

General Terms and Conditions for contracts between Strapa-Pack Kft. and its suppliers/clients

I. Preamble

With regard to individual contracts between Strapa-Pack Kft. (2330 Dunaharaszti, Bláthy Ottó u. 7., company reg. no.: 13-09-164951, hereinafter: Strapa-Pack) and its suppliers (hereinafter: supplier) or clients (hereinafter: client) the provisions of the present General Terms and Conditions (hereinafter: GTC) shall apply, unless expressly stipulated otherwise in the individual contract.

The GTC is available on the website of Strapa-Pack, who shall also send it to the supplier/client prior to the conclusion of their first contract.

Unless otherwise agreed, Strapa-Pack rejects the possibility of applying the General Terms and Conditions of the supplier/client.

The contents of individual contracts between Strapa-Pack and its supplier/client are defined by the provisions of the individual contract – typically as confirmed by Strapa-Pack – and the GTC.

II. Supplier

Strapa-Pack shall select its business partners used as suppliers with particular care.

1. The following may not become suppliers:

- entities that do not accept and follow legislation and the relevant rules of Strapa-Pack during their activities
- entities under bankruptcy, liquidation, final settlement, or enforcement proceedings,
- companies owned by senior employees of Strapa-Pack or their close relatives and companies in which such persons hold senior positions,
- entities that can be proven to have previously caused damage to or otherwise acted unlawfully against Strapa-Pack

2. The following may only be suppliers in justified cases:

- entities that do not hold professional liability insurance and/or chamber membership despite the fact that this is a requirement in the given situation

3. Compliance declaration

By signing the contract, the supplier warrants that:

- a) Its activities fully comply with Hungarian legislation, official rules, and the relevant regulations of Strapa-Pack.
- b) It particularly complies with the provisions relating to the employment, reporting, contribution payments, taxation, working hours and rest periods of employees.
- c) It strictly enforces the provisions relating to the prohibition on the use of child labour and the non-discrimination of employees.
- d) It shall allow Strapa-Pack to verify compliance with items a), b) and c) and upon request of Strapa-Pack shall issue a separate declaration in their regard, without violating rights relating to personality and the rules of confidentiality.
- e) It shall refrain from all forms of unfair commercial practices and corruption.
- f) It puts particular emphasis on compliance with work safety and accident prevention rules and environmental protection.

4. Conclusion of the contract

Upon signing the contract Strapa-Pack and its supplier shall respect the requirement of good faith and statutory requirements and may sign individual or framework agreements.

III. Clients

Conclusion of the contract

1. The quotes of Strapa-Pack are not binding.

Clients shall examine all printing or design proposals and samples presented by Strapa-Pack in terms of all key aspects of the use of the packaging material. Any modification considered necessary must be indicated to Strapa-Pack in writing.

2. Confirmation by Strapa-Pack:

Strapa-Pack shall confirm the order of the client in writing, which document shall also define the contents of the contract, unless the client indicates its difference of opinion within 1 working day of its receipt.

Cooperation obligations, communication

3. In the interest of performing the contract the contracting parties shall cooperate with each other and act according to the principle of good faith.

4. Written form:

Orders, confirmations, and any declaration concerning essential contents of the contract shall only be valid in writing.

E-mails shall also be considered as written form, provided that they are sent from/to the e-mail address indicated by the client as e-mail address for contact and by Strapa-Pack on the confirmation, and it can be demonstrated that no error occurred in their delivery.

5. Notification of changes in details:

The client shall immediately report in writing any changes to its essential details, in particular, any liquidation, bankruptcy, or enforcement proceedings initiated against it, or any change in its registered seat, shipping or mailing address, tax number, bank account details or proprietors.

The client shall be liable for all consequences of failure to comply with this obligation.

6. Assumption of receipt

In the event that the client fails to notify Strapa-Pack that it shall no longer or shall temporarily not accept postal deliveries at its known address, registered mail sent by Strapa-Pack to its known address shall be considered as having been communicated.

The date of communication shall be the 5th day from the mailing date.

Pilot production

7. In the event that Strapa-Pack considers that pilot production and acceptance of the sample by the client are necessary, it shall propose this to the client. In the event that the client does not accept this proposal, it shall not be entitled to make subsequent claims on account of quality defects which could have been avoided through pilot production.

Delivery date

8. The delivery date is not a fixed deadline – it is for **informational purposes only**.

The delivery deadline shall run from the receipt of the acceptance of the client of the sample/proof copy and all design documentation required for concluding the contract. The time during which the client examines the proof copy, sample, printing plate, etc. shall not count towards the delivery deadline.

Prices

9. Pricing:

The price indicated in the order confirmation is binding, unless raw material-, salary- or operating costs change by such an extent in the meanwhile which justifies amending the prices of products not yet delivered. The unitary price does not include the environmental product tax.

10. Shipping costs

Strapa-Pack shall indicate the expected delivery date of the goods ordered in the order confirmation. Delivery is the client's responsibility; the price of shipping is not included in the price of the product.

11. Pallets

Unless otherwise agreed between the parties, pallets and other packaging materials are invoiced at cost on the goods invoice.

If an agreement is in place for pallet exchange, the client shall return the same number of pallets of the same quality when receiving the goods. If the client is unable to meet this obligation, Strapa-Pack shall invoice the pallets with a payment term of 14 days, regardless of the due date of the goods invoice.

12. Tooling costs

The price of the product does not include the costs of producing the printing plate, die etc.; therefore, such costs will be invoiced upon their occurrence with a payment term of 14 days, regardless of the due date of the goods invoice.

13. Disposal of tools and printing plates

2 years following their last use Strapa-Pack shall automatically dispose of printing plates and dice at its own expense, unless the client indicates its need and removes them within the given deadline.

Payment terms

14. The **payment terms** shall be the payment terms indicated on the confirmation of Strapa-Pack and on the invoice.

15. In the event of **late payment** Strapa-Pack shall apply the statutory default interest. In the event of payment beyond the due date the client shall also reimburse all costs of Strapa-Pack related to enforcing its claim (dunning letter (also from an attorney), etc.; moreover, without separate evidence, a flat fee of 40 EUR for claim enforcement).

16. If the product is **not accepted** at the time and place agreed upon, Strapa-Pack may invoice the product and store it at the expense and risk of the client.

17. Invoicing:

Strapa-Pack shall send its invoices to the client by mail. In the event that the client has not received the related invoice within 8 days of receiving the shipment, it shall notify this to Strapa-Pack in writing. Should the client fail to comply with this obligation, the invoice sent to the known address shall be considered as received.

Invoices shall be considered as having been received by the client within 5 days of their mailing. Unless the client contests the invoice within 20 days, the claim of Strapa-Pack shall be considered undisputed.

Subcontractors and participants

18. Strapa-Pack reserves the right to involve another company belonging to its company group or **other subcontractor** or participant in performing the contract, but only in justified cases, without this requiring the consent of the client.

Place of performance, early delivery

19. The **place of performance** shall be the address indicated by Strapa-Pack or the site of Strapa-Pack.

Strapa-Pack may perform individual supply contracts with **early delivery**.

Packaging

20. The client accepts the use of standard packaging. In the event it wishes to apply different packaging specifications, it must indicate this in writing.

Quantitative and qualitative receipt

21. The client shall accept the shipment after verifying the number of unit packages and the undamaged condition of the packaging, as attested in a written document affixed with its seal and signature. The client shall check goods immediately upon their arrival. The client shall notify Strapa-Pack in writing of any defects, incorrect shipments or quantitative differences with 24 hours of receiving the shipment. The client shall notify Strapa-Pack in writing of qualitative differences within 8 days of receiving the shipment. Beyond the above cut-off deadline, the client may not submit any warranty claims for non-conformant performance in connection with the overall supply.

The client shall store products with quality defects separately and allow Strapa-Pack to examine them on site. The warranty obligation of Strapa-Pack shall only apply to product quantities proven incorrect; the client may not make warranty claims regarding correct product quantities that have already been processed.

Liability for non-conformant performance

22. Specified dimensions and tolerances:

The general tolerance is $\pm 2\text{-}5$ mm. Deviations within the tolerance may not be the subject of quality claims.

Unless otherwise agreed, for every corrugated box the internal dimensions shall be decisive (their order: length, width, height). In the case of corrugated board panels, the first number always refers to the ridge direction. Dimensions are specified in mm.

23. Weight and quality differences:

- Strapa-Pack shall not be liable for colour-, adhesion-, stapling-, or printing differences of an extent considered acceptable in the industry.

Strapa-Pack shall likewise not be liable for differences between the proof copy and serial production copies that result from the printing technology. In order to determine deficiencies, the entire shipment must be considered instead of individual items or batches. This also applies to cases in which the difference concerns dimensions, weight, or quantity.

- Quantitative differences (also valid for supplementary shipments):

$\pm 10\%$ unless otherwise agreed

24. Strapa-Pack shall **not be liable** for complaints resulting from defects of the graphics provided or of the raw material or tool specified by the client.

Strapa-Pack is not subject to a notification obligation, nor is it obliged to review instructions of the client in this regard.

25. The liability of Strapa-Pack shall be excluded if the client cannot grant access to the defective product, or if the client has re-sold the product and cannot provide evidence of the claim of its own client.

26. Liability for damages:

Strapa-Pack shall not be liable for consequential damage beyond its sphere of operations, which cannot be reasonably foreseen. The prices of Strapa-Pack have been defined specifically taking into account this exclusion of liability.

27. Service liability:

Strapa-Pack Kft. assumes liability for the products it has packaged, that is, it shall compensate damages resulting from defective packaging. The client shall notify Strapa-Pack Kft. in writing of damage due to packaging within 24 hours of the damage event. Strapa-Pack Kft. shall only assume service liability for the service that has been paid for.

Product liability

28. With regard to **product liability** the provisions of Chapter LXXII of Act V of 2013 (Civil Code) shall apply.

Legal warranty of the client

29. The client shall be responsible for ensuring that use of the sample or detailed design it provides does not infringe on brand protection or the rights of third parties.

Retention of title

30. Strapa-Pack shall retain the title to its products, with all consequences this entails, until their purchase price has been paid in full.

In the event that the client fails to settle the invoice of Strapa-Pack within the due date, but has resold the goods, it must assign a proportionate part of its receivables from its client to Strapa-Pack upon request of the latter.

Force majeure

31. Strapa-Pack shall not be liable for late performance or failure to meet its contractual obligations due to force majeure. Force majeure shall include all events which are beyond the control of Strapa-Pack, were unforeseeable and cannot be traced back to the error, omission, or negligence of Strapa-Pack, nor could have been averted by the latter.

IV. Confidentiality

All receipts, descriptions, documents, and information disclosed during the collaboration between Strapa-Pack and the supplier/client shall be considered trade secrets and may only be disclosed to third parties in connection with questions related to performing the contract, to the extent necessary for such performance, or in official or court proceedings. Their disclosure is only permitted with the previous written consent of the other contracting party.

V. Dispute settlement

1. The parties shall settle any disputes in good faith, through negotiations.

2. In the event of a dispute relating to quality, if the procedure indicated in Article 1 does not produce a result within a suitable deadline, the parties shall submit to the expert opinion of an independent expert institution (laboratory).

3. All contracts shall be governed by Hungarian law and disputes shall be settled by Hungarian courts.

The General Terms and Conditions were drawn up in Hungarian, German, and English. In the event of a dispute the Hungarian version shall prevail.

Dunaharaszti, 12.12.2017.