1. Contract signing

1.1 Our orders are subject to the present general terms of purchase. The supplier’s general terms of delivery only replace the present general terms of purchase if we expressly agree.

Our general terms of purchase are also applicable, if we accept the supplier’s performance without any reservations in the knowledge of supplier’s terms that are contrary to or vary from our general terms of purchase.

1.2 We only undertake legal obligations - including the scope and the subject matter of delivery, performance, and payment - in writing. Any deviations from the requirement of writing may only be made by the supplier in writing - including the price and the delivery deadline - within 14 days of submitting our order.

1.3 These general terms of purchase will be executed by the supplier in writing - including the price and the delivery deadline - prior to the sending date. The specifications enclosed to the orders have exclusive validity. The supplier is required to check these documents enclosed to the order at the time of each order or delivery.

1.4 The supplier retains the right to make individual drawdowns qualify as binding orders.

1.5 Subordinate agreements, supplements and amendments are only binding upon us if we have confirmed them in writing. Any deviations from the requirement of writing may only be made by the supplier in writing - including the price and the delivery deadline - within 14 days of submitting our order.

These general terms of purchase are also applicable to future deliveries.

1.6 Force majeure, strikes, natural disasters, riots or the measures of authorities, etc., as well as the delivery, warehousing, forwarding, and other movements of the product, are also part of the supplier’s sphere of interest, which cause the restriction or cessation of our production, or prevent us from receiving the ordered goods, shall exempt us from our obligations specified in this section 1. of this subsection 6.

2.  Price

The price provided in the order is a fixed price for the entire duration of the order.

3. Delivery and delivery deadline

3.1 Delivery shall conform - in particular in terms of implementation, scope and order schedule - to the approved samples and shall be made by meeting the relevant deadline. We are not obligated to accept partial or extra deliveries that have not been agreed upon in advance.

3.2 The risk of loss relevant to deliveries is borne by the supplier and deliveries - including the packaging - shall be made at the supplier’s expense to the address provided in the order.

3.3 In the event of late delivery, the supplier is obligated to compensate for the damages caused by the delay. Our company, however, is entitled to claim in all cases an amount equaling to 1% of the value of the delivery impacted by the delay (default penalty) for every whole week of the delay. This amount is maximized at 5% of the total value of the delivery affected by the delay. We are also entitled to claim other losses, including lost profits, which are not lost in the specified period. The extended deadline has been set and missed without any results, we shall be entitled to withdraw from the contract and claim damages.

4. Payment terms

4.1 The invoices and other documents shall indicate the date of delivery, our order number, and the number of the technical drawing / technical specifications, and the alteration index id. of the delivered products shall be enclosed thereto, and they must be submitted in at least one copy.

4.2 The supplier shall deliver the copy of the invoice, but not earlier than 30 days after the receipt of the goods. We are entitled to deduct a 3% discount from the invoice.

4.3 In the absence of a prior written consent, which cannot be reasonably withheld, the supplier is not entitled to assign any claims against us to third parties or to ent- rust third parties to enforce such claims.

4.4 Under no circumstances may a product that constitutes part of a delivery, which may withhold payment in whole or in part - depending on the cost of repairing the defect - and usually the amount equaling to twice the cost of repairing the defect in proportion to the contract performance.

4.5 Payment may not be construed as acknowledgement of contractual delivery or performance.

4.6 The supplier is not entitled to make setoffs against our claims or to exercise the right to withhold, save for if the supplier’s claims are undisputed or if they have been established by a final decision.

5.  Performance, delivery and payment

5.1 Incoming goods are inspected by our incoming product receipt control system based on the AQL (acceptable quality level) system or other quality control system. First delivery items are examined to check whether and there are any externally perceivable transportation injuries or obvious defects. If any damage or defect is discovered during the above checks, we will re- place them or return the goods in case of receipt of the goods. We are not required to carry out any additional checks of the incoming goods.

5.2 The supplier is liable under the relevant legal regulations for any lack of conformity of the delivered product or any legal deficiency thereof, the absence of any guar- anteed features and for breaching the obligation to provide information. The li- mitation period of claims brought for defective performance is 3 months following the acceptance of the delivery.

5.3 In case of delayed (redelivered) or repaired goods, the limitation period recom- mences upon the repair of the defect or the repeated delivery (replacement). The limitation period may not in any case lapse within 6 months of the repair of the defect.

5.4 Products subject to complaint are returned free of charge at the risk of the supplier. Our acceptance of a product shall not constitute approval of the product’s conformity or perfect quality. The supplier is required to bear the cost of correction or repair.

5.5 Subcontractors or performance agents can only be used with our prior written consent. The supplier shall ensure that the subcontractor or performance agent is not prohibited by law. In the event of transformation or processing is not made with assets owned by the supplier is to be considered the main thing, then the parties agree that the supplier shall allow joint ownership over the new thing to us in proportion to the value of the material provided by us and the value of other combined or merged things at the time of combining or merging.

5.6 In the event that transformation or processing is not made with assets owned by the supplier, the newly created thing shall be subject to joint ownership, where our share shall be commensurate with the value of processed or transformed materials provided by us and that of other processed or transformed things at the time of combining or merging.

5.7 If the materials provided by us are inseparably combined or merged with materials not owned by us, then we will acquire joint ownership of the newly produced thing in proportion to the value of our materials provided by us and the value of other combined or merged things at the time of combining or merging.

5.8 The supplier is entitled to demand at any time collateral (e.g. bank guarantee) from the supplier only bears this liability if the delivered product caused the damage and it may withhold payment in whole or in part - depending on the cost of repairing the defect - provided that such inspections cannot be prevented by making reasonable efforts.

6.  Production devices and plans

6.1 If a claim is brought against us under the rules on direct manufacturer’s liability, provided that these tools are usable at any time. If the tools manufactured partially at our ex- pectation and performance agents or subcontractors shall be exclusively responsible for the amendment. Amend- ments that do not concern the subject matter of the delivery shall be governed by sentence 1. of this subsection 6.6.

7. Supplier’s other obligations

7.1 The supplier is required to comply with the provisions on the minimum wage as well as other labor laws in force from time to time, and in particular, to pay the statutory wages to its employees.

7.2 Subcontractors or performance agents can only be used with our prior written consent. If based on our prior consent, the supplier entrusts subcontractors to perform the subcontractor’s tasks to a third party, the supplier shall ensure that the subcontractor or the temporary employment agency engaged by the supplier undertake a contractual obligation to comply with the ob- ligations specified in this section 7. of this subsection 6.

7.3 We reserve the right to demand at any time collateral (e.g. bank guarantee) from the supplier to secure our claims.

7.4 In case of legal relations derived from our agreement with the supplier, we have extraordinary termina- tion and withdrawal rights, in case the supplier or any subcontractors or temporary employment agencies contracted by the supplier fails to pay its employees the mini- mum wage due under the labor laws. Amendment - and withdrawal rights, in case the supplier or any subcontractors or temporary employment agencies contracted by the supplier fails to pay its employees the mini- mum wage due under the labor laws.

8.  Partial invalidity

8.1 Any provisions of these general terms of purchase be or become invalid for any reasons, this will not affect the validity of the remaining provisions.

9. Place of performance, jurisdiction of courts and applicable law

9.1 All bilateral obligations under this contract shall be governed by the Hungarian law. This contract shall be governed by the Hungarian law, exclusive of the United Nations Convention on Contracts for the International Sale of Goods (CISG). The place of performance is the delivery plant at the Kecskemét Regional Court, depending on rules of jurisdiction.

10. This contract is subject to the effective jurisdiction of the supplier or the customer, as the contract conclusion with the Supplier shall be applicable in the following order: 1. deli- very contract; 2. order; 3 quality assurance agreement; 4. confidentiality agreement; 5. sales contract; 6. quality assurance agreement.