

# **General Conditions of Supply**

## **Szórádi és Társai Műanyagkereskedelmi Kft.**

### **1. General provisions**

- 1.1. The business activity of Szórádi és Társai Műanyagkereskedelmi Kft. concerns the sale of products distributed and services provided by the company to wholesalers, retailers, and end users (manufacturers and contract manufacturers).
- 1.2. The present General Conditions of Supply - hereinafter: GCS – define the general conditions for ordering products distributed by Szórádi és Társai Műanyagkereskedelmi Kft. (hereinafter: the Vendor). Unless specifically agreed otherwise in writing, all deliveries and performances will be subject to the conditions below, which will become part of the contract at the time of the acceptance of the delivery or performance by the Buyer at the latest, even without any specific condition to this effect. Unless specified otherwise in the conditions below, they are to be replaced by the legislative provisions that best approach the intended economic purpose. In order to ensure that when ordering products distributed by the Vendor you are aware of the conditions that govern orders and deliveries, please read the following carefully. Should you have any questions, please contact our sales department.
- 1.3. The present GCS contains the general rules for orders and the fundamental provisions of the supply contract established between the Buyer and the Vendor through the order. The Vendor is entitled to apply provisions different from the general conditions specified in the present GCS in individual sale and purchase or supply contracts. The Vendor reserves the right to amend the general conditions specified in the present GCS at any time and without prior notification of the Buyer (due to changes in the product range, applicable legislation, procurement options, conditions, prices or any other reason). Bearing in mind the above, the Vendor shall make every effort to inform its clients of eventual price changes before those come into effect.

### **2. Orders**

- 2.1. The Vendor shall receive orders placed by the Client as follows:
  - 2.1.1 written orders sent by mail – 24 hours a day,
  - 2.1.2 written orders sent via fax – 24 hours a day,
  - 2.1.3 written orders sent electronically (via email) – 24 hours a day,
  - 2.1.4 orders submitted in person to the sales department – Monday to Thursday: 07:00-15:00, Friday: 07:00-14:00,
  - 2.1.5 orders submitted via telephone to the sales department – Monday to Thursday: 07:00-15:00, Friday: 07:00-14:00.

For the options specified in Articles 2.1.1, 2.1.2, and 2.1.3 the Vendor shall process orders received after the end of working hours from 8:00 a.m. the following working day.

- 2.2. The Buyer undertakes to indicate in its orders the descriptions of the products ordered, in a manner suitable for their unequivocal identification, and place its orders taking into account the order units of the products ordered. In the event that the Buyer requests delivery of the order (as a default, this is not included in the price of products), they shall indicate in the order the exact delivery address (postcode, city, street, street number, etc.), the date/time of delivery requested according to Article 7.4., the name of the person or carrier authorised to receive the goods, and the contact details of the person who placed the order. The Buyer acknowledges that the Vendor shall not split its sales (packaging) units. For plastics industry raw materials the smallest packaging unit is 1 bag, while for aids and masterbatches it is 1 kg. The Vendor reserves the right to modify its sales (packaging) units, giving prior notice to its clients of the change.

### **3. Establishment of the contract**

- 3.1. The sale and purchase contract between the Parties shall be considered established as follows:
  - 3.1.1 If the Parties have agreed to sign a separate, individual sale and purchase or supply contract, then at the time of the execution of the individual sale and purchase contract by both Parties.
  - 3.1.2 If the Vendor – upon request of the Buyer – issued an individual quote to the Buyer, then upon receipt by the Vendor of the confirmation of the quote by the Buyer.
  - 3.1.3 If the Buyer placed a written order (via mail, fax, email, or personal delivery) to the Vendor, then upon confirmation of the order by the Vendor or the acceptance of the products or services included in the order by the Buyer. In the event that the order is fulfilled without any changes to its conditions, the Vendor is not obliged to send a separate confirmation to the Buyer.
  - 3.1.4 If the Buyer placed the order verbally (in person or via telephone to the Sales Department of the Vendor), then at the time the order is registered in the sales system of the Vendor by their sales consultant.
- 3.2. Any order sent by the Buyer will result in the Vendor's duty to perform at the time the confirmation of the written order is issued by the Vendor, but the issue of the order confirmation is not a precondition for supply. The contract shall definitely be established with the supply.

3.3. The Vendor may confirm orders as follows:

3.3.1 For orders sent by the Buyer via mail, fax, or email: via fax or email.

3.3.2 For orders placed by the Buyer verbally (in person or via telephone): at the time the order is registered by the Sales Department of the Vendor, via fax or email.

#### **4. Amending the order (contract)**

4.1. Following the establishment of the sale and purchase contract between the Parties as per the above Article 3, it may only be amended by mutual agreement between the Parties.

4.2. The Vendor shall only accept order amendment requests from the Buyer regarding custom products not kept in stock by such deadline until which its supply partner will accept cancellation or amendment of the given order without legal consequences. In the event that the Vendor's supply partner applies an amendment/cancellation fee in connection with the amendment or possible cancellation of the order, the Vendor shall be entitled to invoice such fee to the Buyer. In the event that the Vendor's supply partner does not accept the amendment / cancellation notified by the Vendor, the Buyer shall be obliged to accept the goods and pay their purchase price. The above provisions also apply to any amendment of any order for quantities considerably in excess of the usual order quantities of the Buyer (extra quantity).

#### **5. Products**

5.1. Products distributed by the Vendor:

5.1.1 Products kept in stock by the Vendor: product conformant with the inventory/sales unit of the Vendor, in clean, undamaged, and marketable condition, with all mandatory accessories prescribed by applicable legislation.

5.1.2 Products procured by the Vendor upon order: product conformant with the inventory/sales unit of the Vendor or with the sales unit according to the confirmation of the order by the Vendor, in clean, undamaged, and marketable condition, with all mandatory accessories prescribed by applicable legislation.

5.1.3 Unique and special products: Regarding products which are unique (not distributed by the Vendor, procured upon a specific demand of the Buyer, etc.) or special (manufactured for the Buyer, converted upon request of the Buyer, etc.) the separate, case-by-case agreement between the Parties shall apply. Regarding unique and special products the Vendor shall be entitled to apply conditions different from the norm (placing and amending orders, prices, delivery terms, payment terms, guarantee, warranty, returns).

#### **6. Prices**

6.1. Products are supplied at the prices and with the conditions of supply / as specified in the contract /. The prices specified in the order placed by the Buyer are not binding on the Vendor, unless the order was confirmed without providing an alternative quote after its receipt. If different conditions are offered, the Vendor shall attempt to confirm the quote within 3 working days of its receipt. All prices refer to the current sales units of the Vendor (kg, bag, pallet, etc.).

6.2. The prices indicated in the confirmation by the Vendor refer to retrieval from the site of the Vendor. In the event that the Buyer requests delivery of the products ordered, the Vendor shall perform such delivery according to its current conditions of delivery.

6.3. Regarding all promotional prices or other promotional conditions announced by the Vendor the promotion shall run for a definite period, or at latest until certain stocks last (which stocks may be exhausted before the closing date of the promotion, as announced previously by the Vendor).

6.4. All prices indicated in any quote, confirmation, or price list of the Vendor are net prices, exclusive of VAT.

#### **7. Delivery conditions**

7.1. If the products ordered by the Buyer are not intended to be retrieved from the site of the Vendor, the Buyer may request their delivery, subject to an individual agreement. If the delivery is performed by the Vendor, the place of performance shall be the delivery address specified by the Buyer.

7.2. Delivery and acceptance

7.2.1 The Vendor shall deliver the goods ordered by the Buyer on the date and at the time agreed upon with the Buyer, to the delivery address specified in the order of the Buyer. The Buyer may only amend the delivery date/time and address before the given shipment is sent by the Vendor.

7.2.2 Within its own competence the Buyer shall ensure receipt of the goods on the date and at the time and address agreed upon, and the representative of the Buyer shall attest receipt of the goods by signing the copy of the accompanying document of the shipment. Carriers used by the Vendor for delivery do not perform itemised delivery and acceptance at the Buyer. At the time of receiving the shipment the representative of the Buyer shall verify the correct quantity of the shipment and the integrity of its packaging, and attest this by signing the accompanying documents. Quantitative acceptance refers to verifying the package numbers and

the number of packages indicated on accompanying documents of the shipment and the carrier's own documents. In the event that the Buyer does not note any quantitative deficiencies on the shipment documents of the Vendor or the carrier, the Vendor shall not accept any complaints by the Buyer relating to a shortage of goods after the packages are opened, which can be traced back to an insufficient number of packages. Following the confirmation of the quantitative acceptance of the shipment by the Buyer without reservations the Vendor shall not accept any complaints relating to quantity or damaged packaging.

7.2.3 If the shipment of the goods and their delivery to the Buyer are unsuccessful for reasons attributable to the Buyer, the cost of the repeated delivery shall once again be borne by the Buyer, who must pay it simultaneously with the consideration for the goods.

7.2.4 Prior to the delivery the Buyer shall inform the Vendor of any substantial circumstances that may render the shipment or delivery of the goods to the Buyer difficult (e.g. no entry zone, time restrictions for entry, difficult-to-reach address, entry permit requirement, lack of material handling equipment, etc.). The Vendor shall be entitled to invoice the Buyer for eventual extra costs arising due to non-compliance with this obligation.

### 7.3. Handling pallets and packages

The Vendor is entitled to invoice the Buyer for standard EUR-pallets and packaging subject to a product fee which are not exchanged in the course of the shipment.

## 8. Payment method and terms

8.1. The Buyer may pay the consideration for the products supplied by the Vendor in the following ways:

8.1.1. With retrieval from the site of the Vendor:

- in cash,
- by transfer in advance,
- by transfer (only for Buyers who have signed a valid payment agreement or have received specific approval for this from the Vendor).

8.2. In case of payment by transfer the payment must be effected according to the payment terms specified in a prior payment agreement with the Buyer or in the specific approval issued by the Vendor, within the payment deadline indicated on the invoice. The date of payment shall be considered as the date on which the purchase price is credited to the current account of the Vendor. Regarding invoices not paid until their due date the Vendor shall be entitled to charge the Buyer interest on arrears equivalent to twice the current prime rate. In the event of any payment delay by the Buyer the Vendor shall be entitled – at its own discretion - to declare any existing open receivables from the Buyer overdue and due immediately. In the event of any payment delay the Vendor shall be entitled to amend any deferred payment terms offered to the Buyer to immediate payment in cash.

8.3. If the Vendor has offered the option of deferred payment to the Buyer, at the same time it will have defined the credit limit it offers to the Buyer. If the total amount of outstanding payments by the Buyer to the Vendor (overdue and not yet due) exceeds their credit limit, the Vendor shall be entitled to suspend further shipments or request that the Buyer pay their outstanding payments before the payment deadline, in order to release the credit limit availed of.

8.4. No complaints relating to invoices issued by the Vendor in connection with deliveries already performed shall entitle the Buyer to withhold payment of the invoice. The Vendor shall only accept any complaints related to invoices issued by it in writing, within 5 working days of receipt of the given invoice by the Buyer, following whose assessment the Vendor shall take the necessary measures.

## 9. Ownership of the goods, assignment of claims

9.1. The Vendor shall fully retain ownership of the goods it has supplied to the Buyer until the Buyer has paid the full amount of the purchase price (including VAT and the cost of shipping). In light of the above ownership of the goods shall be transferred to the Buyer upon full payment of the purchase price and the cost of shipping.

9.2. In light of the retention of ownership as per the above, until the financial settlement of any claims of the Vendor arising from shipments the Buyer shall only be entitled to re-sell the goods supplied by the Vendor as part of its activities or to use them for its own purposes. Nonetheless - in the event of re-sale -, the Buyer undertakes to assign its claims resulting from such re-sale to the Vendor as a security, if this is requested by the Vendor. Any other disposal over goods supplied by the Vendor – in particular, their mortgaging, pledging as security, or assignment by means of an exchange – is not permitted until full payment of the purchase price. The Buyer shall immediately inform the Vendor in the event that goods supplied by the Vendor are seized for a third party.

9.3. In the event that the Buyer has an overdue payment obligation towards the Vendor, upon request of the Vendor to this effect the Buyer shall return or make available to the Vendor goods already supplied or being shipped by the Vendor and held by the Buyer, to the extent of the existing claim. Should the Buyer fail to meet this obligation voluntarily, the Vendor shall be entitled to seize the goods supplied by the Vendor from their current location without a separate document of execution, in which case neither the Buyer nor any third party otherwise in possession of the goods shall be entitled to protection of property against the Vendor. The Vendor shall be entitled to invoice the Buyer for costs incurred in connection with returning the goods according to the above.

## 10. Warranty

- 10.1. In all cases the Vendor shall ship the products it distributes in the quality conformant with applicable legislation and Hungarian distribution regulations. For the products specified in legislation, the Vendor shall provide a quality certificate within one month of the acceptance of the goods.
- 10.2. The Vendor is under warranty obligation in connection with the products it supplies. This warranty covers the products ordered by the Buyer and delivered by the Vendor being free from material and production defects and the conformity of their characteristics to the attached quality certificate. The Vendor shall provide this warranty for the warranty period applicable to the given product, calculated from the date of commercial sale. Warranty claims may be validated at the site of the Vendor.

## 11. Handling complaints

- 11.1. Any complaints of the Buyer shall be handled as follows:  
The Vendor shall only accept complaints related to invoices (quantity, quality, price difference, etc. problems) in writing. The addressee shall be the Sales Department of the Vendor.  
E-mail: szoradi@radka.eu  
Fax: 06-1/271-0069  
Mail: 1151 Budapest, Szántófield u. 7/d.
- 11.2. In the event of non-conformant performance of the Buyer's order by the Vendor, the Buyer may notify the Vendor of such within a reasonable deadline, but at most within 3 working days. The following shall be regarded as cases of non-conformant performance:
- 11.2.1. Quantitative difference between the delivered quantities of goods and the quantities indicated on the document (invoice, delivery note) issued for the shipment (insufficient or surplus shipment), which could not be determined at the time the goods were received.
- 11.2.2. Difference between the type of products delivered and those indicated on the document (invoice, delivery note) issued for the shipment (incorrect shipment).
- 11.2.3. Complaints relating to the quality of the products delivered (damaged product, etc.). In the event of quality- or hidden defects the Vendor shall assume liability only to the extent that can be claimed by the Buyer and the Vendor from the manufacturer.
- 11.2.4. Product(s) not indicated in the order of the Buyer were delivered (incorrect shipment).
- 11.2.5. The parameters of the product delivered differ from those agreed upon – e.g. different colour or technical/quality parameters, etc. (incorrect shipment).
- 11.3. In the event that the product was delivered by the Vendor to the Buyer in a condition unfit for use, the Buyer may exercise their warranty claim and request replacement of the product within three working days of receiving the product. If a product of suitable quality is available, the Vendor shall replace the product at its site for the Buyer free of charge. If such product is not available, the Vendor shall take immediate steps to procure it.

## 12. Returns

- 12.1. Following their acceptance by the Buyer – with the exception of the cases of complaint governed by Article 12 – any product returns to the Vendor shall require prior consultation with and written approval from the Sales Department of the Vendor (via email, fax, or letter).
- 12.2. The Vendor shall buy back products accepted by the Buyer at 80% of the purchase price. Use of any other price, on an ad-hoc basis, shall require the written approval of the Managing Director of the Vendor (via email, fax, or letter).
- 12.3. The Vendor shall only accept returns in a condition suitable for re-sale and in their packaging ready for shipment!
- 12.4. The Buyer shall be responsible for returning the products and associated costs!
- 12.5. The Vendor shall not accept returns in the following cases:
- Unique products manufactured individually for the Vendor upon a custom order of the Buyer.
  - Products damaged after delivery or with damaged product packaging (unsellable products).
  - Products whose distribution the Vendor has stopped in the meanwhile.

## 13. Limitation of liability

- 13.1. With the exception of complaints relating to quality or quantity the Vendor shall not accept liability for direct or indirect damages sustained by the Buyer in connection with the performance of orders received by the Vendor.
- 13.2. The present limitation of liability does not apply to cases of damage in connection with which strictly applicable provisions of Hungarian law valid at the time of the damage event preclude the limitation or exclusion of liability.

- 13.3. Unless specified to the contrary in a contract, and within the limitations set by strictly applicable legislative provisions, the Vendor shall not be responsible for indirect damages or damages arising in connection with loss of profit, loss of data, or loss of use, and its liability shall be limited to the purchase price of the Product.

#### 14. Data processing

- 14.1. The Vendor shall process the data required for the identification of the Buyer in compliance with legislative provisions and strictly subject to the present General Conditions of Supply, for the purposes of the commercial relation. Pursuant to the principle of freedom of contract, data are provided by the Buyer for the purposes of establishing the contract voluntarily.
- 14.2. The Buyer consents to the Vendor's handling of data sufficient and necessary for the identification of the Buyer for the purposes of establishing the contract, monitoring the performance of the contract, invoicing the charges that arise from it, and enforcing associated claims.
- 14.3. The Buyer specifically requests that the Vendor send them electronic or other written or printed news, but may forbid the transmission of such news in part or in full at any time, by sending a written declaration contrary to this unequivocal consent to the address of the Vendor.

#### 15. Miscellaneous provisions

- 15.1. The Vendor shall continuously make the valid General Conditions of Supply available to its Buyers both in written form and electronically (<http://www.szoradi.hu/>). Unless otherwise agreed, as well as in all matters not regulated by any other agreement established between the Parties, by placing any product order the Buyer accepts the valid General Conditions of Supply of the Vendor and their contents as binding in their own regard.
- 15.2. The eventual invalidity of any article of the currently valid General Conditions of Supply of the Vendor does not affect the validity of any other provision.
- 15.3. The Parties mutually undertake to handle all information obtained regarding the organisation, procedures, and affairs of the other party in the course of the performance of the contracts established between them as trade secrets. The Parties are responsible for ensuring the compliance of their employees with this provision. In the event of a violation of this obligation the injured party may claim damages from the defaulting party.
- 15.4. The Parties shall notify the other party of any changes to their master data (registered seat, site, tax number, company registration number, bank account number, telephone and fax numbers, email address, contact person, etc.) in writing.
- 15.5. With regard to matters not regulated in the present GCS the valid version of the Civil Code, the valid version of the Act on Commerce, and the provisions of Government Decree No. 45/2014. (II.26.) on contracts between distant parties apply.
- 15.6. The present GCS shall come into effect on the date indicated below and shall render any other general system of commercial conditions applied by the Vendor invalid. All orders received after the date indicated below shall be performed subject to the present GCS.

Valid from: 1 January 2016

Vlastimil Pacák  
Managing Director