

GENERAL SUPPLY TERMS AND CONDITIONS

I. INITIAL PROVISIONS

The Supplier

SZ.VARIÁNS Csomagolóstechnikai Korlátolt Felelősségű Társaság
(„SZ.VARIÁNS Packaging Technology Limited Liability Company”)

company registration number: **09-09-005811**;

representative: **SZAKÁL, János, Managing Director** with individual right of signature and representation;

statistical code: **HU11559443**;

bank account No. (Euro): **10800021-20000001-84018039**;

address: **4030 Debrecen, Vikár Béla út 4/B**

hereby declares to be a company incorporated under Hungarian law, being engaged in paper-based packaging materials

II. ORDER REGULATIONS

- 1.** On the basis of these Supply Terms Conditions the Supplier undertakes to deliver to the Customer the ordered products during the term of the Agreement and in accordance with the provisions specified in the Agreement. The Customer undertakes to pay for the ordered products if such products are duly placed at the Customer's disposal.
- 2.** The Customer is obliged to place a written order with the Supplier, such an order specifying the ordered product types, quantities and the planned date of delivery.
- 3.** On the basis of the Agreement, the individual supply contracts shall be concluded as follows:
- 4.** Prior to the planned delivery, the Customer shall place a written order.
- 5.** The Supplier shall satisfy the orders placed as specified in the previous article and deliver to the Customer the stipulated Products in the quantity and with the term of delivery established in the same order.

III. FULFILMENT OF THE AGREEMENT, RECEIPT OF THE PRODUCTS, QUALITY CLAIMS

- 1.** The Supplier shall commission a freight forwarder to deliver the ordered quantity to the address specified by the Customer, against the amount of freight charge provided for previously.
- 2.** The Supplier shall deliver the products in the collective packaging conforming the respective product type.
- 3.** The Customer shall check at the time of delivery the quantity of the product transferred by the forwarder, and confirm the receipt of same in the respective copy of the waybill. Any quantity claims shall also be indicated at the time of the receipt. A record of evidence of any such deficiency shall be taken and executed together with the representative of the forwarder.
- 4.** The Customer shall conduct an inspection of quality within 2 working days as of the receipt.
- 5.** In case of any fault, the Customer shall submit his warranty claim to the Supplier within 2 working days as of the receipt of the goods.
- 6.** The Supplier shall be entitled to review the submitted claim within 3 days. Until such review has been completed, the goods subject to the review shall be stored separately. If the Supplier reviews a quality claim, the result of same shall be included in the respective record.
- 7.** If the quality claim proves to be well-established, the Supplier shall replace the defective goods or supply new goods instead of the defective goods within 30 days.

IV. CONDITIONS OF DELIVERY

- 1.** Due date for delivery: date of delivery confirmed by the Supplier in writing following the transfer of the graphic documentation and the acceptance of the visual plan. The date of delivery is also subject to compliance with the date for payment.
 - 2.** The Supplier may not be held responsible if delivery is not completed due to the fault of the Customer or the person appointed by the Customer to receive the goods.
 - 3.** The Supplier shall be responsible for the goods until such goods are delivered to the person and at the address established by the Customer. Any damage caused to the goods after such time shall fall beyond the responsibility of the Supplier.
 - 4.** The Supplier shall be entitled to deliver a quantity of +/- 3% and invoice the actually delivered quantity.
 - 5.** The Customer or his representative shall check the quantity of the goods and confirm same in the waybill.
 - 6.** The Customer shall conduct an inspection of quality within 8 days as of the receipt and indicate any defects. After the lapse of this deadline, the Supplier may not be obliged to accept any claims.
 - 7.** Minimal discrepancies originating from manual production and minimal colour discrepancies originating from printing technologies may not be the basis of quality claims.
 - 8.** If the Customer fails to provide for the receipt of the goods at the preliminarily agreed time, the Supplier shall be entitled to assign to the Customer any delay costs charged by the forwarder.
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V. ESTABLISHMENT OF THE PRICE, INVOICING, TERMS OF PAYMENT

- 1.** The order specified price of the products subject to this Agreement shall be the price provided by the Supplier on the Internet and confirmed by same in the quotation. Such price comprises the value of the goods and the costs of the production, as well as any printing plates and accessory materials required for the production. The Parties hereto stipulate that the Supplier may not change the price of the products for 30 days.
- 2.** Prices are exclusive of work costs arising from the editing of inadequate graphic materials, as well as customs duties and taxes (value added tax).
- 3.** Prices shall be given in EUR, unless otherwise specified by the Parties hereto.
- 4.** Invoices shall be sent by E-mail or by mail.
- 5.** Terms of payment: 50% at the time of order, the remaining 50% upon the receipt and acceptance of the production sample, which is followed by the complete supply.
- 6.** Financial settlement shall be deemed to be effected on the day on which the invoice value has been credited to the Supplier's bank account.

VI. TRANSFER OF GRAPHIC MATERIALS, SCOPE OF RESPONSIBILITY

- 1.** The Supplier shall use the graphic material provided by the Customer.
- 2.** Prior to the commencement of the printing process, the Supplier shall send to the Customer by E-mail a graphic visual plan for acceptance. Production may start after such visual plan has been accepted.
- 3.** The Supplier may not be held responsible for any defects in the submitted graphic materials. The Supplier shall not be responsible for:
 - 3.a,** - improper printing due to any defects in the submitted graphic materials;
 - 3.b,** - contents of materials violating third party interests;
 - 3.c,** - contents of materials violating third party rights.
- 4.** The Supplier's obligation for any defects within the Supplier's control shall always be limited to the invoiced amount. Therefore the Supplier shall not be responsible for the resale price or any consequential damage.
- 5.** The Supplier shall keep in possession and archive for one year any accessory materials required for the production (film, printing plate, tools). Within such term, the Supplier shall forward, subject to the payment of the respective shipping costs, such materials to the Customer if same is requested in writing by the Customer. Following the lapse of such one year period, the Supplier shall be entitled to destroy any above mentioned accessory materials without notice.

VII. BREACH OF THE AGREEMENT

- 1.** If any Party hereto breaches the Agreement during the contractual term, the other Party shall be entitled to call upon such Party to rectify such default within 30 days. If the other Party fails to rectify the default, the said Party shall be entitled to terminate the Agreement with an additional 30 day notice.
- 2.** For the purpose of this Agreement, a breach of contract committed by either Party hereto shall be deemed material if it causes the other Party such a disadvantage which materially deprives the other Party of anything which the other Party is entitled to expect on the basis of the Agreement, unless the Party committing the breach of contract could not, and a similar person thinking in a reasonable manner under the same circumstances would not foresee such a consequence.

VIII. FORCE MAJEURE

- 1.** If fulfilment by either Party hereto is prevented or hindered by an unforeseeable and unavoidable Act of God (force majeure) which falls beyond such Party's control, that Party shall be exempted from the consequences of breach of contract until such force majeure conditions actually prevent fulfilment. Such Acts of God include but not limited to the following:
 - 1.a,** natural disasters (flood, fire, earthquake, landslide, etc.),
 - 1.b,** civil war,
 - 1.c,** unforeseeable acts of any authorities,
 - 1.d,** strike, etc.
- 2.** Only such conditions may be deemed to fall beyond the parties' control which did not occur due to the respective Party's fault.
- 3.** The above defined exemption shall be subject to the precondition that the Party referring to force majeure shall
 - 3.a,** inform the other Party with immediate effect on the occurrence of the force majeure;
 - 3.b,** restart fulfilment immediately, and notify the other Party of same without any delay, if the effects of the force majeure cease to exist;
 - 3.c,** take all steps during the term of the force majeure to limit the arising damage.
- 4.** If the length of any force majeure event exceeds 14 days, the other Party shall be entitled in his sole discretion to rescind the Agreement without any legal consequences.

IX. MISCELLANEOUS AND CLOSING PROVISIONS

- 1.** The Parties hereto stipulate that their legal disputes, if any, arising from this Agreement shall be primarily resolved in an amicable manner, wherefore they hereby establish the following rules of settlement for out of court procedures:
- 2.** If either Party disagrees with a statement made or other fulfilment-related measure taken by the other Party, and has unsuccessfully called upon the other Party to rectify the situation, make a new statement or take a new measure within a specified term, both Parties shall be entitled to call for a settlement meeting for the purpose of conciliating conflicting stands.
- 3.** If the above mentioned settlement procedure fails to reach a result within 30 days as of the initiation of same, the initiating Party shall be entitled to submit the dispute to the court.
- 4.** The Parties hereto specify that their legal disputes arising from this Agreement shall be submitted to the exclusive competence of the District Court Debrecen, Hungary.
- 5.** A written notice required by this Agreement may be made in either of the following manners: registered mail, fax, E-mail, personally delivered notice in letter format.
- 6.** Any matters not regulated in this Agreement on General Supply Terms and Conditions shall be governed by the provisions of German material law, especially those set forth in the Civil Code.

1 June, 2016 |