

## General Sales Terms and Conditions

**1. General:** EUROFOAM HUNGARY Kft. (hereinafter the Supplier accepts orders and assumes the fulfilment of contracts with the purpose of concluding purchase and sale contracts and supply agreements under the present conditions (General Sales Terms and Conditions, abbreviated as GSTC) which are preliminarily determined without the other party's collaboration and not discussed individually with each buyer. By the taking over of the order the Buyer accepts these general conditions which will become part of the contract. The possible purchase conditions of the buyer deviating from the present GSTC will not be valid for the deal concluded between the Buyer and the Supplier. Any modification or alteration of the present terms will be valid exclusively if that is confirmed by the Supplier in writing or in a separate contract.

**2. Offers, orders:** All the offers of the supplier are informative. Orders may be given either verbally (by phone) or in writing (letter, fax, e-mail). A colleague of the supplier will take notes on orders made verbally the contents whereof may not be disputed by the Buyer later. Any modification based on the Buyer's request to be effected in the order handed over may be made with the written consent from the Supplier only (order modification). Until the Supplier gives its written consent the Buyer will be bound by the original order. Cancellation of any order (withdrawal) will be valid only if that is approved by the Supplier.

**3. Payment conditions:** The countervalue of the goods may be settled by the Buyer simultaneously with the handing over or by remittance under the conditions stipulated in the invoice drawn up by the Supplier. In case of remittance within 10 days after the date of the invoice the Supplier may grant discount, but a separate written contract should be concluded thereon. In case of payment delay the Buyer will be bound to pay default interest as determined in Section 301/A 2. of the Hungarian Civil Code. In case of remittance payment is to be regarded as fulfilled only when the remitted amounts are already credited by the Supplier's bank. In case of failure of or delay in payment the Supplier will be entitled either to suspend the manufacture and/or delivery of the items not yet delivered or to request provision of payment security.

**4. Place of performance, delivery:** As a main rule the place of performance is either the Supplier's premises (Sajóbáony) or the branch offices (Székesfehérvár) and at the moment of contract performance (handing over the goods) the risk passes on the Buyer. The parties might agree otherwise, stipulating that the goods should be delivered to the Buyer's premises. In such a case performance means that the products are handed over by the Supplier either to the Buyer, or the forwarding agent or the carrier for the purpose of sending or transporting those and thereby the risk will pass on the Buyer. From the moment when the goods leave the Supplier's premises, the Buyer will bear all the risks even if the Supplier assumes to pay the transportation costs or takes out a freight insurance upon the Buyer's request.

**5. Time of performance:** The goods are handed over at the time determined by the Supplier and the Buyer. When accepting the order the Supplier will give the delivery date with informative character and the Buyer will not have the right to lay claim for damages on this basis, by virtue of delay in delivery. The Supplier will notify the Buyer of the actual date when the goods are ready, and the Buyer will be obliged to take the goods within 3 days thereafter. In cases when the goods are delivered to the Buyer's

premises, the Buyer will have to take over the whole quantity of goods as ordered. Should the Buyer fail to come to take over the merchandise the Supplier will be entitled to deliver those to the Buyer and to invoice the courtervalue together with the transportation costs. Partial deliveries are allowed.

**6. Performance control:** On the taking over of the products the Buyer is bound to ascertain that both the quality and quantity of the performance is correct. After performance and passing over of the risk there is no possibility for laying quantity claims. If it is the Buyer to transport (arrange for the transport of) the goods from the Supplier's premises, then after taking over of the merchandise at the premises in respect of external quality features (e.g. colour, size and shape as ordered) which can be revealed by way of visual inspection, there is no possibility for laying further claims. After the take-over the Buyer will have the right to store, process or integrate the goods taken over into another product.

**7. Quality stipulations:** The Supplier is always ready to give information on the usability and processing of its products, but does not assume any guarantee or legal consequences whatsoever in cases of specific use, unless separate agreement provides for otherwise. The contents of product catalogues and the technical descriptions included therein do not form part of the contracts with buyers, save in cases when the parties expressly stipulate it. The Supplier is not obliged to make statement on the products, the parameters of the PU foam materials may differ in the certain production batches, which correspond to the Supplier's quality stipulations. Such deviations may not serve as basis for a complaint. This holds good for either a single production batch or for various production quantities in the same quality. Furthermore the same is applicable for 2% measurement deviations in respect of blocks as well as pre-cut plates of over 1 m<sup>2</sup>. Under this size the deviations might even be bigger as the flexibility of products cannot be eliminated completely. There is possibility for deviation from the stipulations upon agreement with the Buyer. The fire protection standards of foam materials can be guaranteed at the time of transportation only. The Supplier assumes product liability in harmony with the prevailing rules of law.

**8. Warranty:** The Supplier assumes warranty for our products according to the rules of exercising warranty rights as determined in the Hungarian Civil Code (Sections 305-308). The warranty does not apply to any product which carries clearly visible deviations and the Buyer was already aware of such deviation on the conclusion of the contract. In addition, it is the Buyer's responsibility to examine the product or service immediately after delivery and to notify the Supplier in writing within 8 days if any quantity or quality difference is found, including also those occurred during transportation, or else the Buyer will lose the right to lodge any complaint. It is the Buyer's obligation to justify that the product or service was defective when the same left the Supplier's premises and the deviation already prevailed prior to delivery, even if the Buyer becomes aware of the deviation only 6 months after delivery.

**9. Compensation for damages:** The Buyer is entitled to lay claim for damages only in case of the Supplier's culpability, according to the compulsory rules included in the Hungarian Civil Code.

**10. Tools and machines:** The tools and machines manufactured upon special orders for the purpose of meeting buyers' specific demands on commodities will remain in the Supplier's ownership even if the manufacturing costs are invoiced separately. The manufacturing costs invoiced on tools and machines represent only a part of the whole manufacturing costs. Those do not cover the preparation works, designing,

construction, testing and maintenance. The tools and machines may not be placed at the Buyer's disposal even after the termination of the contract, primarily in view of the related trademark rights and business secrets. Should 2 years pass after delivery without placing any order, and the Buyer fails to send a relative notice, the Supplier will be free to use the tools and machines. The existing tools may be used without maintenance costs until the condition of those make it possible to provide complete performance. Costs of repair associated with the normal wear and tear of the tools and machines as well as the full expenses of special modifications of tools requested by the Buyer will fall upon the Buyer. The complete repair and maintenance costs of the tools provided by the Buyer will be borne by the latter.

**11. Trademark rights:** The Buyer assumes full liability for any possible infringement of copyrights of third parties in connection with the products manufactured and delivered on basis of the documents provided by it. If a third party lodges claim for infringement of any trademark right, the Supplier will not be obliged to confirm the correctness of such complaint, but at the same time it reserves the right to stop the manufacture of the products ordered. In such a case the Buyer will be bound to compensate the Supplier for the costs incurring during the procedure. The Buyer has full liability for any direct or indirect losses suffered by the Supplier arising from the infringement of any trademark right or complaints and we have the right to claim a reasonable amount in advance for the lawsuit proceedings.

**12. Legal disputes:** For questions not regulated in the GSTC and in the actual contracts the provisions of the Hungarian Civil Code will be applicable. In case of disputes the contracting parties stipulate the exclusive competence of the Miskolc District Court and the Miskolc Tribunal depending on the scope of jurisdiction.