



ELECTRO-CORD Kft's  
(business seat: H-1117 Budapest, Hunyadi J. út 16.)  
General Terms and Conditions

Scope, application of the General Terms and Conditions:

1.) The provisions of these General Terms and Conditions (hereinafter referred to as GTC) shall be applicable and observable to all the contractual transactions that are made between ELECTRO-CORD Kft. as the seller, supplier and any customer, client. The provisions of GTC shall also be applicable to cases when between ELECTRO-CORD Kft. and its customer such a separate agreement is made that stipulate conditions in deviation from GTC; in such cases, the provisions of the separate agreement shall govern the part of the agreement that deviates from GTC.

2.) These GTC shall form a part of all and any sales, supply contract, agreement that ELECTRO-CORD Kft. enters, and the client, customer is not obliged to state in any separate agreement or otherwise in writing that it has become aware of the provisions of GTC, or acknowledge them as binding.

In the case of contracting, ELECTRO-CORD Kft. shall handle these General Terms and Conditions as an appendix to the given contract, publish the same via its website, and make them available at its business site in hardcopy.

Making of the contract by and between ELECTRO-CORD Kft. and the customer, client:

1.) The customer, client shall place its order specifying its purchasing demand to ELECTRO-CORD Kft. in writing. Such orders shall always contain the proper designation of the demanded goods, the demand quantities, any special requirements, and the time and place where the customer wishes to take the goods over. All the orders shall be affixed with proper authorized signatures, as well as the specification of the contact persons on the part of the client. If it is the customer, client to collect the goods from ELECTRO-CORD Kft., the order shall specify the person acting on behalf of the client during the take-over of goods.

Unless the customer stipulates any expressly deviating provision in writing in its order, any order shall be valid for 3 business days, and thereafter ELECTRO-CORD Kft. may decide at its own discretion whether to maintain the validity of the order under identical conditions, or it is deemed to be automatically invalidated if ELECTRO-CORD Kft. does not send any confirmation.

2.) After the receipt of the order, ELECTRO-CORD Kft. shall examine whether the order can be fulfilled, have the necessary goods. As depending on the outcomes of this examination, ELECTRO-CORD Kft. shall send a written confirmation within 5 business days following the receipt of the order. The written confirmation shall specify the accepted details of the order, as well as the price and delivery deadline with which ELECTRO-CORD Kft. can fulfill the order. The prices specified in the confirmation shall be valid only with sales and deliveries by the confirmed deadlines, under the conditions set forth in the confirmation.

If ELECTRO-CORD Kft's confirmation deviates from the details of the order, the client shall send to ELECTRO-CORD Kft. written confirmation within 2 business days in relation to the acceptance of the deviating conditions. If this written confirmation is not received, the order and the contract established by the confirmation of the order shall be valid as confirmed by ELECTRO-CORD Kft.

3.) To ELECTRO-CORD Kft., all the written documents shall be sent in the following manner and to the addresses hereunder:

By mail: H-1117 Budapest, Hunyadi J. út 16.  
Via fax: +36 / 1 / 371 03 08  
Via e-mail: electrocord@electrocord.hu

Documents sent by mail shall be forwarded as registered mailing items with the additional condition that they shall be deemed to have been delivered on the 3<sup>rd</sup> business day unless it is evidenced to the contrary. Documents sent via fax shall be deemed to have been delivered by 9.00 am of the business day following the date of confirmation, via e-mailed documents shall be deemed to have been delivered to ELECTRO-CORD Kft. by 9.00 am of the business day following the date of confirmation unless it is evidenced to the contrary.

Performance, delivery and take-over of goods:

1.) Whenever a contract is made, ELECTRO-CORD Kft. shall take all the necessary measures to serve the customer, client with such goods of appropriate quality that comply with the standards described in the provisions of the contract.

2.) On the part of the client, the quantitative and qualitative take-over of goods shall be performed at the place of performance.

At the time of the actual delivery, the supplier may deviate from the quantities specified in the order confirmation by +/- 5%. The supplier is entitled to make early, partial deliveries, performances.

3.) Should the client find any quantitative deficiency or quality defect, it shall be communicated to ELECTRO-CORD Kft. during the process of take-over, without fail.

If in relation to the goods sold by ELECTRO-CORD Kft. the client detects any quality defect at a later date, the quality defect shall be communicated to ELECTRO-CORD Kft. in writing instantly upon the detection of the defect, and allow the authorized representative of ELECTRO-CORD Kft. to supervise the described quality defect at the site; towards this end, within the description of the quality defect the client shall also specify the place and time when ELECTRO-CORD Kft. can supervise the product concerned. The customer, client has the right to put forward any quality complaint within 3 business days following the take-over of the goods at the latest.

EC shall assume the statutory guarantee and warranty in relation to the goods it delivers.

4.) At the time of the delivery of the goods, ELECTRO-CORD Kft. shall issue a delivery note in relation to the release of the goods. The delivery note shall specify the name of the customer or client's representative authorized to place the order. The authorized representative of the customer, client shall sign the delivery note alongside with the indication of the number of his/her personal identification document featuring his/her photo. The same personal identification document shall also be needed for the identification of the person acting for the take-over of the goods in all the cases when the customer, client pays the purchase price in a follow-up manner, via bank transfer.

5.) Concurrently with the delivery of the goods to the client, the liabilities for keeping and preserving the conditions of goods shall be passed over to the client, customer. Similarly, the associated risks shall also be transferred to the customer, client in relation to the ordered goods in all the cases when the customer, client fails to collect the ordered goods from ELECTRO-CORD Kft. at the pre-agreed time. If the customer, client fails to take the formerly ordered goods even after 3 calendar days in default after the original time and date, ELECTRO-

If in the lack of usage or storage facilities, the client cannot take the goods over, ELECTRO-CORD Kft. shall store the goods against a storage fee until their being collected, and at the same time – by issuing a statement of storage upon the commencement of storage – ELECTRO-CORD Kft. has the right to invoice the goods.

ELECTRO-CORD Kft. is entitled to issue monthly invoice in relation to the storage fee in an amount corresponding to 0.5% of the counter-value of the goods ordered, but not collected. Stored goods may be called down with respect to the deadline in effect for general orders. The packaging units or lengths of the items recorded under the given statement of storage may not be modified in a follow-up manner. The supplier is not obliged to undertake to keep and store the products in excess of 3 months.

In relation to the products delivered to the client, ELECTRO-CORD Kft. shall invariably retain its title until the time of the payment of the total purchase price. Accordingly, until the time of the payment of the total purchase price to ELECTRO-CORD Kft. the client, customer shall have only restricted rights of disposal over the delivered goods, which may as well mean that if the client, customer resells to or incorporates the delivered goods for third parties, it shall be communicated to the given partner in writing that the title over the goods has been retained by ELECTRO-CORD Kft. until the time of the payment of the total purchase price thereof. If the total purchase price is not paid, or the payment suffers any default in excess of 30 days, ELECTRO-CORD Kft. shall become entitled to repossess and return the delivered goods or any other product in the same value at any place.

No goods with retained title may be used as collaterals. In the event of any default payment, ELECTRO-CORD Kft. has the right to return the goods and state its damage claims in relation to the reimbursement of all the costs incurred with the transaction concerned, as well as any profit lost.

Concurrently with the placement of the order, the client shall consent that ELECTRO-CORD Kft. should have free access to the business site, business seat of the customer, client for the purpose of returning any unpaid goods. For the purpose of returning any goods, the customer, client is obliged to ensure voltage-free conditions in the electric system as required.

Terms of payment, securities, publication rights of ELECTRO-CORD Kft.:

1.) The customer, client shall settle the counter-value of the delivered goods until the due date and in the manner specified in the related invoice issued by ELECTRO-CORD Kft. ELECTRO-CORD Kft. accepts any complaint in relation to the invoice only in writing, within 5 banking days following the receipt of the invoice. This deadline shall be deemed to be a term of preclusion. The effective date of the settlement of any invoice shall be the day when the purchase price paid by the customer is credited on ELECTRO-CORD Kft's bank account.

2.) In the event of any default payment of the invoice, the customer, client shall pay to ELECTRO-CORD Kft. 16% default interest. For any default payment in excess of 30 days, ELECTRO-CORD Kft. may decide at its own discretion whether to claim the return of the goods delivered with retained title or the given default interest.

3.) The customer, client is not entitled to assign any payable outstanding to ELECTRO-CORD Kft. to third parties, only with ELECTRO-CORD Kft's prior written consent. ELECTRO-CORD Kft. has the right to assign its receivables outstanding from the customer, client to third parties. ELECTRO-CORD Kft. shall notify the customer, client of such assignment in writing.

4.) The customer, client is not entitled to set off any amount against ELECTRO-CORD Kft's invoiced receivables connected with the purchase of goods unless a written agreement is made with ELECTRO-CORD Kft. for this purpose in advance.

5.) In connection with special orders, ELECTRO-CORD Kft. has the right to request 100% advance payment for the given purchase price. ELECTRO-CORD Kft. has the right to pass any increased cost justifiably occurring after the making of the contract to the customer, client.

6.) If the customer, client has any overdue invoice payables and/or limit overdraft towards ELECTRO-CORD Kft., ELECTRO-CORD Kft. shall accept orders from customer, client only against cash payment, or perform further deliveries similarly solely against cash payment.

7.) In line with its internal credit system, ELECTRO-CORD Kft. is entitled to rate the customer, client with respect to the customer's payment habits and financial situation. If in the light of any information received the credit limit requested by the customer cannot be provided safely, ELECTRO-CORD Kft. has the right to request the securities for the credit limit from customer, client or its senior officer. ELECTRO-CORD Kft. may decide on the type of the securities at its own discretion.

8.) If the payment default of the customer, client exceeds 15 days, and upon ELECTRO-CORD Kft's written demand it fails to provide appropriate securities in relation to the amount in default, or sign an acknowledgement of debt at a notary public within additional 5 days, ELECTRO-CORD Kft. shall become entitled to publish the customer or client's debt in any form, even via the media. ELECTRO-CORD Kft. may announce that the customer, client has failed to pay its overdue debts after 15 days, and been unable to offer appropriate securities in relation to the given payment. ELECTRO-CORD Kft. shall primarily deem bank guarantees corresponding to the amount of debts or pledge rights of assets with marketable values totaling up to a 1.5-fold amount of the outstanding debts to be appropriate securities.

9.) The customer, client shall not have the right to take over goods from ELECTRO-CORD Kft. from the date when it becomes effectively insolvent, or becomes aware of the fact that any bankruptcy proceedings or liquidation proceedings have been instituted, or any dissolution proceedings have been initiated against it. If the customer, client becomes subject to such insolvency, bankruptcy proceedings, liquidation proceedings or dissolution proceedings filed against it after the delivery of the goods, without fail the customer, client shall notify ELECTRO-CORD Kft. accordingly. If ELECTRO-CORD Kft. learns that bankruptcy proceedings, liquidation proceedings or dissolution proceedings have been filed against customer, client, ELECTRO-CORD Kft. has become released from all and any supply obligations to the customer, client. In such cases, the customer, client may be served only against cash payment.

Miscellaneous provisions:

1.) ELECTRO-CORD Kft. and the customer, client shall make every attempt to resolve any dispute amicably, by means of negotiations. In this context, the parties shall hold reconciliation meetings, and take the associated minutes as to be executed by the authorized representatives of both parties.

2.) If these reconciliation meetings fail to resolve the disputes of the parties, for judicial proceedings the parties hereto stipulate the exclusive jurisdiction of the Central District Court of Buda or the Metropolitan Court of Budapest as depending on the given rules of competence.

3.) Any issue not regulated in the General Terms and Conditions and the individual written agreements of the parties shall be governed by the relevant provisions of the Civil Code and other associated legal regulations.

Budapest, 12 July 2010