

GENERAL LEASE TERMS AND CONDITIONS OF ALGECO KFT

1. **Right of use**
 - 1.1 The Lessor warrants that no third parties hold any rights on the Leased Property that would hinder the Lessee in exercising its lawful lease rights, and also that the Leased Property is suitable for contractual use.
 - 1.2 The Leased Property may only be used as intended, for the purpose specified in the individual agreement. In the event of use for other purposes, or if the Lessee changes the condition of the Leased Property or the Property's condition is threatened to be otherwise deteriorated and the Lessee fails to comply with the content of the Lessor's notice, the Lessor is entitled to terminate the lease agreement with immediate effect pursuant to Section 17.6, and demand the return of the Leased Property and have it removed without consent by the Lessee.
 - 1.3 The Lessee shall use the Leased Property with due care, and keep it in good technical and aesthetic condition at all times.
 - 1.4 The Lessor is entitled to inspect use pursuant to Section 6:333 (2) of Act V of 2013 on the Civil Code (hereinafter: *Civil Code*).
 - 1.5 The Lessee shall obtain the required official permits relating to use, the Leased Property, as well as the equipment and devices operated by it, and comply with all official requirements. All costs pertaining to official licensing and permit issue proceedings and the declaration of consent are borne by the Lessee. All such costs potentially incurred at the Lessor shall be reimbursed by the Lessee.
 - 1.6 Beyond the original equipment and fixtures of the Leased Property, the Lessee may not install and commission any further machinery, devices or any other separate equipment in the Leased Property without prior written consent by the Lessor.
2. **Term of the lease**
 - 2.1 The lease agreement has a fixed term, with said term specified in the individual agreement. The remaining rent for the Leased Property returned prior to the expiration of the lease shall be paid by the Lessee to the Lessor, unless the lease agreement was terminated by the Lessor in line with Section 17.3.
 - 2.2 The lease agreement is terminated after the expiration of the term specified in the agreement. If the Parties do not conclude a new lease agreement prior to expiration, the Lessee shall return the Leased Property without delay upon the expiration of the lease. As a fee for the use of the Leased Property after the expiration of the lease, the Lessee shall pay the fee specified in the individual agreement plus 20%.
 - 2.3 Under no circumstances shall the lease be transformed into an indefinite term lease, not even if the Lessee continues to use the Leased Property after expiration. The Parties explicitly exclude the application of Section 6:338 (1) of the Civil Code.

3. Changes in the rent and incidental costs

- 3.1 The Lessee undertakes an obligation to pay the rent and any incidental costs and burdens relating to the lease in the manner specified in the individual agreement.
- 3.2 The Lessee shall pay and reimburse the Lessor all incidental costs relating to the lease, with the exception of costs to be borne by the Lessor under Sections 8.2, 8.3, 9.2 and 15.3 of the agreement. Incidental costs are all costs arising from the use of the Leased Property or those related to the fulfilment of the contractual obligations of the Parties. As such, incidental costs mean, in particular, operating and maintenance costs, as well as electricity consumption costs and public utilities (water and sewage fees, review costs, etc.), as well as the costs of maintenance (air-conditioning, door closer, fire extinguisher, etc.).
- 3.3 The Lessee shall pay incidental costs for the periods applicable to the rent, along with the rent based on notice by the Lessor to this effect. At the Lessee's request, the Lessor certifies the incidental costs payable with invoices and statements.
- 3.4 In order to ensure cover for the incidental costs and burdens built into the rent and relating to the lease, the Lessor has a right to unilaterally amend the agreement in respect of the rent. The Lessor exercises its right to unilaterally amend the agreement as per the provisions of Section 3.6.
- 3.5 Once a year, the Lessor reviews the costs enforced in the rent which increased as a result of the amendments of legal regulations or for any other objective reasons not attributable to either Party. In the event of an increase in costs, the Lessor may increase the rent at the rate equivalent to the rise in costs. At the Lessee's request, the rate of the increase in the cost built into the rent is certified by the Lessor with invoices and statements and data verifiable by the Lessee. The rent may only be amended once a year, and may only be applied from the month following notification of such increase.
- 3.6 All communication through which the Lessee may be informed about the amount of the increased rent shall qualify as a notification of increase. If the Lessor informs the Lessee about the increase of rent with a payment notice, by issuing an invoice or by any other means pursuant to which the modified rent already becomes payable in the month of such notification, in respect of the given month the Lessee may pay the previously specified rent regardless of the content of the notice, but shall pay the increased rent from the following month.

4. Handover and acceptance

- 4.1 The acceptance and return of the Leased Property is recorded on a handover and return register, which records the condition of the Leased Property and which both the Lessor and the Lessee are obligated to sign.
- 4.2 At acceptance, the Lessee shall inspect the Leased Property. During the inspection, the Lessee checks, in particular, the suitability of the Leased Property for its intended purpose, as well as its quality and quantity. The Lessee shall indicate in the acceptance register all errors and faults detected during the inspection, as well as all properties and features of the Leased Property to which it objects.

- 4.3 The Lessee must perform the inspection thoroughly and with due care, in consideration of the on-site conditions, the expected load of the Leased Property, as well as the fact that the Leased Properties should be compatible with the site and with each other.
- 4.4 Regardless of whether the inspection was performed or whether it was performed appropriately or not, the Lessee may not lodge any complaints or make any demands subsequently based on the properties, features and potential errors of the Leased Property that the Lessee should have detected and indicated in the acceptance register during the inspection carried out in compliance with Sections 4.2-4.3.
- 4.5 If at handover/acceptance the Lessee does not ensure acceptance on site, in respect of the condition of the Leased Property it shall accept the competent depot's official protocol as the register specified in Sections 4.1-4.2.
- 4.6 Upon the return of the Leased Property, the Lessee and the Lessor inspect the Leased Property together. In the return register, the Lessor lists all detected damages, wear-and-tear and deficiencies of the Leased Property detected during the inspection.
- 4.7 In the register, the Lessee may dispute the damages, wear-and-tear and deficiencies listed by the Lessor. If the Lessee does not dispute the findings of the Lessor, the findings must be deemed to have been accepted. The Lessee will be deemed to have accepted the findings of the Lessor even if it did not participate in the inspection communicated to it or if it refuses to comment on or sign the register.

5. Third parties

- 5.1 The Leased Property may not be sublet or passed into the possession or use of third parties, unless the Lessor has granted its written consent.
- 5.2 In the case of subletting, the subletting agreement must stipulate that the subletting relationship is terminated upon the termination of the lease relationship between the Lessee and the Lessor. The Lessee is liable for ensuring that any potential subletting agreements are consistent with this agreement.
- 5.3 The Lessee is liable to the Lessor for the conduct of third parties and its own employees as for its own conduct.

6. Container markings

The Lessee may not remove or change the markings of the container.

7. Rules of the safe and regular use of the Leased Properties

- 7.1 The Lessee may only implement alterations on the Leased Properties, in particular conversions, reconstructions and fittings with the Lessor's prior written consent. If the Lessee performs any alterations without prior consent by the Lessor, the Lessee shall lose its warranty rights for the part affected by the alteration, reimburse the Lessor for all damages arising from the alteration, exempt the Lessor from all liability and/or indemnification to third parties, and settle any disputes potentially arising therefrom with third parties within its own competence.

7.2 It is prohibited, in particular, to change or have works done on the electrical cables and networks in the containers without the Lessor's explicit written consent. Any maintenance works (e.g. change of light-bulbs) within the container may only be performed in full compliance of applicable occupational safety and shock protection regulations, and the internal electrical cable network cannot be modified as part of such works. It is prohibited to drill holes and drive screws and nails into the walls, ceiling or floor as these may damage the electrical wiring.

7.3 Electric radiators can only be plugged into electric sockets equipped with appropriate grounding. The radiators must be switched on with the on-switch after being plugged in. It is strictly prohibited to cover the radiators in part or in full or to dry anything on top (e.g. clothing). Electrical radiators generate heat, and as such safe distance must be observed, in particular in respect of any potentially flammable materials.

8. Maintenance and cleaning of the Leased Properties

8.1 The Lessor may perform the aesthetic improvement and cleaning of the Leased Property in its own competence. In respect of any other maintenance works required, the Parties must act in line with the provisions of Section 9.1.

8.2 The Lessor is entitled to carry out required maintenance works, architectural changes, as well as fault, damage and hazard prevention works, as well as works set out by legal regulations or authorities, without the authorisation of the Lessee, or in the case of emergency, without separate notification to the Lessee. The Lessee shall tolerate such works and its right of termination in this respect is excluded. The Lessee shall bear the proportionate part of resulting costs, in a proportion corresponding to the Lessor's pricing policy.

8.3 The maintenance costs of the containers' support structure are borne by the Lessor. All other maintenance costs are borne by the Lessee.

8.4 The Lessor carries out the maintenance and cleaning of air conditioning equipment prior to the start of the lease. The planned preventive maintenance and cleaning works are recommended to be carried out at least once a year, in the spring, whose costs are paid by the Lessee, provided it requests air conditioning and it is leasing the equipment at the time of such maintenance or cleaning.

8.5 The sanitary containers and the connecting pipes must be equipped with anti-frost protection, if there is a possibility of external temperatures dropping below freezing point.

8.6 Prior to the return of the leased container, the water must be drained from the water-heating boilers and the water-pipes.

8.7 The walls of the containers and the linoleum (PVC) floor can be cleaned with general household cleaning agents, and the use of thinners is prohibited.

8.8 The floor of the sanitary facilities (shower, sink) must be wiped dry after use, and attention must be drawn to the threat of potential slipping.

8.9 In the case of long-term use, the checking and cleaning of the drain pipes for rainwater found in the corners of the container may become necessary.

8.10 The Lessee shall ensure the removal of waste generated during the operation of the Leased Properties.

9. Reporting and repair of faults and errors

- 9.1 In the event of detecting any malfunctions, the Lessee shall notify the Lessor without delay at the info.hu@algeco.com email address. The Lessee shall reimburse the Lessor for all damages and costs arising from faults and errors of which it failed to notify the Lessor without delay.
- 9.2 The Lessor shall commence the correction of the fault within 3 working days. If the fault arose from irregular use, the Lessor shall charge the cost of repair to the Lessee. If the fault arose from regular use, the Lessor shall bear the repair costs itself in line with applicable warranty rules.
- 9.3 If during the existence of the fault the Leased Property cannot be used and the fault arose during regular use, the Lessor shall refrain from invoicing the proportionate part of the rent in the given period.

10. Damages caused by the use of the Leased Properties

- 10.1 The Lessee is liable for any damages caused to third parties in relation to the use of the Leased Property, with the exception of damages arising within the scope of control of the Lessor. The Lessee shall exempt the Lessor from all such claims upon first notice, and settle the dispute with such third party within its own competence in respect of the legal basis and the amount of the legal dispute.
- 10.2 The Lessee shall compensate the Lessor for costs and claims incurred by the Lessor pursuant to its liability arising from the irregular, unlawful or otherwise damaging use of the Leased Properties by the Lessee. As such, the Lessee shall in particular reimburse the costs of the Lessor arising from the Lessor's liability and indemnification arising from the environment-polluting, health-damaging or otherwise irregular use of the Leased Properties.

11. Damages caused to the Leased Property

- 11.1 The Leased Property must be returned – with natural wear-and-tear taken into account – in the same technical condition as it was accepted in.
- 11.2 With depreciation arising from natural wear-and-tear taken into account, the Lessee is liable for all damages arising within its scope of control. The Lessee bears the cost of all damages arising from the loss or theft of the Leased Property, and of damages caused by its employees or third parties. The Lessee shall compensate the Lessor for all such damages.
- 11.3 Beyond the damages specified in Section 11.2, while the Leased Property is in the Lessee's possession, the Lessee shall bear the costs of all damages to the Leased Property the reimbursement of which cannot be demanded from anyone else. The Lessee shall reimburse the Lessor for such damages as well.
- 11.4 The Lessee shall take out general liability insurance, employer liability insurance and comprehensive property insurance concerning the use of the Leased Property at its own cost, with an insurance company of good reputation and also acceptable for the Lessor, in order to insure the

Leased Property and other assets therein against damages caused. The property insurance must provide cover for the destruction or damage of all assets in the Leased Property.

- 11.5 The Lessee must present the insurance policies certifying insurance to the Lessor prior to the start of the lease. If the Lessee is unable to present these policies, it shall accept one of the Lessor's damage settlement offers and pay the applicable premiums.
- 11.6 The Lessor carries out repairs or has them carried out at the Lessee's cost. In the event of damages beyond natural wear-and-tear, the Lessor and the Lessee shall draw up a joint protocol on the extent of the damage at the site of the lease or at the Lessor's business site, within 2 days of the return of the Leased Property to the site. If the joint survey of damage is not carried out due to a fault attributable to the Lessee, the Lessor shall document the condition of the Leased Property at the site of the lease with a protocol supported by photographs and a witness statement. The Lessee accepts the data recorded in such protocol as true – until proven otherwise – and shall pay the repair costs justified based on such data.

12. Liability of the Lessor

- 12.1 The Lessor shall reimburse the Lessee for any damages caused by a breach of agreement committed by the Lessor. The Lessor shall compensate for damages to the extent to which the Lessee proves that the damage, as the legal consequence of the breach of agreement, was foreseeable at the time of the conclusion of the agreement. The Lessor shall not compensate for damages incurred which it could not anticipate in the absence of information provided by the Lessee.
- 12.2 The Lessor is exempted from indemnification obligations if it proves to have acted as expected in the given situation.
- 12.3 The Lessee may not enforce claims in respect of damages that have been compensated for by way of insurance or would have been compensated for if the insurances specified in Section 11.4 had been taken out.

13. Due date of the Lessor's receivables

- 13.1 The rent is due as per the payment deadline agreed on in the lease agreement.
- 13.2 Indemnification for damage claims is due based on the invoice issued after the determination of the extent of the damage, as per the payment deadline agreed in the lease agreement.
- 13.3 In the event of late payment, the Lessor is entitled to default interest as per the Civil Code. If the Lessor engages the services of a collection agency to collect on the receivable, the Lessor is entitled to demand compensation of the costs incurred during such collection pursuant to Act IX of 2016.

14. Offsetting, withholding rights, pledge

- 14.1 The Lessee may not enforce any withholding rights under any legal title regarding the rent or indemnification claims, unless the Parties agree otherwise or the Lessee has a final and acknowledged claim against the Lessor.
- 14.2 The Lessee has no withholding or pledge rights on the Leased Properties under any legal title.

- 14.3 Based on the Lessor's withholding or pledge rights, the Lessor may seek satisfaction from the Lessee's assets in the Leased Property with a rank higher than any other receivables if the Lessee fails to fulfil its contractual obligations.
- 14.4 In the absence of a statement to the contrary, the Lessor may assume that the assets or objects in the Leased Property are owned by the Lessee. The Lessee has to present the declaration of the owner of the given object or asset made before a notary public that the object or asset in the Leased Property is not owned by the Lessee.
- 14.5 Otherwise, the provisions of Section 6:337 of the Civil Code are applicable to the Lessor's pledge.

15. Security deposit

- 15.1 In order to cover the contractual and potential indemnification obligation of the Lessee, at the time of the conclusion of the lease agreement the Lessee shall pay a security deposit equivalent to a 2-month rent amount. The Lessor may use the amount of the security deposit to satisfy claims arising from the breach of agreement by the Lessee. The security deposit must be available during the term of the lease and for one month following the expiration of the lease. After this date, the remaining amount of the security deposit – with all claims arising in relation to the lease relationship deducted – must be returned to the Lessee.
- 15.2 If during the term of the lease the Lessor has used the security deposit to satisfy claims arising from the breach of agreement by the Lessee, the Lessee shall replenish the security deposit amount with the amount used within 15 days of notice by the Lessor to this effect.
- 15.3 The security deposit must be deposited to the account specified by the Lessor. The costs of account management are borne by the Lessor. The Lessor pays no interest on the amount deposited as security deposit.

16. Days of the lease

If transportation to the site is performed by the Lessor, the first day of the lease is the day on which the Leased Properties arrive at the place of lease; if transportation to the site is performed by the Lessee, the first day of the lease is the day on which the depot issues the Leased Property. The last day of the lease is the day on which the depot accepts the return of the Leased Property. Each calendar day started qualifies as a full lease day.

17. Termination of the lease agreement

- 17.1 The lease agreement between the Parties is terminated:
- 17.8.1 upon the expiration of the period specified,
 - 17.8.2 if the right to extraordinary termination is exercised,
 - 17.8.3 by the Parties' mutual agreement.
- 17.2 Unless otherwise agreed by the Parties in writing, the lease agreement is terminated with the expiration of the period specified in the individual agreement. With the exception of cases of extraordinary termination, the lease may not be terminated prior to the period specified. Statements of termination made before the expiration of the period specified – with the exception of cases specified in Section 17.5–17.8 – are invalid and cannot be used to enforce legal effects. If, after such invalid termination, either Party fails to fulfil its contractual obligations, the legal consequences of a breach of agreement may be applied against it.

- 17.3 The Lessor may terminate the lease agreement if it pays forfeit money equivalent to the net rent payable for a period of six months. After undertaking the obligation for the payment of forfeit money, the Lessor may lawfully terminate the agreement. Such termination is suitable to enforce legal effects, and as a result thereof the lease agreement shall be terminated.
- 17.4 Beyond the termination forfeit money, the Lessee is not entitled to enforce any other claims relating to termination.
- 17.5 The Contracting Parties may terminate the agreement with immediate effect if the other party commits a grave breach of agreement.
- 17.6 It shall be considered a grave breach of agreement if either Party gravely violates any material obligation arising from the agreement or stipulated by a legal regulation.
- 17.7 In particular, it shall be deemed a grave breach of agreement if:
- 17.8.1 the Lessee is more than two months late with payment of the rent and then fails to fulfil payment by the additional deadline set by the Lessor,
 - 17.8.2 the Lessee uses the Leased Property in a manner that threatens the integrity of the Leased Property, the life, health and assets of third parties and may lead to damage to the environment,
 - 17.8.3 the Lessee is unable to ensure protection of the Leased Property that results in a situation where the Leased Property is exposed to the threat of damage or theft, which the Lessee fails to eliminate despite notice by the Lessor to this effect,
 - 17.8.4 the Lessee hinders the Lessor in exercising its right of inspection as specified in Section 1.4,
 - 17.8.5 the Lessee performs unlawful activities or stores or handles goods/products in the Leased Property which it may not store or handle pursuant to effective legal regulations,
 - 17.8.6 the Lessee sublets the Leased Property, or passes the Leased Property into the possession or use of third parties without authorisation by the Lessor.
- 17.8 The Parties also have the right to extraordinary termination if bankruptcy, liquidation or winding up proceedings are opened against the other Party. The Party against whom such proceedings are opened shall notify the other Party of this fact without delay.
- 17.9 Following the termination of the agreement, the Lessor is entitled to immediately have the Leased Property transported back, which the Lessee may not hinder. The Lessor is entitled to have the objects and assets of the Lessee placed in storage at the Lessee's costs, and furthermore – if required – have the value of the objects and assets found in the Leased Property determined by an expert at the Lessee's cost.
- 17.10 If the Lessor is unable to remove the Leased Property for reasons attributable to the Lessee, the Lessee shall pay an amount equivalent to 150% of the rent specified in the agreement as penalty, for the period until the Leased Properties are returned to the possession of the Lessor.

18. Miscellaneous provisions

- 18.1 The invalidity of any provisions of the lease agreement and these general terms and conditions shall not impact the remaining provisions of the agreement. The Parties decide jointly on the replacement of the invalid provision with a scope applicable to the specific lease agreement.

- 18.2 In case of a discrepancy between the individual lease agreement concluded between the Parties and the GTC, the provisions of the individual lease agreement shall prevail.
- 18.3 The Lessee may only assign rights or claims arising from this agreement to third parties with the Lessor's prior consent. The Lessor may do the same without the Lessee's prior consent.
- 18.4 For the purposes of this agreement, references to the Leased Property shall mean all assets leased under this agreement.
- 18.5 All declarations and notices relating to this agreement must be communicated to the other Party in writing. For the purposes of this agreement, the Parties consider declarations and statements made via email and fax to be written declarations and statements, with the exception of the termination and amendment of the agreement. The agreement between the Parties can only be amended with a written agreement signed by both Parties.
- 18.6 If it cannot be proved that a written notice or declaration has been previously delivered to the other Party, it shall be deemed to have been received and effective no later than:
- 18.8.1 in the case of email and fax messages: on the working day following the successful sending of the message, even if undelivered due to a technical error or deficiency arising from a fault attributable to the other Party;
- 18.8.2 in case of registered mail/mail with acknowledgement of receipt requested: on the 10th working day from posting, even if the letter is returned to the other Party for any reason (including if marked as "unclaimed", "acceptance refused", "relocated", "address unknown").
- 18.7 The Lessee consents to the Lessor mentioning its name in its marketing materials.
- 18.8 The Lessee consents to the Lessor storing the data required for the performance of the agreement, and to processing and using such data.
- 18.9 Matters not regulated in this agreement shall be governed by Hungarian law.
- 18.10 For the legal relationship between them, the Parties expressly exclude the application of the provisions of Act LXXVIII of 1993 on certain rules for the lease of residential and commercial properties and their alienation.

Budapest, 23 January 2018