

GENERAL CONDITIONS OF SALE

These General Conditions of Sale form an integral part of each agreement referred to in the second paragraph below ("Agreement") in which Paccor Hungary Kft. ("Paccor Hungary") with its registered office in 9700 Szobathely, Puskás Tivadar utca 6., is the seller, vendor or entity obliged to similar performances towards a contracting party.

All agreements to which Paccor Hungary is a party, and which regulate the sale or supply of goods ("Goods") by Paccor Hungary or any other agreement of the same or similar nature, made for the sake of any third party ("Clients") shall be subject to these General Conditions of Sale ("GCS"), unless the Parties agree otherwise in writing, stipulating specific conditions amending these GCS. Should a term of these GCS and another condition of the Agreement differ from one another, the latter shall be integrated into the contract

These GCS are also applicable in case Paccor Hungary concludes a sales agreement, supply contract or any other contract or agreement referred to in paragraph two above, with any third party indicated by the Client as Goods Recipient. The Client shall notify the Goods Recipient in a form required by law of the binding nature and provisions of these GCS, and he shall be liable towards Paccor Hungary for damage sustained as a result of his non-performance or inadequate performance of the provisions of this paragraph.

The GCS are also available at the website of the Paccor Group at www.paccor.com.

I. CONCLUSION OF AGREEMENT

1. All non-essential information, descriptions, drawings, photographs, illustrations, minor technical data, dimensions, weights, and similar, contained in the promotional or technical leaflets issued by Paccor Hungary may be unilaterally changed by Paccor Hungary without prior notice. They are non-binding commercial information only.
2. The Client agrees to abide by these GCS and the Agreement concluded between the Parties as having the exclusive binding force, irrespective of the fact that the Client uses general terms and conditions of contracts, template agreements, rules or documents of similar nature, which otherwise regulate the matters stipulated in these GCS or in the Agreement. For the case where these GCS are explicitly accepted by the Client's own standard contract terms, section 6:81 of the Civil Code shall apply.
3. The Agreement is concluded by written acceptance of the Client's order by Paccor Hungary. Written acceptance shall mean in particular sending written confirmation of order, acceptance by facsimile, or via email, made by an individual authorized by Paccor Hungary to make such acceptance, as well as the proof of Goods release or invoice. If the Client does not promptly (at least within 2 business days of the receipt of acceptance) notify of modifications to the order, it shall mean that the Client has ordered the Goods in accordance with the original order.
4. Orders sent by the Client in writing by post, facsimile or electronic mail shall be binding for Paccor Hungary provided that they have been sent to Paccor Hungary by individuals authorized by the Client to place orders on his behalf and only after Paccor Hungary has accepted the same in writing, as specified in sec. 3 above, or after the Goods and the invoice have been sent to the Client.

II. PRICE

1. Paccor Hungary may at any time change the agreed terms of payment or transportation, or the required minimum quantity of shipment, notifying the Client thereof at least 15 (fifteen) days in advance. If the Client does not object to the change in writing before the date of its implementation by minimum 5 working days, it shall be deemed that the Client consents to the new conditions. If the Client objects to the change within the required time limit, Paccor Hungary may, at its own discretion, (a) continue to supply / release Goods on conditions binding before the notification of change, or (b) terminate the Agreement with an immediate effect with respect to the Goods subject to change, notifying the Client thereof within 15 (fifteen) days of receipt of Client's written objection. If the Client qualifies as a consumer under Hungarian law, the Client shall be entitled to withdraw from or terminate the Agreement within 30 days of receiving such notification.
2. Paccor Hungary reserves the right to change the price of Goods upon written notice to be sent at any time preceding the date of shipment of a particular batch of Goods. Paccor Hungary shall be entitled to the above in particular in case of an increase of the price or cost of the Goods supplied to Paccor Hungary due to foreign exchange fluctuations, currency regulations, changes to customs duties and taxes, increased cost of raw materials, labour or transportation, or for other reasons beyond Paccor Hungary's control. If the Client is of the opinion that such an increase in price

is unjustified, he may oppose to it, informing Paccor Hungary thereof in writing within 15 (fifteen) days of receipt of the notice of price change. In case of Client's objection, Paccor Hungary may, at its own discretion, (a) continue to supply / release Goods at the price binding before the change, or (b) terminate the Agreement with an immediate effect with respect to the Goods subject to change, notifying the Client thereof within 15 (fifteen) days of receipt of Client's written objection. If the Client qualifies as a consumer under Hungarian law, the Client shall be entitled to withdraw from or terminate the Agreement within 30 days of receiving such notification. The agreed prices for the Goods are net prices and are exclusive of the goods and services tax (VAT).

3. If, under the applicable provisions of law, Paccor Hungary is obliged to pay or charge customs duties, taxes or other levies of public law nature, the Client shall pay the same to Paccor Hungary together with the payment of the price.

III. DELIVERY

1. All deliveries, irrespective of whose transport they are made with, are at the Client's risk. The risk of loss or damage to the Goods shall pass to the Client once the Goods leave the depot of Paccor Hungary, unless the Parties have agreed otherwise in a separate agreement. If the Client is a consumer and Paccor Hungary undertakes to dispatch the Goods to the Client, risks shall pass to the Client when he or a third party named by the Client has acquired the physical possession of the Goods. At the time of handing over the Goods to the carrier, risks shall pass to the consumer Client if the carrier was hired by the Client, provided that the carrier was not recommended by Paccor Hungary.
2. The packaging and the manner of shipment shall be adjusted to the type of consignment, needs and current provisions of law. The costs or special packaging or way of shipment, if any, specified by the Client in a written order shall be in total incurred by the Client.
3. In case Goods are sold in returnable packaging, the packaging shall remain the property of Paccor Hungary. The Client shall take care of proper condition of the packaging, to enable in particular their further use by Paccor Hungary for their intended purpose.
4. The Client agrees to send back the packaging referred to in sec. 3 at his own expense to the registered address of Paccor Hungary, unless another address was indicated, within 60 days of issuance of an invoice for the Goods packed in the returnable packaging.
5. In case the packaging is not returned within the time limit specified in sec. 4 above, or it is returned in condition that prevents or significantly hinders its further use, Paccor Hungary shall charge the amount equivalent to the value of the packaging upon the Client against a VAT invoice issued by Paccor Hungary.
6. Paccor Hungary shall not be liable for any default with respect to delivery / release of the Goods which is not its fault. This shall not infringe the consumer rights established by section 6:220 of the Civil Code for the case of Paccor Hungary's late delivery.
7. The Client shall abide by the deadlines indicated to him for receipt of the Goods. In case the Goods are not received within the agreed deadline, the provisions of sec. 8 shall apply.
8. If the Client demands that a deadline of delivery be postponed or he is not in a position to receive / accept the Goods for any reason, the Goods shall be stored in the depot of Paccor Hungary or in another depot at the Client's exclusive cost and risk.
9. If the Client delays receipt of a given batch of Goods, the date of its receipt must be agreed separately with Paccor Hungary. The above shall not affect the deadlines for receipt of subsequent batches of Goods and Client's liability towards Paccor Hungary resulting therefrom, unless the Parties agreed otherwise.
10. In case of a delay or default in payment of any amounts due to Paccor Hungary from the Client, Paccor Hungary shall be entitled, in addition to any other of its rights under these GCS, to withhold the release (in part or in total) of the Goods until the Client has paid all the overdue amounts.
11. In case the Client cancel any order at any time after written acceptance of Paccor Hungary of such order, the Client shall cover all the costs connected with his failure to fulfill the Agreement, in particular the costs of manufacture of non-standard Goods, costs of purchase of non-returnable materials, or materials that cannot be used for the purpose of other production, costs of cancellation of the order imposed upon Paccor Hungary by the suppliers of the Goods to Paccor Hungary as well as costs of storage, shipment and handling of the order.
12. Paccor Hungary reserves the right to make partial deliveries. All partial deliveries shall be invoiced separately, and payment for them shall be made by the Client upon receipt of an invoice within the time limit indicated in the invoice. Provisions of Section VI shall apply.

IV. CLAIMS

1. The Client shall be entirely liable for checking the type and quantity of the Goods received for their compliance with the Agreement. If the delivery of the Goods is made through a third party – the carrier –, the Client shall, together with the individual releasing the Goods on behalf of the carrier, examine the Goods supplied to the extent that allows them to find any potential damage to the consignment, arisen in the course of transportation, before the consignment is accepted from the individual

releasing the Goods. If damage is found, the Client, together with the individual releasing the Goods, as referred to in this paragraph, shall prepare a protocol to certify in particular the type of damage, the extent of loss of the Goods as well as any other information that may be useful to explain the cause and scope of the alleged damage. If the Client, after acceptance of the Goods, identifies damage that was invisible externally during Goods receipt procedures carried out in accordance with this paragraph, the Client shall be obliged to demand from the carrier that the damage be determined within the time limit stipulated by law, and prove that the damage arose at the time between acceptance of the consignment for carriage and release thereof. All liability for non-performance or inadequate performance of the obligations imposed upon the Client herein shall rest with the Client. Without prejudice to the Client's obligations referred to in sec. 1 above, the Client shall examine the Goods supplied within 2 days of the date of Goods acceptance at the latest. Notice of any defects in the Goods that are detectable during normal inspection, or of shortage or errors in delivery shall be promptly given to Paccor Hungary in writing, and the fact shall be entered in the delivery documents, under the sanction of forfeiting the right to assert claims in this respect.

2. Notice of any defects in the Goods that are detectable only at a later date shall be given by the Client not later than after their detection, i.e. within max. 2 days of the day of detection (which shall be 2 months if the Client is a consumer), but not later than within 6 months of the date of Goods receipt from the depot / Goods delivery. Failure on the side of the Client to give the notice within the above time frames shall be considered as acceptance of the Goods compliant with the order, in particular with respect to the type, quantity and quality. This shall not infringe the consumers' right to presumption of lack of conformity established by section 6:158 of the Civil Code.
3. Notice of defects shall be made in writing, with provision of the precise description thereof, the invoice number for defective Goods, and, if applicable, attaching other documents required to determine the cause of the defect, such as data from the label placed on the carton, shipping documents, or protocol made by the Goods recipient, Goods catalogue number if any. Paccor Hungary shall respond to the claim made within 10 days of the date of receipt thereof.
4. If Paccor Hungary admits the claim, the Client may demand:
 - a) to choose either repair or replacement, unless compliance with the chosen warranty right is impossible or it results in disproportionate expenses on the part of Paccor Hungary as compared to the alternative remedy, taking into account the value the service would have had there been no lack of conformity, the significance of the non-performance, and the harm caused to the Client upon compliance with the warranty right; or
 - b) to ask for a commensurate reduction in the consideration, repair the defect himself or have it repaired at the Client's expense, or to withdraw from the contract if Paccor Hungary refuses to provide repair or replacement or is unable to fulfill that obligation under the conditions described in section 6:159 of the Civil Code, or if repair or replacement no longer serves the Client's interest..

The Parties shall agree, in a separate written agreement, the manner and deadline for effecting the delivery covered by the claim admitted by Paccor Hungary.

5. Paccor Hungary reserves that Goods may only be returned to Paccor Hungary depot after the claim procedure described in this clause has been completed, with account being taken of the Client's claim regarding the quality of the Goods, and the return may apply exclusively to the Goods subject to claim.
6. Notification of defects must not be the reason for non-payment of the amounts by the Client for the Goods delivered.

V. GUARANTEE

1. Paccor Hungary guarantees that manufacture of the Goods does not infringe on any patent rights in the country of manufacture. This guarantee shall not apply to Goods manufactured in accordance with the Client's guidelines.
2. The Client shall bear full liability for the use of technical information, patterns, trademarks, trade names or parts thereof printed/placed on the Goods.
3. Potential quality guarantee from Paccor Hungary may only be granted under a separate written instrument. This does not apply to consumers and their right to product warranty as established by section 6:168 of the Civil Code, which can be enforced regardless of the existence of such instrument.
4. Paccor Hungary shall not be liable for damage caused by the Client's actions or omissions with respect to the objects of property, inclusive of the products manufactured by the Client or other products that incorporate the Client's products, which occur in the period when the Products are in Client's possession.

VI. SPECIFIC EQUIPMENT, MOLDS AND TOOLS

1. The cost of creating specific equipment, molds, printing plates and tools ("Tools"), as well as expenses stemming from their refurbishing after wear, are paid by the Client independently of the price of the Goods as follows: 50% of the total price paid upon ordering and 50% upon completion of the order. The Client must take out, at its expense, insurance covering their deterioration or their destruction in our factories and excluding any recourse against the Paccor Hungary.
2. Upon execution of the order, the Tools can be handed over to the Client at Client's cost, upon request by registered letter with return receipt and subject to their complete payment. In the absence of return to the Client, the Tools shall be kept free of charge by Paccor Hungary for one year after execution of the last order. After this deadline, our Company may dispose of these tools as Paccor Hungary sees fit.

VII. TERMS OF PAYMENT

1. Price for the Goods, as indicated in the invoice, shall be paid by transfer to the account of Paccor Hungary identified in the invoice within 30 (thirty) calendar days unless the Parties have agreed otherwise.
2. In case of delay in payment Paccor Hungary shall be entitled to charge statutory interest on the unpaid amounts.
3. If payment is made via bank transfer, the payment date shall be the date of crediting the bank account of Paccor Hungary with the entire amount due.
4. Paccor Hungary reserves the right to demand payment in advance and cancellation of the previously granted payment deferment period.
5. If a reasonable basis exists to suspect that the Client fails to meet his obligation to pay the sale price for the Goods, Paccor Hungary is entitled to demand that, prior to release of the Goods and irrespective of previously agreed payment deadlines, the payment be made in cash or that the Client provide certain guarantees or securities of payment. If this is not made promptly (not later than within 2 days of making said claim by Paccor Hungary), Paccor Hungary shall be entitled to withdraw from the Agreement with the Client having no right to claim compensation in this respect. For such case the consumer Client shall be entitled to withdraw from the Agreement.

VIII. RESERVATION OF OWNERSHIP

1. Paccor Hungary shall transfer the Goods to the Client free of any encumbrances.
2. Paccor Hungary reserves the right of ownership to the Goods until the Client has made full payment for all the Goods delivered.
3. The Client shall promptly notify Paccor Hungary of all circumstances that might affect the right of ownership of Paccor Hungary to the Goods, in particular of all cases of seizure or confiscation of the Goods under the sanction of incurring liability towards Paccor Hungary for resultant damage.
4. Each time the payment for the Goods is delayed or deferred, Paccor Hungary shall be entitled to claim return of the Goods not paid for, without prejudice to the other provisions of the GCS. Such demand shall be made whereas Paccor Hungary has stipulated a reasonable deadline for subsequent performance and this period elapsed without result.
5. In case the return of the Goods is demanded, the Client undertakes to return all the Goods not paid for to Paccor Hungary at its own cost and risk, to the venue indicated by Paccor Hungary; said return shall include the loading, transportation and offloading in the venue indicated by Paccor Hungary, within 7 days of making the said demand by Paccor Hungary.

IX. LIABILITY. NON-PERFORMANCE OR INADEQUATE PERFORMANCE OF AGREEMENT.

1. Paccor Hungary shall not be liable for any particular qualities of the Goods or for the Goods being suitable to accomplish the Client's intended purpose, unless, prior to conclusion of the Agreement, he has assured the Client in writing that the Goods have certain qualities or are suitable to accomplish the Client's intended purpose.
2. In particular, Paccor Hungary shall not be liable in case of disruption to the activities of Paccor Hungary caused by force majeure. Force majeure shall mean any event of extraordinary nature, which could not have been prevented by the Parties and which was beyond the Parties' control, in particular riots, fire, strikes, collective disputes, military conflicts, the state of war, natural disasters, adverse weather conditions preventing the transportation of the Goods, any governmental orders or amendments to the law which lead to production limitations, or which prevent production and / or sale, acts of terrorism, which hinder the fulfillment of the Agreement in total or in part.

3. Paccor Hungary shall promptly notify the Client of the causes of non- delivery / non-release of the Goods referred to in sec. 2 above. If the circumstances that prevent the Goods delivery / release take more than 1 month, either Party shall be entitled to withdraw from the Agreement with respect to the Goods not delivered / not released. In this case neither Party shall be entitled to claim damages.
4. Paccor Hungary is entitled to terminate the Agreement subject to a 3- month notice period, by way of a written notice served to the Client.
5. Paccor Hungary shall be entitled to terminate the Agreement without the notice period referred to in sec. 4 above in case of gross infringement by the Client of any of the provisions of GCS or the Agreement.
6. Except where laws of Hungary provides otherwise, Paccor Hungary's total liability under or in connection with the Agreement (whether in contract, tort (including negligence) breach of statutory duty, or otherwise shall not exceed the price of the Goods, and Paccor Hungary shall under no circumstances whatsoever be liable to the Client, whether in contract, tort, breach of statutory duty, or otherwise, for any loss of profit, or any indirect, consequential or non-consequential loss arising under or in connection with the Agreement.

X. FINAL PROVISIONS

1. The governing law shall be the law of Hungary.
2. The Client shall not be entitled, without prior written consent from Paccor Hungary, to make an assignment of any amounts due to the Client from Paccor Hungary under the Agreement or these GCS.
3. These GCS were made in Hungarian and English language version. In case of any discrepancies between the Hungarian and English version, the Hungarian version shall be binding.
4. If any of the provisions of GCS becomes invalid for any reason, the validity of the remaining provisions shall not be affected.
5. Any disputes that may arise in connection with the Agreement shall be resolved by the court of jurisdiction over the registered seat of Paccor Hungary.