

GENERAL TERMS AND CONDITIONS of PURCHASE by KSH RUGÓGYÁR Betéti Társaság (9182, Nyúl, Potyondi utca 1.)

With effect from 1 July 2022

Section 1. General provisions – scope of application

1. Our General Terms and Conditions of Purchase shall be exclusive; any provisions to the contrary by the supplier, or any provisions of these General Terms and Conditions of Purchase that are inconsistent with these General Terms and Conditions of Purchase shall not apply unless expressly acknowledged in writing.

Our General Terms and Conditions of Purchase are valid and become part of the purchase contract when the supplier has become aware of them and has accepted them, expressly or implicitly. In this case, the supplier's own General Terms and Conditions to the contrary shall be invalid.

2. These General Terms and Conditions of Purchase apply exclusively to the legal transactions concluded by KSH Rugógyár Betéti Társaság as the customer (hereinafter: Customer) for the purpose of purchases by the Customer.

Section 2. Quotation –documents of quotation

1. The supplier is obliged to confirm the order in writing within 2 days it was submitted.
2. The Customer shall own the property rights and copyrights to the diagrams, drawings, calculations and other documentation; these may not be made available to third parties without the express written consent of the Customer. They may only be used in the production process for the fulfilment of the Customer's orders and must be returned without notice after the order has been fulfilled.

Section 3. Prices - terms of payment

1. The price indicated in the order confirmed by the supplier is binding. Unless otherwise agreed in writing, the price shall mean "delivered to the Customer's place of business", including the cost of packaging. The return of empties and packaging materials, if it is not a one-way packaging material, is not free of charge, but shall be at the expense of the supplier.
2. The prices include the current statutory value added tax (VAT).
3. Invoices shall be sent separately from the delivery of goods and shall contain, in addition to the information required by law, the order number indicated in the order, in accordance with the specifications of the order. The supplier shall be liable for the legal consequences of any deviation by the supplier from these, unless the supplier proves that it is not responsible for the deviation.
4. The deadline for payment of the consideration for the execution of the order is, according to the order, the 25th day of the month following the delivery or within 90 days of the invoice in full, unless otherwise agreed in writing by the parties
5. The Customer shall be entitled to the rights of set-off and retention provided for by law, and the Customer shall be entitled to assign any claims or receivables arising from the contract with the supplier without the supplier's consent. The supplier is not entitled to assign its claims arising from the contractual relationship to third parties without the prior written consent of the Customer.

Section 4. Delivery – delivery deadline

1. The supplier is not entitled to use a subcontractor in the course of performance without the express written consent of the Customer.

2. The consignment must correspond in all respects (design, scope, disposition, quality, quantity, etc.) to the order. The Customer shall be entitled to receive information and data concerning the content and constituent elements of the materials supplied.
3. The Customer shall be entitled to make modifications to the structure, delivery and delivery date of orders not yet executed, giving reasons for the necessity of making such modifications, and the Supplier shall be obliged to take such modifications into account in the course of performance, provided that they do not jeopardise contractual performance.
4. Delivery deadlines set in the order confirmation are binding; the supplier guarantees delivery on time
5. In the event of a delay in delivery, the Customer shall have the right to apply all legal consequences of the delay or to assert claims. In particular, the Customer shall be entitled to set a period of grace or, if this period expires without result, to claim compensation for all damage caused by the delay in addition to performance; or to claim damages for non-performance instead of performance; or to withdraw from the contract with the legal consequences of withdrawal. In the case of a claim for damages, the supplier has the right to prove that he is not responsible for the delay.
6. All costs incurred due to the agreed delivery time not being met as a result of express deliveries shall be borne by the supplier.
7. The supplier is obliged to inform the Customer immediately of any circumstances that prevent the timely performance of the order.

Section 5. Transfer of risk – documentation

1. Unless otherwise agreed in writing, the place of performance shall be the Customer's seat or place of business. The risk of loss or damage shall pass to the Customer upon the proper acceptance of the consignment by the Customer

2. The supplier shall indicate the order number given by the Customer in the order on all delivery documents and on the delivery note; in the event of failure to do so, the supplier shall compensate the Customer for any damage resulting from delays in the processing of the consignment.

Section 6. Quality

1. The supplier shall be liable to provide the warranty forest out in the Civil Code and other legislation, and shall guarantee that the subject of the order, at the time of performance, corresponds to the properties, quality and condition criteria specified in the order and legislation, as well as to the specifications, drawings, samples and other descriptions provided.
2. The supplier is obliged to carry out appropriate quality control according to the type and scope of the goods, in accordance with the latest technology.
3. If the Customer requests a first or a selection sample, the supplier may start series production only with the express written consent of the Customer.
4. The supplier shall draw the Customer's attention to any necessary repairs and technical modifications, but the Supplier shall not be entitled to modify the subject of the order without the Customer's prior written consent.
5. The supplier warrants and guarantees compliance with all legal requirements of the Republic of Hungary, which must be taken into account or are applicable during the performance of the order. If a manufacturer's declaration or a declaration of conformity (CE) is required for the goods in accordance with the European Union directives, the supplier shall prepare it and provide it to the Customer without delay upon request and at its own expense.

Section 7. Lack of goods – liability for material defects

1. The Customer shall inspect the goods upon receipt and shall notify the supplier of any recognisable quality and quantity defects upon receipt of the goods; the Customer shall notify the supplier in writing of any defects in the goods which are not recognisable upon receipt of the goods within 10 working days of receipt of the goods or, in the case of a latent defect, of the discovery of the defect.
2. In the event of defective performance, the Customer shall be entitled to warranty rights based on both the Civil Code and other legislation.
3. The Customer shall be entitled to remedy the defect itself at the supplier's expense if the delay resulting from the supplier's remedy would prejudice the Customer's legitimate interests or if there are other reasons of urgency.
4. The limitation period for claims shall be 36 months from the date of the transfer of the risk of damage, except for the limitation of warranty claims for which the limitation period shall apply as provided in Sections 308, 308/A, 308/B and 308/C of the Civil Code.

Section 8. Product warranty – liability insurance

1. To the extent that the supplier is liable for damage resulting from non-performance, the Customer shall, upon first demand, indemnify the Customer against third party claims to the extent that the cause of the damage arises within the scope of its authority and organisation and to the extent that the Customer is liable to third parties.

Section 9. Property rights

1. The supplier warrants that by performing (delivering), it does not infringe the rights of third parties within Hungary and the EU.

2. If a third party asserts a claim against the Customer for infringement of property rights by way of the supplier's performance, the supplier shall indemnify the Customer against such claims upon first written demand, and the Customer shall not be entitled to enter into any agreement or arrangement with a third party without the supplier's written consent.
3. The supplier's obligation to indemnify shall apply to all expenses and costs necessarily incurred in connection with or resulting from claims by third parties.
4. The above obligation of the supplier shall not apply if the supplier has produced the object of the supply on the basis of drawings, models or corresponding specifications or data supplied by the customer and does not know or does not need to know that it has infringed a property right in respect of the products it has developed.
5. The limitation period for the exemption claims detailed in this paragraph shall be 36 months from the date of the receipt of the third party's claim for damages against the Customer.

Section 10. Reservation of ownership – provision – tools – confidentiality

1. All goods, objects or tools made available by the Customer to the supplier shall remain the property of the Customer (hereinafter referred to as reserved goods).
The supplier shall process or transform them for the Customer. If the reserved goods are processed with other items not owned by the Customer, the Customer acquires partial ownership of the new goods in proportion to the value of its own reserved goods (purchase price plus sales tax) in relation to the other processed goods at the time of processing.
2. If the reserved goods provided by the Customer are mixed inseparably with other objects not owned by the Customer, the Customer acquires partial ownership of the new goods in proportion to the value of its own reserved goods (purchase price plus sales tax) in relation to the other mixed goods at the time of mixing. If the mixing takes place in such a way that the supplier's goods are to be considered the main product, the supplier must transfer its ownership share of the product to the Customer.

3. The supplier is required to use the tools provided by the Customer exclusively for the production of the goods ordered. The supplier shall insure the tools belonging to the Customer against fire, water and theft at its own expense for the value specified by the Customer.

At the same time, the supplier hereby assigns, upon acceptance of these General Terms and Conditions of Purchase by the supplier, any claims for damages arising from this insurance to the Customer, which assignment is accepted by the Customer.

The Supplier is obliged to carry out, at its own expense and as necessary, any arising maintenance and inspection work on tools belonging to the Customer, as well as all care and repair works. The supplier shall immediately notify the Customer of any malfunctions affecting the tools, and the supplier shall be liable for any damage resulting from failure to do so.

4. The supplier shall keep all received diagrams, drawings, calculations and other documentation and information strictly confidential. It may disclose them to third parties only with the express written permission of the Customer. This obligation of confidentiality shall be incumbent on the Supplier after the performance of the contract and shall only cease when the know-how made available in the diagrams, drawings, calculations and other documentation provided by the Customer becomes public knowledge.
5. If the provisions of this paragraph 1. and/or the insurance rights to which the Customer is entitled pursuant to clause 2 exceed the purchase price of the reserved goods not yet paid for by more than 10%, the Customer shall, at the supplier's request, release its insurance rights at its own discretion.

Section 11. Right of withdrawal in case of force majeure

If, as a result of force majeure events (such as riots, acts of public authorities, natural disasters or other unavoidable events) occurring after the conclusion of the contract, the Customer's demand for goods ordered by a third party is significantly reduced for reasons

beyond the Customer's control, the Customer is entitled to unilaterally withdraw from the contract concluded with the supplier, in whole or in part; or be entitled to require the supplier to perform at a later date than the agreed time for performance, without the supplier being entitled to claim any remedy against the Customer on that account, not including where the force majeure event lasts for an insignificant period.

Section 12. Spare parts

1. The supplier undertakes to supply spare parts in accordance with the terms of the underlying order, as requested by the Customer, for the product supplied, for the foreseeable period of its technical use.
2. If the supplier ceases to supply the parts after the expiry of the time limit specified in paragraph 1 of this Clause, it shall notify the Customer in writing and shall provide the Customer with the opportunity to place a final order. If no agreement is reached between the parties on the last order, either as to price or any other term, or if the supplier ceases to supply the parts without notifying the Customer, the Customer shall be obliged to provide the documentation necessary for the manufacture of the parts on request.

Section 13. Jurisdiction – applicable law

1. Depending on the jurisdiction, the District Court of Győr or the Regional Court of Győr shall decide on any disputes arising from the legal relationship of the parties.
2. The legal relationship of the parties shall be governed by the law of Hungary, with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG, 11.04.1980).
3. Should any provision of these General Terms and Conditions of Purchase be or become invalid or ineffective or unenforceable, this shall not affect the validity and effectiveness of the other provisions of these General Terms and Conditions of Purchase.

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Győr, 1 July 2022.

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