

GENERAL CONDITIONS OF SALE

Applicable to goods delivered according to a sales contract, a contract for work or any other agreement (hereinafter referred to as the "Contract").

1. GENERAL

1.1 The present conditions form an integral part of the Contract between FlexoTech Hungary Ltd., hereinafter referred to as the "Manufacturer", and his contracting partner, hereinafter referred to as the "Customer", when declared applicable in the quotation or in the order acknowledgement. Derogations from these General Conditions shall only be valid if agreed upon in writing by both parties.

1.2 Should a provision of these General Conditions of Sale prove to be wholly or partly invalid, the parties to the Contract shall seek an arrangement having a legal and economic effect which will be as similar as possible to the invalid provision.

2. ORDERS

No orders submitted by the buyer shall be deemed to be accepted by the Seller unless and until confirmed in writing by the Seller's authorised representative. No order which has been accepted by the Seller may be cancelled by the Buyer except with the agreement in writing of the Seller and on terms that the Buyer shall indemnify the Seller in full against all loss (including loss of profits), costs (including the cost of all labour overheads and materials used), damages, charges and expenses incurred by the Seller as a result of cancellation. The Seller reserves the right (without prejudice to any other remedy) to cancel any uncompleted order or to suspend delivery in the event of you failing to accept delivery of the equipment or failing to pay the price or any instalment of it.

3. PRICES

3.1 Unless otherwise agreed upon, all prices are quoted in EURO, "ex works Manufacturer's plant", packing not included. Transport and transport insurance will be invoiced separately when contracted by the Manufacturer on the Customer's behalf.

Invoices will not include any taxes, with the exception of the Hungarian indirect tax in the case of goods remaining in Hungary. All taxes are for the Customer's account.

When the Manufacturer takes care of the shipment of the goods, prices for transport and transport insurance will be calculated on the basis of current rates. If these rates are modified after the date of quotation, the additional costs resulting therefrom are to be borne by the Customer.

All orders are accepted for execution at prices current at date of order. The price listed in our quotation and catalogues in force at the date of issue, but are subject to change or withdrawal without notice.

3.2 The Manufacturer reserves the right to change his prices if between the dates of the order acknowledgement and that of the completion of manufacture an increase in the price of raw materials, salaries etc. should occur or if technical modifications should become necessary.

4. EXTRA COST

In the event of the suspension of the work by the Seller on the grounds that the Buyer has failed to provide information required of the Buyer in accordance with the specification and quotation the Seller reserves the right to increase the contract price to cover any extra expense thereby incurred by the Seller.

5. FORCE MAJEURE

Force Majeure is any event that is beyond the control of the Contracting parties (such as natural disaster, fire case, explosion, walkout, etc) and affects performance of the Contract. For the Contract, in particular, any trouble arising from telecommunication network problem is to be considered as a Force Majeure event. Should a Force Majeure event occur, the Contracting parties shall immediately notify each other in writing. In such notification, they shall give the exact reason of Force Majeure event, and its expected affect on the performance of the Contract.

In the case where a Force Majeure event would cause a delay of more than 4 (four) months with the performance of the Contract, the Contracting parties shall fix, through negotiations, required amendments to the Contract. Should such talks fail to lead to a result within 4 (four) months, either Contracting party shall have the right to cancel the Contract. Should the Contracting parties cancel the Contract due to a Force Majeure event, each Contracting party itself shall bear his possible losses and costs arising from the termination of the order.

6. LIMITATION OF LIABILITY

6.1 The Manufacturer will not be responsible for damages to the Customer or a third party resulting not directly from from the fulfilment of the contract or unauthorized intrusion of a third party by electronic or physical means. In addition, the Manufacturer will not be responsible for any direct or indirect damages and loss of profits, even if informed of the possibility of such damages.

6.2 The data in the brochures, catalogues, and other writings of the Manufacturer are for informational purposes only, they are not considered written invitation to tender, and the Manufacturer does not assume any responsibility for their content.

7. TERMS OF PAYMENT

7.1 Payment shall be effected at the address of the payee without any deduction.

7.2 The dates of payment are to be kept even if transport, delivery, erection, start-up or taking over of the goods is delayed or prevented for reasons beyond the Manufacturer's control, or if non-essential parts are missing, the absence of which would not render the goods unfit for use. The same applies if additional work has to be carried out or if adjustment work is necessary after delivery. The Customer waives hereby any right to set-off payments with complaints or rights he could claim under the Contract.

7.3 In case of delay in the agreed terms of payment, the Customer shall be liable, without any sum, to pay interest from the due date based on the rate prevailing at the Customer's place, however at least 4% higher than the discount rate fixed by the Hungarian National Bank.

7.4 If, as a result of termination or non-performance of the Contract for any reason whatsoever, the Manufacturer has to reconstitute installations, such reconstitution will be made in EURO without interest and without the Manufacturer having to assume any exchange loss. Such reconstitution will be reduced by the amount of the indemnity which the Manufacturer may be entitled to as a result of this termination or non-performance.

If, after conclusion of the Contract, it should appear that the Customer is experiencing financial difficulties, the Manufacturer reserves the right to demand guarantees, or to terminate the Contract and claim damages.

8. TECHNICAL DOCUMENTATION

8.1 Technical documents such as plans, drawings, descriptions, reproductions, price lists, indications about performance etc. have only approximate value. Data provided for in such documents are only binding in so far as they have expressly been stipulated as such in the Contract.

8.2 Each party retains all rights to technical documents provided to the other. The party receiving such documents recognizes these rights and shall without the previous written consent of the other party not make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were handed over.

9. TIME OF DELIVERY

Time of delivery depends on the availability of raw materials and on the manufacturing capacity on the day of the quotation. If these conditions have changed by the time of the order, the Manufacturer reserves the right to set a new delivery time when the order is received. Delivery time covers the period from the order acknowledgement up to the date of availability of the product at the Manufacturer's plant. These periods can be extended in case of events which the Manufacturer cannot prevent, regardless of whether they affect the Manufacturer or a third party.

It is hereby expressly agreed that in the event of late delivery, the Customer may not terminate the Contract and/or claim damages.

In addition, it is specified that the Manufacturer will deliver goods at the agreed time only if stipulated payments have been regularly made, if indications promised by the Customer to the Manufacturer have been supplied and if any other obligation of the Customer has been accomplished in due time. The Manufacturer reserves the right to cancel an order in whole or in part if the manufacture or delivery has become impossible as a result of unforeseen circumstances. In such event, he shall not be liable for any indemnity nor any subsequent delivery.

10. DISPATCH AND INSURANCE

Unless otherwise agreed upon, shipment is effected by the Manufacturer at the expense and risk of the Customer.

It is the Customer's responsibility to conclude a marine insurance "all risks", "warehouse to warehouse and platform to platform" as well as erection insurance. The Manufacturer may however buy insurances, at the Customer's expense. In case of damage, it is the Customer's responsibility to make all necessary representations.

11. PASSING OF BENEFIT AND RISK

The risk of the goods shall pass to the Customer at the time defined by the term of the "Incoterms 2000" (EXW, CPT, CIP, FCA, FOB, CFR, CIF, etc.) which the Contract refers to; the benefit shall pass to the Customer at the same time. When the Contract does not refer to any of these terms, the benefit and the risk of the goods shall pass to the Customer at the time of their leaving the Manufacturer's plant, even if the erection is carried out by the Manufacturer.

If dispatch is delayed or prevented for reasons beyond the Manufacturer's control, the benefit and the risk of the goods shall pass to the Customer at the time originally foreseen for their leaving the plant. From this moment on, the goods shall be stored and insured for the account and at the risk of the Customer.

12. RETENTION OF TITLE

The Manufacturer retains title to the goods until he has received full payment in accordance with the Contract.

If retention of title is subject to official registration or to the observance of any other legal requirement, the Customer shall participate in the necessary steps for the said retention. All expenses resulting from such steps shall be for the Customer's account.

During the period of the retention of title, the Customer shall, at its own expense, maintain the goods and insure them for the benefit of the Manufacturer against theft, breakdown, fire, water and other risks. The Customer shall further take all measures to ensure that the Manufacturer's title is in no way prejudiced.

13. REGULATIONS IN FORCE IN THE COUNTRY OF DESTINATION AND SAFETY DEVICES

13.1 The Customer shall notify the Manufacturer of all legal, administrative, technical and other provisions applicable to delivery, erection and safety. The Customer shall demand that such provisions appear in the order acknowledgement.

13.2 The goods will comply with the provisions the Customer has notified pursuant to Section 9.1. The Manufacturer reserves the right to supply, at the Customer's expense, any additional device which may be objectively necessary to comply with additional safety requirements.

14. SPARE AND REPLACEMENT PARTS

Spare and replacement parts as well as the cost of repair are invoiced at net prices without any deduction whatsoever. Costs of packing, transport and insurance are invoiced separately.

15. ERECTION, START-UP AND TRAINING

15.1 Unless otherwise agreed upon, the costs of erection, start-up and training, invoiced in EURO are not included in the sales price; these costs include among others:

- normal working hours (as defined by Swiss law), waiting and traveling time;
- overtime;
- night, Saturday, Sunday and holiday work;
- a per diem allowance (Sundays and holidays included) fixed by the Manufacturer, as well as costs of transport from hotel to place of work;
- hotel expenses including breakfast (Sundays and holidays included);
- the normal working hours as well as the per diem allowance for every working day during which the erector, the technician or the instructor is unable to work for reasons beyond his control;
- traveling expenses (air ticket for traveling abroad), transportation cost for luggage and tools;
- taxes paid by the erectors, technicians or instructors as well as other expenses involved in foreign travel.

15.2 The Customer agrees to take all necessary measures at his own risk to facilitate the work of the erector, the technician or the instructor, in particular by putting at his disposal without cost to the Manufacturer:

- a lifting installation and all necessary assistants for unpacking, cleaning and setting-up of the machine;
- foundations sufficiently strong for the installation of the machine;
- adequate electric installations;
- a qualified electrician for connection and start-up of the machine;
- personnel able to assimilate instructions given;
- cleaning material, as well as material (cardboard, blanks, inks, etc.) for the tuning of the machine and the training of the personnel.

The provisions of the present Section apply even if, by written agreement, the erection costs are to be borne by the Manufacturer.

15.3 The erectors, technicians and instructors are insured against sickness and accidents (special risks excluded).

The Customer shall conclude at his own expense an erection insurance covering the entire period of erection.

15.4 The declarations and commitments of the erectors, technicians and instructors are not binding on the Manufacturer.

16. INSPECTION AND TESTS

All goods are carefully inspected and submitted to our standard test before despatch. If special tests in the presence of your representative are requested these, unless otherwise agreed, be made at our works and will be charged for extra.

17. WARRANTY

17.1 Inspection of the Goods and Notification of Defects

The Customer shall check the goods as soon as possible upon delivery and immediately notify the Manufacturer of any defect in writing; otherwise, the goods are deemed to be accepted. Whenever defects appear later on, the Customer shall also immediately notify the Manufacturer thereof in writing; otherwise, the goods are deemed to be accepted.

The Customer is entitled to no warranty in case of defects for which he is liable or the existence of which he knew or should have known when the parties entered into the Contract.

17.2 Warranty for defects

Upon notice given by the Customer pursuant to Section 13.1, the Manufacturer agrees, at its choice, to repair or replace as quickly as possible any parts of the goods which, before the expiry of the warranty period, are proved to be defective due to bad material, faulty design or poor workmanship. Defective parts shall become the Manufacturer's property. The Manufacturer shall bear the costs of repairing the defective parts in its plant. If, due to the nature of the repairs, the latter shall be carried out by the Manufacturer on site, the Customer shall bear the related costs which exceed the customary costs of transport, personnel, traveling, living, dismantling and reassembly of the defective parts.

The defective parts shall be returned to the Manufacturer's plant at the Customer's risk and expense;

No part or material shall be returned to us without our written instructions but upon receipt of those instructions you should send the part or material to us carriage paid for examination. The replacement or repaired part or materials will be dispatched to you carriage paid.

Excluded from Manufacturer's warranty and liability are non-functioning and damage which do not result from bad material, faulty design or poor workmanship, such as for example non-functioning and damage due to normal wear and tear, to inadequate maintenance, to poor warehousing, to non-observance of Manufacturer's instructions, to negligence or misuse, to use of inappropriate materials, to chemical, electrolytic, electric and electronic influences, to defective erection or start-up work not carried out by the Manufacturer's erectors or technicians, to inadequate foundations.

17.3 Liability for express warranties

Express warranties and particular purposes are only those which have been expressly specified as such in the order acknowledgement.

If the express warranties are not or only partially achieved, or if the machine is unfit for the customer's particular purpose, the Customer may require the Manufacturer to carry out the improvements without delay during normal working days. The Customer shall give the Manufacturer the necessary time and opportunity for doing so.

If these improvements fail, the Customer may claim such compensation as has been agreed for such case, or, in the absence of such an agreement, a reasonable reduction of price. If, however, the defects are of such importance that they cannot be remedied within a reasonable time and provided that the goods cannot be used for the foreseen use, or if such use is considerably impaired, then the Customer shall be entitled to refuse acceptance of the defective parts or, if prafall acceptance is economically unreasonable, to terminate the Contract.

The Manufacturer can only be held liable for reimbursing the sums which have been paid for the parts affected by this termination. Any claim for damages on the part of the Customer is excluded.

17.4 Liability for express warranties

We warrant that at the time of despatch the products manufactured by us and sold hereunder will be free from any defects in material and workmanship and will conform to the specification furnished or approved by us. This warranty is in lieu of and excludes all other warranties, express, implied or statutory. This warranty only applies in relation for equipment used for an 16-hour day, 5 day week unless specified in the quotation. The Seller undertakes to replace or repair (at our option) but not to install any part or material which upon examination by us proves to be defective within a period of 24 months from the date on which it left our works. You undertake to notify us of any defect within 7 days of that defect becoming apparent during that period.

17.5 EXCLUSIVITY OF WARRANTY CLAIMS

With respect to any defect or express warranty or particular purpose, the Customer shall not be entitled to any rights and claims other than those expressly stipulated in Sections 17.2 and 17.3. Consequently, any claim for damages on the part of the Customer on this ground is excluded.

18. EXCLUSION OF FURTHER LIABILITY

All rights and claims on the part of the Customer, irrespective on what ground they are based, are exhaustively covered by the present General Conditions of Sale. In particular, any claims not expressly mentioned herein for damages, reduction of price, cancellation or termination of the contract is excluded.

In no case whatsoever shall the Customer be entitled to claim damages other than compensation for costs of remedying defects in the goods. This in particular refers, but shall not be limited, to loss of production, loss of use, loss of orders, loss of profit and other direct or indirect or consequential damage.

19. JURISDICTION AND APPLICABLE LAW

19.1 All disputes arising from the Contract shall be submitted to the Courts competent at the Manufacturer's domicile, at Budapest, Hungary. However, the Manufacturer reserves the right to sue the Customer at the latter's domicile.

19.2 Hungarian substantive law shall apply.