

# GENERAL TERMS AND CONDITIONS

(hereinafter referred to as: *GTC*)

of **Webabstract Online Korlátolt Felelősségű Társaság** (registered seat: 1137 Budapest (Hungary), Katona József utca 21. fszt. 6.; company register No: 01-09-271610; tax No.: 25376801-2-41; EU tax No.: HU25376801; independently represented by: **Knaust Dániel** executive officer; e-mail: [danielknaust@webabstract.io](mailto:danielknaust@webabstract.io); hereinafter referred to as: *the Contractor*).

## 1. GENERAL PROVISIONS

- 1.1. The Contractor is a business entity engaged with webdesign, web development, UX (user experience) advising and software development. Any and all services drawn from the Contractor shall be provided according to the present general terms and conditions.
- 1.2. By accepting the Contractor's offer the Client expressly accepts any and all the provisions of the GTC – even in the case if they differ from the usual business practice; furthermore the Client accepts the exclusion of any eventual general terms and conditions applicable at the Client or at any third party. Should any provision of the offer differ from the GTC, the provisions of the offer shall be applied.
- 1.3. The present GTC is all-inclusively public and is available at the website of the Contractor ([www.webabstract.io](http://www.webabstract.io)); the Contractor uses its best endeavors in order to let its Clients get acquainted with the provisions of the present GTC.

## 2. THE SUBJECT OF THE CONTRACT

- 1.1. The Client orders the UX development, market research, customer development services (research and development activities in order to improve the user experience, and/or the development and transfer of an IT system – a know-how – that puts user experience forward) from the Contractor by accepting the Contractor's written offer. The offer contains the general characteristics and the detailed description of the services to be provided, i.e. the expected result of the Contractor's work, the amount of the payable remuneration as well as the fulfilment and payment schedule.
- 1.2. The Contractor undertakes to perform the activities ordered by the Client within the given deadline in first-class quality and – with the condition of the payment of the entire remuneration of the Contractor – to transfer the result of such activities (the ordered intellectual property: the design and the UX know-how) to the Client, as well as to transfer the usage rights of such intellectual property and the information that is necessary for the use of them.
- 1.3. The Contractor shall perform the activities under the present agreement using its best knowledge and experiences. The Parties expressly agree that the Contractor shall be entitled to draw on the services of sub-contractors without the approval of the Client; however in such a case the Contractor shall be all-inclusively liable for the sub-contractor's activities.
- 1.4. The Contractor shall promptly inform the Client in writing of any circumstances that obstructs the Contractor in fulfilling the activities, also it shall be proceed with averting such circumstances, if possible.
- 1.5. The Contractor is obliged and liable for the due fulfilment of the activities under the present agreement. The Contractor represents and warrants that the services provided under the present agreement are suitable for proper use, also that the intellectual property handed over under the present agreement is free of the rights and claims of any third parties.

### 3. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 2.1.** The Client shall provide the Contractor with any and all general information, data, documents, instructions, etc., that are necessary for the fulfilment of Contractor's obligations. The Client represents and warrants that the material handed over to the Contractor makes it possible for the Contractor to legally fulfill the agreement, also that these materials are free of any rights and claims of third parties. The Client shall also be obliged to provide the Contractor with the continually necessary information and instructions, furthermore it shall continuously keep in touch with the Contractor. The instructions may not cover the method and schedule of performing the activities of the Contractor and they may not make the Contractor's fulfilment more burdensome.
- 2.2.** Should the Client provide the Contractor with unsuitable materials, or with unexpedient or unworkmanlike instructions, the Contractor shall warn the Client thereof. If the Client maintains such instructions despite the warning of the Contractor, or does not provide the Contractor with due materials, the Contractor shall be entitled to rescind from the agreement (and request such a part of its remuneration that is proportional with the already fulfilled part of the work), or to perform its activities with the provided material or according to the Client's instructions; however in this case the Contractor shall not be responsible for any damages arising from any defaults. The Contractor shall deny fulfilling the Client's instructions or using the provided materials if fulfilling such instructions or using such materials would lead to a breach of law or statutory provisions, also if it would endanger the person or property of third parties.
- 2.3.** The Contractor shall inform the Client of the fulfilment of the agreement – also of the fulfilment of the parts of its activities – and it shall transfer the result of such activities (the ordered intellectual property) to the Client. At the time of fulfilment of the agreement – also at the time of fulfilment of parts of the Contractor's activities – the Client shall take over the results (the intellectual property) and shall immediately examine them. Should the result of the activities not comply with the provisions of the present agreement, the Client shall be entitled to deny taking it over. Takeover may not be denied for such a default of the result (the intellectual property), regarding which the repairing or supplementing does not create an obstacle for regular use.
- 2.4.** The Client shall examine, take over and validate the partial fulfilments of the Contractor; once partial fulfilments have been accepted by the Client, they may not be requested to be modified and the Contractor shall consider these partial fulfilments as material/data handed over to them under 3.1. The Client shall be entitled to raise exceptions, make remarks and modification proposals regarding the partial fulfilments within 3 (three) working days as of taking them over. These exceptions, remarks and modification proposals shall be implemented in the partial fulfilments by the Contractor within a reasonable time; thereafter the partial fulfilment shall be handed over to the Client once again. Regarding a partial fulfilment handed over to the Client in such a way (i.e. following a modification according to the Client's remarks) the Client is entitled to practice its right of exceptions/modifications only one more occasion according to the same procedure. Following this the Client shall be obliged to take over the partial fulfilment (modified maximum two times), or it shall be obliged to pay an hourly additional work fee of gross 60 USD/hour, that is sixty US Dollars per hour as the remuneration of the Contractor's activity on the Client's further modification needs. The Client hereby acknowledges that regarding the additional work fee under the present section there is no need for a further agreement or documentation; the Client hereby accepts the Contractor's own statement regarding the working hours spent on fulfilment of the agreement; by signing the present agreement Client undertakes to accept and to settle the invoices of the Contractor regarding the additional work fee – if the circumstances mentioned in the present section have arisen.
- 2.5.** Within 5 (five) working days as of the handover of the result of the Contractor's activities (the intellectual property) the Client shall issue a certificate of fulfilment. The Parties agree that – in case of a lack of certificate of fulfilment – the result of the Contractor's activities shall be considered duly handed over if the Client does not raise any exceptions against it in writing within 3 (three) working days as of the handover.

- 2.6.** The Contractor is obliged to perform such works that are part of the agreement, but were not taken into consideration when calculating the contractor's fee, also such works, without which the result (the intellectual property) of the contractor's activity may not be suitable for proper use (so-called surplus works). For these the Contractor may not be entitled to an extra remuneration.
- 2.7.** The Contractor is also obliged to perform such works that are ordered by the Client subsequently (especially those becoming necessary due to the modification of the plans and/or the Client needs) (so-called additional works), however the Contractor shall be entitled to an extra fee for this. In case of ordering additional works the Parties shall conclude separate agreements regarding the fee for the additional work, the deadline of performing the additional works as well as the eventual modification of the final deadline of the works. In the lack of such an additional agreement the Contractor shall be entitled to a remuneration of gross 60 USD/hour and the final deadline of the works shall be extended by the amount of work spent on the additional days plus an additional 8 (eight) calendar days.
- 2.8.** The Client and the Contractor are strictly obliged to co-operate with each other under the agreement, also they are obliged to inform each other on any and all substantial circumstances regarding the fulfilment of the agreement – especially those that may affect the result or the deadline of the works. The Party in default with such information shall bear any and all damages arising thereof.

### **3. CONFIDENTIALITY**

- 3.1.** The Contractor and the Client shall handle any and all information, data, fact, circumstance that came to their knowledge during their cooperation under the present agreement confidential and not to forward them to any third parties without the prior written approval of the other Party.

### **4. INTELLECTUAL PROPERTY RIGHTS**

- 4.2.** The Client expressly accepts that the usage rights regarding the intellectual property (i.e. the design and the UX know-how) prepared under the agreement shall only be transferred to the Client with the condition of and simultaneously with the payment of the entire remuneration (including the interests as well) of the Contractor (the contractor's fee and the royalty). In case of the lack of payment of any part of the contractor's fee and/or the royalty (including the default interests too) the usage rights of the intellectual property prepared under the agreement shall not transfer to the Client in any extent; in such a case the Client shall not be entitled to use any part of the result of the Contractor's activities, nor any data, plans and documentations handed over to the Client.
- 4.3.** The Client expressly accepts that the Contractor does not waive those rights that are not transferable (i.e. the so-called rights stuck to the person) and expressly demands its indication as the author of the intellectual property.
- 4.4.** The preliminary plans, documentations, etc. prepared by the Contractor and handed over to the Client may not be used by the Client – without the prior written approval of the Contractor.

### **5. TERMS OF PAYMENT**

- 5.2.** For the services under the agreement the Contractor shall be entitled to an aggregate gross fee as determined in the accepted offer. Unless agreed otherwise in writing, the aggregate fee of the Contractor includes any and all costs of the Contractor as well as the fees of the eventual subcontractors; the Contractor may not be entitled to request any further amounts above the aggregate fee (except for the fees of the additional works and the fees under section 3.4. above). The aggregate fee includes the remuneration of the Contractor's work, the royalty for the design provided by the Contractor and the royalty for the UX know-how used by the Contractor.
- 5.3.** Unless agreed otherwise in writing, 33% of the aggregate fee (and any instalments of it) shall be considered the contractor's fee (the remuneration of the Contractor's work and efforts), another 33% of the aggregate fee (and any instalments of it) shall be considered the royalty (the usage fee) of the

design and the last 33% of the aggregate fee (and any instalments of it) shall be considered the royalty (the usage fee) of the UX know-how owned by the Contractor.

- 5.4.** With a view to the fact that the Contractor is a business enterprise operating in Hungary (EU) and providing cross-border services – the provision of the services under the present agreement is free of the value added tax. The Contractor expressly requests its Clients to provide their tax identification No. and explains that according to EU tax laws the tax identification No. of the partner shall be indicated on the issued invoices.
- 5.5.** The Contractor shall be entitled to issue its advance invoices according to the payment schedule agreed by the parties. Notwithstanding the provisions of section 3.5. above the Contractor shall be entitled to issue its final invoice after receiving the certificate of fulfilment. The Client shall be obliged to settle the Contractor's invoices within the deadline marked on the invoices – via bank transfer to the Contractor's bank account communicated to the Client in writing.
- 5.6.** In case of late payment the Client shall be obliged to pay a default interest of yearly 8%. In case of late payment any and all amounts paid to the Contractor shall be accounted on the default interest in the first place and only the remaining part shall be deducted from the capital debt.

## **6. BREACH OF CONTRACT**

- 6.2.** Should the Contractor actionably fall in default with the fulfilment of the ordered activities (i.e. the final deadline), it shall be obliged to pay a default penalty to the Client in the amount of 0,1% (one tenth per cent) of the net contractor's fee for each day of default. The Client shall be entitled to set-off such penalty against the contractor's fee.
- 6.3.** Regarding other issues of the breach of contract the the provisions of Act No. V. of 2013 on the Civil Code of Hungary (Ptk.) shall be applied.

## **7. TERM AND TERMINATION OF THE AGREEMENT, SUCCESSION**

- 7.2.** The Agreement of the Parties shall enter into force on the date of due signature of the offer by the Client. The Parties conclude the Agreement for a definite term until the due and all-inclusive fulfilment.
- 7.3.** The Agreement shall terminate – without any further action or declaration – in case either of the Parties terminates without a legal successor, also if either of the Parties undergoes bankruptcy, liquidation or dissolution procedure, or any other similar procedure.
- 7.4.** Both Parties are entitled to terminate the agreement by a regular termination in writing, without justification – to be communicated to the other Party via registered post – with 60 (sixty) calendar days termination period. During the termination period – that shall commence on the day following the delivery of the termination notice – the Parties shall be obliged to duly perform their duties under the present Agreement.
- 7.5.** Both Parties are entitled to terminate the agreement by an extraordinary termination in writing, to be duly justified and to be communicated to the other Party via registered post, in case the other Party commits serious or repeated breach of contract and if the other Party fails to remedy such breach (including the remedy of the detrimental consequences of such breach) within the reasonable deadline – of at least 8 (eight) calendar days – as of the delivery of the Party's written notice (also to be communicated via registered post) to do so. In this case the Agreement shall be considered terminated on the day following the delivery of the extraordinary termination notice.
- 7.6.** In case of termination of the present Agreement due to any reason the Parties shall be obliged to make accounts with each other within 15 (fifteen) calendar days as of the termination, also they shall conclude a written agreement regarding the usage rights of the eventually transferred intellectual

property or any parts of it; in case of the lack of such a written agreement the Client shall not be entitled to use the intellectual property to any extent. The provisions of the present Agreement on the confidentiality and on the intellectual property shall survive and shall be applicable despite the termination of the present Agreement, without any limitation in time.

**7.7.** The Parties agree that the Agreement shall be effective regarding any of the Parties eventual legal successor too; there is no need for any kind of legal action or declaration from the legal successor to make the Agreement effective. In this respect the Parties undertake to promptly inform both their legal successor and the other Party of such succession and the necessary measures to be taken.

## **9. CLOSING AND MISCELLANEOUS PROVISIONS**

**8.1.** By accepting the Contractor's offer the Client expressly and irrevocably provides its consent that the Contractor refers to the Client as its client in any of the Contractor's marketing and/or press materials, also that the Contractor communicates it towards the public as well as towards present and future partners of the Contractor that the Client is in a business cooperation with the Contractor. Such communications of the Contractor may only cover the existence of the agreement and the technical content of the Parties' cooperation; communications of the Contractor may not cover any other details of the present agreement – especially those data qualified as a business secret and those on the eventual debates of the Parties.

**8.2.** Except for the notices and termination notices mentioned in sections 8.3-8.4. above – any and all notices, warnings, messages and information shall be acceptable if sent via e-mail as well. The Parties also agree that any eventual notices and messages transmitted in person or via phone shall be repeated in writing as soon as possible – with reference to the fact that they have already been communicated in person or via phone.

**8.3.** The Parties shall promptly inform each other in writing (preferably via e-mail) regarding any change in the contact persons and/or their contact details as well as in the dedicated colleagues working on the project; in case of the lack of such written notice the communication sent to the last effective contact shall be considered duly communicated. The Party failing to comply with the present section shall be responsible for any damages arising thereof.

**8.4.** The Parties are obliged to increased and mutually cooperation with each other under the agreement and they shall promptly inform each other of any circumstances that are in connection with or that might affect the fulfilment of the agreement.

**8.5.** The agreement shall be governed and construed by the laws of Hungary. Concerning any issues not regulated in the offer and/or the GTC the provisions of Act No. V. of 2013 on the Civil Code of Hungary (i.e. the general provisions the provisions on the contractor's agreement and the provisions on the intellectual property), also other provisions of Hungarian law shall be applied.

**8.6.** Any amendment or modification of the agreement and/or the offer shall only be valid in writing, duly signed by the Parties. Instructions of the Client on the fulfilment of the Agreement shall not be considered a modification of the agreement.

**8.7.** The Client represents to have understood and accepted the content, provisions and legal consequences of the present GTC as well as to find the wording of the GTC univoque and understandable, also to be all-inclusively reconcilable with the subject and the purpose of the agreement.

**8.8.** The present GTC is valid as of its publication on the Contractor's website. The Contractor upholds the right of modifying the GTC; any modification of the GTC shall be applied as of the date of publishing it on the Contractor's website.

**8.9.** Should any part of the GTC prove to be invalid or unenforceable, this does not harm the validity and

enforceability of other provisions of the GTC. In case of the invalidity of any provision of the GTC the invalid provision shall be replaced by such appropriate agreement of the Parties that is nearest to the original contractual provision as well as the Parties original contractual intentions. In the lack of such an agreement the relevant provisions of Hungarian law shall be applied instead of any eventually invalid provision of the GTC.

- 8.10.** Should the Client have any further questions, remarks regarding the agreement and or the GTC, the Contractor's team is gladly at disposal via e-mail at [info@webabstract.io](mailto:info@webabstract.io).