

General Terms and Conditions of Procurement of Messer Hungarogáz Kft.

1. General provisions

a) With respect to these General Terms and Conditions of Procurement:

Customer shall be **Messer Hungarogáz Ipari Gázgyártó és Forgalmazó Korlátolt Felelősségű Társaság** (registered seat: H-1044 Budapest, IV. kerület, Váci út 117.; number of incorporation at the Metropolitan Court of Registration: Cg. 01-09-725341).

Supplier shall be every and all legal entity company, sole proprietorship or self-employed person that supply goods or products or provide services for Customer.

b) The General Terms and Conditions of Procurement fully and exclusively regulate Customer's procurements. Suppliers' terms to the contrary or with a different content shall only be valid, if Customer has acknowledged their validity explicitly in writing. These General Terms and Conditions of Procurement shall also apply if Customer accepts Supplier's supplies subject to contrary terms or with different content with no objections. These General Terms and Conditions of Procurement shall apply in the event of uninterrupted business relationship without special reference or indication. In addition, the latest version of Incoterms valid at the time of an order shall also be applicable. These General Terms and Conditions of Procurement supersede Customer's terms and conditions previously in effect.

c) Single orders, agreements and the amendments thereof set out under these General Terms and Conditions of Procurement shall only be binding if Customer has recorded or confirmed them in writing.

d) Customer shall have the right to amend the General Terms and Conditions of Procurement at any time.

e) If any provisions of these Terms and Conditions become invalid in full or in part, this will not affect the validity of the remaining provisions. The Parties shall consider a replacement of an invalid provision valid and applicable with respect to the purpose and interpretation of these General Terms and Conditions of Procurement that best matches them economically within the limits of legality.

2. Quotations

a) In accordance with Customer's request, a Supplier shall prepare a quotation and shall inform Customer about any deviations. The quotations including samples are free of charge and of no obligation, and no obligation arises for Customer thereof.

b) Suppliers' quotations are binding, complete and comprehensive for them.

3. Order and confirmation

a) Orders shall only be valid if made in writing. Any commissions forwarded in another way will be valid together with a written order. Lacking an agreement to the contrary, Suppliers shall confirm every order within 10 days from receipt. Subsequent agreements shall be confirmed by Customer in writing so that they become binding for it.

- b) Suppliers also employing sub-contractors shall guarantee to Customer that contractual obligations are observed as well as for their own breach of contract.
- c) Customer can withdraw an order with no disadvantage to it thereof if a Supplier has failed to accept it in writing within 10 days from receipt.

4. Delivery date

- a) Delivery dates identified in an order are binding for Suppliers. With respect to observing a delivery date, the receipt of goods and their complete acceptance in accordance with the contract at the destination identified by the Customer shall apply.
- b) If a Supplier believes it is unable to deliver by deadline fully or in part, it must immediately inform Customer thereof including a description of the grounds of the delay and its possible length. Such notice will not affect the lawful rights of Customer.
- c) If a Supplier fails to deliver by an agreed deadline, it is considered to be delayed without a special notice and shall satisfy Customer in accordance with the Civil Code. Customer shall have the explicit right to file for compensation after an agreed additional deadline has passed. If Customer demands compensation, the Supplier shall have the right to verify to Customer that it is not at fault in the non-compliance.
- d) In the event of late delivery, Customer shall have the right to demand 1% of the order value but not more than 10% as penalty for each calendar week's delay, and it will have the right to enforce further legal claims arising from the delay. The penalty can be enforced after a delivery has been accepted until the last payment is made without the necessity of the reservation of right at the date of acceptance.
- e) If delivery is made earlier than agreed, Customer shall have the right to return the goods at Supplier's cost. If the goods are not returned from an early delivery, the goods shall remain in the warehouse at the cost and responsibility of Supplier until the initial delivery date. In the event of early delivery, any claim will fall due on the date of the agreed deadline.
- f) Partial deliveries will only be accepted following a written agreement thereof. In the event of an agreed partial delivery, the remaining quantity must be identified on the delivery note.
- g) A Supplier can only refer to a lack of necessary documentation made available by Customer, if it has called attention to the fact in writing and still failed to receive the documentation without delay.

5. Delivery

- a) The ordered goods shall be sent to the destination of receipt identified by Customer packed at Supplier's risk and free of charge.
- b) A delivery note displaying the order number must be attached to each consignment. Each consignment must carry different delivery notes. If delivery is made by transportation other than rail, the name of the forwarding agent (shipping company, airline, carrier company) the name of the boat or vehicle or - if necessary - the name of the captain or the driver must be displayed both on the delivery note and on the invoice.

- c) Delivery documents (bill of lading, consignment note, package delivery note, etc.) must display the order including its number and date as well as the destination of acceptance of the goods. The delivery address given by Customer must be carefully observed.
- d) In case of parcels, express and postal consignments, as well as of groupage consignments, each piece must be provided with a label displaying the order, its number, date and destination. In case of wagon consignments, in accordance with a specific order, labelling the wagon is sufficient.
- e) If Customer does not receive the delivery note together with the goods, or if the delivery note or the labelling of the goods do not meet the above conditions, Customer shall have the right to reject the goods or store them at Supplier's cost and risk until the proper documents are received.
- f) Supplier shall comply with the rules of environmental protection, the rules relating to dangerous substances and goods, as well as the generally recognised security and labour regulations for the prevention of accidents and the standards of Customer.
- g) Unless a special agreement has been made relating to the calculation of weights and unit prices, the officially measured weight will apply. In this case, tools and fittings cannot be loaded together with the goods ordered; otherwise Supplier shall bear the costs of reloading. The weight given in the quotation (budget) shall be observed with $\pm 5\%$.
- h) Any additional cost or potential damage arising as a result of the violation of transportation rules or as a result of express delivery in order to keep an agreed delivery date shall be fully borne by Supplier.
- i) Replacement consignments shall be delivered free of charge by home delivery. Any additional costs of transportation incurred to shorten a delay of Supplier in the course of transportation by a faster transporting vehicle shall be fully borne by Supplier.
- j) Supplier shall be responsible for selecting the persons involved in transportation and for their mistakes as for its own.

6. Acceptance

- a) Objects to be installed on Customer's site shall be considered accepted if the installation has complied with the contract and the pilot operation has been successfully closed.
- b) In the course of manufacturing and transportation, Customer shall have the right to inspect the implementation of its order for the purposes of quality assurance as well as the compliance with other provisions of the order and Supplier's measures taken thereof. However, Customer has no obligation to do so. For the above purpose, Customer shall have the right to enter Supplier's factory/workshop during standard working hours without any preliminary notice. Customer and Supplier shall bear the costs of any inspection pro rata.
- c) If Customer identified the factory/workshop of Supplier or its Supplier as the location of technical handover-acceptance, readiness for such inspection shall be reported 14 days prior to readiness for transportation.
- d) The inspections and the technical handover-acceptance have no impact on Customer's contractual or legal indemnity claims and do not mean a transfer of ownership and a transfer of risk.

e) Customer shall have the right to perform quantity and quality checks on acceptance. Customer may reject acceptance of a consignment and can return the consignment due to quality deviations found at the quality inspection of consignments forwarded to its site. In such a case, Supplier shall immediately exchange the goods objected to with the proper quality goods and bear the relevant costs. Customer may accept the goods delivered with conditions in order to ensure continuous operation and the lack of the materials delivered, but it shall record the quality parameters objected to on the delivery note in any case. Supplier shall be responsible for any damage arising as a result of quality deviation including production loss, additional costs or penalties. Customer shall issue an invoice on the additional costs arising and forward it to Supplier.

7. Prices, invoice and payment

a) Supplier shall declare that the price set in the order is binding. In case an order must be sent without an agreement on the prices in advance and the Parties are in an uninterrupted business relationship, the prices of the previous order shall apply. Otherwise, the Supplier's list price valid at the time of the order shall apply except if the list price valid at the time of Supplier's delivery is more favourable for Customer, in which case the latter shall apply.

b) Invoices must comply with legislative provisions, and VAT identified in law shall be displayed separately.

c) Invoices must not be placed with the goods, but must be sent separately by mail to the address recorded in the order or contract in an original and a second copy including the order number. Invoices may not be sent prior to the delivery of the goods. The invoices must also display the method of transportation. Customer will only accept invoices in the above case.

d) Customer shall identify the way of payment (typically by credit transfers).

e) Payment is subject to faultless delivery or performance with particular attention to the completeness, correctness and proper usability of consignments. Payment does not mean the acknowledgement of delivery, its conditions and prices and will not affect Customer's claims related to indemnity.

f) The payment date of claims recorded in a properly issued invoice commences following the proper delivery of the invoice to Customer; in the event of an offsetting arrangement, commencement date is the date when the receipt of the goods is recorded. Lacking a written agreement to the contrary, Customer shall pay within 30 days following contractual performance of delivery and receipt of the relevant invoice.

g) With regard to consignments and services covering a longer period of time, monthly settlement shall be applied, and invoices shall be sent electronically (by e-mail or facsimile) until workday 3 of the month following the month of settlement.

8. Offsetting, lien and assignment

a) Customer shall have the right to offset any of its claims from Supplier to Customer's claims on the day of delivery, or with reference to the above, to withhold payments due to Supplier even in case the due date of such claims are different.

b) Offsetting a counterclaim against Customer's claims or the exercise of withholding rights are only allowed if the Customer involved has acknowledged the counterclaim or if it has become final under legal proceedings. No lien, among others entrepreneurs' foreclose may be generated.

c) Supplier is not allowed to assign its contractual claims fully or partly to a third party lacking a preliminary written permission by Customer.

9. Transfer of risk and ownership

Risk and ownership shall be transferred to Customer following the receipt of a consignment on the pre-set destination, or in the case of consignments including assembly or mounting and other service performance, following their formal acceptance.

The above shall apply even in case Customer takes over the costs of delivery or if delivery takes place on an ex-factory basis.

10. Product warranties, guarantee

a) Supplier shall guarantee that its deliveries and service performance have the characteristics identified and guaranteed in the contract, they are fully fit for their set purpose and the objects delivered do not display any deficiency to damage their value, usability or their agreed or guaranteed quality.

b) The deliverables must be produced and the services must be delivered so that they comply with all legal and regulatory and accident protection requirements valid on the date of delivery.

c) The obligation relating to inspection and reporting the deficiencies of goods will apply if the goods have been received at the place of acceptance identified in the order - even if possession of the goods has been transferred to Customer or its forwarding agent, carrier or other representative at an earlier date. The legal deadline for objections shall be prolonged by one month beginning from that date.

d) Supplier will be liable for any deficiency of the objects delivered in accordance with legislative provisions if the deficiency appeared within 12 months following their installation but not later than 18 months after delivery, except if the law provided for a longer warranty or guarantee time to the goods delivered. Customer may demand without infringing legal rights and at Customer's discretion either the elimination of a defect or the delivery of faultless goods. In urgent cases or if Supplier delays subsequent repair or proper replacement delivery, Customer can correct the deficiency or obtain another type of faultless good at Supplier's costs including the costs of disassembly and assembly without an obligation to inform Supplier in advance about the method of correction of a fault.

e) In addition to repair or replacement, Supplier is obliged to compensate Customer for the damages and costs arising after the fault report as a result of intervention on the goods, the troubleshooting required to reveal the deficiencies or due to a fault of the goods otherwise.

f) In addition to enforcing its guarantee or warranty rights, customer may demand compensation for its claims arising from faulty delivery in accordance with the rules of indemnification.

g) If Supplier offered or identified a longer guarantee, that longer guarantee shall apply.

h) In case a guarantee issue arises with some third party, for whom Customer delivered the object in question, the above 12-month deadline only commences on the date when Customer learnt about the guarantee issue, but after 24 months from the transfer of risk the latest.

- i) The Supplier shall fully indemnify Customer with respect to any lawsuit, claim and demand as well as any potential damages incurred by Customer in the event that the lawsuit, claim or demand in question or the damage is the result of a product fault in the production supplied by Supplier or can be attributed to Supplier in any other way.
- j) The return and dismantling of the goods objected to shall be made at the risk and cost of Supplier. Replacement spares shall be forwarded to a freely given location of use and assembled at Supplier's risk.
- k) The approval of Supplier's drawings and calculations does not affect Supplier's guarantee obligation.
- l) Supplier shall warranty that the rights of third parties are not violated in the course of delivery and fully exonerates Customer from any claim by a third party. Supplier's obligation for disclaimer covers all costs and damages arising for Customer out of necessity as a result of third parties or their claims or in relation thereof. The limitation period is 10 years from the conclusion of the contract.
- m) Without prejudice to the rules in this paragraph, Supplier shall be liable so that the licences, copyright and brand rights of third parties are not violated either in this country or abroad in the course of transportation and use.
- n) Otherwise, Supplier shall be liable in accordance with the law.

11. Accident prevention

Supplier warrants performing and delivering the order observing all relevant security and accident prevention regulations and keeping the necessary security measures. In the event of assembly, in addition to the requirements above, the instructions of the plant or factory shall also be observed. Supplier must obtain information prior to commencing the assembly regarding its subject and duration. If potentially necessary security equipment is not included in the total value of the order, Customer shall call attention to this fact.

12. Suppliers' documents

- a) On request, Supplier is obliged to present the designs, implementation drawings, calculations, etc. relating to the goods ordered and to hand them over to Customer after the quantity requested by Customer is confirmed. On Customer's request, Supplier must submit the drawings relating to major spare parts and including sufficient data to obtain the spare parts. Customer can only make the above documents available to a third party to the extent it is necessary for replacement, delivery, subsequent repair, correction or further sale of the goods ordered.
- b) Customer's documents, models, moulds and tools shall be in customer's exclusive possession – even if Supplier produced them against an invoice -, and they will stay in Customer's possession and they must be returned with no special notice in usable state at the time of delivery to Customer the latest. Supplier's withholding right relating to the goods listed above shall be excluded. The documents, models, etc. will not be available to a third party, Supplier may not use them for itself or for a third party or for PR purposes.

- c) The obligation of confidentiality shall remain in effect after the performance of the contract; the obligation of confidentiality shall cease only in the case and at the time if the diagrams, drawings, calculations and production know-how recorded in other documents made available become public knowledge.
- d) Supplier must safeguard and keep the documents, models, etc. carefully and free of charge, so that they can be used at any time.
- e) For this provision, third parties shall be any companies distributing the products requested by the Customer.
- f) The above provisions shall also be valid for the products, models or documents that are produced in a joint effort by Customer and Supplier or are changed on Supplier's proposal or via Supplier's efforts.
- g) The Parties shall be mutually responsible for the loss or damage of objects owned by the other party; the other party shall be immediately informed if they are damaged.
- h) The Supplier and Customer shall be liable to each other for damages arising as a result of the violation of any provisions thereof.

13. Public Relations

Supplier may only make reference to the business relationship between them in possession of a preliminary written permit of Customer.

14. Insurance

a) The Supplier shall make a commitment to take out proper liability insurance at its own cost for damages in its own scope of responsibility. On request, Supplier shall certify to Customer the amount of insurance cover for each claim. The insurance amount or insurance terms do not affect or limit Supplier's liability subject to the contract or regulated by law - irrespective of its legal basis.

b) Supplement relating to overweight or oversize cargo:
The liability insurance for overweight or oversize cargo, and that of the forwarding, transport or storage insurance must be taken out by the forwarding agent or the crane company at their own cost.

15. Packaging

Supplier shall ensure proper packaging of the goods taking into account the relevant safety, environmental and transportation rules.

16. Withdrawal

a) Customer may withdraw from the contract if Supplier initiates bankruptcy proceedings against itself or if liquidation proceedings or winding-up proceedings commence against Supplier. The withdrawal right shall also apply if Customer learns about collection measures taken against Supplier.

b) The withdrawal rules identified in law will not change.

17. Sub-contractors

The Supplier may transfer the full or partial implementation of an order to a third party subject to Customer's written agreement in advance.

18. Competent court and law

The provisions of Hungarian material and procedural law shall apply to these General Terms and Conditions of Procurement and the contracts concluded and deliveries performed under them.

With regard to issues not regulated in these General Terms and Conditions of Procurement and in individual agreements, the provisions of the Civil Code shall apply.

The Contracting Parties agree to settle any potential legal disputes arising out of these General Terms and Conditions of Procurement and the agreements concluded under them or in relation to them or in connection with their violation, termination, validity or interpretation via personal negotiations.

If such efforts fail, the Contracting Parties acknowledge the exclusive competence of the *Budapest District Court of District 2 and 3*.

However, Customer shall have the right to litigate Supplier where general court competence allows.

With respect to proprietorships, this Agreement shall be binding for the owner or the member personally responsible.

Budapest, October 2014