

## General Terms and Conditions of Contract

Effective: 1<sup>st</sup> October 2021

### I. **GENERAL PART**

#### 1. **Scope**

- 1.1. These General Terms and Conditions of Contract ("GTCC") apply to all of our business relationships maintained with our contracting partners. They constitute a part of all of our offers and contracts, including our current and future business relationships. They shall apply only if the contracting partner is a business party [point 4. of Section 8:1(4) of the Hungarian Civil Code (Civil Code)] or a contracting authority [point 7. of Section 8:1(1) of the Civil Code].
- 1.2. Unless otherwise agreed upon, these terms and conditions are effective in their currently effective version or in the version disclosed to the contracting partner in form of a text for the last time, even in the case of similar future contracts, without the need of repeated reference thereto in each individual case.
- 1.3. These terms and conditions shall apply exclusively. A contracting partner's any different, contrary or supplementary General Terms and Conditions of Contract shall be integrated into the contract only if and to the extent we have expressly consented to their applicability. In any case, this requirement for giving such consent shall be a precondition for validity, for example even if we fulfil an order for or provide a service to the contracting partner – in the knowledge of the contracting partner's terms and conditions – with no reservation or accept its supply with no reservation.
- 1.4. The particular agreements entered into with the contracting partner on a case-by-case basis (including supplementary agreements, additions and amendments) will always have preference to these GTCC. In the absence of proof to the contrary, the contents of such agreements shall be subject to the written contract or our written confirmation.
- 1.5. Any statements and notifications of the contracting partner establishing an obligation in relation to the contract (e.g. setting of deadlines, defect notification, withdrawal or delivery) shall be submitted in writing, i.e. in a written or text form (e.g. in a letter, e-mail, fax). The statutory formal requirements and other certificates, in particular if any doubt arises in connection with the authorization of the person making the statement, shall remain unchanged.

- 1.6. Any references to application of legal requirements shall be used for clarification only. Therefore, legal requirements are applicable even without clarification, except if they are directly amended or expressly excluded by these GTCC.

#### 1.7. **In addition to the provisions of this general part,**

- a. if we sell or deliver movables ("goods") to our contracting partners ("Buyers"), irrespective of whether the goods are manufactured or purchased from suppliers by ourselves [Section 6:215(1) of the Civil Code], **our General Terms and Conditions of Sale ("GTCS") set out in Part II of these GTCC shall apply**; the General Terms and Conditions of Purchase set out in Part III hereof ("GTCP") shall not apply.
- b. if the contracting partner ("Seller") sells or delivers movables ("goods") to us, irrespective of whether the goods are manufactured or purchased from suppliers by the Seller [Section 6:215(1) of the Civil Code], **the General Terms and Conditions of Purchase ("GTCP") set out in Part III of these GTCC shall apply**; the General Terms and Conditions of Purchase set out in Part II hereof ("GTCP") shall not apply.

#### 2. **Choice of Law and Jurisdiction**

- 2.1. These GTCC and the contractual relationship between us and the contracting partner shall always be subject to the Hungarian law, excluding private international law, in particular the Vienna Convention on International Sale of Goods.
- 2.2. As regards the exclusive jurisdiction to be determined in relation to all legal disputes arising directly or indirectly from the contractual relationship, our registered seat in Budapest shall apply, even on international level. However, in each case we are entitled to bring an action at the place of performance or also according to the general rules of jurisdiction applicable to the contracting partner. The above conditions of jurisdiction shall not affect the provisions defined in the governing legal statutory provisions, in particular those relating to exclusive jurisdiction.

## **II. GENERAL TERMS AND CONDITIONS OF SALE (GTCS)**

### **1. Scope of application**

The general terms and conditions of contract set out in this Part II ("GTCC") shall apply in addition to the general provisions of Part I if we sell or deliver movables ("goods") to our contracting partners ("Buyers") irrespective of whether the goods are manufactured or purchased from suppliers by ourselves [Section 6:215(1) of the Civil Code].

### **2. Contracting**

2.1 Our offers may be freely changed and are not binding. It also applies if we sell catalogues, technical documents or other product descriptions to a Buyer, except if the use of such is designated as expressly binding.

2.2 An order placed by the Buyer shall be deemed as a binding contractual offer. Unless otherwise indicated in the order, we are entitled to accept such contractual offer within 14 days after its receipt. Acceptance may be in writing (e.g. by confirmation of the order) or by delivery of the goods to the Buyer.

### **3. Fees; Terms of Payment**

3.1 Unless expressly otherwise agreed upon, our prices shall be understood (net) ex works, excluding the statutory value added tax and the costs of packaging. Packaging will not be taken back and will become property of the Buyer, with the exception of transport packaging complying with the packaging requirements. The transport packaging returned shall be clean, free of foreign matters and sorted by various types of packaging.

3.2 We reserve the right to change our prices as appropriate if any unforeseeable decrease or increase in costs occurs after conclusion of the contract, in particular due to a change in the costs of purchase, costs of materials, etc. It applies, among others, to introduction and/or increase of the costs payable to the State (e.g. duties, customs duties or taxes), to the increase of costs of transport and/or insurance, and to the increase of tidal and similar fees. Such costs will be confirmed to Buyer upon request.

3.3 Deduction of a discount shall be subject to a separate written agreement.

3.4 The basis of the invoice is the net value of the Product, and its final amount also contains the lawful VAT. The Product fee of the packing material is paid by the Vendor except if it is expressly indicated on the invoice differently. Vendor accepts empty returned packing materials only for compensation. In the lack of an agreement the deadline of payment is 30 days after fulfillment and the method of payment is bank transfer. The payment deadline is the day when the countervalue of the invoice appears either on the bank account or in the cashier desk of Vendor. Vendor is entitled to refuse the order, provided Vendor has an expired or invoiced but not yet due claim against Buyer that jointly exceeds the credit limit that is given by the Hungarian Branch

Office of Coface. In case of late payment Vendor will charge as late payment interest an annual interest corresponding to the prevailing prime interest rate of the central bank +7%. The Buyer being late, is obliged to cover all the notification and collection costs. The claims of Vendor are managed by Coface Hungary Services Kft. In the case of payment delay Vendor is entitled to withdraw the payment deadlines and to ask pre-payment for the non paid deliveries and to consider all the non due invoices issued to Vendor to be due right away].

3.5 The Buyer shall have the right to make a setoff and to withhold performance only to the extent his counterclaim has been finally established, is not contested or has been acknowledged by us. Furthermore, the Buyer shall be entitled to exercise his right to withhold performance if his counterclaim is based on the same contractual relationship.

3.6 If it becomes obvious after conclusion of the contract that our claim for payment of the purchase price is threatened by the Buyer's deficient capability of performance (e.g. due to accumulation of a large amount of tax debts, his being qualified as a non-reliable taxpayer, institution of voluntary or involuntary dissolution proceedings, ordering of liquidation proceedings), we will be entitled to refuse performance in accordance with the statutory provisions and, if appropriate, to withdraw from the contract after setting a deadline [Section 6:139 (1)-(2), Section 6:151 of the Civil Code].

### **4. Deliveries; Transfer of Risk**

4.1 Unless otherwise agreed upon, delivery shall be carried out from a warehouse, which is the place of performance at the same time. If so requested by the Buyer, the goods will be dispatched to another place of destination at the Buyer's cost and risk. In such a case we are entitled to determine the type of transport (in particular the forwarding agent, the route of transport and packaging) ourselves. If transport has been agreed upon, terms and dates of delivery shall apply to the date of transfer to the forwarding agent, the carrier or the third party entrusted with transport. The goods will be dispatched without insurance. Insurance may be concluded at the Buyer's cost.

4.2 The risk of accidental loss and accidental deterioration of the goods (risk of damage) shall pass to the Buyer when the goods are transferred. If any sale is carried out with transport to a place other than the place of performance, the risk of accidental loss or accidental deterioration (risk of damage) and the risk of delay shall pass to the forwarding agent, carrier or the party designated to perform transport at the time the goods are delivered.

4.3 We are entitled to perform partial delivery provided that it can be used by the Buyer for the purpose to be achieved by the contract provided that the Buyer will incur no extra costs therefor. We will inform the Buyer of each partial delivery, if any, in due course in advance.

## 5. Delivery Dates; Late Delivery; Non-delivery

- 5.1 In the event the terms of delivery are not indicated as expressly fixed in the confirmation of the order, all terms of delivery given by us will be approximate only.
- 5.2 The terms of delivery will be extended or the delivery dates will be postponed by the duration of prevention caused by a *force majeure* event or any other unforeseeable circumstances beyond our control, such as layoff, breakdown, natural disasters and difficulties in the purchase of raw materials. If any such event occurs, we shall inform the Buyer immediately in writing; and simultaneously inform the Buyer of the expectable duration of such event. If any such event lasts for more than three months, both parties will be entitled to withdraw from the contract. In such a case we will repay the consideration already paid.
- 5.3 Having regard also to the provisions of section 7.2 of these GTCS, we are not liable for any late delivery or non-delivery if the delay in or failure of delivery has occurred due to fulfilment of our obligations under the REACH European regulation on chemicals.

## 6. Warranty

- 6.1 The Buyer shall inspect the goods delivered for defects upon their acceptance. If any defect is found during such inspection or, for a non-recognizable defect, later, he shall inform us with no delay in writing. For goods intended to be installed or for other further processing, inspection shall be carried out always immediately before processing.
- 6.2 The provisions of section 6.1 above shall apply also to excess and short deliveries, as well as mistaken deliveries.
- 6.3 According to the REACH European regulation on chemicals, the relevant identified use of the goods delivered cannot be construed either as an agreement on the relevant contractual characteristics of the relevant goods or as their use contemplated in the contract.
- 6.4 If a defect exists and we have been timely informed thereof, we are entitled to provide subsequent performance within the appropriate time limit, at our own discretion, either by repairing the defect or delivering a thing free of defects, in the course of which we are entitled to attempt performance subsequently at least two times. If the defect actually exists, the expenses required for subsequent performance shall be borne by us. In the event the appropriate time limit lapses unsuccessfully or subsequent performance fails or it cannot be expected of the Buyer, the Buyer will be entitled, at his own discretion, either to ask for a decrease (reduction) in the consideration or to withdraw from the contract in compliance with the statutory provisions. The Buyer shall be entitled also to enforce claims for expenses and compensation of damages under section 7 of these GTCS.
- 6.5 Pursuant to Section 6:163(1) of the Civil Code, the right to warranty for material defects and legal defects shall lapse, as a rule, after one year from delivery of the

goods. The above deviations from the limitation period shall not apply to the Buyer's claims for damages for which we have unlimited liability under section 7.2 of these GTCS.

- 6.6 The above limitation periods set out in section 6.5 of these GTCS shall apply also to the Buyer's contractual and non-contractual claims for damages based on the defects of the goods.
- 6.7 In the event any of our suppliers is liable for a defect, the Buyer shall enforce any potential claim first against such supplier, except if it cannot be expected of the Buyer. To this end and to the extent required, we will assign our claims raised against the supplier for the defect to the Buyer and the Buyer shall accept such assignment. The Buyer shall enforce his rights *vis-à-vis* our supplier by means of judicial proceedings. The Buyer shall be entitled to enforce any claim under these GTCC against us when and to the extent it is not possible to enforce such claims against our suppliers.

## 7. Liability

- 7.1 Any claims for damages may only be raised against us under the following provisions of section 7 of these General Terms and Conditions of Contract; otherwise such claims are excluded.
- 7.2 We bear liability for damages caused by a wrongful act to life, physical integrity and health and by a wilful act and gross negligence in accordance with the statutory provisions. Pursuant to statutory provisions, we are held liable further if we conceal a defect in bad faith or have undertaken a guarantee for the quality of the goods. The same applies to the Buyer's claims under the act on product liability.
- 7.3 With the exception of the above, our liability for damages is excluded, except if we have infringed any of our material contractual obligations. However, in such a case our liability is limited to typically occurring unforeseeable damages. Material contractual obligations shall mean those the fulfilment of which is a precondition for appropriate implementation of the contract and in respect of which the contracting partner should and may rely on fulfilment.
- 7.4 If we provide any technical information or act as a consultant and such information or consultancy does not fall within the scope of the services to be provided by us, we will exclude all liability.
- 7.5 These exclusions and limitations of liability apply to the same extent also to our management bodies, legal representatives, employees and other fulfilment partners.

## 8. Withdrawal / Termination

The Buyer may withdraw from or terminate the contract for any breach of duty other than a defect if the liability for the breach of duty lies on us.

## 9. Reservation of Title

- 9.1 We reserve our title to the goods delivered by us until receipt of all payments arising from our business relationship with the Buyer.
- 9.2 Should the Buyer show any infringing conduct, in particular in the case of late payment, we will be entitled to take the goods delivered back. Any reclaim of the goods delivered shall always be deemed as withdrawal from the contract. After the goods delivered have been taken back, we will be entitled to sell them; to settle the income from sale against the Buyer's debts reduced by the reasonable costs of sale.
- 9.3 The Buyer shall be entitled to resell the goods in normal course of business, however, he shall hereby assign to us all of the amounts due to him from such resale from the recipient or third parties, up to the amount of the final amount of the invoice (including value added tax), irrespective of whether the goods have been sold without or after processing. After such assignment, the Buyer will remain entitled to collect such outstanding debts. It shall not affect our right to collect the debts on our own. However, we undertake not to collect the debts until the Buyer fulfils his payment obligations against us, is not in default of payment and no request has been submitted for voluntary dissolution for accumulation of a significant debt, for classification of the taxpayer as an unreliable taxpayer, for institution of voluntary or involuntary dissolution proceedings or for ordering liquidation proceedings. If this is case, we may require the Buyer to inform us on the debts assigned and the relevant debtors, to provide us all data necessary for collection, to deliver the relevant documents and to inform the debtors of the assignment.
- 9.4 Our goods shall always be processed or transformed by the Buyer for ourselves. If our goods are processed together with objects owned by us, we will acquire the title to the new thing in the proportion of the value of our goods and the other things processed as at the date of processing. In all other respects the thing created by the processing shall be subject to the same rules as the goods delivered under reservation of title.
- 9.5 If our goods are combined integrally with objects not owned by us, we will acquire the title to the new thing in the proportion of the value of our goods and the other things processed as at the date of combination. If the combination is carried out so that the Buyer's thing has to be considered the main object, it shall be construed as the Buyer's commensurate transfer of title to us. The Buyer will handle the exclusive title or co-title so established as a deposit.
- 9.6 The Buyer shall maintain comprehensive insurance against the ordinary risks for the goods being under reservation of title and certify the existence of such insurance at our request. The Buyer hereby assigns his insurance claims, if any, to us.
- 9.7 If the value of the securities provided to us exceed our total debt by more than 25%, we will be required to release or re-transfer the appropriate securities at the Buyer's request; we will have a right of choice in respect of such securities.
- 9.8 Should the above provisions relating to title be not applicable under the law of the country where the goods are located, it shall be construed so that the title to the goods will remain with us until the appropriate invoice for delivery is settled. If it is not permitted either but the law of the country where the goods are located allows us to maintain other security rights for the goods, we may exercise all of our such rights. The Buyer shall cooperate in taking the appropriate measures we will take in order to protect our title to the goods or our substitute right thereto.

### III. GENERAL TERMS AND CONDITIONS OF PURCHASE (“GTCP”)

#### 1. Scope of application

The General Terms and Conditions of Purchase of this Part III (“GTCP”) shall apply in addition to the general provisions of the General Part in Part I when a contracting partner (“Seller”) sells or delivers movables (“goods”) to us, irrespective of whether the goods are manufactured or purchased from suppliers by the Seller [Section 6:215(1) of the Civil Code].

#### 2. Contracting

- 2.1 Our orders shall be deemed as binding at the earliest when they are submitted in writing or confirmed in writing.
- 2.2 The Seller shall accept our orders within 2 weeks. Late acceptance shall be deemed as a new offer and needs our written acceptance.

#### 3. Deliveries; Transfer of Risk; Late Acceptance

- 3.1 Delivery shall be made to the place indicated in the order by “door-to-door delivery”. The place of destination shall be the place of performance at the same time (obligation to take the goods to the Buyer).
- 3.2 The Seller shall provide for appropriate packaging at his own cost. If so requested by us, the Seller shall take the packaging materials back.
- 3.3 The Seller shall pack, mark and transport dangerous goods in accordance with the relevant statutory provisions.
- 3.4 The consignment shall be accompanied by a delivery note to indicate the date of issue and dispatch, the content of the consignment (article number and quantity), and the identification number of our order. If a delivery note is missing or incomplete, we take no liability for any delay in processing and payment arising therefrom. On the day when the consignment is dispatched, the Seller shall send us a notice of delivery, separated from the delivery note, including the same content.
- 3.5 The risk of accidental loss and accidental deterioration of the goods (risk of damage) shall pass to us when the goods are transferred. Until that date the risk shall be borne by the Seller.
- 3.6 The title to the goods delivered shall be transferred by the Seller to us when the goods are transferred, unconditionally and irrespective of whether the purchase price is paid. However, if we accept the Seller’s offer for transfer of title depending of payment of the purchase price in a particular case, the Seller’s reservation of title applies to our payment obligation only in respect of the goods in respect of which the Seller reserves his title. We will still be entitled to resell the goods in normal course of business, even prior to full payment of the purchase price. In the case described in the second sentence of section

3.6 of these GTCP, both simple reservation of title and that extended to resale shall be applied. Any other form of reservation of title will always be excluded.

- 3.7 Our late acceptance shall be subject to the statutory provisions, provided, however, that the Seller has to offer performance expressly even if we have an obligation of action or cooperation in respect of which a specific or determinable calendar time has been established but which we do not meet in due time. If we are in default of acceptance, the Seller may claim refund of his extra costs in accordance with the statutory provisions.

#### 4. Term of Delivery; Late Delivery

- 4.1 The terms of delivery and dates of delivery given by us in the order shall be binding. The Seller shall immediately inform us of any threatening or actual failure of compliance with the term of delivery or date of delivery, the reasons therefor and the expectable duration of the delay. Notwithstanding the above, the delay in delivery shall be deemed as occurred.
- 4.2 If the Seller is in default, we may claim, without prejudice to our other claims, a penalty corresponding to 0.3% but not more than total 5% of the net price of the goods delivered late for the damages arising from the delay. We reserve the right to demonstrate that the value of the damage occurred is higher. The Seller may reserve the right to demonstrate that no damage or a materially less damage has occurred.

#### 5. Prices; Rights to Setoff and to Withhold Performance

- 5.1 The price given in the order is binding. Unless it is indicated specifically otherwise, each price includes the statutory value added tax.
- 5.2 Unless expressly otherwise agreed upon, the price includes all services and supplementary services of the Seller, for example delivery and transport to the dispatch address given in the contract, including appropriate packaging and all ancillary costs.
- 5.3 Unless otherwise agreed upon, the purchase price shall be paid within 30 calendar days after delivery of the goods and receipt of the invoice.
- 5.4 Receipt of our transfer order by our bank is sufficient for timely payment of the amounts payable by us.
- 5.5 We are not required to pay interest as at the due date irrespective of the default interest. If we are in default, the statutory provisions shall be applied on the understanding that all required notices shall be made in writing.
- 5.6 To the extent stipulated in law, we are entitled to exercise rights to setoff and withhold performance, as well as to raise a complaint due to non-performance of the contract. In particular, we are entitled to withhold payments due until our claims against the Seller arising from deficient or defective performance exist.

5.7 The Seller shall not be entitled to enforce the right to setoff or withhold performance, except if his counterclaim is not contested or the court has legally and finally established it.

## **6. Warranty Rights**

6.1 Unless we provide otherwise, our rights applicable in the case of material defects and legal defects shall be subject to the statutory provisions.

6.2 In deviation from the second sentence of Section 6:157(1) of the Civil Code, we are entitled to raise claims for defects with no restriction even if the defect was unknown to us at the time of conclusion of the contract due to gross negligence.

6.3 Our obligations of inspection of and objection to the goods at the time of their acceptance shall be subject to the following conditions: our obligation of inspection is limited to the defects that become evident during external inspection of the goods received, including delivery notes (e.g. damages during transport, defective and short deliveries), or that can be ascertained during our quality inspection when the random sampling procedure is conducted. In addition, it depends on to what extent the inspection can be carried out during normal course of business taking the circumstances of the particular case into consideration. It shall not affect our obligation to notify defects.

6.4 Acceptance or approval of the samples or sample pieces submitted cannot be construed as our waiver of our warranty claims.

6.5 The costs incurred by the Seller in connection with inspection and subsequent performance shall be borne by the Seller, even if it appears that actually defects existed. Our liability for damages exists unchanged even if a request for elimination of defects is unreasonable; however, in this respect we are held liable only if we have recognized, or due to gross negligence, we have not recognized the lack of conformity.

6.6 If the Seller fails to meet his obligation of subsequent performance (at our discretion by repairing the defect or delivering a new product) within the appropriate time limit, we are entitled to repair the defect ourselves and to claim refund of the costs incurred by the Seller in connection therewith. We reserve the right to enforce further claims, in particular claims for damages. No period of grace needs to be set if the Seller's subsequent performance fails or it cannot be expected of us (e.g. due to special urgency, imminent threat to operational safety or imminent threat of disproportionate damage); we will inform the Seller of such circumstances immediately.

6.7 In deviation from Section 6:163(1) of the Civil Code, the general limitation period of claims arisen due to defects shall be 3 years from the passing of risk.

6.8 The limitation periods for the rights arising from a purchase, including their extension under section 6.7 of the GTCP above, shall apply to all claims relating to

contractual defects. In the event we are entitled to raise also non-contractual claims for damages due to a defect, then the ordinary, statutory limitation period under Section 6:22(1) of the Civil Code shall apply, except if application of the limitation periods for the rights arising from a purchase results, in particular cases, in a longer limitation period.

## **7. Liability**

7.1 Unless the contrary results from these GTCP, the Seller shall be held liable in accordance with the statutory provisions.

7.2 We will bear unlimited liability only for damages caused wilfully or by gross negligence and, in the case of minor negligence, we will bear liability if it results in the injury to life, health and/or physical integrity. Apart from this, our liability for minor negligence is excluded, except if we have infringed a material contractual obligation. Material contractual obligations shall mean those the fulfilment of which is a precondition for appropriate implementation of the contract and in respect of which the contracting partner should and may rely on fulfilment. However, our liability for negligent breach of a material contractual obligation is limited to foreseeable damages characteristic of the contract.

7.3 The limitations and exclusions of liability under section 7.2 of these GTCP above apply also to our non-contractual liability.

## **8. Supplier's Counterclaim**

8.1 In addition to claims for defects, we will be entitled to exercise our statutory rights to counterclaim within the supplier chain with no restriction. In particular we are entitled to claim the Seller's subsequent performance of exactly the same type as we have to provide, as the case may be, to our Buyer.

8.2 Our claims arising from a supplier's counterclaim will apply even if the goods have been further processed, for example, installed into another product, by us or another recipient before sale.

## **9. Manufacturer's Liability**

9.1 If the Seller is liable for damages to the products, he shall be obliged to exempt us from third-party claims if the reason therefor falls within his scope of control and operation and he bears the liability himself in that external legal relationship.

9.2 Within his scope of obligation of exemption, the Seller shall reimburse the costs and expenses arising from or in connection with the employment of third parties, including the recall measures implemented by us. To the extent it is possible and expectable, we will inform the Seller of the content and scope of the recall measures and provide him an opportunity to make comments. It shall not affect further statutory claims.

9.3 The Seller shall take out and maintain a product liability insurance up to a lump-sum amount of EUR 10 million per personal injury and material damage.

## **10. Third-party Intellectual Property Rights**

- 10.1 Pursuant to sections 10.2 and 10.3 of these GTCP, the Seller warrants that the products he delivers do not infringe third parties' intellectual property rights in the countries of the European Union or in other countries where he manufactures, or orders manufacture of the products.
- 10.2 If any infringement is made under section 10.1 of these GTCP mentioned above, the Seller shall be obliged, at our discretion, either to acquire and grant us, to our benefit and at his own cost, the right of use sufficient for agreed or supposed use or to change the object of delivery so as to avoid infringement of any intellectual property right or to replace the object of delivery, provided that it does not infringe the agreed or supposed use.
- 10.3 Furthermore, the Seller shall exempt us from all claims raised by third parties against us due to infringement of industrial property rights and shall refund all necessary costs incurred in connection with such use. It is not applicable if the Seller proves that he is neither liable for infringement of any intellectual property right nor he should not have been aware thereof at the date of delivery while conducting merchant's due diligence.