

### 1. Interpretation / Definitions

1.1 In these General Terms & Conditions ("GTC"), the following definitions apply:

- (a) **Business Day:** a day (other than a Saturday, Sunday or a public holiday) when banks in Hungary are open for business.
- (b) **Commencement Date:** the date on which the Contract shall come into existence, which coincides with the sending of Company's order confirmation or delivery note to the email address of Customer or its representative.
- (c) **Company:** PLASTRADE Packaging Kft. (see company information and contact details in footer).
- (d) **Manufacturer:** Company's domestic or foreign supplier, manufacturer of products sold by Company, providing representation in Hungary and the CEE region, as well as exclusive or partial distribution of its products.
- (e) **Conditions:** these terms and conditions that may be amended only by written authorization of Company.
- (f) **Contract:** the contract between the Company and the Customer in respect of the supply of goods and/or Services in accordance with and including these GTC.
- (g) **Customer:** the person(s) (natural or legal) who purchases the goods and/or Services from the Company, who is thus liable for the receipt of the goods and/or Services and the payment of the purchase price.
- (h) **Third Party:** Any person(s) (natural or legal) who is not a party to the contract and consequently has no legal right in the matter.
- (i) **Deliverables:** fulfillment of goods and/or Services according to the conditions set out in the order confirmation.
- (j) **Delivery Location:** address provided by Customer in its order or within 5 (five) Business Days of the Company notifying the Customer that the goods are ready, where the goods are picked up, received or delivered to.
- (k) **INCOTERMS 2010:** a series of pre-defined International Commercial Terms that entered into force on January 1, 2011, international standards for the determination of freight parities in trade, logistics and freight forwarding operations, which, on the recommendation of the ICC (International Chamber of Commerce), regulate where the cost and the risk of transportation changes from sender to receiver.
- (l) **Force Majeure Event:** an event beyond the reasonable control of the Company or by the activity or fault of a Third Party (including but not limited to acts of God, accidents, strikes, lock-outs or other industrial disputes, failure of a utility service or transport network, war, riot, civil commotion, malicious damage, blockade, epidemic, compliance with any law or governmental order, rule, regulation or direction, breakdown of plant or machinery).
- (m) **Goods:** product products (or any part thereof) provided by the Company or the Manufacturer in the product specification (modifications or updates possible without notice) or the order acknowledgment.
- (n) **Goods Specification:** any specification for the goods, including any relevant technical data, plans or drawings, that is agreed in writing by the Customer and the Company to form part of the Contract.
- (o) **Services:** mediated services related to product sales (e.g. freight arrangement) and other activities as agent.
- (p) **Intellectual Property Rights:** all patents, rights to inventions, utility models, copyright and related rights, trade-marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world.
- (q) **Order:** the Customer's written order for the supply of goods and/or Services sent to the official email address or fax number of the Company or its representative, being a call for contract, where these GTC have to be applied.
- (r) **Order Acknowledgement:** the Company's written acknowledgement of the Customer's Order incorporating these GTC.
- (s) **Product Data:** any description of the product appended to the Order as supplied by the Company and/or the Manufacturer.
- (t) **Company Materials:** has the meaning set out in clauses 11 & 12.

1.2 Construction. In these GTC, the following rules apply:

- (a) a reference to a party includes any personal representatives, successors or permitted assignees;
- (b) "Laws" means any legislation, regulation, ordinance, order, directive, notification, by-law, guideline, code or standard which is legally binding in Hungary and the European Union (or any part of it);
- (c) "Regulatory Requirements" means:
  - Laws;
  - the common law as applicable to the parties (or any one of them) for the time being;
  - any final and binding court order, judgment or decree applicable to the parties (or any one of them) for the time being; and
  - any applicable industry code, policy, guidance, standard or accreditation terms (i) enforceable by law which is in force for the time being; and/or (ii) stipulated by any regulatory authority to which any party is subject;

- (d) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms; and
- (e) reference to "writing" or "written" includes emails, faxes and letters sent by regular mail.

### 2. Scope of Application

- 2.1 Any supply and/or service made by the Company shall be subject exclusively to these GTC unless the Company has given its express written approval to other terms and conditions or has agreed in writing on the departure therefrom.
- 2.2 In the absence of a separate agreement between the parties, these GTC also apply to all future contracts with and contractual services provided for the Customer.

### 3. Offer, Conclusion of Contract

- 3.1 Unless otherwise indicated, the Company's offers are non-binding to the Company. Any offer is valid within 30 days of the date of issue. Only offers and conditions confirmed in writing and sent to the Customer's email address are considered to be valid by the Company.
- 3.2 Any samples, drawings, descriptive matter or advertising issued by the Company and any descriptions of the goods or illustrations or descriptions of the Services contained in the Company's catalogues or brochures are issued or published for the sole purpose of giving an approximate idea of the goods and/or Services described in them. They shall not form part of the Contract or have any contractual force unless agreed in writing by the Company. Differences which are customary in trade and discrepancies arising as a result of legal requirements, due to the production technology or which constitute a technical improvement are permitted as far as they do not adversely affect the suitability for the intended and contractually agreed purpose.
- 3.3 Any compatibility responsibility of the Company is explicitly excluded as the Customer shall be responsible to check and verify if the ordered products are suitable for the Customer's purposes (in particular regarding chemical resistance or children's safety regulations), as well as compatible with any other material used by the Customer getting in contact with the Company's products. Any authorization requirements applicable to the use of the products by the Customer shall be observed by the Customer himself.
- 3.4 The Customer's order is a legally binding invitation to enter into a contract.
- 3.5 A supply contract for goods is not concluded until the Company has confirmed the order in writing. The Company is entitled to confirm the order within 14 (fourteen) days upon receipt. The content of such order confirmation is binding for the content of the contract. The order is deemed to be fulfilled by the receipt of the goods even if the delivery of the goods precedes the confirmation.
- 3.6 Due to the nature of applied industrial production technologies the shipped quantity may differ from the confirmed quantity by +/- 10%. The Customer is obliged to advise the Company of such a difference and to take over the actual shipped quantity at the originally confirmed price, accepting a proportional extra payment or refund.
- 3.7 Price quotes of all goods supplied by the Company are issued according to the Minimum Order Quantity (MOQ). Conditions of short runs (less than MOQ) shall be specified.
- 3.8 The Company's sales employees and subcontractors are not authorized to make verbal side agreements or to give guarantees in oral form, which go beyond the content of the written contract.

### 4. Prices, Terms of Payment

- 4.1 Unless otherwise offered or agreed, the Company's valid prices are indicated in the most recent order confirmation.
- 4.2 In accordance with the Company's sales invoicing system, prices are rounded to a maximum of 4 (four) decimals.
- 4.3 Unless otherwise agreed, all of the Company's prices shall be deemed to be DAP [Delivery Location] (INCOTERMS 2010) plus (in case of Hungarian and European Union nationals or legal entities without EU tax number) the statutory VAT rate applicable at the time of issue of the invoice.
- 4.4 In the case of the stipulation of a commercial practice other than DAP, the terms of delivery shall be construed in accordance with INCOTERMS 2010.
- 4.5 The Company is not obligated to deliver any product at the incorrect price erroneously given in the order (significant differences from a product's widely printed, accepted or estimated price due to sliding decimal point, missing digit, calculation error, etc.) or, as a result of that, to provide any form of compensation to the Customer. In such case and if the Company has not committed itself to any incurred cost in connection with that, the Customer, knowing the correct price, is entitled to withdraw from its intention to purchase.
- 4.6 The Company reserves the right to change any price or detail, by giving notice to the Customer, at any time before delivery due to:
  - (a) any factor beyond the control of the Company (including foreign exchange fluctuations, increases in taxes and duties, increases in labor, materials and other manufacturing costs);
  - (b) any request by the Customer to change the delivery date(s), quantities or types of goods ordered, or the goods Specification;
  - (c) any delay caused by any instructions of the Customer in respect of the goods or failure of the Customer to give the Company adequate or accurate information or instructions in respect of the goods.

- 4.7 The Customer shall pay each proforma or prepayment invoice and invoice submitted by the Company in full and in cleared funds to, as well as being available before the due date on the bank account nominated in writing by the Company. In case of payment in advance, the order confirmation is issued and goods are delivered only upon availability of the full amount due on the Customer's bank account.
- 4.8 Since not included in the invoice, bank and transaction costs, as well as other fees incurred in connection with the money transfer in the country of the Customer shall be borne by the Customer.
- 4.9 The Customer is in default upon expiry of the term for payment. If the Customer is in default, the Company may demand interests for delay of 8 (eight) percentage points above the base interest rate, applicable to the currency of the payment, accruing on a daily basis from the due date until the date of actual payment of the overdue amount. The Company reserves the right to assert further claims for damages. Moreover, in case the Customer is in default of a (partial) payment, the Company may declare the entire residual debt due for immediate payment. Expenses incurred in connection with any recovery shall be borne by the Customer.
- 4.10 If the Customer is in default with payment, the Company shall be entitled to take the goods back by setting an appropriate deadline, which shall not mean the withdrawal from or the cancellation of the agreement.
- 4.11 The Customer has no set-off or retention rights unless the Customer's counterclaims have not been disputed or have been acknowledged by the Company. Furthermore, the Customer may exercise a right of retention only to the extent its counterclaim arises from the same contractual relationship.
- 4.12 In case of a Customer not paying in advance, the Company shall be entitled to deliver or render outstanding goods or Services respectively, only against cash in advance or against security, if Company becomes aware of any circumstances justifying a significant decrease of the Customer's credit worthiness and jeopardizing the payment of the outstanding claims of the Company by the Customer arising from the respective contractual relationship.
- 4.13 Unless otherwise agreed, all payments must be in euros (EUR, €).
- 5. Reservation of Title**
- 5.1 The Company reserves ownership in the goods supplied until the full purchase price (including default interests and other accessories) has been received.
- 5.2 The Customer shall, at its own costs, adequately insure the reserved goods against the risk of fire, water and theft damage on a replacement-value basis.
- 5.3 The Customer shall store reserved goods separately from other goods belonging to the Customer or third parties, but shall also label and mark them as being the property of the Company.
- 5.4 The Customer is entitled to resell and/or process the reserved goods in the ordinary course of business.
- 5.5 The Customer hereby assigns to the Company as collateral any claims he may have from reselling the reserved goods (including other claims like amounts due from insurance claims or claims arising from tortuous acts in the event of loss or destruction). The Company accepts such assignment. The Customer may retract the assigned claims as long as fulfilling its payment obligations. If the Customer is in delay with its payment, the Company may revoke the Customer's right to retract. In this case, at the Company's request, the Customer shall provide all necessary information to permit retraction. The Customer shall further permit a person acting on the Company's behalf to verify the validity of the assigned claims, based on the bookkeeping, and to inform the debtors of the assignment.
- 5.6 If the Customer has processed the reserved goods the parties agree that such processing shall be carried out in the name and for the account of the Company (as the Manufacturer's representative) and the Company shall acquire title or – if the processing involves materials of more than one owner or if the value of the processed product is higher than the value of the goods supplied – co-title in the newly created item on a pro-rata basis relative to the value of the goods supplied and the value of the newly created item. If the Company forfeits its title as a result of combining or processing or if, in the event of processing, he does not acquire title in the goods supplied, the Customer hereby transfers to the Company in advance co-title in the newly created item on a pro-rata basis relative to the value of the goods supplied by the Company. The Company hereby accepts this offer. Handing-over shall be replaced by custody free-of-charge.
- 5.7 The goods supplied which are subject to reservation of title may not be pledged to third parties, nor may the title of them be transferred by way of security until the secured claims have been paid in full. The Customer shall inform the Company in writing, without undue delay, about unrightfully access to the Company's property by third parties and shall, in coordination with the Company, take suitable legal actions at its own initiative and expenses, and support the Company in any legal proceedings initiated by the Company. As far as the third party is unable to reimburse the Company for court or extrajudicial fees arising out of or in connection with this matter, the Customer shall be held liable therefore.
- 5.8 In the event of default, an application for opening the insolvency proceedings over the Customer's assets, transfer of vested rights to third parties or transfer of the Customer's business to third parties, the Company may withdraw from the contract subject to statutory provisions and demand repossession of the goods supplied. As far as the Customer does not pay the due purchase price, the Company may only assert these rights if he has previously set the Customer a reasonable deadline for payment and such deadline has passed without success, or if such a deadline is not required by statutory law. The Company may enter the Customer's business premises for the purpose of repossessing the goods supplied. The Company shall be entitled to privately dispose of the reserved goods once they have been repossessed. The proceeds from realization shall be set off against the Customer's liabilities (less reasonable realization costs).
- 5.9 The Company shall release the securities to which he is entitled upon the Customer's request as far as they exceed the value of the outstanding claims they secure by more than 20%. The securities to be released shall be selected by the Company.
- 6. Delivery of Goods**
- 6.1 Delivery following the order confirmation is based on samples (unless otherwise indicated, provided free of charge for the first time, additional items of the same are subject to charge), product specifications and technical drawings sent by the Company whose liability, therefore, is excluded and the Customer's complaint referring to one of these is unjustified, if the Customer has placed its order without their prior knowledge or testing. The Customer shall be deemed to have given its approval if the Company has confirmed the order via email, according to the samples and technical drawings previously sent to the Customer (where necessary, customized or modified to some extent), based on which the delivery is performed.
- 6.2 The Company shall ensure that each delivery of the goods is accompanied by a delivery note identifying the date of the order, all relevant reference numbers of the Customer, the Company and its subcontractors (e.g. forwarder), the designation and quantity of the goods (including their code number for identification, where applicable), special storage instructions (if any), as well as any other relevant information on transportation.
- 6.3 Unless otherwise agreed between the Customer and the Company, shipping of the goods shall be effected DAP (INCOTERMS 2010) to the delivery location indicated in the order. Upon request and at the Customer's expense, the Company shall take out insurance against the usual transport risks.
- 6.4 The terms of delivery or the delivery location can be changed after the products have been manufactured and loaded. However, the incurred extra costs, fees, penalties and risks shall exclusively be borne by the Customer.
- 6.5 Unless otherwise agreed, risks shall be passed to the Customer upon the goods being picked up by or delivered to the Customer.
- 6.6 The Company reserves the right to perform deliveries in advance with timely notice to the Customer.
- 6.7 The Company may deliver the goods by installments, which shall be invoiced and paid for separately. Each installment shall constitute a separate contract. Any delay in delivery or defect in an installment shall not entitle the Customer to cancel any other installment.
- 6.8 Unless otherwise agreed, the type of packaging shall be chosen by Company and/or the Manufacturer. Payment of green tax on packaging and relevant raw materials shall be made by the Customer according to the (proforma) invoice issued by the Company.
- 6.9 Unless otherwise agreed, the Customer warrants that the delivery address is accessible for vehicles up to and including a 40' articulated lorry. For the avoidance of doubt, it shall be the Customer's responsibility to offload the goods.
- 6.10 If delivery is delayed for any reason attributable to the Customer or if, in an individual case, the Customer does not call for delivery within 7 (seven) days after being notified that the goods are ready for delivery, the goods will be kept and stored at the Company's premises, in each case at the risk and cost of the Customer, and the goods will be invoiced as delivered FCA according to INCOTERMS 2010 on the date of arrival at the Company's warehouse.
- 7. Receipt of Goods**
- 7.1 Any dates quoted for delivery of the goods are approximate only. If the Company fails to deliver the goods as a result of gross negligence, its liability shall be limited to the costs and expenses incurred by the Customer in obtaining replacement goods of similar description and quality in the cheapest market available (this amount shall not exceed the value of the ordered goods).
- 7.2 Adhering to the agreed delivery and performance dates requires the timely receipt of all necessary documents to be provided by the Customer, furnishing of all necessary information, and fulfillment of all other obligations by the Customer. If these prerequisites are not fulfilled on time, the periods will adequately be extended. This shall not apply if delay is attributable to the Company.
- 7.3 If the Company realizes that an agreed date cannot be adhered to, the Customer shall be notified without undue delay.
- 7.4 The Company shall not be held liable for delays in delivery owing to force majeure or other occurrences, which were not foreseeable at the time the contract was concluded (such as strike, disruptions in operations, failure to receive supplies in good time, delays in transport, unfavorable weather conditions, etc.) or which are beyond the Company's control. The date of delivery shall be extended by the temporary period the Company is unable to perform through no fault of its own. If the force majeure event prevents the Company from providing any of the services and/or goods for more than 30 (thirty) days, the Company shall, without limiting its other rights or remedies, have the right to terminate this contract immediately by giving written notice to the Customer. However, it is expected that the Company shall make reasonable efforts to mitigate the effects of the force majeure event.
- 7.5 The Customer is obliged to collect any ordered goods from the forwarder within 7 (seven) days of receiving a carrier notification or, in an individual case, from the Company's warehouse within 7 (seven) days of receiving a notification of availability. In case the Customer fails to collect the goods during these 15 days, the Company is thus entitled to invoice the entire value of the complete commodity (considering its arrival to the

- warehouse as date of delivery) and the risk automatically passes over to the Customer. Additionally, beginning on the 15<sup>th</sup> day, the Customer will begin to be assessed incurring costs and fees (e.g. repeated delivery, storage, insurance, etc.).
- 7.6 In case of a collection of the goods by the Customer at the Company's warehouse (FCA Székesfehérvár according to INCOTERMS 2010), a daily storage fee applies and is invoiced from the due date until the date of actual payment of the overdue amount, if the Customer fails to send a notification of the collection date. If the Customer has paid in advance, title of the non-collected goods automatically and irrevocably passes to the Company on the 31<sup>st</sup> day after the date of arrival.
- 7.7 Unless otherwise expressly agreed, the place of delivery is the place of receipt of the goods indicated in the Company's order confirmation and/or delivery note.
- 7.8 Claims for damages based on the impossibility to deliver or owing to delays in delivery are limited to the provisions of point 9.9 of these GTC.
- 8. Withdrawal from Contract**
- 8.1 The Company may withdraw from the contract if force majeure, strike, natural disaster or failure of the Company's suppliers to supply correctly or in time have a material adverse effect on the Company's ability to supply or prevent the Company from supplying, and if this disruption, which is not attributable to the Company, is not only temporary.
- 8.2 The Company may also withdraw from the contract, if the information provided by the Customer regarding its credit-worthiness is incorrect or incomplete.
- 8.3 The Customer's statutory right to withdrawal shall be excluded after the order confirmation has been sent to the Customer.
- 9. Warranty, Compensation & Liability**
- 9.1 The Company warrants (through the Manufacturer) that on delivery the goods shall conform in all material respects with the Goods Specification, as well as be free from material defects in design, material and workmanship.
- 9.2 Upon receipt, the Customer shall inspect the goods without undue delay and report in writing (including photographs, where appropriate) to the Company any obvious defects (that some or all of the goods do not comply with the warranty set out in clause 9.1) no later than 7 (seven) days, any hidden defects no later than 30 (thirty) days from delivery. Otherwise the delivery shall be deemed to have been approved and the Customer shall not have any warranty or compensation claims arising from defects or deficiencies, which it failed to report in due time.
- 9.3 The Customer shall give the Company the opportunity to investigate the complaint and shall, in particular, make the damaged goods and packaging available for inspection by the Company (Otherwise, the complaint will not be considered as well-founded). Upon request, the goods in question shall be returned within 14 (fourteen) days, at the Customer's expense, to a location specified by the Company. If the complaint is justified, the Company shall reimburse the costs of delivery for the most favorable dispatch route. This shall not apply if the merchandise is at a location other than that of its designated use.
- 9.4 After inspection and testing by the Company and/or the Manufacturer, if there is a defect in the merchandise, the Company shall, at its option, repair or replace the defective goods, or refund the price of the defective Goods in full within a reasonable deadline determined by the Company.
- 9.5 The warranty does not apply if:
- (a) the Customer failed to perform a compatibility test prior to ordering;
  - (b) the Customer alters the merchandise or has it altered by third parties making it impossible or unreasonably difficult to remedy the defect (in any event the Customer shall bear any additional costs for remediation of the defect caused by the alteration);
  - (c) the defect arises because the Customer failed to follow the Company's or the Manufacturer's oral or written instructions as to the storage, installation, commissioning, use or maintenance of the Goods or (if there are none) good trade practice;
  - (d) the defect arises as a result of the Company following any drawing, design or goods specification supplied by the Customer;
  - (e) the Customer alters or repairs such Goods without the written consent of the Company;
  - (f) the defect arises as a result of fair wear and tear, willful damage, negligence, or abnormal working conditions;
  - (g) the goods differ from the goods specification as a result of changes made to ensure their compliance with applicable statutory or regulatory standards.
- 9.6 If repair or replacement of defective goods is not possible before the Customer's reasonable deadline expires, does not take place or fails for any other reason within the Company's sphere of responsibility, the Customer may, at its own discretion, withdraw from the contract.
- 9.7 With the exception of those described in clauses 9.3 and 9.4, any liability of the Company arising from quality complaints of the goods delivered shall be excluded.
- 9.8 These GTC shall also apply to repaired or replaced goods.
- 9.9 Any further claims of the Customer – in particular, but not limited to claims for damages instead of delivery or for compensation of other direct or indirect damages, including lost profit, as well as collateral or consequential damages (limited up to the value of the ordered goods) shall be excluded, except if:
- (a) the Company fraudulently fails to disclose a material defect or a deficiency in title, or has warranted that the goods do not contain any such material defect or a deficiency in title, or has fraudulently given wrong specifications as to the attributes of the goods;
  - (b) the damage is attributable to intent or gross negligence, a negligent breach of material contractual duties on the part of Company, one of its legal representatives or vicarious agents (material contractual duties shall be understood as obligations whose fulfilment is material to due and proper implementation of the contract and on which the contractual partner usually relies on can rely);
  - (c) culpable breach of duty by the Company, its legal representatives or vicarious agents has led to personal injury or damage to health;
  - (d) in the event of simple negligence, the Company's liability is limited to foreseeable loss typical for this type of contract.
- 9.10 The provisions of the previous clause 9.9 shall apply accordingly to direct claims of the Customer vis-à-vis the Company's legal representatives or vicarious agents.
- 9.11 The Company's liability according to clause 9.9 shall in no circumstances exceed the amount of the contract.
- 9.12 If the Customer faces contractual penalties (for non-performance, liquidated damages, etc.) from a third party, it may – irrespective of the other prerequisites – only assert claims for compensation against the Company, if this has been expressly agreed upon between the Customer and the Company or if Company was informed in writing about the possibly imminent contractual penalty agreed upon between the Customer and a third party before the contract was concluded.
- 9.13 Any warranty, condition and clause that is not mentioned in this GTC or covered by law or customary law does not fall within the scope of the contract.
- 9.14 The provisions of this clause 9 shall continue in full force and effect after termination.
- 10. Limitation**
- Any claims of Customer – for whatever legal reasons – shall become time-barred 12 (twelve) months after delivery of the goods. In case acceptance of the goods has expressly been agreed upon, the period begins upon acceptance.
- 11. Copyright & Confidentiality**
- 11.1 The Customer shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Customer by the Company, the Manufacturer, its employees, agents or subcontractors, and any other confidential information concerning the Company's or the Manufacturer's business, its products or its services which the Customer may obtain. The Customer shall restrict disclosure of such confidential information to its employees, agents or subcontractors as need to know it for the purpose of discharging the Customer's obligations under the contract, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Customer.
- 11.2 The Company and the Manufacturer reserve all ownership rights and copyright in offers, estimates, illustrations, drawings, construction plans, calculations, brochures and other documents made available to the Customer. The Customer may not disclose these documents or the content thereof to third parties, make them known or copy them without the Company's and/or the Manufacturer's express consent. They shall only be used in connection with the current delivery.
- 11.3 This clause 11 shall survive termination of the contract.
- 12. Intellectual Property Rights & Trademark**
- 12.1 The Company guarantees – through the Manufacturer and in accordance with this clause – that delivered items are free from any industrial property rights or copyrights of third parties as far as the design of the delivered goods originated from the Manufacturer.
- 12.2 The Customer acknowledges that, in respect of any third party Intellectual Property Rights in the goods, the Customer's use of any such Intellectual Property Rights is conditional on the Company obtaining a written license from the relevant licensor on such terms as will entitle the Company to license such rights to the Customer.
- 12.3 All company materials are the exclusive property of the Company.
- 12.4 If the goods under the contract are manufactured in accordance with the specifications provided by the Customer, the Customer shall compensate the Company for any costs, expenses, damages and losses (including indirect and consequential losses, lost profit and interest, loss of reputation, financial penalties, legal and professional costs) arising from or incurred by the Company in respect of any real or presumed intellectual property rights infringement suffered by a third party. This provision shall remain in effect after termination of the contract.
- 13. Termination**
- 13.1 Without limiting its other rights or remedies, each party may terminate the contract with immediate effect by giving written notice to the other party if:
- (a) the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due;
  - (b) the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than for the sole purpose of a scheme for the solvent reconstruction of that other party;
  - (c) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the other party other than for the sole purpose of a scheme for a solvent amalgamation of the other party with one or more other companies or the solvent reconstruction of that other party;
  - (d) the other party is the subject of a bankruptcy petition or order;

- (e) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other party;
- (f) any event occurs, or proceeding is taken, with respect to the other party in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 13.1 (a) to clause 13.1 (h) (inclusive);
- (g) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration, diligence or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;
- (h) the other party suspends, threatens to suspend, ceases or threatens to cease to carry on, all or substantially the whole of its business;
- (i) the other party (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing its own affairs or becomes a patient under any mental health legislation.
- 13.2 Without limiting its other rights or remedies, the Company may terminate the contract:
- (a) if the Customer commits a material breach of its obligations under this contract and (if such breach is remediable) fails to remedy that breach within 7 days after receipt of notice in writing of the breach;
- (b) with immediate effect by giving written notice to the Customer, if the Customer fails to pay any amount due under this contract on the due date for payment.
- 13.3 Without limiting its other rights or remedies, the Company shall have the right to suspend the supply of services or all further deliveries of goods under the contract or any other contract between the Customer and the Company if:
- (a) the Customer fails to make pay any amount due under this contract on the due date for payment;
- (b) the Customer becomes subject to any of the events listed in clause 13.1 (a) to clause 13.1 (k), or the Company reasonably believes that the Customer is about to become subject to any of them.
- 13.4 The Company may, at its sole discretion, choose to accept an offer by the Customer to terminate the contract at any point after to commencement of manufacture of the goods on the basis that the Customer pays 60% of the invoice value of the order, it being agreed that this represents a fair pre-estimate of the Company's loss.
- 13.5 On termination of the contract for any reason:
- (a) the Customer (as well as its legatees and successors) shall immediately pay to the Company all of the Company's outstanding unpaid invoices and interest and, in respect of services supplied, but for which no invoice has yet been submitted, the Company shall submit an invoice, which shall be payable by the Customer immediately on receipt;
- (b) the Customer shall return all of the company materials and any deliverables which have not been fully paid for (if the Customer fails to do so, then the Company may enter the Customer's premises and take possession of them); until they have been returned, the Customer shall be solely responsible for their safe keeping and will not use them for any purpose not connected with this contract;
- (c) the accrued rights and remedies of the parties as at termination shall not be affected, including the right to claim damages in respect of any breach of the contract which existed at or before the date of termination or expiry;
- (d) clauses which expressly or by implication have effect after termination shall continue in full force and effect.
14. **Data Protection**  
The Company shall treat any data obtained about the Customer in connection with the business relationship in accordance with the Hungarian Information Privacy and Public Information Act (Act CXII of 2011) irrespective of whether this information has been provided by the Customer or a third party.
15. **Place of Performance, Jurisdiction, Language, Applicable Law, Miscellaneous**
- 15.1 **Notices**  
Any notice or other communication required to be given to a party under or in connection with this Contract shall be in writing and shall be sent by recorded delivery or by commercial courier to the principal place of business of or to the address provided in written by the Customer, or sent by fax or email (the Customer shall notify the Company of any change without delay and in writing). Until proven the contrary, any notice or other communication shall be deemed to have been duly received, if sent by recorded delivery on the 5<sup>th</sup> (fifth) business day after posting, if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed, or if sent by fax, on the next business day after transmission. (The service of any proceedings or other documents in any legal action shall not be validly served if sent by email.)
- 15.2 **Assignment and subcontracting**  
The Company may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights under the contract and may subcontract or delegate in any manner any or all of its obligations under the contract to any third party. The Customer shall not – without the prior written consent of the Company – assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under the Contract.
- 15.3 **Waiver and cumulative remedies**  
A waiver of any right under the contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy. Unless specifically provided otherwise, rights arising under the contract are cumulative and to not exclude rights provided by law.
- 15.4 **No partnership**  
Nothing in the contract is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.
- 15.5 **All disputes arising from or in connection with this supply relationship shall be exclusively settled by the competent courts of Hungary. Depending on the subject of the dispute, the Court of the 2<sup>nd</sup> and 3<sup>rd</sup> District of Budapest (in Hungarian: Budapesti II. és III. Kerületi Bíróság) shall have exclusive competence to hear the case. This clause shall not restrict the Company by any means to initiate litigation or other legal proceedings against the Customer in any other country.**
- 15.6 **The laws of Hungary shall apply. The application of the Contracts for the International Sale of Goods (CISG) shall be ruled out.**
- 15.7 **The invalidity of any provision of these GTC, irrespective whether partly or in full, shall not affect the validity of the other provisions. If the GTC contain omissions, such omissions shall be deemed to be filled by whatever valid provisions the contractual partners would have agreed to had they been aware of the omission, such valid provisions reflecting the commercial aims of the contract and the purpose of these GTC.**

Budapest, June 01, 2017

Zsuzsanna Papp  
Managing Director