

## General Terms and Conditions of Trade and Supply

These General General Terms and Conditions include the general terms and conditions of the work and supply contracts concluded between PROFILPLAST Kft. (Contractor) and its Clients (Contracting Parties).

Any questions not regulated by the contracts concluded between the Contractor and the Contracting Party shall be governed by the General Terms and Conditions and the Civil Code.

### I.

#### The order

The Contracting Party shall request for quotation or delivery by letter, fax or e-mail affixed with its authorised signature.

#### The order shall include

- the name, the item number and the technical parameters (if required) of the product.
  - The order may include the place of and the deadline for the performance, as well.
1. The Contractor shall send its quotation or confirmation by letter, fax or e-mail to the Contracting Party. The Contractor shall inform the Contracting Party of the fact that the work contract shall be governed by the General Terms and Conditions unless otherwise agreed. The Contractor shall perform deliveries only in accordance with the terms laid down our order confirmation. Only the separate agreements and terms of the Contracting Party confirmed by PROFILPLAST Kft. in writing shall be binding.

2. If the Contractor manufactures tools or has tools manufactured for the Contracting Party on behalf of the Contracting Party, the Parties shall conclude a special written agreement.
  3. If the Contractor has to supply the Products based on the data, drawings, models or design patents provided by the Contracting Party, the Contracting Party shall assume exclusive liability for the protection of the rights of any third party during the manufacturing and delivery process.
- If a third party referring to an industrial design right forbids the Contractor to manufacture and deliver objects that are made based on the data, drawings, models or design patents provided by the Contracting Party, the Contractor shall be entitled to stop manufacturing and delivery and claim compensation for its costs and other damages, excluding all the claims for damages by the Contracting Party, without being obliged to examine the legal situation.

The Contracting Party shall pay full compensation to the Contractor for all direct or indirect damages arising from the infringement or enforcement of any possible industrial design rights. The submitted drawings, models and design patents shall be returned only at the request and expense of the Contracting Party. If no order has been placed, the Contractor shall be entitled to destroy the drawings, models and design patents within 3 months after the submission of the quotation.

## II.

### Contractor's Fee

1. The price of the ordered Products shall be calculated on the basis of the quotation.
2. The prices stipulated in the confirmation of the order or in the supply contract shall apply to the orders. Profile deliveries, including accessories, are exempt from freight from the value of HUF 40,000 (exclusive of VAT). The aforementioned exemption from freight shall apply to deliveries in the territory of Hungary only. Minimum order value: HUF 25,000 (exclusive of VAT).

In the case of orders worth HUF 25,000 and HUF 40,000, the Contracting Party shall bear the transport costs unless the goods are handed over at the site or registered office of the Contractor. The Contractor shall record the transport or delivery costs in

the confirmation of the order. The value of the ordered goods may differ from the minimum order value only with the prior written consent of the Contractor.

If there are more than 6 weeks between the conclusion of the contract and the delivery deadline, in special cases, the Contractor reserves the right of price adjustment if any changes occur in the prices of basic commodities, wages and freight costs etc. by the performance of the order.

3. The Contracting Party shall inform the Contractor in writing if it does not have sufficient financial resources to pay the Contractor's Fee or any bankruptcy, liquidation, final accounting, enforcement proceedings or any other proceedings threatening its legal personality or solvency has been launched or are expected to be launched against it. The Contracting Party shall be liable for all the damages arising from its failure to send a notice. After receiving the notice, the Contractor shall be entitled to stop manufacturing immediately. The Contracting Party shall pay compensation for the damage to the Contractor.

The Contracting Party shall be aware of its criminal liability and liability for damages if, at the date of the conclusion of the contract, it was aware of the fact that it did not have sufficient financial resources to pay the Contractor's Fee or it is not able to pay the Contractor's Fee for a reason of which it should have informed the Contractor earlier.

### III.

#### Performance

1. The Parties shall stipulate the date of performance in the work and supply contract or in the order or in the confirmation of the order. The delivery deadlines or delivery dates shall be non-binding unless an explicit agreement has been reached thereon with the Contracting Party. The Contractor shall immediately notify the Contracting Party if the delivery or performance by the set deadline is prevented for any reason. Any information sent to the registered office of the Contracting Party (according to the company register) shall be considered as notice even if it has not been received. In the event of machine failures, lack of basic commodities or other disruption at the plant or during transportation that are not imputable to the Contractor or late delivery of subsuppliers or other force majeure events (e.g. strike, official measures etc.), the delivery deadline shall be extended accordingly. The Contracting Parties shall inform

each other of the events above in writing, and shall perform their obligations in good faith and with mutual trust, adapting to the changed circumstances.

2. In the case of a written notice related to the modification of the performance deadline sent by the Contractor by fax or e-mail, the new deadline shall be considered to be accepted if the Contracting Party fails to send a written reply within 3 days.
3. The Contracting Party shall immediately inform the Contractor of any circumstances that threaten or prevent contractual performance. The Contracting Party shall be liable for all the damages arising from the failure to send a notice.

### **Handover of the Product**

4. The Contractor shall hand over the ordered Products, while the Contracting Party shall receive them. The Contractor shall hand over the Products in appropriate packaging. The packaging shall be suitable for protecting the integrity of the Products during transportation and storage.

Documents certifying regular handover/receipt:

- the handover/acceptance protocol affixed with the authorised signature of the Contracting Party or
- the delivery note or
- the invoice.

### **Handover regarding quantity and quality**

5. The place of handover/receipt shall be a place of delivery located in Hungary, stipulated in the order by the Contracting Party. If the Contracting Party has failed to stipulate a place of delivery in Hungary, in its order, the place of performance shall be the registered office of the Contractor. In the case of an order from abroad, the

place of handover and receipt shall be the registered office or branch of the Contractor, unless agreed otherwise in writing.

6. If the place of performance is the registered office of the Contractor, the Contracting Party shall be responsible for transporting the Product and bear the costs of transportation. The Contractor shall hand over the packed Product with a delivery note to the Contracting Party or the authorised representative of the Contracting Party in a condition suitable for transportation. The Contracting Party or the authorised representative of the Contracting Party shall check the quantity by signing the delivery note. If the Contracting Party or the authorised representative of the Contracting Party detect any non-compliance regarding the quantity, number or quality of the Products with the data specified in the delivery note, invoice, handover/acceptance protocol at the time of receipt, the Parties shall immediately draw up minutes of the non-compliance at the time of handover. After handover, the Contracting Party shall not be entitled to raise an objection regarding the quantity of the Products.
7. The Contracting Party shall not be entitled to pursue any warranty claim against the Contractor if the defect of the Product is imputable to the Contracting Party of the objection is not raised by the deadline. The Contracting Party shall notify the Contractor of any defect that is subject to warranty within 24 hours, but no later than 5 business days after detection, and make sure that the Contractor has an opportunity to examine the defective Product.
8. Factors excluding the warranty claim of the Contracting Party in particular:
  - damage due to negligent storage or handling
  - a quality objection following the confirmed receipt of the Products

9. If the Contractor implements the delivery, it shall hand over the packed goods with a delivery note, in a condition suitable for transportation to the Contracting Party or the authorised representative of the Contracting Party. In the case of performance to the authorised representative of the Contracting Party, the Contracting Party shall certify the identity of its authorised representative in writing prior to performance, by presenting a private document providing full evidence. If the Contracting Party fails to certify the identity of its authorised representative, the Contracting Party shall be liable for all the damages arising. Upon arrival of the goods, the Contracting Party shall report any shortages regarding quantity and any damages that arose during transportation on the freight documents to the Contracting Party or to the recipient given by the Contracting Party.
  
10. Upon arrival of the goods, the Contracting Party shall immediately raise its objections regarding the identifiably deficiencies in writing. The Contracting Party shall be liable for all the damages arising from any delay. The delivery note shall be attached when raising a complaint.
  
11. The Contracting Party shall check the quality of the received Products within 3 business days after the receipt. As in the case of quality check, the Contracting Party shall confirm the performance within 3 business days after the receipt of the goods. If the Contracting Party fails to confirm the performance as described above, both the quantity and the quality of the delivered products shall be regarded as accepted. In this case, the Contracting Party shall not be entitled to raise any subsequent objections or raise a claim against the Contractor on any legal grounds.

## IV.

### Reservation of title

1. The Contractor shall reserve its title of the delivered Products by the payment of the consideration. Despite the handover, the Contracting Party shall not acquire the ownership of the Products unless the purchase price has been paid. In view of the above, the Contracting Party shall not be entitled to alienate or encumber the delivered Products.

If the Contracting Party's behaviour fails to comply with the Contract, in particular, in the case of late payment, the Contractor shall be entitled to take back the goods upon after sending a demand note. The Contracting Party shall return the goods to the Contractor, and pay compensation for the arising damages.

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2. If the goods are returned, the Contracting Party shall bear the costs of delivery, return and storage.

### **Assignment of claims**

3. In the case of sale with retention of title, the Contracting Party shall assign its claims against third parties, which arose from the sale of the delivered products, to the Contractor, until the full settlement of the Contractor's claims. At the request of the Contractor, the Contracting Party shall identify its own customers and debtors, and notify them of the assignment of claims in writing. The assignment of claims shall be indicated in books of accounts, delivery notes and invoices sent to the recipient.

## **V.**

### **Quality**

1. The Contractor guarantees that the delivered Product complies with professional and technical specifications laid down in the Contract, and the manufactured products are in compliance with the supplier's declarations.
2. No complaints shall be raised in the case of minor differences in colour, size, thickness and weight if such differences do not exceed common values in the industry, meet quality guidelines and norms and do not affect the usability of the Product.

## **VI.**

### **Breach of contract**

#### **Late payment**

In the case of late payment, the Contracting Party shall pay an interest for default which is equivalent to the central bank's current prime rate + 8%. The Contracting Party may derogate from the provision above only on the basis of the written declaration of the Contractor.

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### **Late delivery**

1. The Contractor shall perform only if the Contracting Party has fulfilled all of its obligations required for performance.

### **Default**

2. In the event of default, the Products provided fail to comply with the legal or contractual requirements at the date of performance.

In the case of default, the Contracting Party shall be entitled to:

- claim the repair or replacement of the Product unless the fulfilment of the claim is impossible or the fulfilment of the chosen warranty claim is disproportionately costly for the obligor compared to the other warranty claim.
  - If the Contractor refused or was not able to perform the repair or the replacement of the Product for reasons described above, the Contracting Party shall be entitled to claim proportionate price reduction.
3. The Contractor may reply to a complaint by delivering a Product without defects or eliminating the defect. If the Contractor is not able to rectify the defect, the Contracting Party has to options. it can either request price reduction or, if it loses its interest in performance due to the extent of the defect, it shall be entitled to cancel the Contract.



## VI.

### Terms of payment

1. The Contractor and the Contracting Party shall stipulate the terms of payment in a separate agreement, or, failing this, pre-payment or payment with cash shall apply.
2. The Contracting Party shall be entitled to pay the consideration for the goods subsequently. In such case, the Contracting Party shall notify the Contractor in writing. Within 72 hours after the submission of the claim, the Contractor shall assess the Contracting Party's creditworthiness, based on which the Parties lay down the terms of subsequent payment in a separate agreement.
3. The external employees of the Contractor shall not be authorised to collect cash. Any amounts paid to them shall be considered to be performed upon arrival to the Contractor.
4. In the case of acceptance of a bill of exchange, the buyer shall bear the deducted amounts and costs arising from discounting. We shall not be responsible for exercising any rights related to a bill of exchange or cheque.
5. If the Contracting Party pays the invoiced amount late or fails to exchange a due bill of exchange or cheque for any reasons imputable to the buyer, all the existing claims against the buyer, including all the claims represented by bills of exchange and cheques shall become due immediately.
6. In the case of arrears, the buyer or the Contracting Party shall perform only by transfer in advance or cash.

## VII.

### Other provisions

1. The persons entitled to be the legal representatives of the Contracting Party in accordance with the Civil Code shall be regarded as legal representatives of the Contracting Party.
2. In the event of any legal dispute arising from the work and supply contract, the Parties appoint the exclusive competence of the District Court of Balassagyarmat or, depending on the matter in dispute, the exclusive competence of the Tribunal of Balassagyarmat.
3. By publishing the present General Terms and Conditions of Trade and Transport, the General Terms and Conditions published on 30 June 2016 shall be repealed.

Ludányhalászi, 1 July 2017