



**GENERAL BUSINESS
TERMS AND CONDITIONS
OF SALE**
of
DrySec™ Products



GENERAL BUSINESS TERMS AND CONDITIONS OF SALE of DrySec™ Products Effective
from: **1 May 2014**

I) MAIN PROVISIONS

1. The present General Business Terms and Conditions of Sale (“GTC”) govern the offering, sale and delivery of all products of **DrySec™** and services provided by **Human Hygiene Solutions LLC** (Seat: H-1036 Budapest, Lajos utca 45, Hungary, Mailing address: H-1039 Budapest, Zöld utca 11., Hungary; Phone: +36 20 3222 846; **Website: www.dry-sec.com E-mail: info@dry-sec.com**) as supplier (“Supplier”), to its customer (“Distributor”) and apply to all transactions between Supplier and Distributor. Supplier and Distributor collectively referred to as “Parties”.
2. The Parties agree that in order for the **DrySec™** Product to be operated and used in accordance with its intended purpose, **paper refills (“Paper”)** and **plastic waste bags (“Waste Bag”)** are needed. **DrySec™** Product, Paper and Waste Bag collectively referred to as “Products”.
3. Supplier explicitly rejects the applicability of any general terms and conditions of the Distributor.
4. Any communication or conduct of Distributor which confirms an agreement for the delivery of the **Products** by Supplier, as well as acceptance by Distributor of any delivery of the Products from Supplier shall constitute an unqualified acceptance by Distributor of the present GTC.
5. Following the acceptance of the GTC, the **latest prevailing version of the GTC** being in force shall be applicable to all transactions of the Parties. Supplier shall publish its latest version of **GTC on its website**. The latest version of the GTC shall come into force by publishing it on Supplier’s website.

II) RULES GOVERNING COMMERCIAL ACTIVITIES (TRADE, STORAGE)

1. Given the prestigious and premium nature of the **Products**, the Distributor shall refrain from selling the **DrySec™** Product to such end-users where its intended and intact usage is not guaranteed.
2. The Supplier considers the following **target group** as its primary market for the sale of the Products: **Hotels** (at least in the four-star category); First-class, Class A offices and **office buildings** (according to international standards); **Conference** (convention) centers; Exclusive **restaurants** (at least in the four-star category); **Fitness and wellness** facilities; Exclusive beauty salons, **spas**, private hospitals and **health centers**.
3. Should the Distributor purchase the Paper and the Waste Bag from a supplier other than the Supplier, it shall be responsible for the **full compliance** of the alternative paper refill and the waste bag with the specifications of the Supplier thereon.
4. Distributor shall resell the Products in its **original packaging** and in its entirety, along with **all the accompanying accessories**; no modification thereof or alteration thereto shall be allowed.
5. Distributor shall obtain any and all licences and to be complied with the rules applicable in its distribution area in order for Distributor to be entitled to carry out its business activity regarding the sale of the Products. Should obtaining of necessary **permits and licences** is subject to the consent or authorisation of the Supplier, Distributor shall, without delay, notify Supplier thereabout, who shall provide the Distributor with the necessary documents as soon as such is reasonably possible.
6. The **DrySec™ trademark and logo** can only be used by the Distributor in an unchanged manner as indicated by the Supplier. Any deviation from the use defined by the Supplier, either in format or manner, shall require Supplier prior, written approval. For the avoidance of doubt, Distributor under no circumstances shall be entitled to register the **DrySec™** trademark, logo or any intellectual property right of Supplier under its own or any third party name, without the prior written approval of the Supplier.

7. All use of the **intellectual property rights of the Supplier** shall be for the benefit of the Supplier and any goodwill arising from the use of the intellectual property rights shall accrue to the Supplier.
8. Distributor shall not alter, obscure, remove, conceal or otherwise interfere with any **markings, warnings, instructions or information** placed by the Supplier on the Products or with their labelling and packaging. Distributor will use its best efforts to procure that retail customers are notified of this term and comply fully with it.
9. Distributor acknowledges that, due to the prestigious and premium nature of the Products, its storage at a standard that is commensurate to such classification is indispensable for the Products in order for those to reach end-users in the expected quality. Accordingly, Distributor shall store Products with due care and comply with, among others, the below specifications for **appropriate storage**:
 - Dry location (free from precipitation of any kind and excess moisture);
 - Clean location free from dust (with special regard to the white packaging material of the Product);
 - Location with standard temperature (5°C-50°C/41°F-122°F).

III) RULES GOVERNING PLACEMENT OF ORDERS

1) Placement of orders

1. Distributor shall place an order for the Products (Waste Bag supplied with the Paper) to the Supplier electronically, by way of a duly filled-out and executed **Order Form**, scanned and sent by email to **info@dry-sec.com**
2. The processing of the orders that reach the Supplier’s ordering system before 16:00 (CET) on working days shall be commenced on the same day, while the processing of those order received after 16:00 (CET) on working days or on non-working days shall be commenced on the following working day.
3. The **effective term of the order** shall be 15 days as of its receipt by the Supplier.
4. **Orders are not binding until accepted by the Supplier in writing (the “Confirmed Order”)**.

2) Confirmation of orders

1. During the effective term of the order, the Supplier shall be entitled but not obliged to **confirm the order** to the Distributor electronically in an itemised form. The Supplier shall specify and confirm the **price of the ordered Products** and the **costs charged for the shipment** of the ordered Products.
2. All **other costs**, including but not limited to customs duties, taxes etc. charged by each country according to applicable law so as costs related to shipment, warehousing (storage) and financial, etc. shall be borne by the Distributor.
3. Upon the receipt by the Distributor of the Confirmed Order issued by the Supplier with the same terms and conditions as of the placed order the binding **individual agreement** between the Parties shall be considered to be concluded. Should the Supplier’s confirmation of order includes conditions (e.g. quantity or price) other than those indicated in the placed order, the individual agreement shall only be considered to be concluded based on Distributor’s confirmation regarding acceptance of the Supplier’s confirmation without amendment, in writing, within 15 days of the receipt thereof.
4. Following a binding order, such order shall **not be cancelled** and may only be modified with the Parties’ mutual agreement.
5. In the confirmation Supplier shall also specify the **shipment deadline** (i.e. the date when the Supplier (or its subcontractor) delivers the ordered Products to the location specified by the Distributor that shall **not be more than 60 days** from the conclusion of the individual agreement between the Parties.

6. Present **GTC** shall form **inseparable part** of the binding individual agreements between the Parties.

IV) RULES GOVERNING PAYMENT

1. **Prices and currencies** of Supplier's Products are as set out the Confirmed Order. Unless otherwise agreed, Supplier's prices include standard packaging but do not include Value Added Tax or any other similar applicable taxes, duties, levies or charges in any jurisdiction levied in relation to the Products or the delivery thereof.

2. Unless the prices have been indicated as firm by Supplier in the Confirmed Order, Supplier is entitled to change the price of the Products.

3. Distributor shall, within fifteen (15) calendar days from conclusion of the individual agreement, transfer the tranche specified by the Supplier of the entire contractual amount ("**Advance Payment**") to the Supplier's bank account on the basis of the Advance Payment invoice or the pro forma invoice issued by the Supplier.

4. **Supplier shall not be obliged to commence the shipment of the ordered Products before the Advance Payment's credited on the Supplier's bank account.**

5. Following takeover of the ordered Products, Supplier shall be entitled to issue and submit its relevant invoice, and Distributor shall, within fifteen (15) calendar days from receipt of such invoice, pay to the Supplier's bank account the **outstanding contractual amount** remained after the payment of the Advance Payment.

6. The invoice shall be paid by the Distributor without any deduction or off-setting. No invoice complaint shall entitle Distributor to withhold the payment of the invoice. Any complaint may be made exclusively in writing within 8 days from receipt of the invoice. Should that complaint be established, Supplier shall issue a correction invoice.

7. Generally, **the due date of the invoice payment** shall be within 15 calendar days from its receipt. Supplier at its own discretion may, at the Distributor request, in individual cases extend the general payment term, taking into consideration of the payment discipline and the Products order's volume of the Distributor. Following the amendment of the payment term in an individual case, Supplier reserves the right to reset the payment term according to the general provisions for the subsequent orders.

8. **The date on which the invoice is considered to be paid shall be the day when the amount is credited to the Supplier's bank account.**

9. Supplier may suspend the fulfilment of any further order placed by the Distributor until the contractual amounts in **arrears** are fully paid and make the fulfilment of future orders conditional upon advance payments.

10. In case of **late payment in EUR**, Supplier shall be entitled to charge **default interest** equal to EURIBOR of 3 (three) months plus 5% (five percent) for the period from the due date to the date of performance. In case of late payment in HUF, interest for late payment shall be calculated by the Central Bank of Hungary base rate in effect on the first day of the calendar half-year to which it pertains, plus 8% (eight percent) for the period from the due date to the date of performance.

V) RULES GOVERNING SHIPMENT

1. Supplier shall notify Distributor about **the commencement of the shipment** electronically.

2. Unless stated otherwise in the Confirmed Order, **any times or dates for delivery by Supplier are estimates** and shall not be of the essence. Delay in delivery of any Products shall not relieve Distributor of its obligation to accept delivery thereof, unless Distributor cannot reasonably be expected to accept such late delivery.

3. Distributor shall take over the ordered Products even in case of the Supplier's partial delivery, and shall pay the price of such Products.

4. Supplier shall issue a **delivery note** and furnish Distributor with it by each shipment. At the delivery of the Products, Distributor shall check the data included in the delivery note. If the data are not true to facts or the original packaging of the Products is damaged, Distributor shall indicate it on the delivery note. Distributor shall check the actual physical content of the order against the delivery note, and if the content is different from what is indicated thereon, Distributor shall indicate such discrepancies to the Supplier without delay. Should Distributor fail to do so, its right to claim the deficiencies is forfeited.

VI) TRANSFER OF TITLE TO THE PROPERTY AND RISK

The Parties agree that with effect from date of the **takeover of the ordered Product(s)** the **risk of loss or damage** of the goods shall be transferred to the Distributor. **Title** to the Products shall be reserved by the Supplier until any outstanding amount - including in case of late payment any late payment interest due - is credited in full to the Supplier's bank account.

VII) GUARANTEE

1. Supplier shall provide **guarantee for 1 year** from the date of sale of the Products to end-user, but **no more than 18 months** from the date of takeover of Products by the Distributor. Guarantee covers Product's compliance with requirements specified in the documents forming part of the relevant individual agreement or otherwise being binding regulation.

2. Based on this guarantee, Supplier shall, if the Distributor reports in writing within the guarantee period any deficiency covered by such guarantee, provide the Distributor with a **replacement product** upon delivery of the deficient Product to Supplier, **or compensate** the Distributor for its certified costs of repair, depending on the manner the Distributor decided to eliminate the reported deficiency.

3. The Distributor may acknowledge or refuse its own liability irrespective of the Distributor's position or the statement the Distributor made to the end-user in terms of the existence of the guarantee.

VIII) MISCELLANEOUS

1. During the sale of Products Distributor shall **observe and comply** with all rules, norms and official requirements regulating its activity and shall refrain from any activity or attitude that may have any adverse effect on the Supplier or the Products, with special regard to any unfair market practices.

2. The Parties undertake to notify each other of any **change of data** that may affect the orders between the Parties or the performance thereof (e.g.: change in bank account number, primary and secondary places of business and contact persons). Any liability and loss/damage arising from failure to provide such notification shall be borne by the Party in default.

3. The Parties agree to keep any given and received information during the offering, sale and delivery process of the Products as **trade secrets**.

4. Supplier shall **handle the data** of the Distributor for the purpose of a commercial (trade) relationship, in respect of which the Distributor hereby grants its consent. Distributor hereby grants its consent to Supplier to be entitled to assign its rights and claims to third parties and, in so doing, may hand over the data on the Distributor and on the given transaction to third parties. In the case of the Distributor's serious breach on payment, the Supplier may, in order to collect the debt, hand over the data on the Distributor and on the given transaction to third parties.

5. Any matter that is not regulated herein shall be governed by the relevant provisions of the Civil Code of Hungary. The Parties expressly exclude the application of the Vienna Convention on the International Sale of Goods. If Parties cannot settle their debate amicably, the Parties submit their claim to the exclusive competence of the Buda Central District Court or Székesfehérvári County Court.

6. If a provision of this GTC is or becomes invalid or unenforceable, the validity of the remaining provisions shall be unaffected and shall be replaced by the relevant provision of the governing law. The Parties agree to co-operate, where applicable, in agreeing to valid or enforceable provisions that most closely reflect the commercial intent of the invalid or unenforceable provisions.

7. Distributor may not assign, transfer, subcontract (or deal in any other manner with) any of its rights or obligations hereunder without the prior written consent of the Supplier.

8. Nothing in these GTC shall be construed to constitute the Parties hereto as partners or as joint ventures or to construe either Party as the agent for the other.