

voestalpine High Performance Metals Hungary Kft.

GENERAL TERMS AND CONDITIONS

RELATING TO THE PROCUREMENT OF GOODS AND SERVICES

Unless otherwise specified in a written agreement made between the parties with a content different from the one included herein, only this General Terms and Conditions relating to the procurement of goods and services shall apply to the legal relationship established between the parties.

1. Scope of application

1.1. **Voestalpine High Performance Metals Hungary Kft. as client** (hereinafter referred to as: **Client**) and **service provider** (hereinafter referred to as: „**Service Provider**”) agree on the General Terms and Conditions relating to the Procurement of Goods and Services with regard to every present and future inquiry, offer, order, procurement and other transaction and service related to the procurement of goods and services; such terms and conditions shall be binding on their legal relationship without any specific condition and are specified and referred to in this document (hereinafter referred to as: **GTC**). This GTC shall apply even in cases where parties failed to expressly and explicitly agree on its application.

1.2. Upon the acceptance of GTC, Supplier acknowledges that Client does not accept to be bound by Service Provider’s general terms and conditions and does not accept the application of any other conditions specified by Service Provider which may be found in order confirmations, or other business or delivery documents. Particularly the delivery/provision of goods or services or their acceptance or payment shall not mean that Client accepts any conditions deviating from the GTC.

1.3. Any deviation from the conditions set forth in the GTC shall be valid exclusively if Client has expressly confirmed it in writing.

1.4. In the event of any contradiction between particular elements of the contract concluded between Client and Service Provider and of parties’ statements, the following documents shall govern in the given order: a.) the purchase order form sent by Client (hereinafter referred to as: „**Order**”); b.) Annexes of the Order; c.) the GTC.

1.5. The Order, the contract and the GTC shall not limit any possible claim of the Client. The references to claims in particular sections of this GTC shall not – by any means – be deemed a waiver or limitation of Client’s claims provided for in other sections. Beyond the rights and remedies specified in the valid legislation, Client’s rights and options of exercising its rights set out in the GTC shall govern (be applicable to) parties’ legal relationship and do not exclude said rights and remedies.

2. Conclusion and termination of the Contract

2.1. The contract between Client and Service Provider shall be deemed concluded (made) only if Client placed its order in writing; Supplier shall confirm the order in writing to Client no later than 48 (i.e. forty-eight) hours following its receipt. In the lack of confirmation, Client shall be entitled to withdraw its order without having any obligation towards Supplier. Only the written Orders (including without limitations any modification or supplement thereof) with authorised signatures provided on Client’s form designated for this purpose shall be binding. Client shall confirm any oral agreement in writing to make it valid with regard to parties’ legal relationship.

2.2. Without expressed, written acceptance, Client shall not be bound by any modification or supplement disclosed unilaterally by Supplier in the order confirmation.

2.3. Every correspondence shall contain the complete order number, any initial letters used for referential purposes and the date (dates) of possible former correspondence. Possible questions may be submitted exclusively to Client’s representative unless otherwise specified by such representative.

2.4. Supplier shall not have the right to unilaterally terminate the contract unless Client commits a material breach of contract. Client shall be entitled to unilaterally terminate the contract either entirely or partially or withdraw therefrom without reason by a written notice (withdrawal) sent to Supplier at

any time before the Delivery Deadline (determined below) expires; in such a case Client shall only be obliged to pay Supplier reasonable and fair compensation for the value of services already provided by Supplier at the time of termination. However, such compensation shall not include any lost profit (either direct or indirect, either actual or expected) or indirect or direct damage. Supplier shall not have the right to make claims against Client beyond the value of said compensation. Parties exclude Client's liability for the breach of contract, with the exception of liability for wilful breach of contract or breach causing damage to human life, health or personal injury.

2.5. Unless otherwise agreed in writing, the specified price involves every tool and service necessary for achieving the agreed objective and for proper use even if such equipment and services have not been expressly included in Client's request, its technical documentation, the Order or other documents.

2.6. Prior to the performance, Client may unilaterally make written changes in relation to the Order at any time, including changes in drawings, delivery method, quantity, packaging, delivery date and place. If such changes result in increased costs and longer period of time necessary for the performance of the contract, or substantial modification thereof, Supplier may request the reasonable modification or adjustment of the price, the delivery schedule or both within 10 days following the receipt of Client's request for change. Each of these requests or adjustments shall be preliminarily approved by Client in writing.

3. Performance of the delivery of goods/services

3.1. Delivery periods and deadlines specified in the Order (hereinafter referred to as: **Delivery Deadline**) shall be binding on Supplier. Whether Supplier duly (in conformity with the contract) performed the delivery period or Delivery Deadline is established based on the date of handing over the goods or services and the necessary documentation (for example technical, delivery, inspection documentation and safety data sheets) in full to Client. Deliveries at dates different from the Delivery Deadline or partial deliveries shall only be acceptable if Client has given its preliminary, written consent thereto.

3.2. Client and Supplier hereby agree and expressly accept that – based on Incoterms 2010 relating to the goods and services – the prices included in the Order, the transfer of risks and the customs shall be understood with the following commercial terms: DAP (Delivered at Place) in the case of a place of destination within the European Union, DDP (Delivered Duty Paid) in the case of a place of destination outside the European Union and FCA (Free Carrier) or CPT (Carriage Paid To) in the case of parties' agreement. Client accepts the invoicing of packaging costs exclusively if parties have preliminarily and expressly agreed thereon.

3.3. If Supplier is responsible for the installation or unless agreed otherwise, Supplier shall bear every necessary additional cost relating to installation or the performance of the contract, particularly delivery and travel costs, costs of providing the equipment, insurance premiums and daily allowances.

3.4. Supplier shall send a written notification about the start of delivery of the consignment in due time before the arrival of the goods (no later than 48 hours before the arrival). Returned items shall be sent at Supplier's cost and risk unless otherwise agreed by parties. Goods shall be packed adequately with the usual packaging material in a way that they will be protected against every harmful impact. Unless Client set specific requirements in connection with the marking of goods, they shall be provided with the most recent markings. Supplier shall be responsible for observing each of Client's transportation-related specification indicated in the Order.

3.5. If Supplier expects difficulties in connection with manufacturing, the delivery of necessary raw materials or the Delivery Deadline, or conditions similar to these may be expected that may prevent Supplier from accurate delivery in the accepted quantity/quality or from performance in conformity with the contract, Supplier shall notify Client thereabout in writing without delay. In such a case, Client may unilaterally terminate the contract or withdraw therefrom upon receipt of such notification without setting a later deadline (second deadline).

Client – if it withdraws from or terminates the contract – shall be entitled to conclude a contingency contract to achieve the objective of the original contract, and may demand from Supplier to cover the difference between the contract price and price quoted in the contingency contract, and the costs arising in connection with the conclusion of the contingency contract, under the principle of compensation of damages. Client may also enforce its other legal rights without setting a later deadline (second deadline).

3.6. If Supplier fails to perform by the Delivery Deadline – even with regard to only a part of the Order – Client shall have the right to terminate the entire Contract or its part to be performed by sending an official written notification to Supplier, or to withdraw from the Contract, demanding the payment of the contractual penalty if such penalty has been specified.

3.7. The unconditional acceptance (signing the delivery note) of goods or services delivered with delay shall not imply that Client waives the claims it is entitled to as a result of the late delivery of goods and services. It shall also apply to withholding the total amount payable by Client as consideration for the goods or services in question.

3.8. Supplier shall be obliged to comply with every standard, regulation and any other legal specification regarding the manufacturing, packaging and delivery of goods.

3.9. All goods shall have a delivery note in three copies, indicating accurate information about the following:

- reference number of the Order,
- item number indicated on the Order,
- classification referring to quality clearly indicated on the Order,
- profile and dimensions,
- quantity (weight and number of pieces),
- portion number and test reference numbers,
- gross loading weight,
- country of origin.

Documents containing the certificates of chemical analysis and mechanical properties shall be attached to the delivery note in two copies and provided to Client electronically through the EDI (Electronic Data Interchange) system before performing delivery. Every delivery note shall be issued in Client's local language.

3.10. After delivery, Client has 30 days or other period specified in the Order to inspect the goods and accept the goods by certifying their contractual performance. Without prejudice to any other rights granted to Client, any hidden defect of the goods may be reported during the warranty or guarantee period.

4. Prices, invoices and payment conditions

4.1. The prices set forth in the Order shall be deemed constant, fixed, net prices until the Order is fully performed; the prices shall not be subject to any unilateral price increase or change.

4.2. The invoices issued about the consideration of goods and services shall include the Order number. Unless otherwise specified in the Order, the payment deadline shall commence (i) upon the contractual performance of the delivery or the service (3.10.) or (ii) upon receipt of the correctly issued invoice, whichever occurs later. Invoices relating to each delivery shall be sent in PDF format, and upon Client's request, the original copy of the invoice with the required number shall be sent to Client's registered office by post.

4.3. The invoices not complying with these requirements and the provisions of the current legislation shall be sent back to Supplier; in such a case Client's late payment is excluded. Parties agree that the return of the invoice shall be automatically deemed the challenge of the invoice. Every invoice shall be issued in the local language.

4.4. Complaints (objections) in relation to goods or services entitle Client to legally and fully withhold due payments.

5. Transfer of ownership

The ownership shall transfer in compliance with the accepted INCOTERMS 2010 commercial terms, concurrently with the expected transfer of risks. Parties exclude the reservation of ownership by Supplier.

6. Warranty

6.1. Supplier agrees to provide Client with warranty for a 24-month (i.e. twenty-four) period following the performance with regard to the following: the goods and services will be free of defects resulting from the use of defective materials, unprofessional execution or defective design; they will be in compliance with the Order, as well as any provided specification, drawing, template or description in every aspect (if they contain parts or components which shall be identical in accordance with the specifications, they will contain parts or components which are freely interchangeable and the joining surfaces of every spare part and spare component are made in compliance with the tolerances set forth in the specification); at the date and place of delivery they are of satisfying but at least of advanced quality under the relevant legislation; they are suitable for the intended purpose disclosed or provided to Supplier either in writing or orally on the day of the Order or prior thereto; they are fully and perfectly functional and delivered together with every part (including those parts and usual safety tools which are not indicated in the Order but necessary for the adequate operation and intended use of the goods or services); they comply with the legal requirements, specifications and voluntary codes of

conduct relating to the goods and services, as well as their sale and delivery; they are conceived, designed, built, developed and packaged in a way that they are safe and do not present health risks.

6.2. Without (either expressed or implicit) prejudice to Client's any other rights or options for exercising its rights, Supplier shall act as follows in relation to the goods and services not complying with Section 6.1. and the provisions of the current legislations within 24 months following the date of delivery, in accordance with Client's preference: replace or repair such goods and services free of charge; refund or credit the purchase price of inadequate and returned products or services to Client within no later than 8 (i.e. eight) days following the return; or fulfil Client's any other request made in compliance with valid legislations. Beyond those specified above, Supplier shall be liable for the damages, costs and expenditures incurred at or caused for Client due to the inadequate goods or services, particularly costs related to delivery, logistics, labour force, assembling and dismantling.

7. Liability

7.1. If parties agree on a penalty – including without limitation penalty for non-compliance with performance parameters set out in the contract and late delivery (including late delivery of the documentation), etc. – Client may exercise such right by withholding the settlement of the invoice issued about the inadequate goods or services, in which the penalty shall be included, without having reserved such right upon the receipt of the goods and services. This GTC does not exclude the enforcement of compensation exceeding the amount of the penalty. The payment of the penalty does not exempt Supplier from its performance obligations or any other responsibility resulting therefrom.

7.2. Supplier shall take the obligation to assume liability and indemnification towards Client in relation to every damage, obligation (including possible obligations to pay taxes), loss, claim, cost (including the costs of execution), decision or expenditure incurred at or caused for Client either directly or indirectly in any way as a result of a breach of contract committed by Supplier, Supplier's failure to perform its obligations specified in the contract, or Supplier's defective, late or negligent performance.

8. Claims made by third parties

Supplier guarantees that the performance relating to the goods or services does not breach any intellectual and industrial property right – including without limitation the patent; know-how; registered trademarks; registered design protections; utility models; requests submitted in relation to any of those above; or the right to submit such requests; unregistered design protections; unregistered trademarks; the right to prevent deception with the aim of unfair competition; copyright; (copy)rights relating to databases; any other rights relating to any invention, exploration or process; including every renewal and extension thereof, in Client's country and every other country in the world; Supplier shall exempt Client from every damage, obligation (including possible obligations to pay taxes), loss, claim, cost (including the costs of execution), decision or expenditure incurred at or caused for Client in relation thereto.

9. Breach of contract

9.1. If Supplier (including its subcontractors) – without any fault on its part – commits a breach of contract during the performance of its obligations resulting from the Order or this GTC (including non-performance, defective performance and late performance) or Supplier violates the Code of Conduct of voestalpine, Client shall have the right to terminate the contract entirely or partially with immediate effect or to withdraw therefrom, unless otherwise provided for in the Order or this GTC.

9.2. Without prejudice to Client's any other options for exercising its rights, if Supplier (including its subcontractors) commits a breach of contract during the performance of its obligations resulting from the Order or this GTC (including non-performance, defective performance and late performance), Client shall have the right to terminate the contract with immediate effect and demand from Supplier the payment (reimbursement) of every expenditure reasonably incurred at Client during the procurement of equivalent goods or services from another supplier.

9.3. Supplier shall not be entitled to make any claims in connection with Client's lawful termination or withdrawal.

10. Lien/right of retention

10.1. Supplier shall not be entitled to establish and enforce any lien, encumbrance, right of retention or any other security relating to the goods or services or any part thereof, and to act in any way that would result in such establishment.

10.2. Supplier shall ensure that the contracts concluded with each of its subcontractors include a provision equivalent to Section 10.1. (commitment) on the part of the subcontractor.

11. Insurance

11.1. Supplier itself shall be obliged to take out insurances necessary in relation to its range of products and services. Upon Client's written notice, Supplier shall hand over every document necessary for the verification of the valid insurance coverage to Client, and authorises Client to obtain information on its insurance policy from the insurance company concerned.

11.2. Supplier shall settle its premiums in time and submit the confirmation issued by the insurance company in relation to the payment deadline and the performed payment to Client.

11.3. The aforementioned insurance or any other insurance shall not limit Supplier's obligations and responsibility in any way even if Client does not challenge the insurance policies submitted by Supplier to Client upon its request.

12. Confidentiality and documentation

12.1. Supplier shall handle every data and information it became aware of or which was disclosed to it during parties' business relationship as business secret. Supplier's personnel and subcontractors shall also be subject to this obligation of confidentiality, and such obligation shall remain valid after the termination of the business relationship. Supplier shall be obliged to conclude non-disclosure agreements with its personnel and subcontractors to ensure compliance with the previous provision.

12.2. The drawings, designs, models, templates, samples and similar elements made available to Supplier by or on behalf of Client shall remain under Client's ownership and shall not be transferred or made available in any other way to unauthorised third parties. The reproduction and use of such elements and materials are allowed only if it is absolutely essential to perform the Order.

12.3. Supplier may reveal its business relationship with Client exclusively upon Client's preliminary written consent.

12.4. Client reserves every right relating to confidential information (including copyrights and the right to request industrial property right protection, such as patent, utility model, **semiconductor patent**, etc.). If these are provided by third parties to Client, right reservation shall apply to such third parties as well.

13. Export control and customs

Supplier shall be obliged to inform Client about (re)export authorisation requirement set out in any national, European or USA export control acts and customs rules relating to the goods, as well as the export control acts and customs rules of the country of origin of the goods.

14. Performance of work

Persons performing work at Client's registered office and premises in the interest of Supplier during the performance of the contract shall observe Client's relevant specifications and work safety regulations. Client excludes its liability for the accidents sustained by these persons at Client's registered office and premises unless such accidents were caused by the failure of Client's legal representatives or employees to fulfil their obligations due to wilful or gross negligence during the performance of Client's obligations.

15. Compliance and the Code of Conduct of voestalpine

15.1. Supplier shall comply with legal regulations relating to the treatment of employees (with particular regard to the application for social security, compliance with regulations in connection with the protection of employees, and compliance with acts on the employment of (foreign) employees that is relevant in the country where the goods and services are produced), environmental protection and work safety. The goods and services shall be produced and provided (whether at Client's registered office, premises or other places) in compliance with the applicable legislation (including European conformity (CE) requirements and standards), the relevant safety standards (industrial safety standards) and provisions relating to accident prevention. Supplier assumes responsibility for the safety of its personnel (including any third party possibly assigned by Supplier, particularly its representatives, subcontractors and carriers) during the performance of every activity.

15.2. During the provision of the goods and services Supplier shall comply with (and ensure that its subcontractors comply with) the acts relating to any of its activities performed for Client, and observe the safety principles specified in the applicable acts and international standards, as well as Client's currently valid regulations on environmental protection, occupational health and safety. It also means that the delivered goods and provided services shall contain every adequate information, warning, instruction and documentation relating to the safe use, treatment, storage, operation, consumption, delivery and disposal of goods, services or materials forming part thereof, in particular hazardous materials, which shall be accurately identified for Client. Unless otherwise agreed with Client, goods

and services shall be free of asbestos, halons, fluorinated-chlorinated hydrocarbons and radiation exceeding natural background radiation.

15.3. Supplier is aware of the fact that voestalpine is committed to observe the below-defined “Code of Conduct for voestalpine Business Partners” (available at: <http://www.voestalpine.com/group/en/group/compliance/code-of-conduct-for-voestalpine-business-partners/>), and hereby confirms that it has understood, accepted to be bound by the regulations set out therein, observes the specifications in the “Code of Conduct for voestalpine Business Partners” and conforms with the values set forth therein.

16. Miscellaneous provisions

16.1. The place of performance shall be the final place of destination indicated in the Order. Said specifications apply to Supplier, particularly in relation to any delivery, service or payment, irrespective of the fact whether a specific agreement has been concluded regarding the place of performance of deliveries or services, the payment or the delivery costs.

16.3. Any modifications and/or changes in the contract shall be valid exclusively upon the common written agreement of parties.

16.4. The invalidity, unlawfulness or non-executability of any provision set out in this GTC shall not concern the other provisions of this GTC or the Order. If any provision of this GTC is or becomes invalid or non-executable it shall be deemed that it has been replaced with a provision which is the closest possible to the original intent of parties.

16.5. The law applicable at the place of Client’s registered office shall apply to the contract and its interpretation, under exclusion of the application of the United Nations Convention on Contracts for the International Sale of Goods (CISG) and the conflicts of laws principles.

Code of Conduct for voestalpine Business Partners

This code of conduct specifies the principles and requirements which shall be observed by the parties supplying voestalpine with goods and services, as well as by agents, consultants and other business partners upon voestalpine’s request. These principles and requirements are based on voestalpine’s Code of Conduct and the principles set out in the UN Global Compact initiative.

- **Compliance with the legal regulations**
 - Business Partner agrees to comply with the legal regulations valid in the applicable legal system(s).
- **Fair competition**
 - Business Partner agrees not to restrict free competition and not to violate the national or international anti-trust laws.
- **Prohibition of active or passive corruption, prohibition of allowances (e.g. business gifts) provided to employees**
 - Business Partner agrees not to tolerate any form of active (offering and providing allowances, bribery) and passive corruption (asking for and accepting allowances) and not to contribute to such behaviour.
 - Business Partner agrees not to offer any kind of business gift or other personal allowance (e.g. invitations) to voestalpine’s employees or their close relatives if the total amount of such allowances and the given circumstances may imply that they expect the beneficiaries of the allowances to take particular measures in return. The specific circumstances of a given case determine whether it may be deemed such a case. Common business gifts and hospitality of minimal value may be allowed.
 - Business Partner also agrees that if employees wish to purchase goods or services from it for personal use, it will offer them such goods and services for the usual market prices, and/or gives them volume discount or any other discount exclusively if such discounts are provided to every voestalpine employee.
- **Respect and integrity**
 - Business Partner hereby agrees to respect and observe human rights as fundamental values in conformity with the European Convention on Human Rights and the Charter of the United Nations. This prohibition applies particularly to child labour and forced

labour, equal treatment of every employee, as well as to the right to employee representation and collective agreements.

- Business Partner also agrees to take responsibility for its employees' occupational health and safety.
- **Supply chain**
 - Business Partner shall appropriately facilitate the observation of this Code of Conduct by its own business partners.

This GTC shall be valid from 1 October 2018 until withdrawn.

The GTC is continuously available at www.voestalpine.com/hpm/hungary and it can be downloaded therefrom.

voestalpine High Performance Metals Hungary Kft.