

General Terms and Conditions for Supply of Goods of Polifoam Plastic Processing Company Limited

PREAMBLE

These General Terms and Conditions (hereinafter referred to as **GTCs**) shall apply to all sales and supply contracts – to be concluded for the procurement of goods – concluded by Polifoam Co. Ltd.. (registered office: H-1097 Budapest, Táblás utca 34/A.; company registration number: 01-09-060479; tax number: 10182930-2-43), (hereinafter referred to as **POLIFOAM**), unless POLIFOAM expressly provides otherwise. In terms of the supplies of POLIFOAM, the GTCs are an integral part of all contracts (hereinafter referred to as **Sales Contract**) concluded by POLIFOAM with various companies (hereinafter referred to as **Supplier**). The GTCs shall apply to all contracts and offers relating to goods ordered and purchased by POLIFOAM from the Supplier (hereinafter referred to as **Product**), whether or not the application of these GTCs has been expressly agreed therein.

1. General provisions

By submitting an offer to POLIFOAM, the Supplier expressly accepts the contents of these GTCs. Furthermore, POLIFOAM shall not be bound by the Supplier's or any third party's general business terms and conditions even if POLIFOAM does not object to their validity in the particular case. Nor does POLIFOAM's reference to correspondence containing the Supplier's or third party's business terms and conditions constitute an agreement on the validity of such terms and conditions.

In the event of any conflict between the provisions of the Sales Contract (including any supplements and amendments thereto) concluded between POLIFOAM and the Supplier on any specific matter and the provisions of these GTCs, the provisions of the Sales Contract shall prevail.

2. Conclusion of the contract and its amendments

- 2.1 Purchase orders, contracts and drawdowns, as well as amendments and supplements thereto, shall be sent by POLIFOAM in writing in all cases. The transmission of a document by electronic means in a retrievable form shall also be deemed to be written sending.
- 2.2 Quotations issued by the Supplier are binding and may only be amended by agreement of the contracting parties. The Parties agree that the Supplier shall be bound by the quotation issued by it for a period of 30 days.
- 2.3 POLIFOAM shall be entitled to cancel the purchase order if the Supplier fails to confirm the purchase order within ten working days of receipt and under the conditions set by POLIFOAM.
- 2.4 If the Supplier does not object to the purchase order sent by POLIFOAM or its drawdown within two working days of receipt, they shall be considered binding.
- 2.5 The Parties agree that they shall put the Sales Contract concluded pursuant to Clauses 2.1 to 2.4 of the GTCs in writing within 15 days of its conclusion. Failure to put the Sales Contract in writing under this Clause shall not affect the validity of the Sales Contract.
- 2.6 The Supplier agrees that POLIFOAM shall settle the accounts in connection with the Sales Contract exclusively through the SAP business management system (hereinafter referred to as "**SAP**"). At the time of the putting in writing pursuant to Clause 2.5 of the GTCs, POLIFOAM shall record the essential content of the accepted offer in a SAP purchase order (hereinafter referred to as "**PO**"), which shall be sent to the Supplier. The written confirmation of the PO by the Supplier shall also constitute the written confirmation of the Sales Contract.

3. Delivery

- 3.1 Deliveries derogating from the contracts concluded by POLIFOAM and purchase orders placed by POLIFOAM may only be accepted if POLIFOAM has given its prior written consent.
- 3.2 The mutually agreed delivery deadlines are binding. Punctual compliance with delivery deadlines can be established on the basis of the date of receipt of the Products by POLIFOAM. The place of performance shall be the place of business of POLIFOAM indicated in the purchase order or in the Sales Contract, where the Product shall be delivered subject to DDP Incoterms 2020.
- 3.3 Where the Supplier is also responsible for the installation or fitting of the Products, the Supplier shall also bear the additional costs necessary for the installation or fitting, such as travel expenses, insurance of the equipment and daily rates, unless otherwise agreed in writing by the contracting parties.
- 3.4 If the Supplier cannot foreseeably fulfil the purchase order in accordance with the specified conditions – in particular with regard to manufacture, supply of materials, compliance with delivery deadlines – or if other circumstances arise which prevent the Supplier from fulfilling the purchase order, the Supplier shall immediately notify the procurement department of POLIFOAM.
- 3.5 Acceptance of late delivery by POLIFOAM does not mean that POLIFOAM waives its right to make a claim for late delivery or service. In the case of the supplies or services in question, this may include the suspension of full payment of the amounts payable by POLIFOAM. A contractual penalty shall be payable in the event of late delivery. The penalty for delay shall be based on the net value of the Product affected by the late performance under the Sales Contract. The penalty for delay shall be 1%/day. The maximum contractual penalty shall be 20%.
- 3.6 POLIFOAM shall be entitled to cancel the Sales Contract without prior notice and without proving the loss of interest, as well as without any adverse legal consequences, in any of the following cases:
 - the Supplier's delay exceeds 30 days;

- if the Supplier becomes insolvent, bankruptcy, winding-up or liquidation proceedings are initiated against it, a court declares the Supplier terminated or orders its compulsory strike-off by a final and binding decision;
- any breach of the Sales Contract of any nature that delays or jeopardises performance within the time limit set out in the Sales Contract or if the Supplier fails to meet the time limit for reasons attributable to it;
- in the event of a breach of confidentiality pursuant to Clause 10 or undertaken in a separate declaration;
- the Supplier's statements, conduct or practices are damaging to POLIFOAM's reputation or business credibility.
 - The Supplier fails to comply with the request to fulfil its contractual obligations within a reasonable period of time set by POLIFOAM;

3.6 Partial deliveries are not permitted unless expressly requested or accepted by POLIFOAM in writing.

3.7 If POLIFOAM finds during the check of the incoming goods that the Supplier has not performed in accordance with the Sales Contract in terms of quantity, weight, size, quality, etc., it shall be entitled to withhold the price of the goods in proportion to the non-contractual performance of the Supplier, as determined by POLIFOAM, until the Supplier has remedied the defective performance.

3.8 POLIFOAM shall be entitled to make a backup copy of the documents.

4. Force majeure

Force majeure events, such as breakdown, strike, riot, epidemic, governmental measures and other unavoidable events occurring for reasons beyond POLIFOAM's control, shall relieve POLIFOAM of its obligations under the purchase order and shall entitle it to cancel the contract by unilateral written notice to the Supplier.

5. Certificate of performance and invoice

The terms and conditions set out in the POLIFOAM purchase order or contract shall also apply to the certificate of performance and the invoice. The invoice shall contain the purchase order or contract identification number (SAP PO number) in all cases. The invoice shall be accompanied by a CMR delivery note and/or a handover and acceptance report certifying that the Product has been received in full quantity and in flawless quality, and comply with the legal requirements. POLIFOAM shall only accept invoices with the same date of completion as the date of the certificate of completion and stating the SAP PO number. The invoice shall be sent electronically by e-mail to invoice.polifoam@trocellen.com or, if electronic delivery is not possible, to the registered office of POLIFOAM.

6. Pricing and transfer of risk

Unless otherwise agreed, prices are quoted under "Delivered Duty Paid" (DDP Incoterms 2020) including packaging. Prices shall be stated net of turnover tax, VAT. The Supplier shall bear all costs incurred in connection with the loss of or damage to the product until the date on which POLIFOAM or its representative accepts the Products at the place of delivery indicated in the contract or the purchase order.

7. Payment terms

Unless otherwise agreed, within 45 calendar days without discount for early payment from the date of receipt of the invoice issued in accordance with Clause 5.

8. Warranty, guarantee

- 8.1 POLIFOAM reserves the right to verify that the Products are free from deficiencies and defects upon receipt. In the event of any defective performance, POLIFOAM shall immediately notify the Supplier and determine its warranty claim. The Supplier may not raise any objection in the event of late notification by POLIFOAM.
- 8.2 The provisions on defective performance and the enforcement of warranty claims shall prevail unless the contracting parties provide otherwise in the Sales Contract, in derogation from the conditions set out in Clauses 8.3 to 8.8.
- 8.3 Unless otherwise provided in the Sales Contract, the Supplier shall provide guarantee for the Product for one year.
- 8.4 If the Supplier fails to remedy the defective performance immediately after POLIFOAM's notification of defective performance – in particular if an urgent danger must be averted –, POLIFOAM shall be entitled to start remedying the defect or to have it remedied by a third party at the Supplier's expense.
- 8.5 The Supplier warrants that the title to the Product shall pass to POLIFOAM free and clear of all actions, encumbrances and claims.
- 8.6 The time limit for asserting claims arising from defective performance shall begin to run when the Product is put into operation at POLIFOAM. If the Product can be used without being put into operation, the time limit for asserting a claim for defective performance shall begin to run upon receipt of the Product by POLIFOAM.
- 8.7 If POLIFOAM incurs costs in connection with the defective performance of the Products – transport, carriage, labour, material costs or the costs of checking the incoming Goods exceed the normal check costs –, these costs shall be borne by the Supplier.
- 8.8 If POLIFOAM cancels the Sales Contract due to the Supplier's fault, POLIFOAM shall be entitled to a penalty for frustration. The basis for the penalty for frustration shall be the net value of the Product provided defectively or late under the Sales Contract terminated by cancellation, as indicated in the Sales Contract. The penalty for frustration shall be 20%.

9. Product liability and recall

- 9.1 In the event of a product liability problem in respect of POLIFOAM, the Supplier shall be liable to POLIFOAM to the extent that the damage was caused by a defect in the Products delivered by the Supplier.
- 9.2 In the cases referred to in paragraph 9.1 above, the Supplier shall bear all costs and expenses incurred by POLIFOAM, including the costs of any legal proceedings.
- 9.3 All other aspects of product liability shall be governed by Chapter LXXII of Act V of 2013 (Civil Code).
- 9.4 In the event of a recall procedure attributable, in whole or in part, to a defect in the Products delivered by the Supplier, POLIFOAM shall notify the Supplier, giving it the opportunity to cooperate and negotiate the course of the recall procedure, unless the urgency of the matter makes it impossible to notify or cooperate with the Supplier. The Supplier shall bear the costs of the recall procedure if the recall procedure is attributable to a defect in the Products delivered by the Supplier.

10. Documentation and confidentiality

- 10.1 The Supplier shall keep all business and technical information made available to it by POLIFOAM confidential with respect to third parties (including any features that may be derived from the objects, documents, software and other knowledge or experience provided). Unless it is proven that such information is not in the public domain, it may only be disclosed to persons working at the Supplier's place of business who are involved in its use for the purpose of the delivery to POLIFOAM and who are also bound by confidentiality. The information remains the exclusive property of POLIFOAM. This information may not be copied or used for commercial purposes without the prior written consent of POLIFOAM, except for deliveries to POLIFOAM. Upon POLIFOAM's request, all information (including, where applicable, copies or recordings thereof) obtained from it as well as the things lent by it must be returned to POLIFOAM or destroyed without undue delay.
- POLIFOAM reserves all rights to this information (including copyright and applications for the registration of industrial property rights such as patents, utility models, etc.). If such information is provided to POLIFOAM by a third party, the reservation of rights also applies to that third party.
- 10.2 The Supplier shall not use, offer or sell to third parties any products manufactured on the basis of documentation such as drawings, models and other documents that constitute the intellectual property of POLIFOAM or the confidential information, or modelled and manufactured with or by using specific tools that constitute the property of POLIFOAM.

11. OTHER PROVISIONS

- 11.1 The matters not regulated in the GTCs and the Sales Contract shall be governed by the rules of Hungarian legislation in force at any given time, in particular the Civil Code (Act V of 2013 on the Civil Code) and Act LIV of 2018 on the Protection of Trade Secrets.
- 11.2 The Parties shall submit to the exclusive territorial jurisdiction of the Buda Central District Court or the Székesfehérvár Regional Court with respect to any disputes arising out of the Sales Contract, depending on material competence.
- 11.3 The Supplier shall comply fully with the provisions of the Trocellen Group's Code of Compliance and Conduct (hereinafter referred to as "Code") and shall ensure that its employees and subcontractors are aware of and comply with the provisions thereof. The applicable version of the Code is available at the following link: <https://trocellen.com/hu/fenntarthatosag/strategia-es-iranyitas/megfeleloseg/>. The Supplier undertakes to promote effectively the elimination of all forms of forced and compulsory labour (UN Global Compact, Principle 4) and child labour (UN Global Compact, Principle 5), in particular slavery, prostitution, drug trafficking or any form of work which, by its nature or the conditions under which it is carried out, is likely to be harmful to the health, safety or morals of children. The Supplier shall ensure that its employees work in a safe and healthy environment. The Supplier shall ensure compliance with obligations relating to health and safety at work provided for by the legislation applicable to the place of work. The Supplier undertakes to pay its employees a wage sufficient to cover their basic needs and those of their families. The Supplier undertakes that no unlawful eviction and/or unlawful deprivation of land, forest or water shall take place in its area of responsibility or influence in the course of the acquisition, development or other use of land, forest or water whose use provides a person's livelihood. The Supplier is committed to eliminating discrimination in respect of employment and occupation (Principle 6 of the UN Global Compact). Discrimination is causing disadvantage suffered by a person on the basis of certain characteristics, such as gender, race, ethnic or social origin, age, disability, language, religion, belief, political or other opinion, membership of a national minority, sexual orientation, property, birth or genetic characteristics. The Supplier shall not tolerate any discrimination on the part of its employees on the grounds of ethnicity, nationality, gender, cultural background, race, age, disability, religious beliefs or sexual orientation. The Supplier undertakes to comply with and ensure that its fulfilment partners also comply with the restrictive measures imposed by the United Nations, the European Union and other international organisations and authorities, as well as by local and various competent authorities at national level, against certain countries, organisations, legal entities and / or individuals.
- 11.4 If certain provisions of the Sales Contract are invalid or considered to be invalid, such invalidity shall not affect the GTCs and the Sales Contract as a whole. The provisions of the GTCs and the Sales Contract not affected by

the invalidity shall remain valid and enforceable, and the invalid provision shall be replaced by the closest applicable rule in force governing the legal relationship between the Parties, unless the Parties would not have entered into the GTCs and the Sales Contract at all without the invalid provisions or provisions considered to be invalid. Should such an interpretation be impossible for legal reasons, the Parties irrevocably commit themselves to conclude a supplementary agreement.

- 11.5 Any statement or amendment to the Sales Contract shall be valid and enforceable only if made in writing.

All communications relating to the Sales Contract shall be in writing. The Parties hereby state that notices sent to each other under the Sales Contract, at their respective registered offices as set out in the Sales Contract, shall be deemed to have been communicated to the addressee in the following cases:

- in the case of personal delivery: on the day of delivery;
- in the case of delivery by registered priority mail: on the day of receipt or, if the mail was returned to the sender by the postal service marked "not claimed", "addressee unknown", "acceptance refused", "delivery prevented" or "moved", on the 5th (fifth) day after the date of dispatch;
- in the case of delivery by express courier: by delivery to the addressee during normal business hours, otherwise on the working day following delivery;
- in the case of notification by e-mail: on the working day following the sending of the e-mail, provided that the receipt of the e-mail has been acknowledged by the receiving party.