

GENERAL TERMS AND CONDITIONS OF **ITB TÖMÍTÉSTECHNIKAI KFT** (HEAD OFFICE: H-1117 BUDAPEST, BUDAFOKI ÚT 60, HUNGARY; REGISTERED UNDER NUMBER 01-09-260805 AT THE REGISTRATION COURT OF THE METROPOLITAN COURT OF JUSTICE)

EFFECTIVE AS OF JANUARY 5, 2015

1. SCOPE OF THE GENERAL TERMS AND CONDITIONS

- 1.1. These General Terms and Conditions (hereinafter referred to as "**GTC**") extend to the sale of products between ITB Tömítéstechnikai Kft. (hereinafter referred to as "**ITB**") and the purchasers of goods offered for sale by ITB (hereinafter referred to as "**Customer**"; ITB and Customer hereinafter referred to as "**Parties**").
- 1.2. These Terms and Conditions shall govern all contractual relations between ITB and Customer, including oral, electronic mail and written agreements, electronic contracts and individual agreements under framework contracts (hereinafter referred to as the "**Contract**"), made in accordance with these Terms and Conditions.
- 1.3. These GTC shall be applicable for the entire duration of the Contract between ITB and Customer. If a Contract is concluded between ITB and Customer, these GTC shall apply to the negotiation process preceding the establishment of the legal relationship on which the Contract is based, to the submission of the offer, as well as to all rights and obligations arising in connection with the legal relationship during the term of the legal relationship and after its termination.
- 1.4. These GTC shall apply for an indefinite period from the date of their entry into force and shall remain effective until revoked. For the purposes of this provision, an express declaration to that effect, or any implied conduct, by ITB (including but not limited to the adoption of new GTC and making them available on the ITB webpage <http://www.itbkft.hu/aszf>) shall be deemed as withdrawal of the GTC.
- 1.5. ITB hereby excludes the application of Customer's general terms and conditions, which shall not apply to any Contract between ITB and Customer even if ITB does not expressly reject them or the provisions of Customer's general terms and conditions are not contradictory to the provisions of these GTC.
- 1.6. In the event of any discrepancy between these GTC and the terms of the Contract between Parties, the legal relationship between Parties shall be governed by the terms of the Contract.

2. COOPERATION AND INFORMATION OBLIGATION

- 2.1. If Customer does not order goods from ITB individually specified by type and quantity, but (i) on the basis of information provided by Customer, ITB or (ii) ITB and Customer jointly determine the nature, quantity and other parameters of the goods constituting the subject of the Contract, then Customer shall provide ITB with all relevant information before and during the conclusion of the Contract and shall cooperate with ITB in order to correctly and accurately determine the goods constituting the subject of the Contract.
- 2.2. The cooperation and information obligation as regulated in these GTC shall extend to all facts, data, information and circumstances which may affect Customer's requirements and which may be necessary for the purpose set out in clause 2.1 hereof.

- 2.3. Within the scope of the obligation to cooperate and provide information, Customer shall disclose and make available to ITB, without being specifically requested to do so, all material facts, data, information and circumstances that may affect the performance of the Contract and, if ITB requests Customer to provide such information in order to perform the Contract, Customer shall comply with such request.
- 2.4. If, during or in connection with the performance of the Contract, Customer suffers loss or damage as a result of Customer's failure to comply fully with their cooperation and information obligations as set out in this clause 2, Customer shall not be entitled to make a claim to ITB for the compensation of any such loss or damage.
- 2.5. If, during or in connection with the performance of the Contract, ITB incurs any cost or damage as a result of Customer's failure to comply fully with their cooperation and information obligations as set out herein, Customer shall compensate ITB for all such costs and damage incurred by ITB.
- 2.6. The Customer hereby states that they are familiar with the properties, use and handling of the goods purchased by them and that they have been duly informed about them prior to the conclusion of the Contract. Customer may not enforce a claim against ITB on the grounds that they did not know, or were not sufficiently familiar with, the properties, use or handling of the goods.

3. CONCLUSION OF CONTRACT

- 3.1. ITB will only accept orders received in writing (e.g. by fax) or by electronic mail, clearly describing the goods ordered. Customer shall be responsible for the accuracy and clarity of the order, which shall enable ITB to identify all the necessary characteristics of the goods to be sold under the order. ITB shall confirm Customer's order, indicating the planned delivery or partial delivery dates.
- 3.2. The Contract is made by sending the order confirmation to Customer. The Contract may be concluded between ITB and the Customer in writing (e.g. by fax) or by electronic mail, with the stipulation that ITB shall be entitled to determine a contractual form other than the form set out in this clause 3.2. The ITB may decide, in consultation with Customer, to treat a verbal agreement between them (e.g. an order agreed and accepted by telephone) as a concluded Contract. The legal declarations in relation to orders shall be governed by the form applicable to purchase orders while amendments to and termination of the Contract and other legal statements related to the Contract shall be governed by the form applicable to contracts, with the proviso that the written form shall be mutually accepted by the Parties even if the Contract has not been made in writing.
- 3.3. The acceptance by Customer, of any offer made by ITB shall be valid in the form corresponding to ITB's offer or in writing. The ITB may specify the period for which its offer shall be binding.
- 3.4. If the Contract between Parties is a framework contract in nature, ITB's performance shall be based on Customer's individual drawdowns as per the Contract. Unless otherwise specified in the Framework Contract, Customer shall forward individual drawdowns to ITB in writing (e.g. by fax) or by electronic mail. Customer shall be responsible for the accuracy and clarity of individual drawdowns, which shall enable ITB to identify all the necessary characteristics of the goods to be sold under the individual drawdown. A drawdown is effective only if and to the extent that ITB confirms it to Customer and makes no statement to the contrary.

- 3.5. ITB shall not be liable for any IT errors that may occur outside of their control, but in such cases ITB shall take all the necessary steps to eliminate the IT error as soon as possible.

4. PERFORMANCE OF THE CONTRACT

- 4.1. ITB states that they have the necessary professional experience for the sale of the goods covered by the Contract and that they are in possession of the personal, material and legal conditions necessary to perform the Contract.
- 4.2. The ownership over the goods is transferred to Customer at the moment when the purchase price of the goods is paid. The risk of damage to the goods shall be borne by ITB prior to delivery and by Customer thereafter.
- 4.3. The quantity of goods handed over or delivered by ITB shall be verified by Customer as soon as reasonably practicable and, in the event of any discrepancy between the quantity of goods agreed upon in the Contract and the quantity of goods actually handed over or delivered, Customer shall notify ITB thereof immediately, but no later than within 2 working days, in accordance with the formalities applicable to the Contract. Customer shall not be entitled to claim any further hand-over or delivery of goods or any compensation in the event of Customer's failure to meet their obligations set forth in this clause.
- 4.4. ITB shall deliver the ordered goods on or before the delivery date set forth in the Contract. The date of delivery of the goods will be the day when ITB offers Customer the receipt of goods confirmed under Customer's purchase order, on the place of delivery. Unless otherwise agreed, the place of delivery shall be ITB's premises in Budapest.
- 4.5. Customer shall receive the delivered goods in accordance with the terms of the order confirmation or of any other notification sent to Customer by ITB.
- 4.6. Customer shall not be entitled to enforce any claim against ITB if ITB is unable to deliver the ordered goods in due time because Customer has failed to fulfill any of their contractual obligations, including but not limited to Customer's failure or refusal to receive the delivered goods specified in the Contract.
- 4.7. If Customer is in default with any of their obligations under the Contract, including but not limited to the receipt of the delivered goods, ITB shall be entitled to make a claim to Customer for the repayment of all the costs and losses incurred by ITB as a result of such default. If Customer fails to fulfill their obligation after ITB has given them a notice to do so, ITB shall be entitled to terminate the Contract with immediate effect and to claim from the Buyer compensation for all the costs and losses arising from such termination.
- 4.8. ITB shall be entitled to use a participating party for their performance of the Contract, without the prior information to or consent from Customer.

5. PRICES OF THE GOODS SOLD BY ITB AND TERMS OF PAYMENT

- 5.1. The price of the goods offered for sale by ITB shall be subject to the price agreed by the Parties, or particularly in the absence of a specific, express agreement between the Parties (a Contract or a Framework Agreement), if available, the list price or the quoted price of the goods in question, as made available to Customer by ITB at any time.
- 5.2. ITB may issue an invoice after the delivery of the goods, unless the Parties have agreed on an advance or any other payment prior to performance. The Buyer shall pay the total amount

of the invoice issued by ITB in respect of the goods in a timely manner. The due day for payment shall be the 8th calendar day following the issue of the invoice, unless otherwise provided for in the Contract or agreed by the Parties.

- 5.3. In the event of late payment, ITB may charge a late interest at the statutory rate, on Customer. Furthermore, in the event of late payment, ITB may suspend or refuse performance of the relevant Contract or any other agreement between ITB and Customer until the overdue invoice is paid.
- 5.4. May Customer have any claim against ITB, they shall not be entitled to set it off against any debt they owe to ITB under this Contract.

6. WARRANTY, GUARANTEE, CLAIMS FROM DEFECTIVE PERFORMANCE

- 6.1. ITB shall be bound by the warranty assumed in the Contract by ITB in respect of the goods constituting the subject of the Contract. ITB's warranty period for the goods constituting the subject of the Contract shall be 1 year from the date of contractual performance, after such limitation period it shall lapse.
- 6.2. If Customer considers the goods received from ITB as defective, Customer shall immediately notify ITB thereof. ITB shall not be liable for any damages arising from a failure to notify or from delayed notification.
- 6.3. If Customer considers the goods received from ITB as defective, Customer shall make all the necessary and reasonable actions that are required to prevent, eliminate or mitigate the damage or loss that may arise in connection with the defective performance.
- 6.4. Customer may not enter into a hedging agreement with a third party in the event of a defective performance by ITB, either for the whole Contract or for the goods affected by the defective performance.
- 6.5. Following the notification by Customer, ITB shall inspect the goods affected by the alleged defective performance, and then ITB shall decide, at their discretion, whether to fulfill their warranty obligation for defects by repair or by replacement. If the repaired or replaced goods still fails to meet the expected quality requirements, ITB is entitled to repeatedly repair or replace them within the scope of their warranty for defects.
- 6.6. In the event of a defective performance by ITB, the Customer shall only be entitled to claim a price reduction or to withdraw from the Contract, if ITB has not agreed to repair or replace the goods or if such repair/ replacement has repeatedly failed.

7. LIMITATION OF ITB'S LIABILITY

- 7.1. In respect of contracts concluded between ITB and Customer, ITB's liability for damages caused by a breach of contract shall be limited to the damage to the sold goods as the subject of the service by ITB.
- 7.2. Under the limitation of liability set out in clause 7.1 of these GTC, the Customer shall not be entitled to claim compensation from ITB for any damage to Customer's property or for any loss of pecuniary advantages. The limitation of ITB's liability under this clause does not apply in the case of intentional breach of contract, or in the case of a breach of contract causing death, personal injury or harm to health.

7.3. The limitation of liability in Clause 7.1 of these GTC shall apply only to the extent not prohibited by the relevant pieces of legislation, and in particular by the laws applicable to the goods constituting the subject matter of the Contract.

8. FORCE MAJEURE

8.1. For the purposes of the performance of the Contract, force majeure shall mean any circumstance unavoidable by and beyond ITB's control which prevents or hinders ITB from performing its obligations, including but not limited to natural disasters, acts of God, strikes, war, revolution, insurrection, sabotage, closure of transport routes, import and export bans, currency restrictions, embargoes, boycotts, major breakdowns at ITB, ITB's suppliers or any of their contractors, shortages of the necessary raw materials, unforeseen production disruptions, and transportation delays and defects occurring at ITB's suppliers which prevent or hinder ITB's performance as per the Contract.

8.2. ITB shall notify Customer of the occurrence of force majeure as soon as possible. In case of force majeure, either Party may withdraw from the Contract. In the event of force majeure, no claim can be made against ITB for default, delay or quantity.

9. TRADE SECRET, INTELLECTUAL PROPERTIES

9.1. The Parties agree that all facts, data and information which may come to their knowledge in connection with the Contract shall be considered as trade secrets and shall not be disclosed or made available to third parties, even after termination of the Contract. Trade secrets may be used only in connection with the Contract and primarily for the performance of the Contract. In addition to the Parties, the provisions of this Clause shall also apply to Parties' employees, contractors and affiliated enterprises.

9.2. The Parties shall not be entitled to use or exploit each other's trademarks, logos and other intellectual properties or the trademarks, logos and other intellectual properties of the manufacturer of the goods covered by the Contract or used in the performance of the Contract without the written consent of the rightful owner.

10. CONTACTS

10.1. Customer shall deliver their legal statements to ITB in writing (including by fax) or by e-mail, in the form required by the Contract, to the right one out of the following addresses:

By mail:

ITB Kft.

H-1509 Budapest, Pf. 68.

By facsimile:

+(36)-1-382-7929

By e-mail:

FreyJ@itbkft.hu

10.2. Statements sent by post must be delivered to ITB in a registered letter with acknowledgement of receipt. The date of ITB's receipt of Customer's statements shall be the date of delivery on the return receipt in the case of postal delivery, or the date of the confirmation e-mail sent by ITB in the case of e-mail.

11. GOVERNING LAW, LEGAL DISPUTES

11.1. These GTC and the Contract between the Parties shall be governed by Hungarian law.

11.2. The Parties shall settle their disputes arising in connection with the Contract primarily through amicable conciliations. If conciliation by amicable means does not prove fruitful, Parties shall settle their disputes arising out of the Contract before the competent court of Hungary.

11.3. The invalidity of any provision of these GTC shall not affect the validity of the remaining provisions of these GTC.

Budapest, November 10, 2014