

## GENERAL CONDITIONS of SALE and PURCHASE

### Chapter I. Contractual Parties

Between HOEGANAES CORPORATION EUROPE SA, legally represented by Mr. Corina Junghetu – General Manager, as “Buyer”

and

-----, represented by -----, as “Seller”

have concluded this contract.

### Chapter II. The Object of the Contract

**Art. 1.** The Seller commits himself to sell and the Buyer commits to buy and pay for the goods according to the types, quantities, quality and price stipulated into the Purchasing Order.

**Art. 2.** The goods that represent the object of sale – purchase have the total value mentioned on the Purchasing Order, the Seller having the obligation to deliver them to the Buyer, according to the specific conditions required by the Purchasing Order. Quantity, quality, types, technical and / or dimensional specification, are defining the goods.

### Chapter III. Price

**Art. 1.** The unit prices for each product are laid down in the Purchasing Order. The prices are those prices that both parties agreed upon them according to the initial offers of the Seller. The cost of the packing material may be described explicitly in the Seller’s offers or mentioned as being included in the unit price.

**Art. 2.** The Seller can increase the prices for selling goods that represent the object of the Purchasing Order, in proportion to increasing the costs, only after Buyer’s written agreement.

#### **Art. 3. The Condition for Delivery**

If this Purchasing Order does not stipulates something else the unit prices are under FCA warehouse-supplier, they include / do not include the costs of the packing material, but they do include the cost for packing, handling and loading them into the transportation means.

#### **Art. 4. Payment Condition**

For prices negotiated in foreign currency, the invoice shall be issued in that particular currency. The means of payment shall be the one that the two parties agreed on and it was mentioned in the Purchasing Order. The invoice is sent to the Buyer either by accompanying the goods or after the delivery note, but no later than the last calendar day of the month in which the goods were delivered. The signature for receiving the invoice does not mean that it is accepted for being paid.

If the Buyer does not observe the payment periods, he will pay to the Seller 0.05% of the value of the unpaid invoice as delay penalties for each day, calculated since the date of payment until the obligation is completely fulfilled.

### Chapter IV. Receiving of Goods / Claims

**Art. 1.** The delivery of the goods is done based on the received quantity and quality of goods made at the Seller’s residence. If the Buyer does not notify the Seller for taking part at Receiving, they shall proceed to delivering through self-inspection, according to the law.

**Art. 2.** The goods quality is certified by Quality Certificates and/ or by conformity statements, according to the technical specifications available at the date when the goods were ordered.

**Art. 3.** The Buyer shall receive the goods that are the object of the Purchasing Order within 5 days from goods receiving.

The Buyer has the right to refuse the damaged goods or of the goods which do not comply with the specified quality and he has the right to point out the missing goods and to claim for them to be replaced. The Seller must replace the damaged goods or the goods that do not comply from a quality stand point and to complete the quantity that was missing noticed at receiving. If the hidden defects appear, the Seller will be informed about them in maximum 48 hours since they were discovered, according to no.70 art. into the Commercial Code. The Seller has the right to claim and/ or to refuse the goods that presents hidden defects.

The Seller negotiates with the Buyer the way in which the missing deteriorated or non-conform goods will be replaced.

The refusal of some goods does not exonerate the Buyer from paying for the goods that he does not refuse or from fulfilling the other contractual obligations.

The expenses made by replacing the goods noticed at receiving as being missing, deteriorated or non-conformed from a quality stand point are paid by the Seller.

Any claim made after this term expires shall not be opposable to the Seller. The quantities that are missing and the goods qualitative deteriorations due to inappropriate storing or handling by the Buyer cannot be placed in Seller's charge.

For solving any claim regarding the quality of goods, the Buyer must prove that they were handled, stored, put in function and used according to the technical specifications and to the specific projects.

The Seller is not responsible of the consequences caused by nonobservance of those specifications/indications by the Buyer.

The goods that are refused from paying, no matter the reasons, are kept into custody based on a minute at the Buyer and they remain in Seller's property until the parties solve the litigations issued by the refusal by law.

**Art. 4.** If Buyer finds any quantitative or qualitative nonconformity, he shall notify the Seller by fax within 48 hours since it was found in order to send a representative for checking and finding the deficiencies.

## **MARKING AND PACKING**

**Art. 5.** Excepting the goods that are sold in bulk, the goods are delivered packed, the packing ensuring the quantitative and qualitative protection of the goods that represent the object of the Purchasing Order, if the instructions regarding handling and storing the goods are observed.

**Art. 6.** The products are marked according to the standard norms, according to the character of the product where it can be seen so that it will allow identifying the types.

## **SHIPPING AND TRANSPORTATION**

**Art. 7.** If this Purchasing order does not specify differently, the transportation of the goods is Buyer's obligation who will use adequate transportation and who shall be responsible for any quantity that is missing or for any depreciation of the quality during transportation. The risks are transferred from the Seller to the Buyer at the date when the goods are delivered.

**Art. 8.** The documents that will come together with the goods:

- Delivery note / invoice
- Quality certificate
- Conformity statement
- Material Safety Data Sheets
- Terms of storing and handling ( where the type of goods needs it)
- Other certificates/documents (according to law or specifically asked into Purchase Order)

**Art. 9.** In case that the parties agrees to another delivery term, then the terms and conditions of the transportation will be the object of an enclosure – an integrant part of these general terms.

## **Chapter. V. PENALTIES**

### **DELIVERY DELAYS**

**Art. 1.** If the Seller does not succeed in delivering the goods according to the delivery term specified into the Purchasing Order, this one should pay 0.1% delay penalties for each day from the value of the undelivered quantities calculated since the day of payment until the effective fulfillment of the obligation.

**Art. 2.** If the buyer does not pick up the goods according to the delivery terms agreed by the parties, the Buyer shall pay 0.1% delay penalty for each day. This does not apply to the transportation by train.

## Chapter VI. GENERAL CONDITIONS

### **Art. 1. Changing the Purchasing Order**

Any modification can be made only by written agreement of the parties.

### **Art. 2. Cancellation of the Purchasing Order**

Each party has the right to cancel this order only after notifying in writing the other party, delaying it for 30 calendar days under the following situations:

- (i) In case of unfulfilling by the other party of the obligations assumed based on these conditions;
- (ii) In case that the other party becomes insolvable;
- (iii) In case that the procedure for legal reorganization or bankruptcy is opened against the other party, or
- (iv) In any other situation in which the other party cannot fulfill the obligations assumed based on these conditions and on the Purchasing Order.

The cancellation, which occurs under the conditions mentioned above, represents the complete cancellation of these conditions.

The cancellation does not exonerate the responsibility the guilty party. At the cancellation date, the recovery of the debits and of the penalties shall be settled amicably or, if that is not possible, by the competent Court of Law.

### **Art. 4. Force Majeure**

Force Majeure exonerates from contractual obligations the party who claims it with the requirement regarding notifying the contractual party within 5 days time since it occurred and regarding proving the force majeure case by being certified by the Chamber of Commerce and Industry within 5 days time since its occurrence. The party claiming this force majeure case commits itself to inform the contractual party about its cessation within 5 days. If the force majeure event overruns 6 months, it gives each of the parties the cancellation right.

### **Art. 5. Litigation**

Any litigation that may result from this contract shall be settled amicably and if the parties do not come to an agreement, they shall be referred to the competent Court of Law.

### **Art. 6 Hoeganaes Policy against bribery and corruption**

GKN > Hoeganaes complies with all the applicable laws in the countries where it operates and it is represented in. The Group we are part of is headquartered in Great Britain and has manufacturing sites in Great Britain, and the applicable laws valid in UK applies to all Group activities, at global level.

In Great Britain came into force the law drawn up in order to prevent any bribe offering/ receiving and corruption facts, a law similar to the law for External Corruption Practices in force in United States of America.

This new legislation exposes GKN > Hoeganaes to the risk of criminal charge if any of the members of our Group or of your personnel would pay any bribe or would make any facilitation payments. Even if it is a law from Great Britain, the risk of responsibility exists for our company anywhere in the world.

Taking into consideration this possible responsibility, we kindly ask to everybody that does business with GKN > Hoeganaes, either as goods or service suppliers, to comply with the strict ethical standards with refer to bribe and corruption as they was adopted by our employees.

GKN > Hoeganaes expectations of conformity required to all our business partners, are as below:

- ✚ The Seller shall conform to all applicable laws and regulation against bribe, corruption and money laundry.
- ✚ The Seller shall not make, offer, promise or authorize any inappropriate payments (either cash or in any other way, including supplying any services, gifts or relaxation actions) to any person in the private or public sector.
- ✚ The Seller shall not influence or try to determine any public official to do anything illegal;

- ✦ The Seller shall not make any facilitation or payments earlier than the due date, even if the payments are not significant in value. Through facilitation payment it is understood any payment to the government officials (public clerks) in order to ensure or speed up the routine governmental actions such as permit or authorisation issuing or clearance for the goods retained in customs.
- ✦ The Seller shall not offer/ receive money (or any valuable things) as part of an inappropriate or illegal procedure to keep or get business, including bribe or commissions.
- ✦ The Seller shall make the payments according to the concluded contracts, to keep their exact and correct records so that the company funds will not be used in any illegal purposes.
- ✦ The Seller shall not do anything in order to determine or facilitate any person to break any of those principles or to allow any agent, representative or contractor or subcontractor to do that.
- ✦ The Seller shall include in the business integrity policy the ethical principles and inform their managers, employees, agents, contractors or public officials about them.

## Chapter VII. OTHER CLAUSES

**Art. 1. Confidentiality:** The parties shall not inform third parties any information regarding the Purchasing Order and these conditions, the way in which they take place or any other aspects which can harm each party's interests.

**Art. 2.** The present conditions are valid during the time that the Purchasing Order is open.

**Art. 3.** The present conditions are under the Romanian laws.

**Art. 4.** The present conditions are part of the Purchasing Order.