

KAYS Trade and Services Limited Liability Company

General Terms and Conditions for the Company's Suppliers

I. Scope of the Contract

These General Terms and Conditions are to be interpreted in the context of the orders, confirmations of orders, invoices, delivery notes and all other sales related documents issued by KAYS Commercial and Service Limited Liability Company as the Buyer - hereinafter the Buyer - and the contract and framework contract concluded between the Buyer and the Supplier.

Any deviation from these General Terms and Conditions shall be valid only if made in writing, signed and approved by the Buyer and the Supplier.

Buyer's data:

Name: KAYS Trade and Services Limited Liability Company

Abbreviated name: KAYS Kft.

Centre: 9200 Mosonmagyaróvár, Tűzliliom utca 39.

Trade registration court: Court of Registry of the General Court of Győr

Company registration number: 08-09-012149

Tax number: 13272786-2-08

Community tax number: HU13272786

II. Pre-order procedure, sending sample

1.) Prior to the first order, and in the cases specified in point II / 2), the Buyer expects the Supplier to send a sample of the goods in compliance with the following requirements:

- Sample weight: 2 kg
- Inscription on the sample: company name, type of material

In addition to sending the sample, the Supplier shall provide the Buyer with the following data: one-time or continuous quantity, price, freight parity (INCOTERM clause).

2.) If the Supplier purchases material from another company, they must also send a sample to the Buyer, or if the Supplier changes the machine or technology, they must send a sample again before the Buyer's order.

III. Order

1.) The Buyer sends the order to the Supplier in writing, with the order including the quantity, price, currency (HUF or EUR), the requested packaging, delivery time. The Supplier shall confirm the Buyer's order in writing in all cases within 72 (seventy-two) hours.

2.) The Supplier is obliged to take into account the valid transport laws and regulations (EKÁER, BIREG, etc.) and to act accordingly. If the Supplier fails to comply or complies inadequately with the notification obligation, or fails to provide accurate information to the Buyer prior to delivery, the Buyer shall be entitled to transfer the penalty imposed to the

Supplier, and Supplier shall pay it within 5 (five) working days of receiving the Buyer's request.

IV. Order expiry date

The Buyer's offer is valid until the deadline of 72 (seventy-two) hours, the Supplier is obliged to confirm the order in writing within this deadline. After this deadline expires, the contents of the order as a contractual offer shall not be binding on the Buyer in any form, offer validity shall expire at the end of the deadline.

V. Transport

1.) The delivery time is included in the order and its confirmation. The Supplier is entitled to perform early or pre-delivery only with the Buyer's prior permission.

If the Buyer assumes that they will not be able to receive the goods at the agreed time, they shall be obliged to notify the Supplier immediately in writing, also indicating the expected new receipt deadline. The Supplier is obliged to proceed in order to deliver as requested by the Buyer.

2.) The Supplier shall be fully responsible for compliance with the provisions of the applicable legislation related to road transport and the legal provisions related to freight transport, as well as the total weight, axle load and size limit of vehicles, in particular, but not exclusively, all obligations related to the EKÁER system. Based on this, the Supplier shall also be responsible for transporting only with the means of transport complying with the provisions of the legislation and only the amount of cargo the legislation permits on the given means of transport. The Supplier shall be liable for damages resulting from non-compliance with other legislation related to the carriage of goods by road (including damages caused to the Buyer or a third party), and the Supplier shall indemnify the Buyer against all demands and claims of third parties or authorities in this regard.

3.) Method of packaging the goods: what is stated in the Buyer's order can be deviated from only with the Buyer's prior consent provided in writing. Only the name of the substance, the weight, the tare weight and the supplier's identifiers may appear on the packaging.

The Supplier is fully responsible for the proper packaging of the goods, the safe manner of packaging and its compliance with the prevailing applicable legislation. The Supplier shall be liable for damages resulting from the failure to ensure the safe packaging of the goods (including damages caused to the Buyer or a third party), and the Supplier shall indemnify the Buyer against all demands and claims made by third parties or authorities in this regard.

If the Buyer incurs additional costs due to repairing the improper packaging, Buyer shall be entitled to invoice the Supplier for the costs of labour and material.

4.) The identification of the substance is obligatory: the name on the order must be indicated on the packaging, in the case of original substance / pigments / additives, the Supplier is obliged to deliver the substance in the packaging specified in the order confirmation. The Buyer only accepts wood pallets and the minimum delivery quantity per material type is 3 tons.

5.) Ownership of the goods shall be acquired by the Buyer when they have paid for the goods against an invoice correctly issued or, in the case of advance payment, on the date of payment of the pro forma or advance invoice.

6.) Upon the transfer to the forwarding company, the performance shall be deemed to have been performed by the Supplier, i.e. the taxable transaction shall be factually realized. Thus, pursuant to Section 55 (1) of the VAT Act, the date of the performance in question gives rise to a tax liability and qualifies as the date of performance of the invoice issued.

VI. Quality Requirements

1.) The Buyer imposes the following requirements on the goods for all deliveries:

- undamaged packaging
- BigBag not more than 2 m tall
- properly identified pallets
- order compliance
- sample compliance
- REACH and RoHS conformity
- free from contamination
- dust free
- In addition, in the case of grinds, particle size must not exceed 12 mm.

2.) The Buyer is entitled to prescribe additional quality requirements for each of its orders; the above list does not exhaustively include the contractual terms with respect to quality requirements.

VII. Complaint

1.) Quantitative complaint: The Buyer is entitled to make a quantitative complaint to the Supplier within 72 hours after the delivery of the goods due to their objections regarding the quantity and / or packaging of the delivered products.

2.) Quality complaint: the Supplier is obliged to provide a 6 (six) month warranty for their products in addition to the conditions specified in the relevant legislation, from the delivery and receipt of the goods. The Supplier is obliged to carry away the goods from the Buyer within the warranty period in case of its defect, and if the Buyer has already paid for the goods, to return the amount to the Buyer within 5 (five) working days.

3.) Supplier defaults especially but not exclusively in the following cases:

- damage occurred during transport (this depends on freight parity)
- non-compliance found during incoming material inspection
- non - conformity found after homogenisation
- non-conformity revealed during manufacturing that can be traced back to the material
- any contamination in the material (in the case of POM contamination, all identical items are returned), e.g. other polymers, metals, paper, etc.
- non-compliance with REACH or RoHS
- in the case of long-fibre / large-piece goods
- in case of weight deviation

- other than the ordered material arrives to the Buyer
- mechanical properties display deviations relative to the sample
- problems during injection moulding or production (that can be traced back to non-conformity of the material).

4.) The Supplier must respond in written form within 5 (five) working days to the complaint notified in writing by the Buyer, if this does not happen, the reported complaint shall be deemed accepted.

5.) If the Supplier carries away the goods based on the complaint, it has 14 (fourteen) working days to do so, starting from the acceptance of the complaint. If the Supplier fails to comply with this obligation within the above deadline, the Buyer shall return the goods and invoice the delivery cost to the Supplier. The Buyer is entitled to charge and invoice the Supplier for the storage fee for each day of delay, the amount of which is: net HUF 1,000 / pallet / day, or the corresponding EUR amount.

6.) The crediting of the value of the goods is 8 (eight) working days from the return, if the goods are the property of the Supplier. If the goods are the property of the Buyer, the Buyer shall issue an invoice for them within the above deadline. The Buyer reserves the right to withhold the consideration for the invoice for the duration of the complaint, not to pay it to the Supplier. The payment deadline according to the invoice is extended by the duration of the complaint settlement and excludes the Buyer's late payment.

7.) If the Supplier does not agree with the Buyer's complaint, they are entitled to have the goods tested by an independent external laboratory; all costs of the testing shall be borne by the Supplier.

8.) The Buyer informs the Supplier about the homogenization during the production-processing process: the Buyer homogenizes all incoming materials, if the material qualifies suitable during the inspection of incoming goods. During homogenization, the Buyer only mixes materials from the Supplier, polymer identically. In view of this, the goods may not be returned to the same bag / octabin as the one in which the Supplier delivered them.

VIII. Terms of Payment

1.) The Buyer shall state the other terms of payment in their offers and in the order. Unless Parties expressly agree otherwise in writing, the invoice shall be settled retrospectively within 30 (thirty) days from its receipt.

2.) Documents on which the invoicing is based: delivery note, bill of lading, quantitative inspection report, quality inspection report. The Buyer accepts the notification of the change of the bank account number from the Supplier only in a proper, official form, in writing.

3.) In the event of late fulfilment of any payment obligation of the Supplier to the Buyer, the Buyer is entitled to charge twice the basic interest rate currently set by the Magyar Nemzeti Bank as late payment interest. Unless otherwise agreed in writing, the Buyer shall invoice the Supplier for late payment interest in the form of a separate settlement summary at the latest by the end of the financial year. In all cases, the Buyer considers payment to be performed when, in compliance with MNB Decree No. 18/2009. (VIII.06.) the amount of the invoice has been credited to its bank account.

If the Supplier is in arrears of payment, the Buyer is entitled to demand from the Supplier a forint amount corresponding to at least forty Euros towards covering the costs related to the collection of its claim from the Supplier in compliance with the provisions of section (2) Article 6: 155, Civil Code according to the official medium foreign exchange rate of the Magyar Nemzeti Bank valid on the starting date of the default interest payment obligation (as the so-called collection cost flat rate under Act IX, 2016). Doing so does not relieve the Supplier of the other legal consequences of the delay; however, the amount of the recovery cost shall be included in the compensation. If the Buyer wishes to enforce the flat rate against the Supplier, they shall charge it to the Supplier with an appropriate accounting document.

In line with Article 6: 130 Civil Code, if the Parties have not specified in the contract the time of payment of the money debt, the money debt shall be paid within thirty days from the receipt of the Buyer's demand for payment or invoice.

The money debt must be paid within 30 (thirty) days from the date of performance by the Buyer, if

- a) The receipt of the Buyer's payment order or invoice preceded the Supplier's performance;
- (b) The date of receipt of the Buyer's demand for payment or invoice cannot be clearly established;
- c) The Supplier must fulfil their payment obligation without waiting for a payment request or invoice.

4.) Invoices issued in EUR may only be settled financially in EUR unless otherwise agreed in writing.

5.) The Supplier agrees that the Buyer may assign their claim to an independent third party (e.g. debt collection).

IX. Basic quality requirements for the supplier:

1.) An ISO 9001 valid certificate or valid procedures and work instructions that govern the manufacturing process of the product within the scope of the contract.

2. A responsible person appointed by the Supplier, who introduces the requirements of these terms and conditions to the supplier and liaises with the Buyer on quality assurance issues.

2.) The Buyer may check the fulfilment of the requirements specified in this contract by visiting/performing audit at the Supplier announced in advance.

3.) Further quality requirements:

a, Derogations, deviation permits: the Supplier is obliged to have all deviations from the order or from the delivered sample or quality requirement authorized in writing by the Buyer prior to delivery. If the Buyer does not give a written permission for the deviation, the Supplier may not deviate from the order, the delivered sample or the quality requirement.

b, Trainings: the Supplier is obliged to educate its employees about the specification and expectations sent by the Buyer and to ensure that the level of qualification is maintained. A

record of these must be drawn up by the Supplier, which they must keep and present at the Buyer's request.

In the case of an initiated supplier complaint, if the Buyer requests the Supplier to investigate the non-conformity, it shall be sent to the Buyer in the form of an 8D report, by the date specified in the request. The format of the 8D report may be the Supplier's own form or the format sent by the Buyer. Failure to return the document by the specified deadline may result in an extraordinary audit.

4.) Rules for the Buyer's Audits Performed at the Supplier:

- The frequency of audits shall be the same as that required by the Buyer's contractual partners;
- The Buyer shall notify the Supplier of the audit 7 (seven) days in advance;
- The Supplier is obliged to appoint a contact person for audits;
 - In case of critical audit deviations, the Buyer may initiate a request for preventive and corrective action from the suppliers, and may personally check the fulfilment;
- The cost of the extraordinary audit due to the Buyer's complaint shall be borne by the Supplier.

X. Offsetting

Only debts legally awarded to the Supplier by courts can be offset against debts owed to the Buyer.

XI. Penalty

1.) If the Supplier is in default due to their own fault, they shall be obliged to pay a penalty for delay. The rate of the late payment penalty is 1% of the total amount of the order, as the penalty base per day, but not more than 20% of the total order amount. The Buyer is entitled to claim the amount of the penalty for late payment from the Supplier's account. If the amount of the penalty for delay reaches the above maximum value, the Buyer is entitled to cancel the order. The Supplier is also obliged to reimburse the part of the damage caused to the Buyer not covered by the penalty.

2.) If the Buyer withdraws from the order due to the Supplier's reprehensible conduct, or the fulfilment of the order fails in any other way for reasons attributable to the Supplier, the Supplier shall pay the Buyer a cancellation penalty equalling 25% of the total net contractual amount.

3.) In case of late payment of the penalty, the Supplier shall be obliged to pay a default interest the rate of which is specified in section (1), Article 6: 155, Civil Code.

If the Buyer fails to enforce the penalty for late payment at the next invoicing, this shall in no case be considered as a waiver of its enforcement.

XII. Force majeure

1.) The Buyer shall not own any responsibility for a delay or non-compliance resulting from any force majeure - e.g. redundancies, extraordinary administrative measures, weather obstacles, natural disasters, etc.

2.) The clause applicable to the Pandemic as a cause for exemption (Force Majeure event) is attached as Annex 1 to these Terms and Conditions.

XIII. Other Terms and Conditions

1.) Parties shall inform each other in advance and in writing of all changes affecting the fulfilment of orders (e.g. change in the name of the material, change in packaging, in the method of packaging, change in the type of material to be ground, change in the source of acquisition, etc.)

2.) The Supplier shall inform the Buyer within 8 (eight) days about the bankruptcy, liquidation or liquidation proceedings affecting them, the decrease of the subscribed capital, the change of the company's form, the merger or division into another company, or the change of ownership.

3.) The Supplier must have all the insurance and official permits necessary for the contractual and legal fulfilment of the orders and must prove this properly at the Buyer's request.

4.) The Parties agree that personal data concerning the Parties' employees, representatives or agents (hereinafter: Personal Data) provided to the extent necessary for the fulfilment of orders and not exceeding it shall be processed only for the purpose of fulfilling the contracts and shall be deleted outside the statutory retention period. The Parties state that the legal basis for the processing of Personal Data is the legal basis provided for in Article 6 (1) (f) of Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR). In this regard, the Parties jointly acknowledge that the purpose and manner of processing of Personal Data take precedence over the right of the Parties to dispose of the personal data of their employees, representatives or agents.

5.) In matters not regulated in these General Terms and Conditions, and the legal relationship between the Parties is governed by the provisions of the Hungarian legislation in force at any time, thus the Parties agree that the applicable law is Hungarian law, in particular the applicable provisions of Act V, 2013 (Civil Code).

6.) In the event of any dispute arising out of this contractual relationship, the Contracting Parties shall mutually submit to the exclusive jurisdiction of the District Court of Győr or, depending on the value of the case, the General Court of Győr, these courts shall have exclusive jurisdiction to settle such disputes.

Dated in Győr, January 2, 2021.