



Verano Corporation Kft.

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All artworks created by the supplier are exclusive property of the supplier and can in no way be used by other suppliers or factories. However, supplier is not responsible for copyright issues.

The order will be effective as soon as we get the order form filled in and the order validation documents signed and stamped with a date. Due to technical reasons, we might produce less or more units than requested. The margin is + or - 5 % and will be invoiced with a maximum of 1000 units. Failure to pay on due time will result in interest of 1,5 percent per month of late payment.

VERANO CORPORATION KFT will not take any responsibility on any color variation for metal or cardboard amalgam\combination printing if ordered quantity is less than the minimum order quantity of 15 000 units per artwork. If quantity is more than 15 000 units, VERANO CORPORATION KFT can be responsible for colors only in case we receive a color proof from client. However, please note that printing on the metal is different than printing on board due to the material itself.

GENERAL TERMS AND CONDITIONS BY VERANO CORPORATION KFT

1. Application of General Conditions of sale

1.1. These general conditions of sale apply to any offer and/or order placed with VERANO CORPORATION KFT and/or any receipt of merchandise delivered by VERANO CORPORATION KFT, notwithstanding any stipulations to the contrary stated in the buyer's general terms and conditions of purchase or any other documents standing for such.

1.2. No special condition shall, unless expressly agreed in writing by VERANO CORPORATION KFT prevail over the general conditions of sale, Any clause to the contrary proposed by the buyer shall not therefore, unless expressly agreed, be binding on VERANO CORPORATION KFT, irrespective of when VERANO CORPORATION KFT knew of that clause.

1.3. Any other document, including brochures or catalogues issued by VERANO CORPORATION KFT are only indicative.

2. Offers and orders

2.1. All written offers shall be binding in 30 days and such offer shall be accepted within 30 days from the dating of the offer. All prices are exclusive of VAT and VERANO CORPORATION KFT reserves the right to subsequent adjustments of the price due to changes in duties, taxes, VAT and other charges in the period between the forwarding of the offer and the date of due payment.

2.2. Orders placed directly to VERANO CORPORATION KFT or through his agents or representatives shall not become final and binding until they are confirmed in writing by VERANO CORPORATION KFT.

2.3. Any request by the buyer to amend or cancel an order will only be considered if it has been made in writing to VERANO CORPORATION KFT at least ten days before the production of the goods. In such a case, any costs incurred by VERANO CORPORATION KFT and related to the cancelled or amended order shall be invoiced to the buyer.

2.4. If an order is cancelled or suspended once the goods have been finished or while they are under production, they will be delivered and invoiced, as will any raw materials and accessories that were specially procured for the fulfilment of that order.

2.5. Selling prices may be revised depending on material costs and / or transport costs and / or exchange rate

2.6. *Supplier can not be in any case responsible of rights issues regarding the artworks to be printed .*

Supplier is only a producer of packaging, display or goodies and is not technically capable of checking all copyrights on artworks printed....this is client role. By this document supplier refuses to take any responsibility in case of court case on copyright.

2.7. Supplier will not be held responsible for final price decided by the client for his products. In case of quality issue supplier may try to solve the issue in a reasonable time frame but shall in no case indemnify client for his selling price or other elements assembled inside the packaging, display or goodies. The selling price for final product is decided by the client alone and supplier is not responsible for this.

3. Carrying out an order, production documents

3.1. The customer will make all production documents required for the manufacturing process available to VERANO CORPORATION KFT free of charge and only as duplicates in accordance with the specifications of VERANO CORPORATION KFT, e.g. graphics data, label films, master tapes or DLTs, etc. Should the customer supply production documents which do not meet with the valid specifications of VERANO CORPORATION KFT, VERANO CORPORATION KFT can either improve the artwork (at a cost invoiced by VERANO CORPORATION KFT to the client) or send back this production material at the expense of the client.

3.2. VERANO CORPORATION KFT is not obliged to check the production documents in any way. Should any objections arise from VERANO CORPORATION KFT in relation to the usability of the production documents cited under 3.1, the client is required to acquire a new copy without delay after receiving the information from VERANO CORPORATION KFT and to supply a new copy, free of charge, to VERANO CORPORATION KFT as quickly as possible.

3.3. VERANO CORPORATION KFT is not obliged to keep production documents, glass masters and stampers for any possible future orders for longer than 3 months after the end of the contract (contract starts when confirming the order). After this time, any production documents stored by VERANO CORPORATION KFT will be destroyed in accordance with regulations. The client may, however, request that the production documents be returned before the end of this period, at his own expense.

3.4. Where the client does not make any contract-proof templates available before the production of an order, the internal colour values of VERANO CORPORATION KFT are considered valid. So it means that if the client does not send a chromalin or paper color proof, VERANO CORPORATION KFT cannot be responsible for color variations. VERANO CORPORATION KFT also emphasize that colors on paper proof cannot be

matched perfectly when printing on metal or wood or mdf or leather or other material. The color proof shall then be regarded just as a guide but can not be perfectly matched.

3.5. VERANO CORPORATION KFT is entitled to assign orders to partner companies certified by VERANO CORPORATION KFT at any point and without consulting the client, in order to ensure that a deadline is met. VERANO CORPORATION KFT will ensure that any conditions agreed with the client are adhered to.

3.6. VERANO CORPORATION KFT is entitled not to produce or deliver a contract already accepted, should the client fall behind with the payment of an outstanding invoice by more than 14 calendar days and until the payment is received in full.

4. Delivery and liability for delays

4.1. VERANO CORPORATION KFT is entitled to supply partial deliveries and to over or under supply (+/- 5 % up to a max 1,000 items) with the actual amount supplied being invoiced to the client. In case of a production of metal cases, it may happen that up to 3% of the total order may have some scratches. In case production printing, forming and production process is quite complicated and due to the nature of tinsplate, scratches are unavoidable. Client accepts that a potential 3% of the goods may not be perfect and will not ask for compensation for these units.

4.2. Unless otherwise agreed in writing, VERANO CORPORATION KFT delivery dates shall be purely indicative.

4.3. The delay will be regarded as material if the said delivery is not made later than 5 working days after the agreed delivery date. Except in case of VERANO CORPORATION KFT wilful misconduct or gross negligence, the buyer shall not be entitled to use any late delivery as a justification for cancelling the sale, rejecting the goods or claiming any compensation. VERANO CORPORATION KFT cannot be held responsible for delays in shipments due to his transport company or subcontractors. VERANO CORPORATION KFT cannot be responsible for penalties or compensations imposed by clients of VERANO CORPORATION KFT clients (retailers for example). In no case the client can ask VERANO CORPORATION KFT to pay him his selling price of his goods to retailers since VERANO CORPORATION KFT only makes the packaging and is not selling the content.

If the buyer, after formal notice, fails to take delivery of the goods, VERANO CORPORATION KFT shall be entitled to claiming the total amount of the due invoice. Where deliveries are in instalments, the failure in whole or in part of any one delivery shall have no effect on other deliveries.

4.4 Delay of a specific delivery does not entitle the buyer to terminate the total order of master delivery agreement unless it can be documented that several future delays are to be expected under the said frame order or master delivery agreement. VERANO CORPORATION KFT does not compensate or indemnify for losses related to future deliveries according to the terminated order or master delivery agreement.

5. Transfer of risk

5.1. The risks in the goods and particularly those risks inherent in their carriage shall pass to the buyer immediately upon their delivery process when the goods leave the warehouse. Delivery shall take place at the time the goods leave the factories or warehouses, irrespective of any term of sale or payment of the costs of carriage. However, for orders which refer to INCOTERMS, the rules of the INCOTERMS prevailing at the time of the sale shall apply.

5.2. It is the buyer's responsibility to take all necessary steps to ensure that his rights are safeguarded with respect to the carrier of the goods by taking all necessary precautions within the time periods and terms specified by the rules governing such matters.

5. Payment and line of credit

5.1. Payment shall be made in cash by delivery unless otherwise agreed in writing or otherwise stated in the invoice of VERANO CORPORATION KFT.

5.2 Extension of credit without security requires that VERANO CORPORATION KFT requires satisfactory financial information regarding the buyer.

5.3 After the due date, interests of 1,5 % per month will accrue until payment in full has been made.

5.4. The buyer is not entitled to set off any claims against the payments according to the invoices issues by VERANO CORPORATION KFT unless such set off has been approved in writing by VERANO CORPORATION KFT.

5.5 If the buyer's ability to meet payments is considerably weakened after VERANO CORPORATION KFT has made an offer, VERANO CORPORATION KFT is entitled to demand payment in advance or satisfactory security for the purchase sum as a precondition for the execution of the order.

6. Receipt – Complaints

6.1. Without prejudice to any actions to be taken against the carrier, complaints made regarding visible defects or any non-conformity of the delivered goods compared to the ordered goods or with the delivery documentation, must be lodged in writing upon receipt of the goods and in any event within three (3) days of receipt at the latest.

The buyer shall provide the seller with all evidence regarding defects or anomalies reported. The buyer shall permit the seller all means to ascertain the defects and to find a solution. The buyer shall not intervene, nor have any third party intervene in this process. VERANO CORPORATION KFT will not accept any inspection or sorting costs invoiced by the client without prior written consent of VERANO CORPORATION KFT top management.

6.2. If the buyer fails to check the quality of the goods within three (3) days of their receipt, or having checked the goods, the buyer uses the goods or sells the goods to a third party, the seller will have no liability for any loss whatsoever resulting from their use by the buyer or the third party.

6.3. If the goods are not used for a purpose or in accordance with a process normally intended for goods of the same kind, no claim will be admissible. VERANO CORPORATION KFT will also not bear any responsibility in case of delivering the packaging to a fulfilment centre or replication plant appointed by the client and if this fulfilment centre damages the goods or does not store them well.

6.4. Once the buyer has sent his complaint to the seller within the specified time, and subject to establishing that the seller is liable, the seller shall at his convenience either replace or refund the cost of any goods which he has acknowledged as non-conforming or affected by a visible defect, to the exclusion of all other indemnities and/or damages. Where applicable, upon the seller's request the buyer will return to the seller the goods which have been replaced or refunded.

6.5. Liability for indirect damages resulting from the supply of defective product is excluded, except in the case of wilful misconduct or gross negligence or death, bodily injury or damage to health. The buyer's right to bring a claim will expire one month following the date of passing of risk in the product.

6.6. Complaints do not discharge the buyer from his obligation to pay the price according to the contract terms irrespective of whether the complaint is justified

6.7. VERANO CORPORATION KFT mainly sells packaging and is not responsible of the value of the goods inserted in the packaging. No claim can be received based on the value of the final product sold by the client.

6.8. Unless otherwise agreed in writing all production tools, drawings, designs, know-how, intellectual property rights remain the property of VERANO CORPORATION KFT, irrespective of whether the buyer has paid for such rights in full or part.

6.9 The characteristics of the products e.g., weight, dimension, volume, decoration and colours may vary within a certain interval of tolerance. The said products will be considered in accordance with agreed specifications of the products to the extent the values and specifications comply with the usual quality tolerances of the industry or to the extent the products comply with the specific quality specifications that have been agreed in each separate case.

7. Packaging

7.1. Packaging lent by the seller : this shall remain the property of the seller. It is solely intended for the goods sold. The buyer, the user or the bailee shall be liable for all and any accident which might occur as a result of this packaging. It shall be returned to the seller in good condition and within the time specified by the seller.

If the packaging is not returned within the stipulated time, or is destroyed or deteriorates, the seller will be entitled, without any prior written notice, to invoice the buyer for the cost of its replacement, in which case the buyer shall become the owner of the replaced packaging, or the cost of restoring the packaging to its original condition and also to claim from the buyer an indemnity for loss suffered as a result of the failure of the buyer to comply with the above provisions.

7.2. Transferred Packaging : When ownership of the packaging has been transferred to the buyer, he shall remove all references to the previous owner and shall not use such packaging for any purpose other than that for which it was originally intended.

7.3. Retested Packaging : when packaging is subject to retesting in accordance with a timeline set by regulations (the buyer declaring that he is aware of the same) the last testing date is marked on the packaging. The seller will have no liability for any accidents arising from this packaging, whether empty or full, where it has been transferred to the buyer or not returned to the seller before the date of the next test.

7.4. Packaging Supplied by the Buyer : the buyer shall be responsible for the choice and the quality of the packaging that is intended to receive the goods. The buyer shall supply packaging which conforms to the regulations then in force.

8 Product liability.

8.1 VERANO CORPORATION KFT will only be liable for damages caused by defect products to the extent such liability emerges from the court of Paris.

Product liability

8.2 According to invariable regulations VERANO CORPORATION KFT will be liable for damages caused by defective products maximum 6 months after getting the order:

- a) on physical persons, and
- b) on products that is manufactured and primarily used for non-commercial purposes.

8.3 VERANO CORPORATION KFT will not assume any product liability if:

- 1) it was not possible to identify the defect based on the general scientific and technical know-ledge at the time when the product was distributed,
- 2) it can be substantiated that the defect causing the damage was not present at the time VERANO CORPORATION KFT distributed the product, or
- 3) it can be substantiated that the defect relates to processing, use or directions made or performed by the buyer or others.

8.4 If substantiated and valid claims relating to product liability from a later acquirer of VERANO CORPORATION KFT products against the buyer, which claims would be included by the product liability of VERANO CORPORATION KFT according to these standard terms of sale and delivery if the claim was made by the buyer himself, then VERANO CORPORATION KFT will be obliged to compensate the buyer for such claims. This compensation does not include the buyer's own legal costs.

8.5 The buyer is obliged to accept the same venue and choice of law as VERANO CORPORATION KFT in case of joint legal proceedings.

8.6 If a third party make claims relating to product liability against one of the parties such party shall immediately inform the other party hereof.

9. Retention of title

9.1. The seller reserves title to the goods until payment in full of the price and of all incidentals. The risk in the goods shall however pass to the buyer upon delivery, as defined in Article 5 above. If payment is late or remains unpaid whether in whole or in part, the seller reserves the right on first demand and without further

formalities to require the delivered goods to be returned to it, wherever they are located. Goods stored at the premises of the buyer (including depots, warehouses) will be deemed to be the subject of the unpaid invoices. The buyer shall therefore not grant any rights to third parties that might limit the exercise of the provisions of this condition.

9.2. All costs of returning the goods to the seller will be borne by the buyer.

9.3. If the buyer becomes insolvent or bankrupt he must (I) notify the seller within 24 hours and (II) immediately cease selling any goods which are not yet his property. The buyer must also comply with his obligations as bailee.

9.4. The buyer shall therefore be required to pay for the goods if they disappear, whether accidentally or otherwise. The buyer shall not remove packaging or labels from goods stored by him and which are unpaid. The above provisions are without prejudice to any claim for damages for total or partial failure to pay the price of the goods.

10. Intellectual property defects.

10.1 If the buyer documents that the delivered products infringe intellectual property rights of a third party VERANO CORPORATION KFT will not compensate the buyer for any documented claim from owners of third party intellectual property rights made against the buyer.

10.2 The compensation is conditioned upon VERANO CORPORATION KFT taking over the handling of the matter immediately after the claim has been made by the third party and that any documentation, argumentation and opinions from the buyer in the matter shall be approved by and if necessary worded by VERANO CORPORATION KFT before it can be communicated to the third party. The compensation according to does not apply to the extent that the infringement of third party intellectual property rights relates to designs, wordings, drawings, logos or the like that the buyer has produced, forwarded or otherwise communicated to VERANO CORPORATION KFT.

11. Non-Payment

11.1. Extension of credit requires that VERANO CORPORATION KFT receives satisfactory financial information regarding the buyer. Non payment of any invoice shall be considered as a fundamental breach entitling the seller to suspend any further delivery or to consider the contract terminated immediately by reason of the buyer's default without prejudice to any claim for damages. Similarly, where payment is agreed to be deferred and the buyer does not pay punctually or makes a claim for a batch already delivered, the seller may revoke such payment term and require advance payment for the subsequent deliveries. Should the buyer not meet such demand, the seller shall be entitled to terminate the contract and claim damages.

Where payment is not made on the due date in the invoice, interest for late payment will be payable, without the need for any formal notice to this effect and without prejudice to any future claim from damages, from the day following the due date. The interest rate will be equal to the rate of 10,5 % per year.

11.2. In the event the financial standing of the buyer constitutes a justifiable cause for concern, the seller reserves the right to request payment in cash or prior to delivery in respect of current orders.

11.3. Where goods in any order or by agreement are delivered in installments, the invoices relating to each delivery shall be payable by their respective due dates, and shall not be postponed until all the ordered goods have been delivered.

12. Force Majeure

The following shall be considered as events of force majeure which shall therefore allow the seller to cancel or suspend his contractual obligations, without any right of recourse for the buyer : accidents affecting the manufacture or storage of the products, total or partial interruption of supplies of raw materials or energy, default by carriers, fire, flooding, breakdown of machinery, total or partial strikes, administrative decisions, acts attributed to third parties, war and all and any external occurrences likely to delay or prevent the performance of the seller's obligation or to render such performance economically exorbitant.

12. Law and Jurisdiction

All disputes arising out of this contract shall be governed by the law of Hungary and the court of Budapest.