

General Terms and Conditions for Activities to Produce a Work Character for Polifoam Plastic Processing Company Limited

PREAMBLE

These General Terms and Conditions (hereinafter referred to as **GTCs**) shall apply to all contracts concluded by Polifoam Co. Ltd. (registered office: H-1097 Budapest, Táblás utca 34/A.; company registration number: 01-09-060479; tax number: 10182930-2-43) (hereinafter referred to as **POLIFOAM**) for building, assembly and construction works, unless POLIFOAM expressly provides otherwise. The GTCs form an integral part of all contracts (hereinafter referred to as **Works Contract**) concluded by POLIFOAM with various contractors (hereinafter referred to as **Contractor**) in respect of the building, assembly and construction works that POLIFOAM wishes to have carried out. The GTCs shall apply to all building, assembly and construction works and offers ordered by POLIFOAM from the Contractor, irrespective of whether the application of these GTCs has been expressly agreed therein.

By submitting an offer to POLIFOAM, the Contractor expressly accepts the contents of these GTCs. Furthermore, POLIFOAM shall not be bound by the general business terms and conditions of the Contractor or any third party even if POLIFOAM does not object to the validity thereof in the given case. Nor does the fact that POLIFOAM refers to correspondence containing the business terms and conditions of the Contractor or a third party constitute an agreement on the validity of such business terms and conditions.

In the event of any conflict between the provisions of the Works Contract (including any supplements and amendments thereto) concluded between POLIFOAM and the Contractor on any specific matter and the provisions of these GTCs, the provisions of the Works Contract shall prevail.

1. REQUEST FOR AN OFFER, CONCLUSION OF THE WORKS CONTRACT

- 1.1. The Contractor and POLIFOAM shall enter into a Works Contract on specific matters upon written acceptance of the Contractor's offer – including the technical specifications and technical schedule – (hereinafter referred to as "**Offer**"), with unchanged content, or;
- 1.2. if POLIFOAM's purchase order deviates from the Offer, upon receipt by POLIFOAM of the Contractor's written acceptance of the revised offer.
- 1.3. The Parties agree that the Contractor shall be bound by the Offer for 30 days.
- 1.4. The Parties agree that they shall put the Works Contract concluded in accordance with Clauses 1.1 to 1.2 of the GTCs in writing within 15 days of its conclusion. Failure to put the Works Contract in writing in accordance with this Clause shall not affect the validity of the Works Contract.
- 1.5. The Parties agree that the Offer, the revised Offer and the acceptance thereof shall be valid only in writing. In the context of the sending and acceptance of the Offer or the revised Offer, the statements of the Parties shall be deemed to be in writing if they have been sent to the other Party by post in the form of a registered mail with acknowledgement of receipt or by e-mail, and the other Party has sent a confirmation of the receipt of the e-mail.
- 1.6. The Contractor agrees that POLIFOAM shall settle the accounts related to the Works Contract exclusively through the SAP business management system (hereinafter referred to as "**SAP**"). At the same time as the Works Contract is put in writing in accordance with Clause 1.4 of the GTCs, POLIFOAM shall record the essential contents of the accepted Offer in a SAP Purchase Order (hereinafter referred to as "**PO**"), which shall be sent to the Contractor. The Works Contract shall also be deemed to have been concluded in writing if the Contractor confirms the PO in one of the ways described in Clause 1.5.

2. THE SUBJECT MATTER OF THE WORKS CONTRACT

- 2.1. The Parties shall determine the subject matter of the Works Contract individually in each case on the basis of the Offer (hereinafter referred to as **Work/Works**).

3. RIGHTS AND OBLIGATIONS OF POLIFOAM

- 3.1. POLIFOAM shall, prior to the commencement of the Works, make available to the Contractor the worksite for the execution of the Works as set out in the Works Contract (hereinafter referred to as the **Worksite**) in a condition suitable for the execution of the Works as set out in Chapter 4.
- 3.2. The Parties shall fix the date of handover of the Worksite in the Works Contract. In the event of failure to do so, the parties shall agree on the date of handover of the Worksite as soon as possible after the conclusion of the Works Contract.

- 3.3. POLIFOAM shall provide the Contractor with access to the Worksite and shall hand over to the Contractor the occupational safety regulations in force at the Worksite. Polifoam shall continuously ensure temporary water and temporary electricity supply to the Worksite and, if necessary, provide a connection point for collecting water and electricity and using the sewers. If the use of a public area is required, Polifoam shall obtain and provide the Contractor with the necessary permit at the Contractor's request. The fee for the use of public area shall be paid by Polifoam.
- 3.4. POLIFOAM shall provide the Contractor with certain materials, products and equipment (hereinafter referred to as **POLIFOAM Materials**) for the performance of the Works in accordance with the schedule set out in the Works Contract, subject to a specific clause of the Works Contract.
- 3.5. POLIFOAM shall ensure the conditions for the handover and acceptance procedure of the Works and for the conduct of any guarantee inspections.
- 3.6. POLIFOAM is entitled to use the services of a technical building inspector if it is not mandatory under the provisions of the law. The provisions relating to the technical inspector used by POLIFOAM under this Clause are set out in Chapter 5 of the GTCs.
- 3.7. POLIFOAM shall inform the Contractor of the schedule of the building, assembly and construction works carried out by third parties (other contractors) working at the Worksite.
- 3.8. POLIFOAM shall, if required by the applicable legislation, inform the Contractor of the obligation to open an electronic construction log.
- 3.9. POLIFOAM shall specify in the Works Contract the time limit for completion of the works under its responsibility, to be carried out as a precondition for the Works to be performed by the Contractor.
- 3.10. POLIFOAM shall be entitled to exclude from the Worksite any Contractor employees or subcontractor employees it objects to for any reason (except for discriminatory reasons prohibited by law). In this case, the Contractor shall, without undue delay after the written notification received from POLIFOAM, remove the employees complained of from the Worksite and replace them without undue delay and without additional cost to POLIFOAM. POLIFOAM shall notify the Contractor in writing of the reasons for its decision.

4. RIGHTS AND OBLIGATIONS OF THE CONTRACTOR

- 4.1. The Contractor declares that it has the necessary professional experience and appropriate qualifications to perform the subject matter of the Works Contract and that it possesses the necessary equipment, organisation and financial resources. The Contractor further declares that it is in possession of all licences and certificates required to carry out the Works. The Contractor shall, upon written request of POLIFOAM, present to POLIFOAM within 2 working days of receipt of the request the licenses and official certificates required for the performance of the Works.
- 4.2. The Contractor undertakes to carry out the Works in full on the basis of the Offer, the construction design documentation and the additional information provided by POLIFOAM, and to provide all materials, tools, equipment (except POLIFOAM Materials) and human resources required for the performance of the Works.
- 4.3. The Contractor warrants that during the performance of the Works Contract it shall fully comply with all administrative and legislative requirements, in particular those relating to environmental protection, occupational health and safety, quality requirements and standards, and that it shall also cause the vicarious agents (employees, subcontractors) used by it to comply with them.
- 4.4. In the performance of the Works Contract, the Contractor shall use and incorporate only Class I quality materials (products and equipment) complying with the quality standards. If the requirements of the quality classes are not regulated by a Hungarian standard (MSZ) or by Hungarian legislation in force, the Parties shall apply the requirements set out in the European Union standards or ultimately those set out in the Construction Regulations for the Building and Assembly Industry promulgated by joint Decree 16/1970. (VII. 23.) ÉVM-KGMNIM-KPM in the course of the classification. The Contractor shall **document** compliance with the applicable legislative requirements and standards in respect of the products used in connection with the Works as follows:
Pursuant to the Government Decree 275/2013. (VII. 16.) on the detailed rules on the design and incorporation of construction products in buildings, as well as the declaration of performance drawn up pursuant thereto and Regulation (EU) No 305/2011 of the European Parliament and of the Council, the compliance of the construction product with the expected technical performance shall be certified by the manufacturer or distributor by means of a manufacturer's declaration of performance

- (hereinafter referred to as the **Declaration of Performance**), which the Contractor shall submit to POLIFOAM at the time of delivery of the product to the Worksite, but not later than the time of acceptance of the Works by POLIFOAM. In the case of a foreign-made product and where a declaration of performance is not yet available (e.g., because of the completely new nature of the product), compliance shall be demonstrated in the prescribed manner accepted by POLIFOAM. The costs related to the verification of the conformity of the Product shall be borne by the Contractor.
- 4.5. The Contractor shall provide POLIFOAM with the certificates of origin and quality, operating and maintenance description and instructions for the equipment, products, tools, machinery used in connection with the Works, at the same time as they are delivered to the Worksite. The Contractor warrants that during the Works it shall only incorporate products, tools, equipment and machinery whose maintenance, service and spare parts supply shall be uninterrupted for the period specified in the applicable legislation and within the guarantee period undertaken by the Contractor in the Works Contract, and which comply with the applicable legislation and standards.
- 4.6. The Contractor shall promptly notify POLIFOAM of any shortage of the POLIFOAM Materials required for the performance of the Works Contract, and of its request to have them at the Contractor's disposal at the appropriate time. The Contractor shall take all reasonable steps to avoid delay due to unsuitability or lack of materials, products and equipment necessary for the performance of the Work under the contract and shall continue with other parts of the Works until such unsuitability is remedied or the missing materials, products and equipment are obtained.
- 4.7. Unless otherwise agreed by the Parties, the Contractor shall prepare a technical schedule for the performance of the Works in accordance with the provisions of Clause 1.1 prior to the conclusion of the Works Contract, in the course of which it shall comply with the time limits set by POLIFOAM and stipulated in the Works Contract. The Contractor shall have the technical schedule approved by POLIFOAM. Once approved by POLIFOAM, deviations from the technical schedule shall only be possible with the express written consent of POLIFOAM. The Contractor shall inform POLIFOAM of the technical progress. If the Works or part of the Works carried out by the Contractor or its subcontractor depend on the performance of a third party (other subcontractor) working at the Worksite or the Contractor's own performance, the Contractor shall coordinate all phases of the Works in such a way as to avoid any conflict in the construction/assembly schedule. Before and from time to time during the performance of the Works Contract, in accordance with the completion of the Works, the Contractor shall consult with its subcontractors and third parties (other subcontractors) working at the Worksite and resolve any conflicts at no additional cost to POLIFOAM. In the event of a deviation from the standards and/or drawings necessary to avoid any conflict between the different phases of the Works, the Contractor shall inform POLIFOAM in writing at least 2 weeks before the date on which the deviation would affect the construction/assembly schedule so that POLIFOAM may, if necessary, order a timely modification of the plans in order to avoid any delay as compared to the schedule.
- 4.8. The Contractor shall, if it does not hold such insurance, take out and maintain in force for the duration of the Works Contract general and public works liability insurance in respect of the Works, which insurance contract(s) shall comply with the following conditions:
- the subject of the insurance: property and liability insurance for the Contractor's building/assembly activities;
 - the place of risk-bearing: Hungary;
 - clauses:
 - o cross-liability, subcontractor coverage,
 - o extended cover for warranty works for 12 months,
 - o underground cables and pipelines,
 - o minimum compensation: the limit set out individually in the Works Contract.
 - If the Contractor has a blanket insurance policy for building and assembly meeting the conditions set out above, it shall provide POLIFOAM with the coverage certificate for the Work.
- 4.9. The Contractor shall carry out the inspections (checks, measurements) required by the Works Contract and in conformity with the applicable legislation on the work completed as a result of the Works and shall provide POLIFOAM with the results of such inspections in writing.
- 4.10. In the event that POLIFOAM provides POLIFOAM Materials for the performance of the Works, the Contractor shall be liable for the products and materials received (bearing of risk of damage and legally regulated, documented removal of the waste generated, in particular hazardous waste) after the handover and acceptance of the same, which handover shall be separately documented by POLIFOAM and the Contractor. The Contractor shall account to POLIFOAM for the quantity of materials received. The Contractor shall inspect the quantity of the POLIFOAM Materials upon receipt and their quality within 72 hours after receipt and shall immediately notify POLIFOAM of any quantity/quality complaints. The Contractor shall be liable for any damage resulting from any delay or failure to comply with the obligation to inspect the POLIFOAM Materials.
- 4.11. The design documentation and the technical description of the Work submitted to the Contractor by POLIFOAM have been examined by the Contractor, the Worksite has been inspected with due diligence and found suitable by the Contractor for the execution of the Work.
- 4.12. The Parties agree that in the event of any conflict in or between the individual technical documents on which the execution of the Works is based, the document which is the most comprehensive and results in the highest value performance in terms of quality shall always prevail. In the event of any conflict in or between the technical documents on which the execution of the Works is based, the Contractor shall notify POLIFOAM thereof without undue delay.
- 4.13. The Contractor shall provide a trial run for those parts of the Works whose suitability is to be demonstrated by a trial run, the terms of which trial run shall be set out by the Parties in the Works Contract. During the trial run, unless otherwise specified in the relevant standards or requirements, the proper functioning of all equipment shall be verified.
- 4.14. Additional duties of the Contractor:
- to take over the Worksite from POLIFOAM at the start of the Works,
 - to place a sign in accordance with Section 5 (6) of Government Decree 191/2009 (IX. 15.) (if relevant to the Works Contract),
 - to keep in the construction log permanent records of the quantity and type of construction and demolition waste generated at the Worksite, as specified in the specific legislation,
 - to preserve natural, cultural heritage and architectural values already existing or found during the construction,
 - to ensure that only such persons are present at the Worksite on behalf of the Contractor who are included in the contractor's records or authorised to be present at the Worksite and who are involved in the day-to-day work, its supervision and management as evidenced by the construction log,
 - to issue the necessary contractor's declarations, measurement reports and to provide the certificates attesting the conformity of the used construction products upon completion of the construction,
 - to hand over the Worksite to POLIFOAM on completion of the Works,
 - to exit from the Worksite after completion of the Works.
- 4.15. At the same time as the Works are handed over, the construction log shall be opened (if required by law) and the handover and acceptance procedure – indicating the date, the Works and the Worksite – and all relevant data, circumstances and instructions relating to the Works shall be recorded therein. POLIFOAM or its agent acting on its behalf may at any time view the execution of the Work and verify that the Work is being performed in accordance with the Works Contract. The Contractor shall not be exempt from liability if POLIFOAM has failed to carry out the check or has carried it out incorrectly. The Contractor shall enable POLIFOAM and its agent to carry out the check and provide all data and information required for such check. POLIFOAM or the person (entity) acting on its behalf shall carry out the check during the performance of the Works Contract based on the data of the construction log.
- 4.16. The Contractor shall – in accordance with Clause 4.1 – obtain the licenses from the authorities related to the construction activities it carries out and necessary for the performance of the Works Contract and fulfil its obligations to notify the competent authorities and bodies.
- 4.17. If the Contractor builds-in (covers) certain parts of the Work, and the result of the check would then require the re-doing of a part of the Work, the Contractor shall notify POLIFOAM of the building-in at least 3 working days in advance of the covering. If POLIFOAM has not received timely notice of the covering, the costs incurred due to the uncovering shall be borne by the Contractor.
- 4.18. If any material or any part of the Work is found to be unsatisfactory on the basis of the inspection and/or check, the Contractor shall, at its own expense, repair or replace the material or the corresponding part of the Work and repeat the inspection and/or check. Notwithstanding the foregoing, the repair or replacement of any defective POLIFOAM Material shall be the obligation of POLIFOAM at the latter's expense, unless the defect in the POLIFOAM Material was not discoverable

- because the Contractor failed to comply with its obligation to inspect the POLIFOAM Material pursuant to Clause 4.9.
- 4.19. The Contractor shall be responsible for the regular removal of demolished materials, waste and garbage generated during the Works to a licensed waste treatment facility, and for the disposal of such waste and garbage at a disposal site in accordance with the requirements of the authorities, and for the documentation thereof, as well as for the handling and cleaning tasks at the Worksite.
- 4.20. If POLIFOAM gives inappropriate or unprofessional instructions, the Contractor shall warn POLIFOAM of this fact. The Contractor shall be liable for any damage resulting from the failure to give such warning.
- 4.21. The Contractor shall not carry out the work as instructed by POLIFOAM if this would lead to a violation of the law or the regulations of the authorities or endanger the safety of life and property.
- 4.22. The Contractor shall immediately notify POLIFOAM of any circumstances that may jeopardise or prevent the effectiveness or timely completion of the performance. The Contractor shall notify POLIFOAM of all material facts and circumstances affecting the performance of the Works Contract without delay, but not later than within 24 hours. Material facts affecting the performance of the Works Contract shall, among others, but not limited to the following: the indication of facts of technical importance or relevant to accounting, circumstances preventing the performance of the Work with detailed reasons, any objections in connection with the performance of the Works Contract, and the recording of damages incurred during assembly and construction. In urgent cases, the Contractor shall immediately notify POLIFOAM of the fact or circumstance recorded in the construction or assembly log. The Contractor shall be liable for any damage resulting from the failure to make such notification.
- 4.23. The Contractor shall be entitled to use subcontractors for the performance of the Works Contract with the prior consent of POLIFOAM. Consent may be withheld only in justified cases. If the Contractor uses a subcontractor, the Contractor shall be liable for the activities of the subcontractor as if it had acted itself. The Contractor may use subcontractors for the performance of the Works Contract at its own risk and expense and shall ensure the legality of the use of the subcontractors involved, their insurance and their occupational safety and health. The Contractor shall warrant that its subcontractors shall fully comply with the parts of the contractual documents that apply to them. Otherwise, at POLIFOAM's request, the Contractor shall replace the subcontractor with another subcontractor at no additional cost to POLIFOAM and shall not be entitled to use the subcontractor so replaced in the performance of the Work.
- 4.24. During the performance of the Works Contract, the Contractor may only employ employees with a valid work permit and employment contract. By signing the Works Contract, the Contractor declares that it shall not employ any undeclared workers in the course of the performance of the Works Contract. If the Contractor breaches the legislation on the employment of undeclared workers, POLIFOAM shall be entitled to unilaterally terminate the Works Contract. In this case, the penalty for frustration to be paid by the Contractor shall be 20% of the gross Fee.
- 4.25. If POLIFOAM's check reveals that an employee of the Contractor working at the Worksite is under the influence of alcohol or other substances that prevent performance of work, it shall immediately notify the Contractor's representative. POLIFOAM shall also be entitled to claim a lump sum contractual penalty of 0.5% of the total Fee set out in the Works Contract, but not less than HUF 100,000 and not more than HUF 300,000 for each case ended in a positive inspection result.
- 4.26. After completion of the Work, the Contractor shall hand over the Worksite to POLIFOAM in a condition suitable for its intended use after the completion of the technical handover and acceptance procedure.
- 4.27. The Parties have an express interest in the timely performance of the Works Contract and, in this respect, any business disagreement or dispute between POLIFOAM and the Contractor shall not serve as a legal basis for the Contractor to suspend the Works under the Works Contract.
- 4.28. The Contractor shall ensure uninterrupted work in cooperation with other constructors working at the Worksite.
- 4.29. The Contractor may only make statements concerning its own activities, as well as its own employees and subcontractors during inspections by the authorities carrying out audits at the worksite, and shall immediately implement its obligations as determined during the inspection and notify POLIFOAM in writing of this fact and the implementation.
- 4.30. The Contractor shall make the contractual documents containing the provisions concerning the performance of the subcontractor involved by the Contractor known to the subcontractors and shall obtain from each subcontractor a written declaration of acceptance of such conditions.
- 4.31. The Contractor shall comply fully with the provisions of the Trocellen Group's Code of Compliance and Conduct (hereinafter referred to as "Code") and shall ensure that its employees and subcontractors are aware of and comply with the provisions thereof. The applicable version of the Code is available at the following link: <https://trocellen.com/hu/fenntartathatosag/strategia-es-iranyitas/megfeleloseg/>
- 4.32. The Contractor undertakes to promote effectively the elimination of all forms of forced and compulsory labour (UN Global Compact, Principle 4) and child labour (UN Global Compact, Principle 5), in particular slavery, prostitution, drug trafficking or any form of work which, by its nature or the conditions under which it is carried out, is likely to be harmful to the health, safety or morals of children. The Contractor shall ensure that its employees work in a safe and healthy environment. The Contractor shall ensure compliance with obligations relating to health and safety at work provided for by the legislation applicable to the place of work. The Contractor undertakes to pay its employees a wage sufficient to cover their basic needs and those of their families. The Contractor undertakes that no unlawful eviction and/or unlawful deprivation of land, forest or water shall take place in its area of responsibility or influence in the course of the acquisition, development or other use of land, forest or water the use of which provides a person's livelihood. The Contractor is committed to eliminating discrimination in respect of employment and occupation (Principle 6 of the UN Global Compact). Discrimination is causing disadvantage suffered by a person on the basis of certain characteristics, such as gender, race, ethnic or social origin, age, disability, language, religion, belief, political or other opinion, membership of a national minority, sexual orientation, property, birth or genetic characteristics. The Contractor shall not tolerate any discrimination on the part of its employees on the grounds of ethnicity, nationality, gender, cultural background, race, age, disability, religious beliefs or sexual orientation. The Contractor undertakes to comply with and ensure that its vicarious agents also comply with the restrictive measures imposed by the United Nations, the European Union and other international organisations and authorities, as well as by local and various competent authorities at national level, against certain countries, organisations, legal entities and / or individuals.
- 5. TECHNICAL INSPECTOR**
- 5.1. The technical building inspector assigned by POLIFOAM – where relevant – shall facilitate and monitor compliance with relevant legislation, requirements of the authorities, standards and contracts throughout the works. As POLIFOAM's on-site representative, the technical building inspector shall be responsible for:
- checking compliance with the technical building design documentation,
 - monitoring the execution of the building construction works,
 - ensuring the availability of the construction log in cases provided for by law,
 - preparing and conducting cooperation meetings,
 - checking the professionalism of the building construction activity, the construction-assembly work on the basis of the technical building design documentation,
 - checking the construction logs, countersigning and commenting on entries and other records,
 - recording defects, deficiencies and discrepancies in the construction log,
 - making proposals to POLIFOAM for changes to the design justified by technical or economic necessity, consultation,
 - checking the quantity and quality of the Works before covering them,
 - participation in the conduct of trial runs, handover and acceptance and transfer of possession procedures,
 - checking the technical performance characteristics of certain types of constructions, checking compliance with the safety requirements related to technology,
 - checking the existence of the certificates of conformity of built-in materials, finished products and equipment,
 - participation in any audits carried out by the authorities,
 - documenting in the construction log the performance of the technical building inspector's tasks,
 - preparing POLIFOAM decisions on technical issues,
 - checking financial accounts, surveys,
 - issuing a certificate of performance, which includes the definition, quantity, quality of the Works performed, the date of performance, the amount that can be invoiced on the basis of the certificate of performance,

- in the event of a discrepancy between the Fee set out in the Works Contract and the invoiceable amount indicated in the certificate of performance, examining and explaining the discrepancy,
 - sending to POLIFOAM and the Contractor the issued certificate of performance within a maximum of 15 working days of receipt of the notice of completion sent by the Contractor or, if the Works Contract or the law provides for a handover and acceptance procedure, of the completion of such procedure,
 - the preparation, organisation and conduct of the first annual follow-up inspection procedures within the scope of the enforcement of the guarantee – if the Works Contract provides for the follow-up inspection – shall be the direct responsibility of POLIFOAM and the Contractor, consultation with POLIFOAM in this regard.
- 5.2. The technical building inspector may at any time inspect the Contractor's work and check that it is being carried out in accordance with the Works Contract.
- 5.3. Before building-in, the technical inspector may require
- the establishment of the quantity of material to be used,
 - sampling and sample check,
 - the presentation of the certificates of quality for the materials, products, machinery and equipment used.

6. OCCUPATIONAL SAFETY AND HEALTH

- 6.1. The Contractor may only commence Work (loading, lifting, material handling, etc.) at the Worksite if it has ensured the conditions for safe and non-health-damaging work in all respects – personal, material and environmental factors – for the performance of the work process. The Contractor acknowledges that it shall not carry out any activity that would endanger the work, physical integrity, property safety of POLIFOAM's employees or of any other person acting on its behalf and simultaneously working at the Worksite, similar interests of neighbours, or the safety of on-site equipment, tools and instruments.
- 6.2. The Contractor shall handle material only with suitable equipment appropriate to the properties of the material or the product, at the place and in the manner specified, and in compliance with the weight and size limits.
- 6.3. The Contractor shall apply and comply with the requirements on the technical conditions for keeping vehicles at the Worksite in the case of vehicles that are not involved in public traffic. The Contractor shall inform the workers concerned of the sources of hazards and the methods of protection against them, the conditions of safe and non-health-damaging working conditions, both in relation to the work as a whole and to the individual work processes.
- 6.4. The Contractor shall comply with the provisions of the laws, regulations and standards concerning work performance, work processes, workplaces, technologies, work equipment and personal protective equipment (PPE) at the Worksite and shall enforce such provisions with those acting under its responsibility.
- 6.5. The Contractor may only keep and operate work equipment at the Worksite that has a general quality certification or a certificate of conformity and that has undergone the occupational safety installation procedure, has been approved in writing for operation and has undergone periodic safety inspections.
- 6.6. If POLIFOAM's responsible manager or occupational safety expert detects an imminent hazard of accident, serious fire safety or environmental irregularity, they shall be entitled to immediately suspend the Contractor's work that is liable to cause accidents or is irregular until the irregularity is corrected.
- 6.7. The Contractor shall keep the Worksite tidy and clean, and shall collect and treat waste from its activities separately, and shall fully implement POLIFOAM's instructions in this regard.
- 6.8. The Contractor acknowledges that the Contractor may not make any claim for damages or any other claim against POLIFOAM in connection with any accident occurred to its own employees or any other person acting on its behalf at the Worksite, and the Contractor may not submit any such claim to POLIFOAM.
- 6.9. The Contractor shall provide its employees with personal protective equipment. In the absence of PPE, the Contractor's employees shall not be allowed to work at the Worksite.
- 6.10. The Contractor's employees shall fully comply with the notices, signs and pictograms displayed at the Worksite that call attention to hazards.
- 6.11. In the event that the Contractor uses, operates or handles cranes or lifting equipment at the Worksite, the Contractor shall also exercise the rights and obligations of the operator. The Contractor shall operate the crane and lifting equipment safely during use in accordance with the relevant legal requirements. The Contractor undertakes to use only load securement equipment and suspensions that comply with the relevant safety requirements when using cranes and lifting equipment. The

Contractor shall immediately draw the attention of POLIFOAM to any anomaly or malfunction detected in connection with a crane or lifting equipment.

- 6.12. The Contractor shall indemnify POLIFOAM for any damage caused by its employees as a result of non-compliance with this Chapter.
- 6.13. During the performance of the Works Contract, the Contractor shall only employ employees (including employees of the vicarious agent subcontractors) duly employed according to labour law, who have the necessary insurances and medical certificates.
- 6.14. The Contractor shall comply with the occupational safety requirements in force at the Worksite.
- 6.15. After the handover of the Worksite, the Contractor shall ensure that the general fire, property, accident and occupational safety requirements are complied with at the Worksite at all times.
- 6.16. The Contractor shall take all reasonable steps to protect the environment at the Worksite and its access routes and shall ensure that no injury or damage to persons, public property or other things is caused by air pollution, noise or other influence due to a cause for which the Contractor is responsible. The Contractor shall, as necessary, obtain from the competent environmental authority the permits required for the performance of the Works (noise emission limits during working hours, permits for the dumping and storage of hazardous materials, etc.).

7. HANDOVER AND ACCEPTANCE OF THE WORKS

- 7.1. The performance of the Work under the Works Contract shall be deemed to have been completed upon handover of the Work by the Contractor and upon acceptance of the Work by POLIFOAM.
- 7.2. The Contractor shall send a written notification of completion of the Work set out in the Works Contract, in view of which POLIFOAM shall set a date for handover and acceptance, which shall take place within 10 working days after the notification of completion. POLIFOAM shall notify the Contractor of the date of the handover and acceptance. The parties shall draw up a record during the handover and acceptance.
- 7.3. The handover and acceptance procedure may take place in the absence of the Contractor if the Contractor or its representative fails to appear despite prior notice. In this case, the record shall be sent to the Contractor, and the latter shall have the right to make written comments on the record within 3 working days.
- 7.4. Upon acceptance of the Work, POLIFOAM is not required to inspect the characteristics the quality of which has been certified or which are covered by the guarantee. The Parties may stipulate the method of acceptance and trial run in the Works Contract. POLIFOAM shall issue a certificate of performance of completion or partial completion of the Service. POLIFOAM may also certify the performance in the handover and acceptance record.
- 7.5. If a complaint of quality or quantity is made against the Work in the course of handover and acceptance, it shall be recorded in the handover and acceptance record or a separate record shall be drawn up of such complaint. In the event of a complaint, POLIFOAM shall have the right to set an additional time limit for the correction of the deficiencies. However, the setting of an additional time limit and any performance within the additional time limit shall not release the Contractor from the obligation to pay penalty for delay. If the additional time limit expires without result, the provisions of the Works Contract relating to defective performance and warranty shall apply. The Contractor shall carry out without any extra remuneration any work during the period specified in the record to rectify any deficiencies arising in the course of the handover and acceptance procedure.
- 7.6. Acceptance of the Work shall be made as a whole or by parts of work according to the agreed and mutually accepted schedule.
- 7.7. The Contractor shall provide the documents required for the handover procedure, the quality certificates of the built-in materials and the implementation documentation to POLIFOAM's on-site representative prior to the technical handover and acceptance procedure in order to ensure the successful conduct of the technical handover and acceptance and commissioning. In the event of failure to do so, the performance shall not be in conformity with the contract and the Contractor shall not be entitled to issue an invoice.
- 7.8. The right to dispose of the materials and equipment provided by the Contractor for the creation of the Work, the risk of damage and title to the Work shall pass to POLIFOAM simultaneously with the handover and acceptance of the Work. The Contractor warrants that its suppliers from whom the Contractor procures the materials and equipment provided by the Contractor do not retain title to such products or encumber title to such products. The Contractor may not enter into a subcontractor's agreement in which the subcontractor could retain title to the subject of the work until payment of the subcontractor's fee.
- 7.9. If payment is made in advance by POLIFOAM (including payment of an advance), the title to and right of disposal of the

- Work shall pass to POLIFOAM upon payment. However, the risk of damage shall be transferred to POLIFOAM only upon handover and acceptance. In the event of partial prepayment, the title to and right of disposal of the Work shall be transferred to POLIFOAM in proportion to the instalment payment.
- 7.10. The name(s) of the person(s) authorised to carry out handover and acceptance of the Work in terms of quantity or quality and to certify the performance of the Work on behalf of both POLIFOAM and the Contractor shall be recorded in the Works Contract.
- 7.11. The Contractor shall become entitled to issue the invoice in possession of the record attesting the conclusion of handover and acceptance and the certification of performance, or the certificate of performance issued by the competent manager of POLIFOAM. In the absence of such certification of performance, the Contractor's claim shall be considered as not accepted (disputed) by POLIFOAM and the issuing of any invoice shall be considered as made without legal basis.
- 7.12. The above rules on the handover and acceptance procedure and the certificate of performance shall apply to both partial and final performances.
- 7.13. Only the materials, structures, appliances and equipment incorporated may be included and accounted for in the certificate of performance.
- 8. CONTRACTOR'S FEE**
- 8.1. For the performance of the Work under the Works Contract, the Contractor shall be entitled to a contractor's fee (hereinafter referred to as the **Contractor's Fee/Fee**).
- 8.2. The Fee as a lump sum is valid until the Work is completed in full. For the Fee, the Contractor undertakes to perform the subject matter of the Works Contract in its entirety. The Fee shall remain unchanged until handover under the Works Contract, irrespective of any changes in the price of raw materials, legislation, exchange rates or any other event occurring after the signing of the Works Contract. The currency of the Fee shall be determined by the Parties in the Works Contract.
- 8.3. The Contractor provides warranty/guarantee in respect of the Works for the total quantity and completeness, in particular in respect of items that are not specified in the design documentation, but are essential for the functional operation and proper usability of the Works. The Contractor declares that it has determined the Fee on the basis of its knowledge of the task and the site, by eliminating any contradictions and obtaining the necessary information, and after calculating an appropriate margin for possible uncertainties in the technical and demand level.
- 8.4. The Contractor declares that its undertaking for the tasks specified in the subject matter is complete and that the Fee includes the cost of all work necessary for the performance and proper execution/operation of the tasks specified in the subject matter, in particular:
- the cost of the raw materials, tools, machinery, assembly (except POLIFOAM Materials), labour, deployment equipment, etc. necessary for the performance of the Work,
 - the cost of all certificates, licenses, quality certificates and other documentation necessary for the distribution, building-in of any raw material, tool, machinery, assembly (except POLIFOAM Materials) necessary for performance of the Work, those necessary for the execution of the Work and for the installation of any equipment established in connection therewith,
 - the cost of deployment to the place of destination, Worksite,
 - the transport, loading and unloading, craneage, transport insurance and other ancillary costs of products (except POLIFOAM Materials) transported to the place of destination, building-in or use,
 - the cost of packaging,
 - the costs of collecting and disposing of waste generated during the performance,
 - the costs of organising the Works.
- 8.5. The Contractor has determined the Fee by eliminating any design discrepancies or deficiencies. After the conclusion of the Works Contract, the Contractor shall not be entitled to modify the Fee or to claim any additional costs, except for the cost of supplementary works ordered in writing by POLIFOAM. The Contractor may only carry out supplementary work on the basis of a prior written purchase order from POLIFOAM.
- 8.6. If the subject matter of the Works Contract falls within the scope of Section 142 of Act CXXVII of 2007 (hereinafter referred to as VAT Act), POLIFOAM shall notify the Contractor thereof in the form of a declaration, including a declaration of fulfilment of the conditions set out in Section 142 (3) of the VAT Act. The Contractor shall make a declaration to POLIFOAM in relation to the fulfilment of the conditions set out in Section 142 (3) of the VAT Act. In the event of application of Section 142 of the VAT Act, POLIFOAM shall pay the value added tax in accordance with the VAT Act. The Contractor shall ensure the issuing of an invoice in which no VAT is charged, and in which the percentage referred to in Section 83 of the VAT Act is not indicated and which contains an unambiguous reference to Section 142 of the VAT Act.
- 8.7. The invoice issued for the Fee shall be deemed to have been paid at the moment when POLIFOAM's account is debited with the amount of the Fee to be paid.
- 8.8. If the Contractor unilaterally deviates from any clause of the Works Contract to the detriment of POLIFOAM, POLIFOAM shall be entitled to refuse payment, either in part or in full, until the breach of contract has been remedied, without the Contractor being entitled to charge default interest or to apply any other adverse legal consequence.
- 8.9. Payment of the Fee by POLIFOAM does not constitute acceptance by POLIFOAM of the quality of the Work, and any payment shall be made without prejudice to all of POLIFOAM's rights which can be enforced in the event of defective performance (including without limitation any latent defect in the Work not known to the Contractor) or other breach of contract by the Contractor.
- 9. FINANCIAL ACCOUNTING**
- 9.1. By signing the Works Contract, the Contractor declares that its tax number has not been suspended and that it is entitled to use it. The Contractor shall immediately notify POLIFOAM of any suspension of the tax number during the term of the Works Contract.
- 9.2. The Parties hereby state that certification of performance does not in itself constitute recognition of the Contractor's claim and does not constitute a basis for the Contractor to claim the Fee. From a financial and legal point of view, it is also necessary for the establishment of the claim for the Contractor's Fee that the Contractor, in possession of the document certifying the handover and acceptance of the Work, issues an invoice for the amount of the Fee in proportion to the performance in accordance with the rules of this Chapter and the applicable legislation, and submits the same to POLIFOAM with the necessary attachments in accordance with Clause 9.3 and that POLIFOAM accepts it.
- 9.3. Manner and place of submission of the invoice:
- 9.3.1. by post, in the form of registered mail with acknowledgement of receipt, to the following address of POLIFOAM:
- POLIFOAM Kft.
H-1097 Budapest, Táblás utca 34/A.**
- 9.3.2. electronically by e-mail to the **invoice.polifoam@trocellen.com** email address.
- 9.4. The invoicing schedule shall be set out in the Works Contract. In case the Parties do not agree on the invoicing schedule (technical content, date, Fee) in the Works Contract, POLIFOAM shall consider that the Contractor is entitled to submit a single invoice (final invoice) after the successful completion of the handover and acceptance and shall accept the invoice accordingly.
- 9.5. The Contractor becomes entitled to issue and submit an invoice in the case of the fulfilment of the criteria set out in Chapter 7. POLIFOAM shall only accept invoices with the same date of completion as the date of the certificate of completion and stating the SAP PO number.
- 9.6. Once the invoice has been submitted, POLIFOAM shall record the receipt of the invoice and register it if it complies with the requirements of form. The invoice shall become accepted by virtue of its registration by POLIFOAM, on the date of registration. POLIFOAM shall not send an individual notification on accepting the invoice.
- 9.7. The Parties agree that if the invoice is not submitted to POLIFOAM in the above manner, the invoice shall not be accepted and its issue shall have no financial or legal effect and shall not give rise to any claim against POLIFOAM. It is further stipulated that if the invoice does not comply with the requirements of form or if there is a complaint concerning the Contractor's performance, POLIFOAM shall refuse to accept the invoice and shall return it to the Contractor, together with the reasons for the objection. The refusal to accept the invoice shall constitute a dispute as to the legal basis and the due date of the Contractor's claim and shall have legal effect pursuant to Section 27 (2c) of the Insolvency Act. Additional requirements for the registration of the invoice:
- the invoice was correctly issued,
 - the Contractor has submitted all the necessary accounting documents,
 - the invoice contains the SAP PO number registered by POLIFOAM (as indicated in the PO referred to in Clause 1.6),

- if the Contractor works on several projects in parallel, it shall submit its invoices separately for each project,
 - POLIFOAM details shall be included in the customer details on the invoice,
 - the invoice shall be accompanied with a certificate of performance signed by POLIFOAM.
- 9.8. Payment of an advance, progress billing invoice and final invoice shall be made by bank transfer within 45 calendar days of receipt of the invoice. In the event of late payment, the Contractor shall be entitled to default interest based on the number of days of delay, in accordance with the provisions of the Civil Code on default interest (Section 6:155 (1) of the Civil Code). In the event of an incorrect invoice, i.e., an invoice issued inappropriately, the Contractor shall not be entitled to claim default interest on the ground of late payment.
- 9.9. If POLIFOAM has a claim against the Contractor for any reason falling beyond the Works Contract, it shall be entitled to set off such claim against its outstanding Fee payable to the Contractor and satisfy its claim in this way. Similarly, POLIFOAM shall be entitled to set off its claims asserted under the Works Contract against its supplier's fees payable to the Contractor and deduct the value of such claims from the payments due.
- 9.10. The Contractor undertakes that if a third party (e.g., its own supplier) asserts a claim against it, it shall not rely on the fact that it has a claim against POLIFOAM and that it shall not offer its claim as security or encumber it.
- 9.11. The Contractor declares that, by signing the Works Contract, it waives its right to assign or factor its claims against POLIFOAM arising from the Works Contract to a third party. This waiver may be revoked only by a separate relevant agreement of the Parties. The Parties further agree that if, notwithstanding the above, the Contractor assigns or pledges its claim to a third party, the Contractor shall lose the possibility of issuing progress billing invoices and shall henceforth only be entitled to submit a final invoice upon completion, i.e., upon handover of the Work free of defects and deficiencies.
- 9.12. The Parties further agree that financial withholdings of a security nature (withholding under guarantee) shall be considered as a claim personally related to the Contractor – in view of the fact that they ensure the contractual performance – and therefore the Contractor shall not be entitled to assign, pledge or otherwise encumber such claims. Any assignment made notwithstanding the foregoing shall not be effective against POLIFOAM and POLIFOAM shall not be obliged to acknowledge such assignment. The Parties also agree that in the case of assignment without consent, POLIFOAM shall be entitled to refuse performance until the identity of the actual beneficiary is satisfactorily clarified by agreement of the Parties or by a court judgment, in order to avoid the risk of double performance. In such a case, POLIFOAM shall not be in default and shall not be obliged to pay default interest.
- 10. GUARANTEE, WARRANTY FOR MATERIAL DEFECTS, DEFECTIVE PERFORMANCE**
- 10.1. The Contractor shall be bound by an obligation of guarantee and warranty for material defects in respect of the Work carried out by it with regard to the following:
- the Work, at the time of performance, possesses the characteristics specified by law and in the Works Contract, i.e., it meets the purpose for which it was manufactured, created, for which POLIFOAM ordered the Work and will use it, including the special purposes the Contractor must have been aware of;
 - the Work is free from any third party claims or rights of any nature, including without limitation any patents or any other intellectual property rights or other rights.
- 10.2. During the guarantee period, POLIFOAM may enforce its rights under warranty for material defects under the Works Contract according to the guarantee rules. Rights and claims under warranty for material defects shall not be time-barred as long as the guarantee period continues. The Contractor's guarantee obligation shall commence on the date of issue of the certificate of performance form by POLIFOAM and shall continue for a period of 12 months from the date of handover (date of handover and acceptance) of the Installation (of which the Work implemented by the Contractor forms a part).
- 10.3. The period of warranty for material defects for goods ordered for long-term use (Work) shall be the same as the guarantee period set out in Clause 10.2, however, if a longer mandatory guarantee period is prescribed by law, the statutory guarantee period shall apply and the commencement of the guarantee period shall be determined as set out in Clause 10.2.
- 10.4. The guarantee/warranty periods for repairs shall be extended in accordance with the provisions of the applicable legislation.
- 10.5. On the basis of its claim under warranty for material defects, POLIFOAM shall have the option to:
- require repair or replacement; or
 - require a proportional reduction of the Fee;
 - repair the defect by itself or have it repaired by another party at the Contractor's expense;
 - or cancel the Works Contract if the Contractor has not undertaken to carry out the repair or replacement, cannot or does not want to fulfil this obligation within the time limit specified in the Works Contract, or, failing this, within an otherwise appropriate time limit, or if POLIFOAM's interest in the repair or replacement has ceased.
- POLIFOAM may switch from the selected right of warranty for material defects to another.
- 10.6. The rights under warranty shall survive POLIFOAM's inspection, acceptance and use of the Work, and any declaration by POLIFOAM on the acceptance of the Work shall not constitute either an acceptance of the quality of the Work or an acknowledgement that the rights under warranty for material defects have not been breached or that the rights under warranty for material defects have been waived by POLIFOAM.
- 10.7. The rights under warranty for material defects shall be transferred to POLIFOAM's assigns, successors, customers and to those who use the Work or have a contractual relationship with POLIFOAM under which the services provided, installation constructed include the Work implemented by the Contractor.
- 10.8. The Contractor shall commence the repair – or if the defect cannot be remedied by repair, the replacement – within 24 hours of the notification of the defect, or immediately in the case of a defect that seriously jeopardises the function, and shall inform POLIFOAM of the measures taken.
- 10.9. POLIFOAM may exercise the above rights in parallel and simultaneously, and may claim damages arising from defective performance in full against the Contractor.
- 10.10. If the Contractor builds-in, fits or delivers a non-Class I quality product during the execution of the Work and POLIFOAM opts for replacement, the Contractor shall return it at its own expense and replace it with a new product, taking care of the delivery, building-in or fitting of such new product. The Contractor shall carry out the replacement in such a way that no modification of the time limit for performance of the Work becomes necessary. POLIFOAM shall be entitled to charge the Contractor for any damage caused by any delay resulting from the replacement. POLIFOAM shall also be entitled to charge the Contractor for any additional costs resulting from the replacement, regardless of the legal title. If the Contractor fails to deliver a Class I quality, POLIFOAM shall be entitled to have the Contractor dismantle and rebuild the given work or part of work, which the Contractor shall carry out without delay.
- 10.11. If the product to be delivered, built-in or fitted is not of Class I quality, POLIFOAM may unilaterally choose a price reduction instead of replacement. On the ground of Class II or III quality, POLIFOAM shall be entitled to a price reduction of 15 % for Class II and 30 % for Class III for the product concerned. However, this shall not limit the Contractor's obligations under guarantee and warranty for material defects.
- 10.12. The Contractor shall pay contractual penalty in the case of defective performance, provided that the defective performance is not corrected or replaced within the time limit set by POLIFOAM. The contractual penalty shall amount to 20% of the net Fee of the Work affected by the defective performance. In excess of the contractual penalty, POLIFOAM shall be entitled to claim from the Contractor any costs and damages – including additional costs arising from the substitute transaction – resulting from the defective performance.
- 10.13. Both the discount and the contractual penalty shall be enforced by POLIFOAM withholding the amount of the discount or contractual penalty from the Contractor's claim – applying a set-off – and informing the Contractor at the same time, or, if this is not possible, invoicing the amount to the Contractor.
- 10.14. The Contractor shall, at the request of POLIFOAM and at its own expense, defend POLIFOAM and/or its contractual partner against any claim concerning the Works or the subject matter thereof, based on a claim that the Works constitute or appear to constitute an infringement of an intellectual property right. Whether or not the Contractor provides defence against such claim, the Contractor shall be liable for all damages, costs and expenses incurred by POLIFOAM in connection with such claims.
- 11. COMPENSATION FOR DAMAGES**
- 11.1. In the event of damage, POLIFOAM's representative shall be notified as soon as possible and a record shall be drawn up in their presence in all cases. If the Contractor's representative is not present when the record is drawn up, they may comment on the record in writing within 2 working days of receipt. In the event of failure to do so, the contents of the record may not be the subject of a subsequent dispute.

- 11.2. The Contractor shall immediately report in writing if a third party has caused damage to its performance, equipment or materials.
- 11.3. The Contractor shall be liable in lieu of POLIFOAM for all damages, claims, losses, costs, impairments of rights (including, without limitation, death, personal injury, damage to property, or any loss or damage) arising in whole or in part from defective performance. The Contractor shall be fully and directly liable to POLIFOAM for any damage caused by its employees, subcontractors, their representatives and employees, and any vicarious agents who carry out any part of the Work under a contract or agreement with the Contractor.
- 11.4. The Contractor shall also be liable to compensate for the total damage caused by its defective performance or non-performance.
- 12. DELAY, FRUSTRATION**
- 12.1. The Contractor shall be in default if fails to perform the Work when due. The Contractor shall be obliged to pay a penalty for delay, the daily rate and the upper limit of which, expressed as a percentage of the Fee, shall be specified in the Works Contract or the purchase order. If the Parties do not agree on the amount of the penalty for delay, the daily rate of the penalty for delay shall be 1% of the total net Contractor's Fee, and the maximum penalty shall be 20% of the Contractor's Fee. The amount of the penalty for delay shall be set off against the amount of the progress billing or final invoice. The time limits for partial performance shall also be subject to contractual penalties. The penalty for delay due to non-compliance with the time limits for partial performance shall be irrecoverable even if the final time limit is met in accordance with the contract. The Parties agree that in the event that the Contractor is 15 days late as compared to the schedule set forth in the Works Contract, POLIFOAM shall be entitled to proceed, at its option, as follows:
- it may still demand performance and may also claim a penalty for delay;
 - it may consider the performance to have become frustrated due to the Contractor's fault (impossibility of performance for reasons attributable to the obligor) and may, without having to prove its loss of interest, cancel or terminate the Works Contract and claim a penalty for frustration equal to the maximum amount of penalty for delay under this Clause;
 - may enter into a substitute transaction for ordering the Work from a third party at the Contractor's expense.
- 12.2. POLIFOAM shall be entitled to both the penalty for delay and the penalty for frustration charged until POLIFOAM's cancellation or termination. POLIFOAM shall be entitled to claim compensation from the Contractor for damages not covered by contractual penalty resulting from delay or frustration, including additional costs resulting from the substitute transaction. POLIFOAM may set off the amount of the contractual penalty and damages against its outstanding debt to the Contractor.
- 12.3. POLIFOAM also reserves the right of cancellation and termination in the event that proceedings preventing or hampering the fulfilment of the obligations set out in the GTCs – including the obligations under guarantee and warranty – is initiated against the Contractor, for example, but not only, if the Contractor becomes subject to bankruptcy or liquidation proceedings, proceedings of forced deletion from the registry are ordered against the Contractor, the Contractor decides to be wound up, or a change in the ownership structure of the Contractor's company is contrary to the business interests of POLIFOAM. In such cases, the Contractor shall be obliged to pay a penalty for frustration equal to the maximum amount of penalty for delay.
- 13. TERMINATION**
- 13.1. Failure to comply with the obligations set out in Chapter 4 (Rights and obligations of the Contractor) shall constitute a breach of contract and the Contractor shall be liable for any and all legal consequences arising therefrom. In case of a serious breach of contract by the Contractor as defined below, POLIFOAM shall be entitled to terminate the Works Contract with immediate effect without any legal consequences (e.g., compensation, indemnification, reimbursement of costs, etc.). For the purposes of the Works Contract – in particular, but not limited to, its provisions on contractual penalty –, this shall be deemed to mean that the Works Contract is terminated for reasons attributable to the Contractor:
- if the Contractor becomes insolvent, bankruptcy, winding-up or liquidation proceedings are initiated against it, a court declares it terminated or orders its forced cancellation by a final and binding decision;
 - if the Contractor does not deliver in the quality and/or quantity agreed;
 - any breach of the Works Contract of any nature that delays or jeopardises performance within the time limit set out in the Works Contract or the Contractor fails to meet the time limit for reasons attributable to it;
 - it becomes apparent before the time limit set for performance of the relevant contractual obligation that the Contractor can only perform the installation with such a considerable delay or, despite the expiry of a reasonable time limit set for remedying the defect, with such defects that for this reason the performance is no longer in POLIFOAM's interest;
 - the Contractor fails to comply with the request to fulfil its contractual obligations within a reasonable time limit specified by POLIFOAM;
 - the Contractor fails to comply with the instructions given by POLIFOAM despite repeated requests or within the time limit set by POLIFOAM;
 - a final adverse decision is adopted against the Contractor for an infraction or criminal offence affecting its professional activities;
 - in the event of a breach of confidentiality pursuant to Clause 15 or undertaken in a separate declaration;
 - the Contractor's statements, conduct or practices are damaging to POLIFOAM's reputation and business integrity;
 - the Contractor or any person acting on its behalf fails to comply with the provisions of these GTCs or the Works Contract as regards occupational safety and health.
- 13.2. POLIFOAM may cancel or terminate the Works Contract in accordance with the provisions of Section 6:249 (1) of the Civil Code at any time without cause, upon payment of a proportionate part of the Fee and compensation for the damage caused by the termination of the Works Contract and proven by the Contractor to the satisfaction of POLIFOAM, up to the amount of the Fee.
- 14. INTELLECTUAL PROPERTY**
- 14.1. The Parties hereby state that POLIFOAM shall own the rights of use and property rights to all intellectual works created during the performance of the Works Contract, in particular, but not limited to, the original concept of the Work or a characteristic element thereof, the design, sketch, any graphic solution, photograph, illustration, software, know-how, etc., based on the concept (hereinafter collectively referred to as "**Intellectual Work**"). The consideration paid by POLIFOAM under the Works Contract shall include the consideration for the above transfer of rights. The Parties hereby state that if the Intellectual Work is created by a vicarious agent engaged by the Contractor rather than by the Contractor itself, the Contractor shall enter into an agreement with the vicarious agent authorising the use of such Intellectual Work for the purpose of achieving the purpose of the Works Contract.
- 14.2. Simultaneously with granting the right of use, the Contractor warrants that POLIFOAM shall be entitled not to state the name(s) of the author(s)/inventor(s) in connection with the use of the Intellectual Works under the Works Contract.
- 14.3. POLIFOAM declares that there is no legal obstacle to the use of any work or intellectual creation protected by copyright, trademark, patent or any other protected works or intellectual works falling within the scope of intellectual property rights – which it may make available to the Contractor for use in the performance of the tasks specified in this contract – in connection with the obligations to be performed by the Contractor under this contract, i.e., no third party has any right which would prevent or hinder the intended use of such intellectual works.
- 14.4. If POLIFOAM's claims for use in respect of the Intellectual Works are subsequently modified, such different use may be agreed upon by the Parties in a separate agreement, subject to the payment of separate remuneration.
- 15. TRADE SECRETS**
- 15.1. The Parties shall treat the Works Contract as a trade secret. Accordingly, the Contractor shall not be entitled to make the Works Contract available to third parties, including in particular debt collection companies, or to disclose the contents of the Works Contract to any third party. The Parties further agree to treat disputes relating to the performance of the Works Contract as trade secrets. In case of a breach of this obligation, POLIFOAM shall be entitled to terminate the Works Contract.
- 16. OTHER PROVISIONS**
- 16.1. The matters not regulated in the GTCs and the Works Contract shall be governed by the rules of Hungarian legislation in force at any given time, in particular the Civil Code (Act V of 2013 on the Civil Code) and Act LIV of 2018 on the Protection of Trade Secrets.

- 16.2. The Parties shall submit to the exclusive territorial jurisdiction of the Buda Central District Court or the Székesfehérvár Regional Court with respect to any disputes arising out of the Works Contract, depending on material competence.
- 16.3. If certain provisions of the Works Contract are invalid or considered to be invalid, such invalidity shall not affect the GTCs and the Works Contract as a whole. The provisions of the GTCs and the Works Contract not affected by the invalidity shall remain valid and enforceable, and the invalid provision shall be replaced by the closest applicable rule in force governing the legal relationship between the Parties, unless the Parties would not have entered into the GTCs and the Works Contract at all without the invalid provisions or provisions considered to be invalid. Should such an interpretation be impossible for legal reasons, the Parties irrevocably commit themselves to conclude a supplementary agreement.
- 16.4. Any statement or amendment to the Works Contract shall be valid and enforceable only if made in writing. All communications relating to the Works Contract shall be in writing. The Parties hereby state that notices sent to each other under the Works Contract, at their respective registered offices as set out in the Works Contract, shall be deemed to have been communicated to the addressee in the following cases:
- in the case of personal delivery: on the day of delivery;
 - in the case of delivery by registered priority mail: on the day of receipt or, if the mail was returned to the sender by the postal service marked "not claimed", "addressee unknown", "acceptance refused", "delivery prevented" or "moved", on the 5th (fifth) day after the date of dispatch;
 - in the case of delivery by express courier: by delivery to the addressee during normal business hours, otherwise on the working day following delivery;
 - in the case of notification by e-mail: on the working day following the sending of the e-mail, provided that the receipt of the e-mail has been acknowledged by the receiving party.