

RIGO Tool and Mould production Ltd.

Registered Office: EU, Hungary, 1221 Budapest, Orsvai út 3.

Site: EU, Hungary, 5435 Martfű, Gesztenye sor 1.

Registered company number: 01-09-684286

Valid from 1st May 2016

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY (hereinafter referred to as: GTCSD)

1.) Quotations, confirmation, contracting:

a. The specifications detailed in the following GTCSD relating to the commercial practice of RIGO Ltd (hereinafter referred to as **RIGO**), which is a company specialising in the production of tools and machines, apply to all its quotations and contracts and form an integral part thereof and should be considered and dealt with as such. Any legal relationship formed between RIGO and the Buyer is to be recorded in writing. The GTCSD covers all legal relationships documented in writing in which RIGO sells services or (and) products which the Buyer purchases. The GTCSD is valid for all future agreements, unless in the given agreement RIGO wishes to agree on certain other conditions which are (specifically) mentioned.

b. RIGO states that it is unable to accept terms of contract required by the Buyer that deviate from those of the GTCSD, regardless of when those terms resulting in obligations on the part of Rigo towards the Buyer were put forward. The Buyer may not raise an objection to the content of the GTCSD either before or after concluding a contract on the grounds that the Buyer was not sufficiently, or in due time able to become acquainted with the content of the GTCSD. RIGO states that it does not consider terms and conditions that deviate from those of the GTCSD to be a valid part of the contract, and in consequence such are invalid with regard to any business or commercial connection.

c. The period of validity binding for RIGO is specified in the quotations it issues. If no such specification is included in the quotation, then the duration of the period of validity can be a maximum of 30 days, commencing from the day of issue of the quotation. The period of validity can be terminated if the mutual will of the contracting parties to that intent is set down in a written statement.

d. Quotations and their annexes issued by RIGO do not constitute a contract, thus they are binding on the company for the period of validity only. If on the basis of a quotation issued by the company the Buyer sends a written purchase order to the company, the company will have an obligation to complete the order only if the company gives unambiguous acknowledgement of the purchase order, that is, it undertakes the order. If RIGO sends written confirmation with an authorized signature in which it agrees to undertake the order, then RIGO is obliged to complete the order for the Buyer, as set out in the quotation and confirmed in the written acknowledgement; furthermore, in such a case RIGO is obliged to adhere fully to the terms and conditions set down in the GTCSD, unless the parties draw up a divergent written agreement. At the same time, on confirmation that RIGO undertakes the order, the Buyer also has an obligation to adhere to the purchase order.

2.) Contract price:

a. The contract price as stipulated in the quotation issued by RIGO may be accepted by the Parties, provided that the Buyer has not requested RIGO to quote a different price (see: Bargaining). If the Buyer makes such a request, it is at the discretion of Rigo to decide if in the confirmation send to the Buyer it gives a different price quote in accordance with the Buyer's request, whether it stands by the price stipulated in the quotation, or (as a third possibility) it gives yet another alternative price quote. RIGO states that the price that will be considered as the mutually acceptable and final price is the one for which both Parties receive a written confirmation with an authorized signature, or the one that is stipulated in the contract, and provided with an authorized signature from both Parties.

b. In all cases, the price will be expressed in Hungarian forints or in euros. Any deviation from this may only be provided for in a written statement issued by RIGO.

3.) Conditions of payment:

a. The Buyer is obliged to pay RIGO the purchase price in its entirety, as decided upon in accordance with the above, meeting the conditions of payment that are herein described, within the stipulated time limit for payment. If the Parties do not come another agreement, final time limit for payment which the Buyer is obliged to meet is 15, that is fifteen calendar days from the date of completion of service, or from the time of delivery of product. The Buyer is obliged to complete all payments via bank transfer to the bank account specified by RIGO. In the case of instalment payment, RIGO will issue an invoice for each instalment paid, for each of which the time limit for payment will be 15 days from the date of issue of the invoice. The Buyer is not entitled to an early payment discount, unless the Parties have agreed on this in advance, in writing.

b. The Buyer is obliged to accept that RIGO will check the Buyer's solvency if a product order, or the total value of items included in an order that is in progress exceeds 5% that is five percent of the Buyer's actual revenues for the previous marketing year.

c. Failure on the part of the Buyer to meet payment obligations, also late payment of a contract price, as well as failure to meet any other financial obligation or responsibility towards RIGO will entitle RIGO to suspend completion of the order.

4.) Delivery, shipping, quality requirements:

a. Unless the Parties agree otherwise, the place of delivery of the product will be the manufacturing plant site of RIGO in Hungary, or another site designated by the company.

b. Unless the Parties come to a separate agreement to the contrary, delivery of the product will be in accordance with EX-WORKS (INCOTERMS). Responsibility for organization and cost of shipment of the product, as well as any risks arising outside the RIGO plant site will be borne by the Buyer.

c. RIGO is entitled to complete an order for a product or (and) service before the completion date stipulated in the contract.

d. If the delivery/acceptance of a product is not realized or is delayed for reasons ascribable to the Buyer (e.g. lack of materials the Buyer agreed to provide; the Buyer is unavailable), RIGO will prepare an officially documented, independent report on the facts of the event, and will simultaneously call

on the Buyer to resolve the problem that is constituting a breach of contract, as a failure to take substantive measures to meet the terms of the contract within 30 calendar days entitles RIGO to submit the final invoice upon the expiry of this period.

e. If during the delivery/acceptance procedure the Buyer indicates a problem with the product which at that time prevents the final acceptance of the product, but the product is otherwise technically capable of production and the Buyer has begun using the product as if the Buyer were the owner of the product, although final acceptance has not yet occurred, in this event RIGO is entitled to submit the final invoice on the condition that the defects (which in every case must be documented) will be corrected within the agreed time limit. RIGO informs the Buyer that a written list of defects in which the Buyer indicates the faulty or damaged products or components, must be submitted to RIGO within 8, that is eight days following delivery of the product. RIGO undertakes to correct all defects indicated in the defect list for which it can be proved responsible, within 30, that is thirty days of receiving the defect list. Insomuch as RIGO fails to repair the faulty products/components indicated in the defect list, in that case after the 30 days has expired, for the period following, the Buyer is entitled to delayed service payment, which will be calculated as 0.5%, that is half a percent of the net cost of the product per week, which in total cannot exceed 10%, that is ten percent of the net contract price of the faulty product. Insomuch as the Buyer fails to indicate within the time limit specified that the product was faulty at time of delivery, in that case the Parties will proceed in accordance with section 11 of GTCSD.

f. If in the existing contract it is stipulated that RIGO agrees at the Buyer's request to install the product at a site designated by the Buyer, in that case RIGO will ensure that a sufficient number of appropriately qualified skilled workers go to the site to complete installation. At the same time, RIGO states that the installation fee and any other additional overhead in all cases constitutes an extra service which is in no way included in the price of the product and will be subject to separate invoicing and payment. In this section RIGO also states that designing, production and onsite installation - although together they are logically part of a single process - in every case will be covered in separate agreements (within a single contract, but as separate items thereof), and will be subject to invoicing and payment. By emphasising this point, RIGO precludes any possibility of misunderstanding on the part of the Buyer.

g. Following delivery/acceptance, risk passes to the Buyer, in accordance with the INCOTERMS rules, applicable here.

5.) Quality requirements:

a. RIGO has the appropriate expertise and resources to complete the work of manufacturing the products it undertakes produce. RIGO constructs all its products using expert knowledge and with great care and attention. Primarily, RIGO specializes in producing high-quality precision machines and equipment to meet the characteristic specifications of its Buyers. RIGO is able to fully meet the requirements of Buyers, if Buyers are true partners in the venture, making available relevant technical information, blue-prints and sample parts when placing an order, and giving practical, specific descriptions of their requirements as buyers and users.

b. If after the Parties have formed a contract it becomes apparent that the Buyer has held back information indispensable to the work RIGO has undertaken to do, or (and) fails to co-operate in discussion concerning the successful manufacturing of the product, or if in any way is proven be hindering the work process, in this case RIGO will not accept responsibility for the quality and the fitness for use of the product. Delayed, belated disclosure of technical information will entitle RIGO to modify terms of completion, and (or) contractual price.

c. Before delivery, RIGO ensures that all products manufactured by RIGO undergo careful examination and required testing. The Buyer will pay separately for any further tests or examinations the Buyer requires, including the test run procedure, preparation of sample parts and demos held for the Buyer, if these were not stipulated in the quotation submitted by RIGO, with the exception, of course, of the mandatory protocol technical delivery/acceptance.

6.) VIS MAJOR

RIGO will bear no responsibility for delay or failure to deliver due to vis major as defined in the law. Here, vis major shall be understood to mean events or circumstances which fall outside RIGO'S reasonable sphere of control or responsibility, whether or not they were foreseeable at the time of forming the contract. When such unexpected and unwilling events occur, the Parties are obliged to come to a mutual, official agreement given in writing, which if necessary may require that both Parties acknowledge that completion of the contract must be suspended until obstacles are removed, and that RIGO bears no responsibility for losses incurred on the part of the Buyer because of this. If a case of vis major is prolonged for 3, that is three months, or if it is obvious that delay on the part of RIGO will last for at least or longer than three months, RIGO is entitled to withdraw from the contract in its entirety, or from any part of it, bearing no responsibility to the Buyer – with particular regard to responsibility for compensation.

7.) Threat of injury and the transfer of the right of ownership:

a. After delivery/acceptance of the product has occurred, consequences of threat of injury shall be borne by the Buyer, in accordance to section 4. /b. of GTCSD, unless it is proved that loss or injuries resulted from an error or negligence on the part of RIGO. If the latter is the case, the Buyer is obliged to immediately inform RIGO of the circumstances, but at the latest within three calendar days.

b. After RIGO has been paid in full the purchase price of the product/ the contractor's fee, ownership of the product is transferred to the Buyer, who then has exclusive ownership.

c. Until the purchase price has been fully paid, the product is in the exclusive ownership of RIGO and the Buyer has right of use, and this right of use will cease on the day of expiry of the time limit for payment if there is failure to pay by this deadline. RIGO is entitled to repossess the product and to ship it back to RIGO's own site, and to simultaneously submit an invoice to the Buyer for expenses incurred by RIGO as a result of this. From the above it follows that there may be no disposition of the product by the Buyer to a third party, neither may the product be sold, nor offered as collateral until the purchase price/contractor's fee has been paid in full. Insomuch as the Buyer has accepted the product and is using it, but the purchase price/contractor's fee has not yet been paid, and if during the interval between acceptance and payment any third party rightfully applies for enforcement action to be taken against the Buyer, in this case the buyer is obliged on the one hand

to immediately inform RIGO of these circumstances, and on the other hand to notify (in writing) the authority taking enforcement action and also the successful party to enforcement that the tangible products and equipment specified in the contract do not constitute the Buyer's property, and thus may not be included in the enforcement process or be placed under a charging order, nor be auctioned off. If problems arise concerning restriction on ownership rights due to charging orders, then the Buyer and its management are obliged to give RIGO all possible support in any ensuing legal dispute; furthermore, the Buyer is obliged to fully reimburse RIGO for all expenses incurred as a result of the situation in question.

d. If the Buyer becomes insolvent, then because of the significant financial risk, RIGO is entitled to withdraw from the contract or suspend completion until a purchase price/ contractor's fee corresponding to the value of completion met by RIGO is fully paid.

8.) Intellectual property and software rights:

a. RIGO reserves the rights of intellectual property (RIGO intellectual property rights) with regard to all individually designed products (characteristically machinery) manufactured for the Buyer which concern transfer or sale to a third party; that is, with completion of the contract formed with RIGO, the Buyer acquires ownership and user rights of the specific product. At the same time, the right to transfer and sell designer rights and/or manufacturer rights, as well as the right to form reseller agreements, are held exclusively by RIGO.

b. It is possible that RIGO may hand over certain designs, software and other documentation to the Buyer together with the completed product, if necessary. At the same time, it is important to establish that when the Buyer purchases the product, the Buyer does not acquire ownership of blueprints, designs, operational and control software and other documentation, unless this is purchased separately, apart from the product itself. Thus, these constitute two separate contracts, and are in no way to be considered rights obtainable together.

c. With regard to a product purchased by the buyer- in accordance with what has already been stipulated – after purchase the Buyer has full user rights to the intellectual property owned by RIGO, including the designs, software and documentation connected with the product.

9.) With regard to the product designed and developed by RIGO, unless the Buyer has the official consent of RIGO or has purchased the associated rights, the Buyer does not have the right to:

a. Manufacture the product or have it manufactured, to hand over replicas of it to a third party (including corporations with shared interest), to modify, convert, change or to produce derivative products based on the blueprints or software which RIGO handed over to the Buyer in connection with any product;

b. To license or sub-license designer or manufacturer rights connected with a product manufactured by RIGO, or to base business on the use of these;

c. To make designs or software available to a third party;

d. To combine or integrate the given design or software with another design or software.

10.) Warranty, operational responsibilities:

a. RIGO guarantees that during normal operation carried out according to instructions, the material and working of the product will be faultless and will correspond to the functions and characteristics that are specified in the contract, as well as meeting the characteristic technical standard RIGO is recognized for.

b. If a product manufactured by RIGO is proved to be faulty, or if it does not comply with the features RIGO undertook in the contract, then on a written request RIGO is obliged to, and at the same time entitled to, repair or if necessary replace the product within a reasonable time limit (agreed on with the Buyer), for which RIGO will charge no price or fee. In the event of replacement of the product and simultaneously to this, the Buyer is obliged to return the inappropriate product to RIGO's ownership.

c. If the expected results are not attained by either repairing or replacing the product, the Buyer has the right to initiate a reduction in the contract price.

d. RIGO is under no warranty obligation if the alleged fault is the result of unintended use, of failing to follow instructions for use, of impact, deliberate damage, bad repair or inappropriate storage.

e. Unless agreed otherwise, the Buyer is entitled to place a warranty claim within a period of 12 months from the time of delivery/acceptance or installation, apart from components subject to natural wear and tear which by reason of the nature of their material are not included in the terms of warranty. RIGO provides a list of wearing parts in the instructions for use, so that the Buyer is informed and can stock up on replacements.

f. It is the Buyer's responsibility to ensure that the product manufactured by RIGO is installed at a site that is suitable for the ongoing, normal operation of the product, and that – among other things – there is a suitable power supply for the running of the product. Also, the Buyer is responsible for the availability, training, and legally required work and safety conditions of staff needed for operation.

11.) Confidentiality:

The Buyer understands that all technical, commercial, legal and financial data (in summary, all Business-Confidential information) which RIGO discloses to the Buyer, whether orally, in writing or on storage devices, constitutes confidential information and must be treated as RIGO's business secret. The Buyer may not pass on to a third party any business secret brought to the Buyer's knowledge, may not divulge it and does not have right to use it for any purpose diverging from those for which the contract was formed by the parties.

12.) Governing law and jurisdictions:

With regard to the documentation produced and passed between RIGO and its current partners, Hungarian law shall be considered as being the governing law. In case of dispute, the contracting parties shall first attempt to resolve points of contention among themselves, amicably co-operating with each other in mutual good faith to come to an agreement. If they do not succeed in solving a dispute in the above mentioned way, then the Parties state that Jász-Nagykun-Szolnok County Court

and the Szolnok Municipal Court has sole jurisdiction, and concerning the legal proceeding initiated by RIGO against the Buyer, the general rules of jurisdiction shall apply.

13.) Termination of contract, breach of contract:

RIGO has the right to terminate the contractual relationship in writing, with immediate effect in the following cases:

- a. The Buyer is proved to have breached the provisions of the contract;
- b. An enforcement procedure is initiated by the National Tax and Customs Authority against the Buyer, and the Buyer fails to clear the debt therein specified within 15, that is fifteen calendar days of the tax authority initiating the procedure;
- c. In a final judgement the court declares the Buyer insolvent, or bankruptcy, execution or liquidation proceedings are begun against the Buyer, regardless of whether liquidation is voluntary, or not.

In the case of any of the causes listed above arising, then RIGO will consider all payment obligations of the Buyer towards RIGO as being expired and overdue.

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RIGO Kft. Rigó Péter Managing Director