

**General Terms of Business
of**

**ELECTRO-COORD Hungary Domestic Equipment and
Electric Waste Utilization Coordinating Non-Profit Limited Liability Company**

Registered office: H-1132 Budapest, Váci u. 12. 1st floor 1

Trade Reg. No.: Cg. 01-09-918085

Tax No.: 22102227-2-41

Type of non-profit nature: public benefit

Effective from 1 July 2018

Terms and definitions

For the purpose of these General Terms of Business and its appendices, the following terms have the following meaning in compliance with the provisions of the Waste Act and of the Government Decree:

A.) "Data supply obligation "

The data supply obligation stipulated in Sections 17 to 20 of the Government Decree.

B.) "Material recovery"

Any recovery operation, excluding energy recovery.

C.) "Disposal"

Any operation which is not recovery even where the operation has as a secondary consequence the extraction of substances or energy; a non-exhaustive list of disposal operations is set out in Schedule No. 2 of the Waste Act.

D.) "Collection point"

A collection facility operated by the manufacturer or the distributor which is easily accessible to the public, is situated in a public place and is used for the take over of the waste that is subject to the manufacturer's obligation stipulated in the Government Decree and which facility complies with the law on the construction and operation of waste management facilities.

E.) "Parties"

The Company and the Contracting Parties together.

F.) "Party"

The Company and the Contracting Parties each individually.

G.) "Distributor"

An economic operator transferring or supplying products to retailers and/or consumers.

H.) "Manufacturer"

Anyone who manufactures or, in case of products not manufactured in the territory of Hungary, who first places the products on the market in the territory of Hungary within the framework of his business activities.

I.) "Manufacturer's take over and collection obligation pursuant to Subsection (1) of Section 4 of the Government decree"

In order to encourage the returning of waste, the manufacturer shall take over from the owner of the waste and collect

- a) waste originating from electrical or electronic equipment that was placed on the market by manufacturer,
- b) waste originating from electrical or electronic equipment that was placed on the market by other manufacturers however which equipment is of the same type and function as the electrical or electronic equipment that was placed on the market by manufacturer,
- c) historic waste originating from household electrical or electronic equipment, furthermore
- d) waste originating from household electrical or electronic equipment that became waste and was replaced by a new product or by a product of the same type and function

if the owner of the waste offers it to the manufacturer (take over and collection obligation (exclusive of the collection of waste products covered by the Environmental Product Fee law).

J.) "Manufacturer's take back obligation pursuant to Subsection (1) of section 3 of the Government Decree"

The manufacturer shall take back from the consumer

- a) the used electrical or electronic equipment that was placed on the market by manufacturer, furthermore

- b) the used electrical or electronic equipment that was placed on the market by other manufacturers however which equipment is of the same type and function as the electrical or electronic equipment that was placed on the market by manufacturer,
- especially in order to ensure the re-use of the used electrical or electronic equipment - if the consumer offers such equipment to manufacturer for take back.

K.) "Collection"

The gathering of waste for the purposes of transport to a waste management facility, including the preliminary sorting and preliminary storage of waste.

L.) "Recovery"

Any treatment operation the principal result of which is waste serving a useful purpose by replacing other materials which would otherwise have been used to fulfill a particular function, or waste being prepared to fulfill that function, in the plant or in the wider economy; a non-exhaustive list of disposal operations is set out in Schedule No. 3 of the waste Act.

M.) „Waste Management Act"

Act XLIII of 2000 on Waste Management

N.) "Waste Act"

Act CLXXXV of 2012 on Waste

O.) "Management"

Recovery or disposal operations, including preparation prior to recovery or disposal.

P.) „Government Decree"

Government Decree no 197/2014 (VIII.1.).

Q.) "Environmental Product Fee Act"

Act (LXXXV of 2011) on environmental product fee.

R.) "Obligation of registration"

The obligation stipulated in sections 15 to 16 of the Government Decree including the obligation to report any changes in the data or circumstances set forth in the Government Decree.

S.) „Contracted Parties"

The Members, the Contracted Partners and any third parties who contracted with the Company together.

T.) „Contracted Partners"

Other persons that have contracted with the Company for the Service according to the defined in these General Terms of Business

U.) Service

The Service provided by the Company as intermediary organization.

V.) "Service Users" or "Service User"

The Members and the Contracted Partners together.

W.) „Members"

The Company's founding members as manufacturers and distributors.

X.) "Company"

ELECTRO-COORD Hungary Domestic Equipment and Electric Waste Utilization Coordinating Non-Profit Limited Liability Company.

Y.) “Historic waste”

Electrical or electronic equipment manufactured before August 13, 2005 which has become waste.

Z.) “Take-back”

A service provided by the manufacturer or distributor to take back used electrical and electronic equipment that do not qualify as waste from the consumers.

1 INTRODUCTORY PROVISIONS

The Company was established by the founding members - manufacturers and distributors - as a non-profit company with independent legal personality, in accordance with the provisions in Section 11 of Waste Management Act, in the interest of fulfilling and performance the obligations set out in Sections 6 through 10 of same.

Waste Act repealed the Waste Management Act as of January 1, 2013 and at the same time terminated the coordinating organization status, while the Government Decree no. 443/2012. (XII. 29.) on waste management activities related to electrical and electronic equipment invented the concept of intermediary organization. This was repealed by Government Decree on August 9, 2014, which interprets the term above as follows:

Pursuant to Paragraph 38a. of Subsection (1) of Section 2 of the Waste Act a intermediary organization shall mean a broker operating in the form of a nonprofit business association – with the exception of organizations mediating the collection and recovery of waste originating from products subject to product fee covered by the Environmental Product Fee Act on environmental product fee furthermore serving the realization of certain collection and recovery objectives – that arranges the recovery or disposal of waste upon registration.

It is an intermediary organization operating in compliance with the Government Decree which performs the brokering of waste management activities related to waste electrical and electronic equipment lawfully, in the possession of an order on registration, until the expiry of the validity of the order.

The Company is a registered organization that was registered pursuant to decision no. 14/65073-3/2006, then pursuant to decision no 14/5369-5/2011 and currently pursuant to decision no. OKTF-KP/9736-2/2016 of the National Inspectorate for Environment, Nature and Water for an extended period of 5 (five) years as of September 20, 2016.

Considering the requirements set forth in the Waste Act, in the Government Decree and in the Environmental Product Fee Act it can be established that

- the manufacturer has take-over, take-back, collection and treatment obligation pursuant to the Waste Act and the Government Decree;
- the manufacturer can transfer the fulfillment of the collection and treatment obligation - **with the exception** of the obligations concerning the collection and treatment of waste originating from the electrical and electronic equipment subject to product fee covered by the Environmental Product Fee Act - to an intermediary organization,
- the manufacturer's take-over and take-back obligation is not transferable.

Purpose of the Company as intermediary organization

To **assume and fulfil** the manufacturer's obligations stipulated in the Waste Act and in the Government Decree – **with the exception** of the obligations concerning the collection and treatment of waste originating from the electrical and electronic equipment subject to product fee covered by the Environmental Product Fee Act - including the data supply obligation set forth in the Government Decree.

1.1 Object of the General Terms of Business

These General Terms of Business lay down the operating principles and basic rules of the Company.

These General Terms of Business form an inseparable part of the **Waste Management Agreement** concluded by and between the Company – as intermediary organization and Manufacturer - and the individual Service Users.

1.2 Scope of the General Terms of Business

- 1.2.1 These General Terms of Business cover any and all legal relations between the Company and the Members and the Contracted Partners connected with the implementation of the Company's objectives of a public benefit nature, as well as any legal relations between the Company and any third parties connected with the provision of the Services by the Company or the fulfillment of the Company's obligations defined in these General Terms of Business or by law.
- 1.2.2 Company provides the Services exclusively in the area of Hungary.
- 1.2.3 The provisions of these General Terms of Business constitute such general terms of contract which apply to the Company and the Contracting Parties without any further reference. In their legal relations, the Company and the Contracting Parties may deviate from the provisions of these Business Regulations when so agreed in writing, as far as this is permitted by law
- 1.2.4. Issues not regulated in these General Terms of Business will be governed by the effective and prevailing legal regulations of Hungary relating to substantive law and procedural law.

1.3 Amendment of these General Terms of Business

The Company may amend these General Terms of Business in accordance with the regulations stipulated in its Articles of Association. Any such modification of the General Terms of Business will constitute a valid and effective amendment to the relevant part of the Contracts.

1.4 Publicity of these General Terms of Business

- 1.4.1 These General Terms of Business are public, and will be displayed at the headquarters of the Company so that they can be accessed by anyone on business days during the normal working hours at the headquarters.
- 1.4.2 In addition, these General Terms of Business will also be displayed by the Company on its website at www.electro-coord.hu.

1.5 Use of the Services

Those entitled to use the Services include the Members and Contracted Partners hereinafter together and jointly referred to as the "Service Users".

2 RULES PERTAINING TO LEGAL RELATIONSHIP BETWEEN THE COMPANY AND THE SERVICE USERS

2.1 Cooperation obligation

In providing and using the services, the Parties are obliged to act fairly and in good faith and cooperate with each other at all times.

2.2 Obligation to inform and notify

- 2.2.1 The Parties are obliged to notify each other of any change in their name, headquarters, telephone and fax numbers, the name of their representatives and contact persons, and of any change connected with their person, legal status and financial situation, to the extent indispensable for the proper fulfillment of the Services and other obligations arising from any contracts between the Parties. If the Parties fail to fulfill this obligation, they shall be liable for any and all consequences/disadvantages arising from this.
- 2.2.2 The rules of fulfilling the obligations to inform and supply data, arising from the concluded contracts, are stipulated in the contracts, however if Service User fails to comply with both the

deadlines stipulated in these Terms of Business and in the Contracts then the Company shall demand payment from the Service User by setting an additional deadline of 8 (eight) days and reminding it of the legal consequences. The Company is entitled to terminate the contract with immediate effect if the Service User fails to meet the additional deadline. The termination enters into force on the date on which the Service User received the notice letter of termination. The Company shall notify the authorities with immediate effect about the termination. The Service User is obliged to meet its statutory obligations as per the relative laws as of the day on which the Contact is terminated. Regardless of the termination, the Service User is obliged to supply all the data that the Company needs in order to be able to report the fulfilment of its recovery obligation within 15 (fifteen) days after notification about the termination of the contract is received, otherwise the Company may take legal action.

The Service User is responsible for the correctness of such data and information. The Company may at any time check the correctness of the data and the contractual fulfillment of the data supply obligations. In the case of incomplete data supply, the Company will be entitled and obliged to call the Service User on proper fulfillment. If the Service User fails to fulfill or completely fulfill its obligations within 8 (eight) days of receiving the relevant request, the legal consequences relating to default will be applicable to it.

- 2.2.3 In checking the fulfillment of obligations, the Parties may request verbal or written data and information from each other. Furthermore, the Service User is obliged to provide any and all data and information connected with the use of the Services or the fulfillment of the concluded contracts and other verbal or written agreements between the Service User and the Company, necessary for the latter to fulfill its obligations.
- 2.2.4 The Service Users shall inform the distributor and the consumer about their obligation regarding the take back of the electrical and electronic equipment as well as the owner of the waste about the obligation to take over, collect and treat the waste electrical and electronic equipment.
- 2.2.5 The Service Users ensure that on the electrical or electronic equipment manufactured after August 13, 2005 or on the packaging thereof (if not possible on the equipment)
 - a) the illustration shown in Appendix No 4 to the Government Decree, furthermore
 - b) the manufacturer's mark by which it can be identified is visible, clearly legible and is indelible.
- 2.2.6. Service Users shall inform the consumers in Hungarian language about
 - a) what harmful effect the hazardous materials contained in the electrical or electronic equipment may have on the environment and human health if such equipment is not used or operated in harmony with the relative environment protection regulations;
 - b) whether the electrical or electronic equipment contains any parts which would qualify as hazardous waste after it became waste;
 - c) electrical and electronic equipment that has become waste should be collected separately and cannot be placed in the same container as the communal waste, and can not be disposed as communal waste;
 - d) the illustration in the fourth attached of Government Decree means the electrical and electronic equipment that has become waste should be collected separately;
 - e) what kind of battery or accumulator the electrical or electronic equipment containing battery or accumulator covered by the government decree on waste management activities relating to waste batteries and accumulators contains and in what way can it be removed safely from the electrical or electronic equipment;
 - f) the used and waste electrical and electronic equipment at the point of distribution or any distributor which sells the electrical and electronic equipment that is in use and disposed of in the nature and function of the used and waste electrical electronic equipment, free of charge.

- g) the role it undertook with its activity in the recovery, in the preparation for re-use of the electrical and electronic equipment furthermore in decreasing the quantity of the waste electrical or electronic equipment, in the recovery thereof and in the other forms of recycling; furthermore
- h) Pursuant Subsection 1-5 of Section 12. of Government Decree with the obligation fulfillment connecting costs to pay and committing to pay of costs

2.2.7. The Service Users shall provide the Company with the technical documentation and operating instructions identifying the parts and basic materials of the electrical and electronic equipment and any dangerous substance contained in them, and connected with the recovery and disposal obligations within 1 (one) year after the placement on the market of the electrical and electronic equipment to the party assuming the obligations, to the public waste treatment intermediary organization furthermore to the waste manager dealing with recycling in electronic format.

2.2.8 The defaulting Party will be liable for any and all loss arising from failure to fulfill the obligation to inform and notify and from the supply of inaccurate information.

2.3 Communication, delivery and contact

2.3.1 Unless the Parties agree on more stringent delivery conditions in advance, in writing or verbally subject to documentation in the form of minutes or transmission by e-mail, any and all official documents, materials and other consignment to be sent to each other will be delivered to the recipient Party's headquarters – or any other address as agreed - by registered mail.

2.3.2 Consignment sent to the Company shall be delivered to the registered office by current registry. The Company's current registered headquarters address is at H-1132 Budapest, Váciút 12. 1st floor 1.

2.3.3 E-mail will be the basic means of written communication between the Parties. Information sent by e-mail will be regarded as delivered when the message confirming delivery/reading has been received or, in the absence of this, on the 8th (eighth) day after sending, subject to the provision in section 2.3.4 below.

2.3.4 If the e-mail system of a Party fails to function for any reason, and if such Party is not available by e-mail for some time, that Party is obliged to inform the other party of this and, if predictable, its period. The defaulting Party will be liable for any loss arising from failure to notify.

2.3.5 The sending Party will be responsible for providing evidence of e-mail sending.

2.4 Rules concerning admission

2.4.1 The Company makes it possible also for parties other than its Members to benefit from the Services. Upon the establishment of the Company, its Services will be available to Members and to Contracted Partners, in accordance with the relevant provisions of the Company's Articles of Association. Anyone can join the Company as a Contracted Partner subject to acceptance of the terms and conditions set forth in these General Terms of Business

2.4.2 All newly admitted Contracted Partners are obliged to conclude a Waste Management Agreement with the Company for a definite period of time until at least the end of the current calendar year.

2.4.3 Contracted Partners shall verify their intention to join the Company by filling in and forwarding to the Company the contract form and the appendices thereto available at the website of the Company.

2.5 Terms of payment

2.5.1 Any payment between the Parties will be made by bank transfer to the bank account given by the Parties. Unless otherwise agreed, the transfer will be effected within thirty (30) calendar days of the last day of the month in which the invoice was issued. The payment obligation will be regarded

as fulfilled on the day when the full amount is credited to the Company's bank account. In the event of late payment, the defaulting party shall pay late interest to the other party and, in addition to this, the Parties are obliged to compensate each other for any loss arising from late payment

2.5.2 Offsetting is not allowed when settling accounts between the Company and other Parties.

2.6 Confidentiality

The Parties are obliged at all times to hold in strict confidence any and all information obtained by them about the other Party during the fulfillment of the concluded Contracts and other agreements, and to ensure that such information is not disclosed to any unauthorized third parties. Disclosure of such information that was known to a Party prior to the contractual relationship or became known to a Party from sources outside its contractual relationship will not be regarded as breach of confidentiality under these General Terms of Business. The Party possessing the information in question will bear the burden of proof. Furthermore, it will not be regarded as breach of confidentiality if a Party is obliged by law or, pursuant to law, by a regulatory authority to disclose information subject to confidentiality obligation, provided that the Party obliged to disclose the information informs the other Party of this obligation without delay and cooperates with the latter in order that confidential information should be disclosed only to the extent absolutely necessary.

2.7 Use of logo

2.7.1 The Company is the sole owner of the following logo.



2.7.2 The Company's logo is protected by the M 09 03069 trademark application, which is by the Hungarian Patent Office registered with 200 351 registration number. Start of the term of protected: 26th of October 2009.

2.7.3 Only and exclusively the Company may use the above logo.

2.7.4 During their operation, the Service Users are obliged to watch any use of the logo by any unauthorized third party and, if such use is detected, promptly report this to the managing director of the Company.

3 PROVISIONS RELATING TO THE WASTE MANAGEMENT AGREEMENT

3.1 Parties to the Waste Management Agreement

3.1.1 All Members and Contracted Partners are obliged to conclude a Waste Management Agreement with the Company. The Service Users understand that the concluded Waste Management Agreement will be submitted to the competent regulatory authorities - if required by law or any authority.

3.1.2 The Waste Management Agreement shall mean the contract as per section 9 of the Government Decree in the context of which the Service User is entitled to transfer the fulfillment of its collection and treatment obligation to an intermediary organization, **with the exception** of the obligations pertaining to the collection and treatment of waste electrical and electronic equipment which are subject to product fee and are covered by the Environmental Product Fee law.

- 3.1.3 The conclusion of the Waste Management Agreement, any modification of the data stipulated in the government decree furthermore the termination for any reason whatsoever of the contract shall be reported to the competent authority within 15 (fifteen) days.

3.2 Waste Management Charge and Data Supply

- 3.2.1 The registration and data supply obligation shall be fulfilled in compliance with the Government Decree and Government Decree No. 309/2014 (XII.11.) on the registration and reporting requirements relating to wastes. Accordingly, the Company shall fulfil the obligations stipulated by law also in its capacity of Intermediary Organization.
- 3.2.2 The Company will publish the waste treatment charge at its headquarters and on its website. The method of the establishment and calculation of the waste management fee payable by the Service Users to the Company is regulated in the current waste management agreement. The Service Users agree to pay the waste management fee pertaining to the luminaires covered by the Government Decree and placed by it onto the Hungarian market during the calendar year as manufacturer as per the invoices sent to it.
- 3.2.3 The Service Users is obliged to pay the waste management fee against the Company's invoice by bank transfer, by the deadline shown on the invoice. The payment deadline prescribed for the Service Users must be shown on the invoice, in accordance with the Company's General Terms of Business. In the case of late payment, the Service Users have to pay late interest, which shall be the double of the regularly published base rate of the National Bank of Hungary.
- 3.2.4 Subject to the terms and conditions stipulated in the following subsections, the Company is obliged to pay any fine imposed in the competent regulatory authorities' compulsory, final and non-appealable orders or decisions because of failure to fulfill the recycling and/or recovery rates prescribed in the Hungarian Law.

If

- 1) the Company is unable to pay such fine and
- 2) the said failure is not attributable to omission and/or default by a third party selling services and/or goods to the Company, or is not attributable to the Company or any other specific Service User of the lighting sector,

the Company shall charge the fine, to the extent allowed by Hungarian law, on the sector in which the fine has arisen.

- 3.2.4.1 If the sectoral fine cannot be included in the waste management fee of the relevant sector, all Service Users pertaining to that sector shall contribute to the payment of the fine imposed on the basis of the relevant legally effective, compulsory and enforceable order or decision, in proportion to the waste management fees paid by them during the 6 (six) months before the imposing of such fine.
- 3.2.4.2 If the any Service User must pay a fine because of its failure to fulfill its obligations arising from this Agreement or the Hungarian laws, and such failure is solely attributable to the Service User's omission and/or default, the Service User must contribute to paying such fines alone during the period in question.
- 3.2.4.3 If the any Service User must pay a fine because of its failure to fulfill its obligations arising from this Agreement or the Hungarian laws, and such failure is solely attributable to an omission and/or default by the Company or a third party acting directly on behalf of the Company, the Company shall pay the fine, provided that the Service User has completely fulfilled its obligations arising in every time.
- 3.2.5 If the waste management charge is paid with delay, the Company reminds the Service User to meet its payment obligation and sets an additional deadline of 8 (eight) days. If the Service User fails to meet its payment obligation during the additional period, the Company is entitled to withdraw from the contract without any further demand for payment, with retroactive effect as of

the first day of the month to which month the unpaid amount would have pertained to; the withdrawal terminates the contract with retroactive effect as of this date. The Company notifies the authorities with immediate effect about the termination. The Service User is obliged to meet its recovery obligation as per the relative laws as of the day on which the Contract is terminated.

- 3.2.6 Regardless of the termination, the Service User is obliged to supply all the data that the Company needs in order to be able to report the fulfilment of its recovery obligation within 15 (fifteen) days after notification about termination of contract is received, otherwise the Company may take legal action.
- 3.2.7 Notwithstanding the provisions in section 3.2.6 above, Service Users shall have unrestricted liability for any loss caused by improper data supply to the Company or to other Service Users or any third parties.

3.3 Certification of participation in the waste management system

At the request of the Service Users, the Company will certify once a year in writing, attached to the invoice certifying the payment of the waste management fee, the participation of the Service Users in the waste management system. The conditions for issuing such certifications are set out in the Waste Management Agreement.

3.4 Check of fulfillment of the obligations assumed by the Company in the Waste Management Agreement

- 3.4.1 The Company has a Supervisory Board with three (3) members.
- 3.4.2 The Supervisory Board is entitled and obliged to check the obligations assumed by the Company in the Waste Management Agreements. The Supervisory Board is obliged to fulfill this obligation on the basis of a yearly inspection plan.
- 3.4.3 In fulfilling its task, the Supervisory Board is entitled to inspect, and request copies of, any files, documentation and other materials of the Company, connected with the fulfillment of the latter's obligations specified in the Waste Management Agreement, and to obtain information from any employees and agents. The Supervisory Board may use the data and information obtained by it only in its report made for the Members within the framework of its inspection obligation. The information in question is strictly confidential, and the confidentiality rules set out in these General Terms of Business apply to all members of the Supervisory Board.
- 3.4.4 The regulatory authority defined by law is also entitled to check fulfillment of the obligations assumed by the Company in accordance with the provisions of the relevant laws.

4 PROVISIONS PERTAINING TO LAMP MANUFACTURER MEMBERS AND CONTRACTED PARTNERS

4.1 Waste management fee payable by the Service Users and data supply

- 4.1.1 The method of the establishment and calculation of the waste management fee payable by the Service User to the Company, mutually accepted by the parties, is regulated in the effective waste management agreement. The Service Users agree to pay the waste management fee on a monthly basis for any and all lamps put on the market in Hungary by it as the manufacturer during the calendar year. For this purpose, the Service User shall deliver a monthly Declaration about the volume of sold lamps within 10 (ten) calendar days of the end of the month/year, and an annual declaration at the end of the year, to the Company or the agent designated by the latter. The Company may require the Service User to deliver the monthly declarations to the Company in an electronic form. The Company is obliged to inform the Service User in advance and in writing about the method of delivering the monthly declarations.

- 4.1.2 The Service User understands that the waste management fee is invoiced electronically by the Company or an agent designated by the latter. The Company is obliged to accurately inform the Service User about the method of invoicing in writing, in advance.

5 PROVISIONS OF THE SECTORAL TERMS OF BUSINESS APPLICABLE TO LUMINAIRE MANUFACTURER MEMBERS AND CONTRACTED PARTNERS

5.1 Waste management fee and data supply

- 5.1.1 In each year, the luminaire manufacturer Service Users are obliged to supply data about their previous year's output, given by mass (kilogram) in the statement made available to them by the Company.
- 5.1.2 The luminaire manufacturer Service Users are obliged to fulfill their data supply obligation by February 28 at the latest in each year. The statement must be signed by the luminaire manufacturer Service Users' representative(s) empowered to sign or by an independent auditor appointed by the luminaire manufacturer Service User.
- 5.1.3 The Company will invoice the amount of the waste management charge due for subject year to the luminaire manufacturer Service Users on a quarterly basis, on the basis of their statement for the previous year.
- 5.1.4 After February 28th of the given year, the Company invoices the amount of the waste management charge payable for the full year calculated on the basis of the luminaire manufacturer Service Users' statement mentioned in section 5.1.2., quarterly, in the proportion of the waste management already performed.
- 5.1.5 If the amount of the quarterly invoice is less than HUF 3000, no invoice is issued for the quarter in question, the amount will rather be accrued but will be settled in the fourth quarter at the latest.
- 5.1.6 The difference between the minimum quantity to be treated during the year and the actually treated quantity is invoiced in the fourth quarter.
- 5.1.7 Depending on the amount of the waste management fee, the Company may decide to request the payment of the waste management fee in one amount, when the last quarter of the year is invoiced.

6 PROVISIONS RELATING TO CONTRACTS BETWEEN THE COMPANY AND THIRD PARTIES

6.1 Contracts relating to take-back, collection, recovery and disposal obligations

- 6.1.1 As an organization involved in waste management coordination, the Company fulfills its tasks through contractual relations. Within the framework of this, the Company is entitled to conclude contracts with waste collecting and waste recovering parties. The waste collecting and waste recovering parties will be selected within the framework of public tender procedures open to both Hungarian and foreign business organizations.
- 6.1.2 The Company will receive the report of the waste collecting and waste recovering parties – together with the necessary documentation - by the 10th (tenth) day of the month of fulfilment, will check and confirm the accepted value of the collection and recovery services that can be invoiced by the waste collecting and waste recovering parties, and the fee payable for the waste management services.
- 6.1.3 Waste collecting and waste recovering parties are entitled to issue invoices in accordance with the data given in the confirmation only after receiving the Company's confirmation as per section 6.1.2 above.
- 6.1.4 The Company will remit the confirmed fee of the waste collecting and waste recovering parties to the bank account number given by the waste collecting and waste recovering parties, exclusively against an invoice issued in accordance with the relevant accounting rules of law, within 45 (forty-five) days of receiving it.

6.2 Utilization of unused capacity

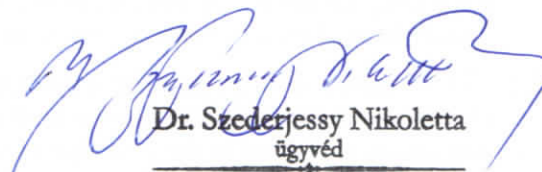
The Company is obliged to use any unused capacity it may have on the public benefit purposes specified in the Articles of Association.

7 CLOSING PROVISIONS

- 7.1. The Parties wish to resolve any dispute between them first and foremost by reaching an agreement. If no agreement can be reached, for the purpose of the resolution of any legal disputes between them, they shall submit themselves to the exclusive competence of the Permanent Court of Arbitration organized by the Hungarian Chamber of Commerce and Industry, Budapest; the Court will proceed in accordance with its own Rules of Procedures. There will be three arbitrators, and the proceedings will be conducted in Hungarian.
- 7.2. The Company Members repealed the former General Terms of Business by Resolution No 5/2018 (04.27) passed on 27 April 2018, and put into force these General Terms of Business approved with the same Resolution as of 1 July 2018.
- 7.3. Any and all parties having a legal relationship with the Company will be bound by these General Terms of Business. The Company is obliged to make sure that any persons having a contractual relationship with it accept to be bound by these General Terms of Business. These General Terms of Business will form an inseparable part of any and all contracts concluded by the Company. These General Terms of Business have been made out in English and Hungarian languages; in the case of any discrepancy or legal dispute, the Hungarian version will prevail.
- 7.3. In the case of any change in the legal regulations referred to in these General Terms of Business and in the Waste Management Agreement (i) the new legal regulations will apply as appropriate upon the change of a compulsory regulation, and (ii) the provisions of these General Terms of Business will remain valid and in force upon the change of a non-compulsory legal regulation. Any change in the numbering of the legal regulations and paragraphs referred to in these General Terms of Business shall not affect those regulations of these General Terms of Business that are valid and in force; after such change, the legal regulations and paragraphs replacing the provisions referred to in these General Terms of Business shall prevail.

ELECTRO-COORD Magyarország Nonprofit Kft.

General Terms of Business accepted by the Resolution No 5/2018 (04.27) of the Members Meeting:


Dr. Szederjessy Nikolett
 ügyvéd
 Szederjessy Ügyvédi Iroda
 1062 Budapest, Andrássy út 84.