



General Terms of Sale and Delivery to Customers of Rath Hungária Kft.

I General – Scope of validity

1.

The General Terms of Sale and Delivery, hereinafter GTSD, include the rules governing the legal relationship between RATH Hungária Kft., as Seller, and its contractual partner, as Buyer. Any provisions regarding purchase orders and other documents other than GTSD will only be valid if both Parties have expressly accepted them.

II Offers and prices

1.

Given a lack of other written agreement, the Seller is bound to the offer for four weeks as of the date of the offer.

2.

Specified prices are valid if goods are received personally in the Seller's plant, i.e. at address H-1106 Budapest, Porcelán u. 1. Pre-paid deliveries are subject to a separate agreement.

3.

If a mould is required, the costs or partial costs thereof will be invoiced for separately, depending on the Seller's decision.

III Conclusion of contract

1.

In the absence of any other agreements, orders are binding for the Seller after his written confirmation only.

2.

If the Buyer provides drafts or samples, he is liable for guaranteeing to the Seller that no rights of third parties are violated by the use of the drafts or samples. In addition, the Buyer is liable for the technical correctness, the absence of defects and the usability of the drafts or samples. The Seller is not liable for defects of goods or services which have been produced in accordance with these drafts and samples, except in cases of gross negligence.

3.

Subsequent modifications of the drafts or the order entitle the Seller to charge the additional costs incurred in the process.

4.

For manufacturing technology reasons, with special regard to a risk of breakage, the Buyer shall receive a number of pieces beyond the number ordered and shall pay the price thereof.

5.

In the case of tailor-made products, the Buyer shall receive up to an additional 5%, i.e. above the ordered quantity, if it exceeds 100 pieces. Should there be deviations not exceeding minus 2%, the order shall be regarded as having been fulfilled.

6.

For orders including 100 pieces or less, the following maximal deviations shall apply:

Order quantity (pcs)	Accepted deviation (pcs)
1 - 3	+ 1
4 - 6	+ 2
7 - 9	+ 3
10 - 70	+ 4
71 - 100	+ 5

IV Delivery period

1.

The agreed period of delivery only starts when all commercial and technical details of the order have been mutually agreed upon. In the case of sales over a specific period of time (master agreements, contracts) but without fixed quantities we reserve the right to agree on quantity and time of delivery for every call. Any period of time during which the Seller cannot manufacture products due to a fault of the Buyer - if there have been erroneous designs or a modifications of the order - shall be excluded from the delivery time period.

2.

Unless otherwise agreed, the Seller shall be entitled to partial delivery.

3.

The Seller can postpone the date of delivery or withdraw from the order partially or in full if the manufacture or delivery is hindered by external circumstances not attributable to the Seller (especially, but not exclusively: strike, workforce shortage, forwarder's incapacitation, energy or raw material shortage, breakage or faulty firing, Acts of God, etc.) or given the occurrence of a force

majeure event. Except in a case of the Seller's intentional, seriously incorrect behaviour, the Customer is not entitled to claim compensation from the Seller for any direct or indirect or consequential losses arising from late delivery or non-delivery.

V Production and shipment

1.

The tolerances indicated by the Seller – e.g. in the offers and the product information and data sheets – especially for size variances and deflexions, are valid for Seller's products. The other values indicated by the Seller, e.g. in product information and data sheets, are guideline values. Such characteristics will be guaranteed only if the Seller expressly confirms them; otherwise, the Buyer's specimen shall be regarded as a point of reference only. This Contract shall not be regarded as a business transaction as per sample, and concrete technical specifications pertaining to products will be included in drawings and other technical documentation that have been mutually accepted by the Parties.

2.

For the production of goods, the test methods usually followed by the Seller apply; as a matter of principle, the European Industry Standards (EN) applies. The quality assurance of the refractory materials is performed through a statistical control continuously executed by the Seller on his premises. Any additional inspections of the material require a written agreement and are carried out at the Buyer's expense. Any documentation of material inspections is only handed over to the Buyer by the Seller upon separate agreement and against compensation of costs. The quality control performed by the Seller does not exempt the Buyer from his obligation of examination and notice of non-conformity.

3.

Unless otherwise agreed, the moulds required to produce refractory models/forms shall remain the Seller's property even if their costs, or some part of the costs, were borne by the Buyer. The wooden templates and metal templates shall be kept for two years and five years, respectively, from the date of first delivery or receipt. The Seller shall treat the models or templates provided by the Buyer in a professional manner, though the Seller will assume no responsibility for their being lost or for their being damaged.

4.

The shipment is considered executed and the

risk is transferred to the Buyer (even in the case of prepaid shipment) when the shipment leaves the Seller's facilities. The Seller shall only take out transport insurance if the Buyer explicitly demands such insurance and agrees to bear the costs. Should there be delivery by a forwarding company, any losses caused by the forwarder or any late delivery shall be covered by the Buyer, regardless of whether the Buyer took part in the organization of forwarding. The Buyer shall pay the forwarder's fee unless otherwise agreed by the Parties.

5.

If products ready for delivery remain with the Seller for reasons not attributable to the Seller, where the products are not received either by the forwarding company or the Buyer for reasons not attributable to the Seller, the Seller shall be entitled to issue an invoice for the total price of the products as if the Buyer had received the products on the given day. The products shall be stored at Buyer's cost and risk. The Seller is entitled to invoice for storage expenses when the products have been actually received. By way of this, the Seller's right to demand the receipt of goods from the Buyer shall remain unchanged.

6.

If the Buyer fails to receive products for reasons not attributable to the Seller within 5 days from the final deadline specified for receipt, the Seller's obligation to store the product will be terminated. Concerning products that have still not been paid for by the Buyer, with special regard being given to the fact that the Seller will retain ownership of goods until the full purchase price has been paid; the Seller is entitled to make a decision as to utilization of products in a different way or as to destroying them. With products that have already been paid for by the Buyer, the Seller may destroy these products. The costs of destruction or utilization in a different way shall be paid for by the Buyer.

VI Fee calculation and payment

1.

The invoice will be issued on the delivery day also in a case of partial delivery. If the Buyer fails to receive any tailor-made products within 2 weeks from the date of order confirmation, a Completion Report Form will be sent to the Buyer. If he then fails to receive goods within another three working days, it will be invoiced for, and a storage fee amounting to EUR 1.00 per palette will be charged until the day on which the goods are taken away. On the day when the goods are taken away any due storage fee will be invoiced for.

2.

The scale of the plant shall be used to determine the

quantity of products to be delivered and calculated on the basis of their weight. In a case of standard products the mass of each palette will not be determined separately; data pertaining to palettes of identical type included in the electronic database will be used. The Buyer or the forwarder, if goods are received by a forwarding company, shall make any complaint regarding the quantity of goods, in writing, when goods have been accepted. Later notice of defective weight cannot be taken into account.

3.

Packaging will comply with applicable standards, and goods shall be placed on European standard palettes with a shrink wrapping.

4.

In the case of late payment, a default interest rate amounting to twice the prime rate will be charged. If Buyer's financial position worsens or he commits a default in payment, even if in connection with another contract, the Seller is entitled to demand collateral for shipments or to withhold products or some part thereof until financial obligations have been fulfilled; or in a case of default in payment exceeding 8 days, to withdraw from the contract without giving a supplementary deadline. Such withdrawal will see termination of the contract. In such a case the Parties shall have their original status restored. If the Seller suffers any losses in connection with the withdrawal, the Buyer shall pay the Seller compensation for these losses.

5.

Payments may only be made into the specified bank account.

6.

Goods shall remain the Seller's property until the total purchase price has been paid. Until ownership has been transferred, the Buyer is not entitled to pledge the goods to any third party or to give them as security or to encumber or transfer them in any other manner, except in relation to provisions outlined in Point II. 2. of this Contract. The Buyer shall immediately inform the Seller if any goods subject to retained ownership are to be transferred to a third party. If the Buyer commits a default in payment, the Seller is entitled to dispose of in an uninhibited way any goods subject to retained ownership. Upon the Seller's requirement and when enforcing his ownership rights, the Buyer shall hand over the goods without stipulation of conditions.

7.

The Buyer is entitled to resell the goods by conducting normal transactions for appropriate

compensations and by retaining ownership should the Buyer commit no default in payment. In cases of such resale the Buyer shall inform the new Buyer that the Buyer has no ownership at that time and the new Buyer may only acquire ownership of goods after the Buyer has himself acquired it. Under Article 328 of the Civil Code, the Buyer shall assign the total purchase price which derives from such resale, which is due to the Buyer, immediately to the Seller. The value of goods subject to retained ownership and actually sold will serve as claim collateral assigned to the Seller. The Buyer shall inform the Seller if he has sold the goods subject to retained ownership in the way described in this paragraph. The Buyer shall give the name (company name), address (seat) of the third debtor or new Buyer and the amount of claims related to the Seller. If the Buyer commits a default in payment, the Seller is entitled to inform the third debtor or new Buyer of the assignment and to have enforced any assigned claims.

8.

The Buyer expressly declares that the Seller is entitled to provide the Buyer's assignment statement as stipulated in this Contract to the new Buyer and to regard it as pertaining to sales of the new Buyer according to Section (3) of Article 328 of the Civil Code, seeing that it derives from the Buyer as assignor. The parties agree that the Buyer's obligation to pay shall remain valid despite such assignment unless the Seller receives the total claim amount from the new Buyer under the assignment. If the Seller receives a sum higher than the original claim from the new Buyer, then the Seller shall come to a settlement in this regard with the Buyer.

VII Warranty and liability

1.

Deviances from the prescribed dimensions are acceptable within the tolerances listed in the offers as well as product information and data sheets.

2.

The Seller shall be responsible only for product quality characteristics that are specified by physical and chemical values on the datasheets. The Seller undertakes no warranty for the durability of products if these are used in relation to Buyer-specific procedures and with applications other than ones accepted as normal. Accordingly, the Buyer shall control product usability with its own special processes and under specific conditions by means of experimenting and testing equipment.

3.

The Seller is only liable for the usability of the products in buyer-specific processes and applications if the Seller supplies a separately ordered engineering



in which a choice of the products and applications are expressly made.

4.

The Seller undertakes no warranty for any other technical features or time guarantees for the durability of refractory materials.

5.

Any obvious defects or deficiencies (especially those that connect with quantity, dimension, shape and colour) shall be immediately reported to the Seller when the goods are received, while any other defects must be reported in writing immediately after these are detected. Warranty claims can be enforced within 12 (twelve) months after delivery in cases of professional installation and normal usage.

6.

If only some part of the shipment is defective the Buyer shall not be entitled to qualify the whole shipment as being defective, thereby refusing acceptance of goods.

7.

In cases of material shipments, the Seller shall fulfil his warranty obligations via supplementary deliveries, while the Seller shall also undertake to do repairs free of charge for erroneous implementations. Demands for alteration owing to defects are here excluded.

8.

The Seller shall be responsible for losses deriving from late deliveries (indemnification, extra labour fees, unloading shipments, default charges and the like) only to a restricted extent and in cases of gross negligence. The Seller's obligation to pay compensation for faulty deliveries must not exceed 5% (five) of the purchase price of the faulty products.

9.

The Seller is entitled to entrust a specialised testing institution with any examination of defects. If this examination fails to verify the defect complained about, the Buyer cannot enforce his warranty rights and the costs of such examination shall be paid for by the Buyer.

10.

If the Seller provides assistance, through its own staff, to Buyer's site management during installation or commissioning, the Seller shall be responsible only for appointing professionally suitable staff member(s) and providing professional advice. Concerning site management, the Seller will provide means of consultation only and will not assume any responsibility for any

damage or losses occurring during product installation. Any demands, especially any demand for indemnification exceeding those with the parameters mentioned above, are excluded, except in cases of the Seller's gross negligence.

VIII General Provisions

1.

Depending on the sum being disputed, to settle disputes the parties stipulate the exclusive jurisdiction of the Pest Central District Court or the Court of Budapest. Terms and conditions shall be governed by Hungarian law except as regards referred to norms. Applicability of the UN Purchase Right is excluded.

2.

Any regulations differing from these sales conditions, in particular the Buyer's Business Conduct Rules are not valid unless the deviating regulation has been confirmed in writing by the Seller.

Budapest, June 2010