

# FORM CONTRACT

## 1. Scope

This form contract (hereinafter referred to as: Contract) contains the general terms of individual or general contracts (framework) and legal transactions between the **AxFlow Ltd.** (seat: 1239 Budapest, BILK Központi Irodaház, B1, Európa utca 6., register number: Cg.01-09-997841., tax number.: 10404955-2-13.)- **hereinafter referred to as: Carrier** -, and „**business partner**” – **hereinafter referred to as: Customer** (Customer and business partner hereinafter referred to as: Parties) – through which the Carrier fulfils the Customer's order.

The contractual terms shall be applied when the Carrier informed the Customer about them provided that the Customer accepted them. If the Carrier refers to the terms in its offer which was made in mail, e-mail or via fax and the Customer submits the order in mail or fax and refers to the Carrier's offer, such communication shall also be regarded as acceptance.

If the Parties agree on the adoption of these contractual terms – either at the formation of the contract or later – they can rule out their application only with mutual consent.

The provisions of this Contract shall be interpreted according to the prevailing laws.

## 2. Obligation of the Parties

The Carrier shall be required to fulfill the order that was made in accordance with the conditions set out in the offer and accepted by the Customer. The Carrier undertakes to handle the Customer's quality claims (complaints) and to transmit them to the manufacturer if necessary.

The Parties agree on the delivery deadline and the place of performance in the Contract or offer.

The ordered goods' quantitative and qualitative delivery and acceptance shall take place at the place of performance. The Customer shall be required to accept the goods in the presence of the Carrier. The Customer shall be required to begin – immediately or not later than in 8 days - and accomplish the quality and the rest of the quantitative examination within reasonable time. The Customer shall be required to inform the Carrier about any defect and its warranty claim at the same time without any delay.

The Customer shall be required to accept the goods within five days of the Carrier's notice. If the Customer does not accept the goods during this deadline, the delivery shall be deemed accomplished and the Carrier shall have the right to make out the bill and hand it over to the Customer. The Customer shall be required to settle the bill according to the conditions of payment set out in the bill.

The Customer is allowed to rescind the contract only if he pays a penalty which is 25% of the net purchase price plus VAT.

## 3. Accounts, Payment

The Carrier shall make out a bill about the delivered and accepted goods according to the delivery notes. The Customer shall be required to settle the bill via bank transfer by the payment due date and to the bank account that appear on the bill. The default penalty shall be the base interest of the central bank on the first day of the half-year in which the delay occurs plus 8%. In addition to its the interest payment obligation, the customer shall also be required to carry all damages arising from its late payment to the supplier such as costs and expenses of debt collection (attorney's fee, court fees, miscellaneous procedural costs, debt collection and debt coverage charges of Atradius

Hitelbiztosító, its commission etc.), business losses, lost income, and lost profit arising from the late payment of the customer.

The price of the goods ordered set out in the offer or Contract in Hungarian Forint is determined in accordance with the MNB's (Central Bank) selling rate of exchange on the date of the offer. If the rate rises more than 1% after the offer's date, the Carrier reserves the right to change the price.

The Carrier is entitled to deviate from the above payment conditions regarding a Customer and may demand further assurances if it is justified. Such other payment conditions are set out in the Contract or price quotation.

The Carrier reserves the title regarding the delivered goods until full payment of the invoice.

#### **4. Warranty**

The Carrier's warranty obligations concerning the delivered materials and products conform to those set out in the prevailing laws. The warranty period starts from the date when the Carrier transports and delivers the goods ordered to the Customer.

#### **5. Secrecy**

The Customer shall be required to regard as trade secret this Contract, all information that came to its knowledge during the execution of the Contract, any other information that relate to the Contract and which concerns the Carrier. According to this obligation the Customer may not make such information public, disclose it to any third person and make it accessible without the prior written consent of the Carrier during the term of this contract, upon expiration or termination thereof and at all times thereafter. The Customer shall be liable for the knowledge of and adherence to this obligation of secrecy by his employees and any other individuals acting on its behalf during the term of their legal relations with the Customer, upon expiration or termination thereof and at all times thereafter. Secrecy shall not apply when the prevailing laws from which the parties may not deviate provide for otherwise.

#### **6. Amendment**

This contract has been prepared in Hungarian and English. In case of any discrepancy (for purposes of interpretation, construction), the Hungarian version prevails.

The Carrier shall be entitled to unilaterally amend this contract any time.

#### **7. Venue**

The laws of the Hungarian Republic shall apply to all legal relations arising in connection with this contract. Depending on the monetary value of the dispute, Budai Központi Kerületi Bíróság shall be the venue for all legal dispute arising from this contract.

#### **8. Miscellaneous**

The prevailing Hungarian laws incl. the rules of Code of Civil shall apply regarding the validity, scope and interpretation of these contractual terms and those issues not provided for in this contract.

Budapest, March 27, 2017.

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AxFlow Ltd.