

General terms and conditions Zorge Hungary Kft

Article 1: Validity

1.1 The general contractual terms and conditions stipulated in the present document shall be applicable to all proposals issued by Zorge Hungary Kft, as well as all manufacturing, other works and purchase contracts concluded by Zorge Hungary Kft.

1.2 For the purposes of the legal transactions specified in section 1, all legal and natural persons and organisations without legal entity that have concluded, are concluding or wish to conclude an agreement with Zorge Hungary Kft about items or services to be manufactured and/or supplied by it shall be considered Clients.

1.3 Zorge Hungary Kft specifically excludes the applicability of any general contractual terms and conditions that Client may have, unless they are accepted by Zorge Hungary Kft in an express declaration to that effect.

Article 2: Proposals/Assignments

2.1 Zorge Hungary Kft declares that its proposals shall only be binding if the parties specifically agree on this in advance. All proposals issued by Zorge Hungary Kft shall be based on the data, drawings, etc. provided at Client's request for a proposal, which Zorge Hungary Kft shall assume to be correct.

2.2 If Zorge Hungary Kft issued a proposal in response to a request for a proposal but is not awarded the job, it shall be entitled to charge Client for all costs incurred in relation to the preparation of the proposal and Client shall be obliged to pay such costs.

2.3 The prices specified in the proposals issued by Zorge Hungary Kft are always applicable to delivery at the place of manufacture or at the warehouse and do not contain value added tax. The content of the brochures, printed documents and advertising materials issued by Zorge Hungary Kft shall not be binding on Zorge Hungary Kft unless the parties specifically agree otherwise.

Article 3: Agreement

3.1 Agreements, regardless of the designations used for them, shall only be concluded once Zorge Hungary Kft has specifically accepted them. Such express acceptance can take the form of written verification by Zorge Hungary Kft or implicit acceptance, i.e. performance of the agreement.

3.2 Agreements concluded by third parties with the employees of Zorge Hungary Kft shall only be binding on Zorge Hungary Kft if they are confirmed in writing by the authorised representative. All staff who are not authorised signatories shall be considered employees.

3.3 Client may only withdraw from agreements concluded in the case stipulated in section 5.3 of the present general contractual terms and conditions.

Article 4: Prices

4.1 The prices specified never contain Value Added Tax unless the parties specifically agree otherwise.

4.2 If a period in excess of 3 months passes between the proposal and delivery and during that time the prices of raw materials, energy and transportation costs, exchange rates, export and import duties, taxes and/or other domestic or foreign duties, fees or social contributions are increased through general or collective measures, i.e. if the costs beyond the control of Zorge Hungary Kft increase, then Zorge Hungary Kft shall be entitled to adjust the prices quoted proportionately (and in compliance with any legislative requirements that may apply), provided the adjustment exceeds 2% but is less than 10%. If the price increase exceeds 10%, Client may cancel the agreement.

Article 5: Delivery and transportation

5.1 The delivery deadlines stipulated shall come into effect when Zorge Hungary has verified the order in writing and has received all the data required for performance from Client.

5.2 Delivery deadlines agreed with Clients shall always be provisional; they may not be regarded as final deadlines.

5.3 Zorge Hungary Kft always determines delivery deadlines based on the assumption that the circumstances and conditions that obtained at the time the proposal was issued do not change, i.e. that Zorge Hungary Kft is able to operate in the manner planned at the time of issue of the proposal and that the materials required are always delivered to it in time. Compensation for damages resulting from late delivery may only be pursued from Zorge Hungary Kft if the parties specifically agree to this in advance. In all other instances, Zorge Hungary Kft shall only assume liability for damages resulting from late delivery if Client submits a complaint about this in writing. In that case, Client shall set a deadline for the performance of the obligations of Zorge Hungary Kft that shall be no less than half the original delivery deadline.

5.4 If Client fails to take delivery of the product by the time the delivery deadline expires, or if it is not possible to incorporate the materials supplied in the product, the products shall be considered to be available to Client and Zorge Hungary Kft shall be considered to be storing them at Client's cost and risk.

5.5 Zorge Hungary shall always supply products packaged, delivered ex factory unless the parties agree otherwise. If Client requests urgent delivery or delivery by courier, Client shall bear all associated costs.

5.6 As soon as the products leave the factory of Zorge Hungary Kft, the risk of destruction of or damage to the products in transit shall be transferred to Client if the transportation insurance obtained by Client does not cover the loss.

Article 6: Complaints

6.1 Client shall be obliged to check whether the products delivered are complete. If Client finds the delivery to be deficient, it may only dispute the delivery if it informed Zorge Hungary Kft of the deficiency in writing, within a reasonably short period of time after its discovery.

6.2 The reasonably short period of time shall be within 8 days of the performance of the service or the delivery of the product. If, in accordance with Client's instruction, the product is delivered to a third party for incorporation into a larger item, the 8-day period shall begin when the product is delivered to Client incorporated into the larger item. If Client finds a deficiency, it shall inform Zorge Hungary Kft in writing of the nature of the deficiency and the time at which, and the circumstances under which it was established.

6.3 Complaints associated with invoices shall be notified in writing within eight days of receipt of the invoice concerned.

6.4 If Client fails to submit complaints within the deadlines stipulated above and/or if it fails to provide an opportunity for Zorge Hungary Kft to remedy the deficiency, it shall lose all rights and legal redress it would otherwise have for remedy under legislation or the contract.

Article 7: Warranties

7.1 Zorge Hungary Kft shall provide warranties on the products it delivers as well as the materials used and/or supplied for them with the limitations stipulated in the agreement concluded with Client or in legislation. Under those warranties, Zorge Hungary Kft shall remedy the defects, supply the product again or reimburse its value provided Client proves that the defect occurred within a reasonable period of time after delivery depending on usage times or that it was primarily due to poor quality material being processed or used inappropriately.

7.2 If Client claims that Zorge Hungary Kft has failed to discharge its obligations under the warranty, that shall not release Client from the obligations arising from the agreement in question or any other agreements concluded with Zorge Hungary Kft.

7.3 Client shall always provide an opportunity for Zorge Hungary Kft to remedy any defects. Defects resulting from normal wear and tear, improper use or unprofessional or improper maintenance as well as those arising after modifications or repairs effected by a third party shall not be covered by the warranty. Client may only make claims under the warranty after it has discharged all obligations (financial or otherwise) towards Zorge Hungary Kft.

Article 8: Liability

8.1 Zorge Hungary Kft shall only assume liability for damage incurred by Client if it is directly and exclusively attributable to errors committed by Zorge Hungary Kft, with the provision that it shall only provide compensation for damage for which Zorge Hungary Kft holds insurance, or for which it should have held insurance according to the usual practices of the industry.

The following limitations shall be applicable to damage liability:

a) N compensation shall be payable for operating damage (operational disturbance, costs, lost revenue and similar items), regardless of its cause. Client should obtain insurance to cover such damage if necessary.

b) Zorge Hungary Kft shall not be liable for damage, whatever the cause, that is occasioned during the performance of work or the assembly of the products delivered, or during that time, to products being worked on, or other products, including the materials, material samples, tools, measuring instruments and similar items delivered with the products that were located near the works site. Client should obtain insurance to cover such damage if necessary.

c) Zorge Hungary Kft shall not be liable for damage that is caused by any assistants or subcontractors stipulated in the proposal.

d) The damage liability of Zorge Hungary Kft shall not exceed the value of the delivered goods concerned.

8.2 Client shall indemnify Zorge Hungary Kft against all damage compensation claims made by third parties against Zorge Hungary Kft that arise from the use of the drawings, samples, models or model sheets or other items or data provided by Client. Client itself shall be liable for all damage attributable to such causes. If the claim is made due to the infringement of rights, Zorge Hungary Kft shall be entitled to suspend previously initiated manufacture and/or deliveries. Client shall be notified of this immediately, but Zorge Hungary Kft shall not be liable for its possible failure to send such notification.

8.3 Zorge Hungary Kft shall not be liable for failure to perform the whole or any part of the activities and works stipulated in the agreement if this is the result of force majeure. For the purposes of the application of the present general contractual terms and conditions, all foreseen and unforeseen circumstances which preclude Client's reasonably requiring performance of the agreement shall be considered force majeure. Such circumstances include strikes, exclusions, fires, machine breakages or other operational disturbances occurring either at the factory of Zorge Hungary Kft or the factories of its suppliers. Furthermore, they include disruption of transportation and other circumstances beyond the control of Zorge Hungary Kft such as war, uprisings, terrorist attacks, epidemics, flooding, storms, devaluation and inflation. Further more, sudden increases in the prices of raw materials, in energy costs, import duties and general sales tax and/or other taxes, including taxes levied in foreign nations that influence the Netherlands, Hungary or other countries from which Zorge Hungary Kft had intended to obtain materials for delivery shall also constitute force majeure. Late delivery by the suppliers of Zorge Hungary Kft shall also constitute force majeure.

Article 9: Tool costs and samples

9.1 If Zorge Hungary Kft manufactures items at Client's request that it has not manufactured or produced before, it shall be entitled to manufacture the same items for third parties as well unless the agreement with Client specifically provides otherwise. If they agree that the items may not be manufactured for third parties, this agreement shall lose effect as soon as Client has those items manufactured by a third party or another manufacturer begins to produce the same items for another client.

9.2 The blocks, pattern blades, stamps, other tools and drawings manufactured for production by Zorge Hungary Kft or any third party commissioned by it shall remain the property of Zorge Hungary Kft even if Client has paid a contribution towards their production.

9.3 Zorge Hungary Kft shall be entitled to use the tools referred to in section 9.2 for supplying orders from third parties if Client also has the items concerned manufactured by other manufacturers.

9.4 If the tool etc. referred to in section 9.2 needs to be modified or replaced, the valid price will be invoiced.

9.5 If Client does not require manufacture of a product for a period of 3 years after use of the tools for the last delivery, the tool referred to in section 9.2 shall be destroyed by Zorge Hungary Kft, unless section 9.4 of the present article is to be applied.

9.6 Client guarantees that the data of the manufacturing and/or construction methods used by Zorge Hungary Kft shall not be copied, disclosed to third parties, published or used without the express permission of Zorge Hungary Kft. The drawings and/or designs provided by Zorge Hungary Kft shall be returned when this is first requested by Zorge Hungary Kft. If Client is late in returning those items, it shall pay a penalty of EUR 1000 per day for each full or partial day of the delay.

Article 10: Payment

10.1 Payments shall be made at the offices of Zorge Hungary Kft or to the bank account it specifies.

10.2 Terms of payment shall be stipulated in accordance with the importance of the work to be performed and its delivery. Unless agreed otherwise, payments shall be made within 30 days of the issue of the invoice. Zorge Hungary Kft may demand full or partial advance payment or may deliver against cash on delivery.

10.3 Z If Client fails to discharge its payment obligations, Hungary Kft shall be entitled to suspend work even if a fixed delivery deadline was agreed.

10.4 Any provisions issued by various authorities that limit the use of the items to be supplied or just supplied shall not amend Client's valid obligation.

10.5 The right of Client to offset any receivables it may have from Zorge Hungary Kft against its liabilities towards it is specifically precluded. Cases in which the parties agree otherwise in advance, in writing, and in relation to specified items shall constitute exceptions to this rule.

10.6 The full purchase price shown in the invoice can be claimed immediately and in one lump sum of the debtors fail to pay the partial payments by their due dates as agreed, if Client is undergoing a bankruptcy procedure, requests an extension of the payment deadline or is subject to debt consolidation regulations (WNSP), requests to be placed under administration or if Client's company or receivables are sequestered, or if Client dies, is liquidated or dissolved.

10.7 If an invoice sent is not paid within 30 days of the date of the invoice, Client shall be deemed legally to have incurred a delay. In such cases, Client shall also pay interest at 1% per month unless the default interest stipulated by law is higher. In the latter case, the default interest stipulated by law shall be payable and a full month's of interest shall be paid for any partial month of delay as well.

10.8 In addition to claiming the principal receivable and interest, Zorge Hungary Kft shall also be entitled to claim reimbursement of all out of court costs that are incurred as a result of Client's failure to pay or late payment. Client shall pay all out of court costs if Zorge Hungary Kft appoints a third party to recover its receivables from Client. Such costs shall be no less than 20% of the total amount claimed but if actual costs are higher, the higher amount shall be reimbursed. The very fact that Zorge Hungary Kft has obtained insurance for the liabilities of third parties indicates the magnitude of out of court costs and the fact that it feels obliged to pay them. If Zorge Hungary Kft accepts Client's bankruptcy, Client shall owe the costs of the application for the bankruptcy procedure in addition to the full amount, the interest and the out of court costs.

Article 11: Reservation of ownership

11.1 Client shall only obtain ownership of the items supplied or yet to be supplied by Zorge Hungary Kft once all applicable conditions are met. Zorge Hungary Kft shall remain the owner of the items supplied or to be supplied until Client has paid Zorge Hungary Kft for them in compliance with the contract or similar agreement. Furthermore, Zorge Hungary Kft shall remain the owner of the items supplied or to be supplied until Client has performed all the activities undertaken in such agreements, and until Client has discharged its obligations arising from its failure to discharge such agreements, including the payment of penalties, interest and costs claimed.

11.2 Until Client has discharged the above obligations, it shall not be entitled to register liens or mortgages on the items delivered by Zorge Hungary Kft. Client undertakes to declare to any third party wishing to register such a lien on the above items that it is not entitled to register liens at the first request of Zorge Hungary Kft. Client also undertakes not to sign any documents establishing a lien on the items. It acknowledges that signing such a document would constitute the criminal offence of embezzlement.

11.3 If Client fails to discharge any obligation arising from the agreement concerning the products sold or the work to be performed, Zorge Hungary Kft shall be entitled without a specific court ruling to take back the products – both those delivered originally and those new items still claimed. Client authorises Zorge Hungary Kft to enter the premises where those items are located.

11.4 As soon as Client has discharged all its payment obligations arising from the present agreement or similar agreements, Zorge Hungary shall transfer the ownership of the products supplied, while maintaining a lien for the benefit of Zorge Hungary Kft to cover other receivables of Zorge Hungary Kft from Client. Client shall cooperate in performing the required measures at the first request of Zorge Hungary Kft.

Article 12: Delivery in parts

12. If the goods are delivered in parts, then, unless agreed otherwise, deliveries shall be requested for a period of six months in approximately equal monthly quantities and Zorge Hungary Kft shall not be obliged to deliver more than the average monthly amount in any given month.

12.2 If the delivery of all the product to be delivered is not requested by the delivery deadline stipulated in the agreement, Zorge Hungary Kft shall be entitled to deliver the remaining goods immediately or in parts, or to declare the purchase of the undelivered part null and void, without thereby waiving its right to compensation.

12.3 Zorge Hungary Kft can also declare the purchase null and void if the actual amounts requested in three consecutive months are no more than half of the amounts that should have been requested during those months.

Article 13: Legal disputes

13.1 All legal disputes arising on the basis of an agreement to which the present terms and conditions apply in part or in full, or which arise from further agreements arising from such agreements, shall be within the exclusive jurisdiction of the either Szolnok City Court or the Jász-Nagykun-Szolnok County Court, depending on the value of the case.

Article 14: Governing law

14.1 All agreements to which the present terms and conditions apply in part or in full shall be governed by Hungarian law only.

Article 15: Date of effect

15.1 The date of effect of the present terms and conditions is 1 April 2008.