

## **HIDRIA GENERAL TERMS OF SALE (GTS)**

### **DEFINITIONS**

For the purpose of these General Terms for Sale the below definitions shall have the following meaning, unless the context requires otherwise:

- 1.1. **“Buyer”** means the person placing an Order with the Seller and/or entering into contract of sale for the Products with the Seller;
- 1.2. **“Confidential information”** means all and any information related to the Products, Orders and any contract of sale – purchase of the Products, their content or performance, including but not limited to prices for the Products, delivery terms, designs, technical data on Products and their manufacturing and any other data and information which is disclosed by the Seller to the Buyer whether orally or in writing, unless such information is public at the time of its disclosure or becomes public without breach of these General Terms for Sale
- 1.3. **“Contract of Sale”**: contract entered into by the Seller and Buyer for sale of Products executed by exchange of an order and its acceptance as different deeds or by the agreement of both parties on one document.
- 1.4. **“HIDRIA”**: means any company of the HIDRIA GROUP that enters into the Contract of Sale.
- 1.5. **“Order”** means a purchase order for the Products placed by the Buyer with the Seller in compliance with these General Terms for Sale.
- 1.6. **“Products”** means products manufactured and/or supplied by HIDRIA
- 1.7. **“Seller”** means any company of the HIDRIA GROUP that enters into the Contract of Sale.
- 1.8. **“GTS”** means these General Terms for Sale applicable by the Seller as may be amended by the Seller from time to time:
- 1.9. **“Working Day”**: any day deemed to be working day in the country of Seller’s registered office, official Holiday days in the country of Seller’s registered office and Collective Holidays of the Seller.”

## **1. VALIDITY OF GTS**

These GTS are published on the Seller's web address (<http://www.hidria.com/en/partners/>) and shall apply to all long terms frame and other purchasing agreements as well as orders and/or delivery requests, if they are referred to by the said agreements. All provisions of GTS shall be binding if not expressly amended and/or changed by respective agreement. Application of any general conditions of the Buyer is excluded.

## **2. ORDERS FOR THE PRODUCTS**

1.10. Order, acceptance (confirmation) of the order, any counter proposal for change or amendment of order, rejection of the order and, any changes and amendments thereof and rolling forecasts are to be made in writing and sent by registered letter, facsimile or e-mail. If sent by e-mail, unless otherwise agreed, no certified electronic signature is necessary.

1.11. Orders should include buyer's part number, quantity of ordered products and proposal for lead time.

1.12. The Order shall be deemed effective if it complies with the requirements of these GTS and is accepted by the Seller in writing.

1.13. The order is accepted if the Seller submits the statement of acceptance within 8 days after the receipt of the order.

1.14. In case the Seller requests from the Buyer any securities for payment for the Products for the specific Order and (or) all the Orders according to Clause 5.4. of these GTS, the order shall be deemed as accepted by the Seller only after such additional securities are provided to the Seller.

1.15. The Buyer shall be entitled to cancel or recall the Order accepted by the Seller, provided that such cancellation or recall of the Order is approved in writing by the Seller.

1.16. The Seller is entitled to cancel the Order accepted by the Seller by submitting the notification to the Buyer on the cancellation of the Order by e-mail, provided that the Order may not be executed due to circumstances preventing the Seller from proper execution of the accepted Order which are not under its control.

## **3. PRICE**

### **3.1. Unit Prices**

Each of the unit prices represents a net price, which is to be increased in compliance with the statutory value added tax.

The prices shall be EX WORKS (Incoterms 2010).

### **3.2. Costs and charges**

The transfer costs of the price remittance shall be borne by the Buyer so that the Seller receives the amount of the price increased for VAT.

Any duties, taxes including withholding taxes, charges and assessments shall be borne by the Buyer and the Seller shall receive proceeds net of any such duties, taxes, withholdings and assessments.

### **3.3. Deliveries**

The SELLER shall deliver the products at its premises on working days during its working time.

If the Buyer does not take over the delivery in agreed upon time, the Seller is entitled to invoice the buyer the storage costs, and if the Buyer does not take over the products in additional grace time granted by the Seller, the Seller is entitled to sell the Products, and when they are not fit to be used by a third person and/or when the Buyer cannot sell them as such in reasonable period of time, to sell them as scrap. In such cases the Seller shall retain the proceeds in the amount covering the price not paid, the value of storage, costs of sale and value of any other damage. The delay to take over the product does not relieve the Buyer from obligation to pay the purchase price of products within the due time.

## **4. TERMS OF PAYMENT**

4.1. The Seller shall make the invoice for the Products on the day of delivery and send it to the Buyer within next three working days. Payments shall be effectuated in Euros within thirty (30) Days from the invoice date by wire transfer to Seller's bank account.

4.2. The Buyer shall make all the payments for the Products by wire transfer to the Seller's bank account set forth in Contract of Sale.

4.3. The payment is considered made at the moment that the funds are posted in the bank account of the Seller.

4.4. The Seller shall be entitled to demand, at its own discretion, the Buyer, to pay for the Products in advance prior to delivery of the Products and (or) provide the Seller with the additional security for payment for the Products in the form and content acceptable to the Seller, if the payments are not secured by credit insurance provider acceptable to the Seller or in any other way acceptable to the Seller or if the Buyer delays payment for the Products according to terms of previous Order or Orders and (or) the Seller has doubts about the Buyer's financial status, solvency and (or) ability to settle for the Products.

4.5. In case of delay with payment and/or Seller's doubts about the Buyer's financial status, solvency and ability to pay the products the Seller shall be, without prejudice to any other remedy, entitled to retain any delivery to be executed after the delayed payment has become due and or the Seller has become aware of facts causing his doubts about Buyer's financial status, until the Seller pays all due amounts.

4.6. If the Buyer breaches its obligation to accept the Products, the Seller shall also be entitled to suspend the acceptance of the Orders and/or delivery of the Products to the Buyer according to the already accepted Orders until the full acceptance and settlement of the Products by the Buyer respectively.

4.7. In case of late payment, the Buyer shall pay an interest (on a daily basis) on overdue payment at a rate equal to sum of European Central bank most recent main refinancing operations carried out before the first calendar day of the half year in question, plus eight percentage points, from the date payment becomes due until making the payment in full by the Buyer.

4.8. Additionally the Seller may claim reimbursement for any damage caused by delayed payment which exceeds the amount of interest to be paid in compliance with this Clause.

## **5. QUALITY OF PRODUCTS AND GUARANTEES**

5.1. The Seller guarantees that the Buyer shall be provided only with the Products of quality required by the contract.

5.2. From the moment the Seller is considered as having properly fulfilled its obligation to deliver the Products to the Buyer, the Seller shall not be held liable for any deficiencies in the Products caused without fault of the Seller or by failure to follow the directions or instructions of the Seller and/or improper warehousing or usage after the Products were delivered to the Buyer.

5.3. The Seller shall not be liable for any deficiency of Product caused by the

design submitted by the Buyer, technical requirements set forth and submitted by the Buyer and/or Buyer's express instructions.

The Seller will guarantee for the duration of twelve (12) months as of the delivery of the products that its deliveries are free from defects in material or workmanship under normal use and service.

5.4. Immediately upon receipt of the Products, the Buyer shall thoroughly inspect the delivery for any shortage or damage to the received Products. Any visible shortage or damage shall be reported to the Seller immediately, but no later than five (5) days from receipt of the Products.

In case of non-visible shortage or damage, such deficiency shall be reported to the Seller immediately when the deficiency is discovered or should have been discovered.

5.5. If not expressly agreed corrosion does not represent a deficiency of a product and or damage to the product. On the basis of such report, the Seller shall, at its own choice correct such deficiency not caused by damage during transportation or by the Buyer, either by (i) repairing the deficient Product or (ii) crediting the Wholesaler the purchase price of the deficient Product, or (iii) by a replacement made free of charge of such Product.

In case of crediting and replacement the Seller may claim the return of deficient products at its own expense.

The right of the Buyer stipulated in this clause represents the exclusive remedy and is in lieu of any other remedy which otherwise would be available to the Buyer.

## **6. LIABILITY**

6.1. The Seller shall indemnify the Buyer for damage caused by breach of its obligations, if perpetrated by gross negligence or intent.

6.2. The Seller shall in no event be liable to the Buyer for any indirect, special or consequential loss or damage or punitive damage, damage caused by production stoppage, or for any loss of profit, business or revenue of the Buyer howsoever arising out of, connected with or related in any way to the Contract of Sale.

6.3. The Seller's liability to the Buyer shall in no event exceed the amount paid by the Buyer for the Products, of the same kind as the products found deficient, ordered, delivered and accepted within the previous six months by the Buyer.

## **7. INVESTMENTS IN EQUIPMENT**

7.1. In case that the agreement on supply of the Products terminates without fault of the Seller, the Buyer shall be obliged to reimburse to the Seller the not depreciated value of the equipment invested in compliance with the Contract of Sale

7.2. The value of the non-depreciated value to be reimbursed shall be calculated according to the agreed calculation formula.

## **8. TOOLS**

8.1. The Tools supplied by the Buyer to the Seller for manufacturing of the Products shall remain in ownership of the Buyer.

The Tools manufactured or bought by the Seller shall become the ownership of the Buyer if so agreed and completely paid by the Buyer. If there is no agreement thereupon the Buyer is obliged at the request of the Seller to buy and take over the tools against the payment of its non-depreciated value.

8.2. The Seller undertakes to use and maintain the tools according to instructions of the Buyer and manufacturer thereof, if any, with care of a good business man.

8.3. The Buyer shall on its own expense substitute any tool which shall not anymore, due to normal wear and tear, meet the requirements and parameters for manufacturing the Products.

## **9. NOTICES**

9.1. Any notice or other written communication required or permitted hereunder shall be in writing and:

delivered personally to the officer of the Party to whom it is directed, or

sent by registered mail, postage prepaid, return receipt requested (provided that such notice or other written communication shall not be forwarded by mail if on the date of mailing there exists an actual or imminent postal service disruption in the city from which such communication is to be mailed or in which the address of the recipient is found); or by a confirmed e-mail or telefax.

9.2. All such notices shall be addressed to the Party to address set forth in the Contract of Sale or notified in writing after the Contract of Sale is entered into.

## **10. INTELLECTUAL PROPERTY AND RELATED MATTERS**

10.1. The Buyer shall not infringe any trademarks, logos, patents, design, copyrights, trade names and/or the company's standard marks belonging to the Seller, its parent company or subsidiaries as well as other legal persons belonging to the Sell. No license is granted to the Buyer for intellectual property owned by the Seller, its parent company or subsidiaries as well as other legal persons belonging to Hidria Group.

10.2. Without prior written instructions of the Seller the Buyer shall not change, supplement or otherwise alter any signs, names, labels, instructions or other information on the origin or characteristics of the Products and/or change in any way the contents of the Products at its disposal.

## **11. CONFIDENTIALITY**

11.1. Each party agrees to maintain in confidence and not to use except for the purpose of Contract of Sale any information of a confidential nature such as technical information and data, commercial information and know-how, price structures, administrative and operational costs, or other information relating to each other's business operations or in the case of Seller including to the Products. Each party's obligation of confidence and limitation upon use shall not apply to any information to the extent that the receiving party can show that such information:

is or became generally available to the public otherwise than by reason of breach by the receiving party or the provisions of the respective Contract of Sale;

was known to the receiving party prior to the date of the submission of the respective data by disclosing party, provided that documentary evidence of such knowledge is provided to the disclosing party on request;

was subsequently disclosed to the receiving party without obligation of confidence by a third party owing no such obligations to the disclosing party in respect of such information;

is required by law to be disclosed but then only when, to the extent reasonably practicable, prompt notice of this requirement has been given to the original disclosing party so that it may seek appropriate relief to prevent or limit such disclosure.

This clause shall remain in force after the expiry or termination of the respective Contract of Sale for five years.

## **12. TERM AND TERMINATION**

### **12.1. Validity**

The Contract of Sale shall take effect on the day on which the Seller receives the Buyer's written statement that it accepts the Order/Offer, provided that parties do not agree differently, and shall be valid as set forth by the Contract of Sale.

### **12.2. Termination without cause**

Either party shall have the right, in its sole discretion, to terminate the respective Contract of Sale entered into for a period of time equal or longer than one year or for indefinite time without cause at any time upon six (6) months prior written notice to the other party; such early termination shall not entitle the other party to any compensation. However the Seller is entitled to sell to the buyer all materials and semi-manufactures bought and/or manufactured for the purpose of Contract of Sale for prices.

### **12.3. Early termination**

The Contract of Sale may be terminated by either Party, immediately by written notice in the event of:

insolvency or bankruptcy of the other Party; or

failure by the other Party to remedy its default under Contract of Sale within 30 Days after receipt of a written request to remedy the default from the terminating Party.

### **12.4. Change of control**

Any party may terminate the Contract of Sale with the immediate effect in the event of a change of control, defined as follows:

acquisition, directly or indirectly, by any non-affiliated third party of a beneficial interest representing fifty per cent. (50%) or more of the voting rights of the other party, or of the power to direct or cause the direction of the management and/or policies of the respective party, whether through the ownership of voting securities, by contract or otherwise;

acquisition, directly or indirectly, by any non-affiliated third party manufacturing or selling a Competitive Product, of any beneficial interest, voting rights or power to direct or cause the direction of the management and/or policies of the other party whether through the ownership of voting securities, by contract or otherwise;

transfer, sale or assignment of other party's business related to the subject matter of this Agreement to a non-affiliated party.

### **13. APPLICABLE LAW**

Each Contract of Sale shall be construed, interpreted and applied in accordance with the laws of the country where the Seller at the time of conclusion of the Contract of Sale has its registered.

13.1. For the avoidance of doubt, notwithstanding the above, the parties exclude the application of any international statutes on the sales of goods, including the United Nations Convention on International Contracts for the Sales of Goods. The Agreement shall be in the English language and the English version of the Agreement shall be deemed the official and governing instrument, notwithstanding any translations thereof.

### **14. SETTLEMENT OF DISPUTES**

14.1. Any dispute, controversy or claim arising out of or in connection with the Contract of Sale shall be settled amicably by the Parties.

14.2. In the event of failure to reach such an amicable settlement with a one (1) month period, the dispute shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with the said Rules. The arbitration will be held in place agreed upon in Contract of Sale, in the English language.

### **15. MISCELLANEOUS CONDITIONS**

15.1. The rights and obligations arising from these GTS as well as any contract concluded by the acceptance of an Order by the Seller and the performance thereof may not be transferred by the Buyer to third persons without prior written consent of the Seller.

15.2. Any provision of these GTS that is considered void or unenforceable under the applicable laws shall be deemed severable and shall not affect the validity of any of the remaining provision of these GTS.