for damages in the delivered goods if the goods cannot be repaired or replaced, or if the Supplier is not willing to undertake repair / replacement. This claim for damages expires within the time period of the warranty. Aside from the above, the Customer shall not be entitled to make other claims, including but not limited to consequential damages (loss of production, machinery damage) and loss of profits.

6.3. **Defects of Used Goods**

Notwithstanding the preceding provisions, the warranty for defects of quality of used goods is excluded. This shall not apply in the case of any fraudulently concealed defects or the breach of a guarantee. Apart from that, the contractual rights and claims of the Customer remain unaffected, even in the case of delivery of used goods.

6.4. **Warranty of Title**

6.4.1. If the use of the delivered goods entails an infringement of domestic industrial property rights or copyrights, the Supplier, at his own expense, will generally procure for the Customer the right to continue the use of the delivered goods or will carry out the modification of the delivered goods in a manner that is reasonably acceptable for the Customer, to the effect that the infringement of the protective rights is eliminated. In the case that this cannot be carried out under economically reasonable conditions or within a reasonable period, the Customer shall be entitled to withdraw from the Contract. In the circumstances described above, the Supplier is also entitled to withdraw from the Contract. In addition, the Supplier shall indemnify the Customer from any and all undisputed claims, and claims of the owner of the respective protective right that have been established by a final non-appealable court decision.

6.4.2. Considering Section 7.2. of the present GTC, obligations of the Supplier described above under 6.4.1. are limited solely to infringement of industrial property rights or copyrights, and are applicable only in the following cases:

- the Customer shall inform the Supplier of any invoked industrial property rights or copyrights, without undue delay;
- the Customer supports the Supplier to a reasonable extent in the defense against asserted claims, and enables the Supplier to carry out modifications for the Customer as set forth in Section 6.4.1.;
- the Supplier reserves the right to take all defense measures – including out-of-court settlements;
- the infringement cannot be traced back to an instruction from the Customer;
- the infringement is not the result of the Customer making unauthorized modifications to the delivered goods, or by any use of the delivered goods that is contrary to the Contract.

7. **Liability**

7.1. If the delivered goods cannot be used by the Customer as agreed in the Contract due to the Supplier's fault as a result of any omitted or defective execution of pre- or post-contractual proposals or recommendations or due to the breach of any other ancillary duties under the Contract, in particular with regard to the instructions for use and maintenance provided with the delivered goods, then with the exclusion of any further claims on behalf of the Customer, provisions set forth in Section 6 and Section 7.2. of the present GTC shall be applicable.

7.2. The Supplier shall not be liable either indirectly or directly, substantive- or non-substantive in nature, for damage resulting from the use of or failure to use information supplied, or for damages that – for any reason – do not occur within the delivered good itself, unless it has been proven beyond reasonable doubt, that the Supplier had organized it or a senior employee with the Supplier had caused it:

- Intentionally;
- with grossly negligence;
- with criminal intent (offense);
- with detriment to life, physical well-being, or health;
- in the case of intentional or negligent injury of the life or limb or health,
- in the case of fraudulently concealed defects or defects for which the supplier has given a guarantee of non-existence,
- in the case of defects of the delivered goods if and to the extent that the liability for personal injury or damage to privately used property is based on applicable liability provisions.

7.3. In the case of intentional or negligent breach of fundamental duties under the Contract, the Supplier will also be liable for gross negligence, however, in all cases, only to the extent of the reasonably foreseeable damages typically occurring with contracts of this kind. Any further claims, in particular consequential damages and lost profits, are excluded.

7.4. Parties jointly agree to the exclusion of joint and several liability of the executive officer of the Supplier as set forth §6:541 of the Civil Code, as well as liability for damages as set forth in §3:118 of the Civil Code. By entering into the Contract, Customer expressly and irrevocably waives his right to damages, and acknowledges that he shall not be entitled to enforce claims for damages under the above legal provisions.

8. **Limitation**

All claims of the Customer – regardless of the legal clause on which they may be based – become time-barred after the expiry of 12-months. In the case of intentional or fraudulent conduct, and in the case of claims under provisions on

product liability, the limitation periods as prescribed by law shall be applicable. These also apply to defects of construction and for delivered goods, which according to their regular purpose, have been used for construction and have caused the defect in such construction.

9. Use of software

If the delivered goods include software, then the Customer is granted a non-exclusive right to use the delivered goods, together with the included documentation. This right is transferred with regard to the use of the delivered good. The use of the software on more than one system is prohibited. The Customer may only copy, adapt, translate the software, or to transform the subject code to source code to the extent permitted by law (Copyrights Act). The Customer undertakes not to remove or modify any manufacturer information, in particular any trademarks, without the prior written explicit consent of the Supplier.

All other rights regarding the software and documentation and any copies thereof remain the property of the Supplier and/or the author of the Supplier of the software. Any granting of sublicenses of the licenses [provision of user rights to third persons] is prohibited.

10. Applicable law, Jurisdiction

- 10.1. All legal relations between the Supplier and the Customer are exclusively governed by Hungarian law, with the exclusion of the Vienna Convention brought into effect under Decree Law no. 20 of 1987 and Act XXVIII of 2006 on contractual obligations.
- 10.2. For the resolution of any disputes, the venue shall be the Court with jurisdiction at the Supplier's registered office. However, the Supplier shall be entitled to take legal action in the jurisdiction of the Customer's registered office.