

General Terms and Conditions of Sale
PannoMark Kereskedelmi Kft.

A. General conditions

1. All quotations, order acknowledgements, goods supplied and services rendered by the Seller shall be governed exclusively by these General Terms and Conditions.
2. They shall also apply to all future business relations, even if not expressly agreed once again.
3. Conflicting confirmations of the Buyer referencing its terms and conditions or conditions of purchase are hereby expressly rejected.
4. Any deviations from these Terms and Conditions shall be valid only if accepted by the Seller in writing.

B. Quotations and Conclusion of a Contract

1. Quotations are issued by the Seller without engagement and subject to change without notice; order or item numbers are always based on the latest edition of the Seller's materials such as catalogues or brochures, which also provide further technical details. Such materials are only indicative unless expressly designated as binding. No warranty can be provided for exact compliance with the unit weights stated in the catalogue from time to time.
2. To be legally valid, letters of acceptance and all orders shall require the Seller's confirmation by letter or telex/fax (including EDI, data telecommunication, and machine-readable data carriers) or email. This shall also apply to any additions, changes or supplementary agreements. The invoice shall be deemed to constitute an order acknowledgement if no separate order acknowledgement was sent to the Buyer before issuance of the invoice.
3. Drawings, images, measurements, weights or other performance data shall be binding only if expressly agreed in writing. All drawings and materials shall be returned to the Seller upon request or, if no order is placed, shall be returned promptly.
4. If it emerges after conclusion of the contract that the Seller's claim to valuable consideration is at risk on account of the Buyer's inadequate resources, including but not limited to exceeding of the credit limit by the customer or outstanding past due invoices, the Seller has the right to refuse performance of the contract until the Buyer has procured valuable consideration or has provided security therefore. The Seller has the right to rescind the contract if it has allowed the Buyer a reasonable period of time for procuring valuable consideration or providing security, yet without success.

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C. Prices and Payment Conditions

1. The prices quoted by the Seller in its offers are given without engagement. Unless otherwise stated in the order acknowledgement, prices are quoted ex Seller's works/warehouse and do not include packaging, postage, freight, other shipping expenses, insurance, and customs duties; these costs will be invoiced separately. Packaging is charged at cost. Value Added Tax (VAT) is not included in the Seller's prices. The legal level of VAT will be indicated on the invoice separately.
2. If there is no specific agreement between the Seller and the Buyer, all invoices issued by the Seller shall be paid in EUR within 30 days after the invoice date, with no right of deduction or set-off, to the Seller's account designated in the invoice.
3. The Seller has the right to offset payments first against a Buyer's older debts even if provided for differently in the Buyer's Terms and Conditions. If costs and interest have already been incurred, the Seller has the right to offset payment first against the costs, then against interest, and finally against the principal performance.
4. A payment will be deemed to have been made only after the invoiced amount has been credited irrevocably to the Seller's account or if the Seller is otherwise able to dispose of the amount (e.g. in the case of cash payment).
5. If the Buyer defaults on its payment obligations or if the Seller has become aware of other circumstances raising doubts regarding the Buyer's credit standing, the Seller has the right to call for immediate payment of the entire debt still outstanding or to ask for security to be furnished.

D. Time of delivery and performance

1. Dates and time schedules are named by the Seller without engagement unless expressly otherwise agreed in writing. For call-off and blanket orders, specific delivery schedules shall be agreed.
2. Terms of delivery start on the day on which the Buyer's order has been received. Compliance by the Seller with its delivery obligation is contingent upon the lawful and orderly performance of the Buyer's obligations; specifically, the party placing the order shall furnish to the Seller all materials, parts, details and permits as well as any advance payments that may have been agreed.
3. The day of delivery shall be the day on which the Buyer was notified that the goods are ready for collection. Where goods have to be despatched, the day of delivery shall be the day on which the goods are handed over to the carrier.
4. Part deliveries and part performance shall be permitted to a reasonable extent. In addition, unavoidable quantity deviations of up to +/-10% shall not be deemed to constitute short or over delivery.

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5. The Seller shall not be held liable for delays in shipment or the performance of services in consequence of force majeure. Force majeure and industrial action shall release the contracting parties from performance obligations for the time of their duration and to the extent of their impact. As far as reasonably possible, the contracting parties shall provide the required information without delay and adjust their obligations to the changed circumstances in good faith. In these cases, the Buyer shall have a right to rescind only if the agreed delivery date has been exceeded by more than ten weeks. Before such time, the Buyer shall have a right to rescind only if the Seller has advised the Buyer in writing that the Seller is not or no longer able to make delivery. The above restriction shall not apply to deliveries scheduled on a fixed date. If manufacture of the goods cannot reasonably be expected in the event of force majeure or industrial action, the Seller shall be released from its delivery obligation and has the right to rescinded from the contract.

6. If the Seller fails to make delivery by a date agreed in writing, the Buyer may rescind the contract if he has allowed the Seller reasonable additional time of not less than 14 days except where, by way of exception, setting of a new date is not deemed necessary. If the Buyer fails to state, when setting the date, whether it insists on performance or elects to use its right to rescind and if such statement is not received by the Seller within another period of 7 days, the Seller shall have the right, on its part, to rescind the contract. The Buyer's right to claim compensation for damages is governed by the conditions set out in Article I. below.

E. Passing of Risk

1. Immediately after Parker has notified the Buyer that the goods are ready for dispatch, or (in the absence of such notification) once the goods have been dispatched, the customer bears the risk of loss of or all direct and indirect damage caused to or by these goods..

2. Goods that have been delivered shall in any case be taken over by the Buyer without prejudice to the rights

under Article H. below, unless they have a material defect.

F. Retention of Title

1. Title to the goods supplied shall remain vested in the Seller until the purchase price has been paid in full.

2. The Buyer undertakes to protect the Seller's property interest against deterioration, impairment or loss by exercising the care of a prudent businessman, including in the Buyer's dealings with its customers.

3. In the event that third parties seize the goods subject to retention of tile, the Buyer shall advise them of the Seller's ownership and inform the Seller immediately. Costs and losses shall be borne by the Buyer.

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4. If the buyer defaults on payment, the Seller has the right to rescind from the contract and to ask for the goods subject to retention of title to be returned at the Buyer's expense or, if applicable, ask for the assignment of claims for surrender of the goods that the Buyer may have against third parties. This shall be without prejudice to the Seller's right to claim compensation for damages. The same shall apply in the event of any other conduct in breach of the contract on the part of the Buyer.

5. The Seller agrees to release any payment security due to Seller on request of the Buyer in so far as the realisable value of such security exceeds the receivables to be secured by more than 20%. If it is applicable the Seller may decide at its discretion which security to release.

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G. Warranty

1. Variations in the goods customary in the industry shall not give rise to any warranty claims unless such variations were expressly excluded in writing. Guarantees have to be expressly agreed in writing. Details of goods or services being supplied given by the Seller in its catalogues, brochures and price lists are only descriptions, characterizations or approximate values unless stated differently in the order acknowledgment. Minor, insignificant deviations from the catalogues or goods delivered previously shall not be deemed to be defects.

2. It is the Buyer's responsibility to verify whether the goods ordered from the Seller are fit for the intended purpose. Unsuitable goods shall be deemed defective only if the Seller has confirmed their suitability to the Buyer in writing.

3. Wear and tear of parts that are subject to wear and tear and are used in the customary manner shall not constitute a defect.

4. In the event of failure to comply with the Seller's instructions for assembly, installation, distribution or maintenance, changes made to the products, an exchange of parts or use of supplies not conforming to the original specifications, warranty claims shall arise only if the Buyer can furnish proof that the defects were not caused by such non-compliance but had already existed at the time when risk passed. The Seller warrants that its products are free from defects in workmanship and materials and are of the quality agreed in the order acknowledgment. The Buyer shall have warranty claims only if the Buyer has duly performed its obligations regarding inspections and complaints as required under Section 307 of the Hungarian Civil Code.

5. If the goods have not been supplied to an end user yet, then in the event of substantiated and duly notified defects the Seller shall at its option repair or replace such goods. If repair or replacement is not possible or advisable, the Buyer may, at its option, ask for a price reduction or, if the defect is not immaterial, ask for a rescission of the contract. The Buyer's right to claim damages is governed by Article I. below.

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6. If the goods have already been delivered to an end user, the Buyer may raise only such claims against the Seller that the Buyer's customer has raised against the Buyer. This shall not apply in so far as a return of goods has been accepted under an ex gratia agreement not coordinated with the Seller. Also, the Buyer shall not have the right to rescind its contract with the Seller if the Buyer had to take the goods back due to its failure to duly perform its obligation of repair or replacement, including failure, due to the Buyer's fault, to meet a deadline set for repair or replacement.

7. The Seller shall be liable for reimbursement of expenses incurred by the Buyer as a result of its customer's warranty claims only if the Buyer had advised the Seller of its customer's warranty claims in advance, in writing, informed the Seller of the warranty remedy contemplated as well as the approximate costs associated therewith, and the Seller did not object.

8. In the case of repair, replacement or rescission, the Seller shall bear all expenses required for this purpose, including but not limited to the costs of transport, travel, labour and materials except where, and in so far as, such expenses are incurred for moving the goods purchased to a place other than the place of performance.

9. Claims based on defects of title or material defects shall become timebarred 12 months after delivery of the goods to the Buyer. Section 308 (3) of the Hungarian Civil Code shall remain unaffected by this provision.

10. The warranty mentioned under this Section comprises the sole and entire warranty pertaining to goods provided hereunder. Seller disclaims all other warranties, express and implied, including merchantability and fitness for a particular purpose.

H. Compensation for Damages, Limitation of Liability

1. The Seller shall be liable only in so far as the Seller or its agents caused such damage by intent or grossly negligent conduct. Liability for slight negligence, compensation for consequential damage, losses due to default, lost profit or other financial losses of the Buyer shall be excluded.

2. In no event shall Seller be liable to Buyer for any special, indirect, incidental or consequential damages arising out of, or as the result of, the sale, delivery, non-delivery, servicing, use or loss of use of the goods or any part thereof, or for any charges or expenses of any nature incurred without Seller's written consent, even if Seller has been negligent, whether in contract, tort or other legal theory. In no event shall Seller's liability under any claim made by Buyer exceed the purchase price of the goods. The consideration has been determined in accordance with the level of the limitation of liability.

3. The above limitations of liability shall not apply in the event of personal injury for which the Seller is responsible. Liability under the Act X of 1993 on Product Liability remains likewise unaffected.

I. Right of Use and Exploitation, Intellectual Property Rights

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1. In so far as the Seller manufactures goods based on a Buyer's order in accordance with Buyer's instructions and standards and supplies such goods to the Buyer, the Buyer shall be liable to the Seller that the goods and services ordered are free from third-party intellectual property rights. The Buyer shall hold the Seller harmless from all claims in this regard and shall indemnify it for any losses sustained.

2. In so far as the Seller provides to the Buyer tools, designs, proposals for installation or other drawings and materials together with the goods, the Seller reserves title and all intellectual property rights and rights of use in respect thereof. The Buyer shall be entitled to use these only under the purchase contract; the Buyer specifically does not have the right to reproduce such items or to make them available to third parties.

J. Data Protection The Seller has the right to store and process for its own purposes all data on the Buyer received in connection with processing of a contract, with due regard to the provisions of the Act CXII of 2011 concerning the data protection.

K. Severability If a provision in these Terms and Conditions or a provision of any other agreement is or becomes invalid, this shall not affect the validity of any other provisions or agreements.

L. Place of jurisdiction – Place of performance Any dispute between the Parties arising out of or in connection with this Agreement or the termination or invalidity thereof and which cannot be settled amicably, shall be exclusively and finally settled by arbitration according to the Rules of Procedure of the Court of Arbitration attached to the Hungarian Chamber of Commerce and Industry. The arbitration shall take place in Budapest.

M. Applicable Law The Terms and Conditions as well as all legal relations between the Buyer and the Seller shall be governed by Hungarian law substantive law excluding conflict rules and the UN Convention on Contracts for the International Sale of Goods.

As of may 2017.