

General Terms and Conditions of
Viega Kereskedelmi Korlátolt Felelősségű Társaság
Effective as of 1. June 2016

1 Interpretation

1.1 **Definitions.** In these Conditions, the following definitions apply:

“**Business Day**” means a day (other than a Saturday, Sunday unless declared work day by law or public holiday) when banks are open for business;

“**Conditions**” means the terms and conditions set out in this document as amended from time to time in accordance with clause 11.6;

“**Contract**” means the contract between Viega and the Customer for the sale and purchase of the Products in accordance with these Conditions;

“**Customer**” means the person or firm who purchases the Products from Viega and who does not qualify as consumer under point 3 of paragraph 1 of article 8:1 of Act V of 2013 on the Hungarian Civil Code (Ptk.);

“**Delivery**” has the meaning given to it in clause 4.3;

“**Delivery Date**” means the date on which Delivery takes place;

“**Delivery Location**” has the meaning given to it in clause 4.2;

“**Force Majeure Event**” means to the extent that they are beyond a party’s reasonable control, any strikes, lock-outs or other industrial disputes of third parties, act of God, riot, war, civil commotion, malicious damage, fire, explosion, terrorist act, compliance with any law or governmental order, rule, regulation or direction;

“**Order**” means the Customer’s order for the Products, as set out in the Customer’s purchase order form, the Customer’s written, fax or e-mail acceptance of Viega’s quotation, or overleaf, that is, Customer’s binding offer for purchase, as the case may be;

“**Products**” means the goods (or any part of them) set out in the Order;

“**Specification**” means any specification for the Products, including any related plans and drawings, that is agreed in writing by the Customer and Viega;

“**VAT**” has the meaning given to it in clause 7.5;

“**Viega**” means Viega Kereskedelmi Korlátolt Felelősségű Társaság whose registered office is at Budapest; and

“**Warranty**” has the meaning given to it in clause 5.1.

1.2 **Construction.** In these Conditions, the following rules apply:

1.2.1 A reference to a statute or statutory provision is a reference to such statute or provision as amended or re-enacted. A reference to a statute or statutory provision includes any subordinate legislation made under that statute or statutory provision, as amended or re-enacted.

1.2.2 Any phrase introduced by the terms **including, include, in particular** or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.

1.2.3 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.

1.2.4 A reference to **writing** or **written** includes faxes and e-mails.

2 Scope of present Conditions

2.1 Present Conditions shall apply to any and all Contracts, related price quotation, offer, order and order confirmation. Present Conditions form an integral part of any and all Contacts.

- 2.2 Customer's general terms and conditions and any other conditions originating from Customer shall be non-applicable in the relationship between Viega and Customer.
- 2.3 Customer accepts, that upon placing its Order on the basis of Viega's price quotation also including the text of present Conditions or a reference to the relevant homepage where it is to be found, or if no price quotation was sent, by not objecting in writing within one working day to Viega's order confirmation also including the text of present Conditions or a reference to the relevant homepage where it is to be found, present Conditions shall be considered as governing the relationship between Viega and Customer.
- 2.4 It shall be expressly laid down that customs which Viega and Customer have agreed on in prior business dealings, practices they have established between themselves, furthermore, customs considered generally applicable and widely known in the given sector by parties to similar contracts will not become a part of the Contract.

3 Basis of contract

- 3.1 Customer is bound to the Order sent to Viega. The Customer is responsible for ensuring that the terms of the Order and Specification are complete and accurate.
- 3.2 An acceptance deviating from the Order shall be deemed as a new offer. In such a case the Contract shall not come into existence. Every deviation qualifies as material.
- 3.3 The Contract shall only come into existence upon the confirmation, that is, acceptance of the Order by Viega. The Order shall only be deemed accepted if confirmed by Viega in writing, by e-mail or by fax. The Contract shall come into existence upon of the confirmation becoming effective, except for the event of a written objection to Viega's order confirmation sent by Customer within one working day as set forth in clause 2.3 and the last paragraph of present Conditions, in which case the Contract shall not come into existence.
- 3.4 The Contract constitutes the entire agreement between Viega and Customer. The Customer acknowledges that it has not relied on any statement, promise, representation, assurance or warranty made or given by or on behalf of Viega which is not set out in the Contract. The Contract supersedes all prior agreements between the parties concerning the matters set forth therein.
- 3.5 Any samples, drawings, descriptive matter, or advertising produced by Viega and any descriptions or illustrations contained in Viega's catalogues or brochures are produced for the sole purpose of giving an approximate idea of the Products described in them. They shall not form part of the Contract or have any contractual force and shall not constitute an obligation for Viega.
- 3.6 A price quotation for the Products given by Viega shall not constitute an offer (non-binding offer), unless expressly stated as binding by Viega. Customer shall place its purchase offer within 20 days as of receipt of Viega's price quotation. In case of failing this deadline Customer shall request a new price quotation.

4 Products

- 4.1 The Products are described in the Specifications.
- 4.2 Viega shall not review the Specification supplied by Customer as to appropriateness or legal conformity. To the extent that the Products are to be manufactured in accordance with a Specification supplied by the Customer, the Customer shall indemnify Viega against all liabilities, costs, expenses, damages and losses (including any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal and other professional costs and expenses) suffered or incurred by Viega in connection with any claim made against Viega for actual or alleged infringement of a third party's intellectual property rights arising out of or in connection with Viega's use of the Specification. This clause 4.2 shall survive termination of the Contract.
- 4.3 Viega reserves the right to amend the Specification of any Product(s) if required by any applicable statutory or regulatory requirements.

5 Delivery

- 5.1 Viega shall ensure that:

- 5.1.1 each delivery of the Products is accompanied by a delivery note which shows the date of the Order, all relevant Customer and Viega reference numbers, the type and quantity of the Products (including the code number of the Products, where applicable), special storage instructions (if any) and, if the Order is being delivered by instalments, the outstanding balance of Products remaining to be delivered; and
 - 5.1.2 if Viega requires the Customer to return any packaging materials to Viega, that fact is clearly stated on the delivery note. The Customer shall make any such packaging materials available for collection at such times as Viega shall reasonably request. Returns of packaging materials shall be procured for by Viega at Viega's expense.
- 5.2 Viega shall deliver the Products to the location set out in the Order or such other location as the parties may agree ("**Delivery Location**") at any time after Viega notifies the Customer that the Products are ready.
- 5.3 Delivery of the Products shall be completed on the Products' arrival at the Delivery Location ("**Delivery**").
- 5.4 Any dates quoted for Delivery are approximate only, and the time of Delivery is not of the essence. Viega shall observe the quoted delivery date as well as it is possibly able. However, non-compliance with the quoted delivery date shall not qualify as breach of contract by Viega and except for the event set forth in point 5.5 shall not serve as basis for damage claims. Viega shall not be liable for any delay in Delivery that is caused by a Force Majeure Event or the Customer's failure or delay to provide Viega with adequate Delivery instructions or any other instructions that are relevant to the supply of the Products.*
- 5.5 If Viega fails to deliver the Products within 30 days as of the quoted delivery date, Customer shall be entitled to cancel the Contract. Viega's liability shall be limited to the reasonable costs and expenses certified by invoice incurred by the Customer in obtaining replacement Products of similar description and quality in the cheapest market available, less the price of the Products.
- 5.6 If the Customer fails to accept Delivery of the Products within three (3) Business Days of Viega notifying the Customer that the Products are ready, then, except where such failure or delay is caused by a Force Majeure Event or Viega's failure to comply with its obligations under the Contract:
 - 5.6.1 Delivery shall be deemed to have been completed at 9.00 am on the third Business Day after the day on which Viega notified the Customer that the Products were ready; and
 - 5.6.2 Viega shall store the Products until Delivery takes place, and charge the Customer for all related costs and expenses (including insurance). By storing the Products Viega shall act in accordance with the rules pertaining to quasi contract.
- 5.7 If ten (10) Business Days after the day on which Viega notified the Customer that the Products were ready for Delivery the Customer has not accepted Delivery, Viega's interest in performing the Contract will lapse and Viega may cancel the Contract. In such an event Viega may resell or otherwise dispose of part or all of the Products and account to Customer for any and all damage suffered or incurred by Viega due to non-acceptance of the Products by Customer (including in particular any shortfall below the price of the Products under the Contract, additional storage and transportation costs etc.). Should Viega fail to sell the Products in accordance with those written herein or otherwise dispose thereof, Viega will be entitled to claim from Customer besides any other damages suffered or incurred by Viega the difference between the purchase price of the Products and the market price thereof at the time of the cancellation of the Contract.
- 5.8 The Customer shall not be entitled to apply the legal consequences of breach of contract, in particular it shall not be entitled to cancel the Contract or reject the Products if Viega delivers up to and including 5% more or less than the quantity of Products ordered. In such an event a pro rata adjustment shall be made to the Order invoice on receipt of written, fax or e-mail notice from the Customer that the wrong quantity of Products was delivered. The Customer shall pay the purchase price after the delivered quantity.

5.9 Viega may deliver the Products by instalments, which shall be invoiced and paid for separately. Regarding each delivered instalment the Contract shall be deemed performed. Any delay in Delivery or defect in an instalment shall not entitle the Customer to apply the legal consequences of breach of contract, in particular it does not entitle Customer to cancel any other instalment or refuse acceptance thereof.*

6 Quality

6.1 Viega warrants that upon Delivery, and for a period of five (5) years after installation and/or putting in operation of the Products, or ten (10) years after Delivery of the Products, whichever period is shorter, the Products shall:

6.1.1 conform in all material respects with the Contract, the relevant legal regulations and the Specification; and

6.1.2 be free from material defects in design, material and workmanship;

(the “**Warranty**”).

6.2 Subject to clause 6.3, if:

6.2.1 the Customer gives notice in writing, fax or e-mail to Viega within a reasonable time, but latest within two months of discovery that some or all of the Products do not comply with the Warranty; and

6.2.2 Viega is given a reasonable opportunity of examining such Products; and

6.2.3 the Customer returns such Products to Viega’s place of business indemnifying Viega for Viega’s reasonable transportation costs;

Viega shall, at its option, repair or replace the defective Products, or give a discount or refund the price of the defective Products in full. In addition, Viega shall also be responsible for reasonable labour costs necessary for the installation of any repaired or replaced product. Viega shall not be liable for any other damages arising from defective performance.*

6.3 Viega shall not be liable for Products’ failure to comply with the Warranty in any of the following events:

6.3.1 the Customer makes any further use of such Products after giving notice in accordance with clause 6.2;

6.3.2 the defect arises because the Customer failed to follow Viega’s oral or written instructions as to the storage, commissioning, installation, use and maintenance of the Products or good trade and engineering practice regarding the same;

6.3.3 the Customer, or any intermediary that has directly or indirectly supplied the Products to the Customer, alters or repairs the Products without the written, fax or e-mail consent of Viega;

6.3.4 the defect arises as a result of fair wear and tear, wilful damage, negligence, or abnormal storage or working conditions;

6.3.5 the Products differ from the Contract and/or Specification as a result of changes made to ensure they comply with applicable statutory or regulatory requirements; or

6.3.6 the Products have been used or installed outside of the territory of Hungary.

6.4 The Warranty sets out Viega’s only liability to the Customer (whether in contract, tort (including negligence), breach of statutory duty, or otherwise) in respect of defective or faulty Products.

6.5 The Warranty is for the benefit of the Customer only and it may not be assigned, transferred or dealt with by any other person.

6.6 The Customer shall pass sufficient copies of any warranty documentation that accompanies the Products to its customers so that all members of the supply chain, including the end-user, have a copy of such documentation.

- 6.7 These Conditions shall apply to any repaired or replacement Products supplied by Viega.
- 6.8 If the Customer returns the Products to Viega for examination and it turns out that no warranty claims exists, Viega is entitled to charge the Customer a processing fee in the amount of 25% of the price of the respective Products but not less than HUF 12,000 before tax.*

7 Title and risk

- 7.1 The risk in the Products shall pass to the Customer on Delivery.
- 7.2 Title to the Products shall not pass to the Customer until Viega receives payment in full (in cash or cleared funds) for the Products.
- 7.3 Until title to the Products has passed to the Customer, the Customer shall:
- 7.3.1 store the Products separately from all other Products held by the Customer so that they remain readily identifiable as Viega's property;
 - 7.3.2 not remove, deface or obscure any identifying mark or packaging on or relating to the Products;
 - 7.3.3 maintain the Products in satisfactory condition and keep them insured against all risks for their full price following Delivery;
 - 7.3.4 notify Viega immediately if it becomes subject to any of the events listed in clauses 9.2.2 or 9.2.3; and
 - 7.3.5 give Viega such information relating to the Products as Viega may require from time to time.
- 7.4 In consideration of clause 7.5, the Customer may not resell or use the Products before Viega receives payment for the Products.
- 7.5 If before title to the Products passes to the Customer, the Customer becomes subject to any of the events listed in clauses 9.2.2 and 9.2.3, then, without limiting any other right or remedy Viega may have:
- 7.5.1 the Customer's right to hold the Products ceases immediately; and
 - 7.5.2 Viega may at any time:
 - (i) require the Customer to deliver up all Products in its possession which have not been irrevocably incorporated into other Products; and
 - (ii) if the Customer fails to do so promptly, enter any premises of the Customer or of any third party where the Products are stored or presumed to be stored in order to recover them.

8 Price and payment

- 8.1 The price of the Products shall be the price set out in the Order confirmed by Viega, or, if no price is quoted, the price set out in Viega's published price list in force as at Delivery.
- 8.2 Viega may, by giving notice to the Customer at any time up to ten (10) Business Days before Delivery, increase the price of the Products to reflect any increase in the cost of the Products that is due to:
- 8.2.1 any factor beyond Viega's control (including foreign exchange fluctuations, increases in taxes and duties, and increases in labour, materials and other manufacturing costs);
 - 8.2.2 any request by the Customer to change the date(s) of Delivery, quantities or types of Products ordered, or the Specification; or
 - 8.2.3 any delay caused by any instructions of the Customer or failure of the Customer to give Viega adequate or accurate information or instructions.*

The price of the Products is exclusive of the costs and charges of packaging, insurance and transport of the Products, which shall be invoiced to and paid by the Customer.

- 8.3 The price of the Products is exclusive of amounts in respect of value added tax (“VAT”). The Customer shall, on receipt of a valid VAT invoice from Viega, pay to Viega such additional amounts in respect of VAT as are chargeable on the supply of the Products.
- 8.4 Viega may invoice the Customer for the Products, the costs and expenses under point 8.3 and the VAT on or at any time after the completion of delivery.
- 8.5 The Customer shall pay the invoice in full and in cleared funds within twenty (20) Business Days of the date of the invoice. Payment shall be made to the bank account nominated in writing, by fax or by e-mail by Viega. The costs related to the payment, including bank costs, shall be borne by the Customer.
- 8.6 If the Customer fails to make any payment due to Viega under the Contract by the due date for payment, then the Customer shall pay interest on the overdue amount at the rate of 8% per annum above the Hungarian National Bank’s base rate from time to time. For the purposes of calculating the interest, the base rate in effect on the first day of the calendar half-year affected shall apply for the entire period of the given calendar half-year. In case of late payment in addition the Customer will pay for recover costs in Hungarian Forints in an amount equivalent to at least forty euros calculated by the medium foreign exchange rate of the Hungarian National Bank in effect on the first day of the period for which interest for late payment is charged. Fulfilling the above-specified obligation shall not bring immunity from other legal consequences of late payment, however, damages shall include the above fixed sum. The Customer shall pay the interest together with the overdue amount.
- 8.7 The Customer shall pay all amounts due under the Contract in full without any set-off, counterclaim, deduction or withholding (except for any deduction or withholding required by law). Viega may at any time, without limiting any other rights or remedies it may have, set off any amount owing to it by the Customer against any amount payable by Viega to the Customer.

9 Termination and suspension

- 9.1 Viega may terminate the Contract by giving the Customer thirty (30) days’ written, fax or e-mail notice.
- 9.2 Without limiting its other rights or remedies, Viega may terminate the Contract or suspend its performance with immediate effect by giving written, fax or e-mail notice to the Customer if:
- 9.2.1 the Customer commits a material breach of any term of the Contract and the Customer fails to remedy that breach within fourteen (14) days of the Customer being notified in writing, by fax or by e-mail to do so, Viega may terminate the Contract with immediate effect; or
- 9.2.2 circumstances arise which imply the worsening or the threat of worsening of the Customer’s financial situation, in particular claim for bankruptcy, insolvency or enforcement is filed against the Customer or any such entity which has a majority control in the Customer or in which Customer has a majority control in accordance with the Ptk. Should the Customer be a foreign entity, proceedings identical with or similar to the above written shall qualify as circumstances implying the worsening or the threat of worsening of the Customer’s financial situation; or
- 9.2.3 the Customer ceases, or threatens to cease, to carry on business; or
- 9.2.4 there is a change of control of the Customer (within the meaning of section 8:2 of the Ptk.).
- 9.3 Termination of the Contract, howsoever arising, shall not affect any of the parties’ rights and remedies that have accrued as at termination.
- 9.4 Clauses which expressly or by implication survive termination of the Contract shall continue in full force and effect.

10 Limitation of liability

- 10.1 Nothing in these Conditions shall limit or exclude either party’s liability for:
- 10.1.1 breach of contract causing death, health or personal injury;

- 10.1.2 fraud or fraudulent misrepresentation; or
 - 10.1.3 the deliberate default or wilful misconduct of that party, its employees, agents or subcontractors.
- 10.2 Subject to clause 10.1:
- 10.2.1 Viega shall under no circumstances whatsoever be liable to the Customer, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or any indirect or consequential loss arising under or in connection with the Contract;
 - 10.2.2 Viega's total liability to the Customer in respect of all other losses arising under or in connection with the Contract, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed 100% of the sums paid or payable by the Customer under the relevant Contract at the time that the liability arose.

11 Force majeure

- 11.1 Neither party shall be liable for any failure or delay in performing its obligations under the Contract to the extent that such failure or delay is caused by a Force Majeure Event.
- 11.2 Both the Customer and Viega shall use all reasonable endeavours to mitigate the effect of a Force Majeure Event on the performance of its obligations under the Contract.
- 11.3 If a Force Majeure Event prevents, hinders or delays the Customer's performance of its obligations under the Contract for a continuous period of more than twenty (20) Business Days, Viega may terminate the Contract immediately by giving written, fax or e-mail notice to the Customer.

12 General

12.1 Assignment and other dealings.

- 12.1.1 Viega may at any time assign all or any of its claims or transfer all or any of its rights under the Contract. The Customer grants its prior consent to the transfer of Viega's obligations and contractual position under the Contract. Viega may use intermediaries for the performance of the Contract. Viega may at any time mortgage or in any other way charge all or any of its claims under the Contract.*
- 12.1.2 The Customer may not assign any of its claims, transfer any of its rights or obligations, its contractual position under the Contract, or mortgage, or in any other way charge, its claims under the Contract without the prior written, fax or e-mail consent of Viega.*

12.2 Notices.

- 12.2.1 Any notice or other communication given to a party under or in connection with the Contract shall be in writing, by fax or by e-mail addressed to that party at its registered office or such other address as that party may have specified to the other party in writing, by fax or by e-mail in accordance with this clause, and shall be delivered personally, sent by pre-paid first class post or commercial courier.
- 12.2.2 A notice or other communication shall be deemed to have been received:
 - (i) if delivered personally, when left at the address referred to in clause 12.2.1;
 - (ii) if sent by pre-paid first class post, at 9.00 am on the second Business Day after posting;
 - (iii) if delivered by commercial courier, on the date and at the time that the courier's delivery receipt is signed; or,
 - (iv) if sent by fax or e-mail, one Business Day after successful transmission (where no failed transmission report or out of office message is received by the sender within one hour of sending).

- 12.2.3 The provisions of this clause shall not apply to the service of any proceedings or other documents in any legal action.
- 12.2.4 Parties shall inform each other on any changes in their contact data in writing, by fax or by e-mail under the entire term of the Contract. Should any of the parties fail to comply with the above, the notice or other communication shall be deemed delivered if sent to the last known contact address of the other party.
- 12.3 **Severance.**
- 12.3.1 If any provision or part-provision of the Contract is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity, legality and enforceability of the rest of the Contract.
- 12.3.2 If any provision or part-provision of this Contract is or becomes invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.
- 12.4 **Waiver.** A waiver of any right or remedy under the Contract or law is only effective if given in writing, by fax or by e-mail and shall not be deemed a waiver of any subsequent breach or default and shall under no circumstances be interpreted broadly. No failure or delay by a party to exercise any right or remedy provided under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
- 12.5 **Third party rights.** A person who is not a party to the Contract shall not have any rights to enforce its terms.
- 12.6 **Variation.** Except as set out in these Conditions, no variation of the Contract, including the introduction of any additional terms and conditions, shall be effective unless it is in writing and signed by Viega.
- 12.7 **Governing law.** The Contract, and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with the law of Hungary under exclusion of application of the Vienna Convention on the international sale of goods.
- 12.8 **Jurisdiction.** Each party irrevocably agrees that depending on the disputed value the II-III District Court of Buda or the Higher Court of Győr shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Contract or its subject matter or formation (including non-contractual disputes or claims).

By placing its Order, or if the Conditions were sent attached to the order confirmation, by not objecting in writing within one working day to Viega's order confirmation Customer expressly accepts the regulations marked by *, irrespective of their possible significant deviation from legal regulations or usual business practice, or deviation from any conditions previously applied by the parties.

Viega Kereskedelmi Korlátolt Felelősségű Társaság