

GENERAL PURCHASING CONDITIONS
AQ ANTON Korlátolt Felelősségű Társaság (H-8900 Zalaegerszeg, Sport utca 16, Company
registration number: 20 09 061 216 VAT number: 11342261-2-20)

Valid from: 20. July. 2018.

The present General Purchasing Conditions apply to the business agreements, contracts and legal relations of AQ ANTON Kft. (hereinafter referred to as the Customer) concluded with business entities, sole traders and undertakings under Point 4 Section 8:1 of the Civil Code, etc. (hereinafter referred to as Suppliers, Contractors).

I. General Provisions

The Customer's General Purchasing Conditions shall apply exclusively and unconditionally, and Suppliers' terms and conditions are in whole or in part different thereto may be accepted only in cases where they are expressly accepted in writing by the Customer or in individual cases where the parties settled their legal relations in a separate contract and where such Supplier's terms and conditions are in whole or in part different to the present General Purchasing Conditions.

The acceptance or payment of the Supplier's products and services (hereinafter Products) in itself shall not constitute a separate agreement or acknowledgement in itself.

II. The conclusion of the contract and the amendment thereof

II.1. The contracting parties agree *to conclude and fulfil the individual specific supply contracts* as follows.

II.2. The *customer shall order in writing* the goods to be purchased from the supplier.

Following the communication of the order, *the supplier shall confirm the order* within 3 working days of the receipt thereof, and thus the supply transaction in respect of the goods concerned is established between the contracting parties.

Should the order confirmation differs from or contradicts the order, or if the confirmation contains additional conditions, then such conditions specified by the supplier unilaterally shall be applied to the individual supply contracts or legal relations between parties exclusively if such different terms and conditions are expressly confirmed by AQ ANTON KFT in writing to the supplier.

Should the supplier not reply to the order for any reason - within 3 working days as specified above - then the individual supply contract shall be established between the parties with the conditions specified by AQ ANTON KFT in the order.

The parties agree to accept faxes and emails as written form and legal statement in course of the confirmation of the orders and the cancellation of the orders.

However, apart from the above statement, only the documents actually signed by the representatives of the parties shall be considered as written statements.

II.6 Any difference from the order shall be allowed only under terms and conditions agreed by both parties and established in writing.

III Invoicing, payment conditions

III.1. The Customer shall effect payment only against invoices issued in compliance with the valid legal regulations and according to contract, and including the agreed payment deadline.

III.2. Supplier shall not set off any of its claims outstanding against Customer against any obligation of Supplier owed to Customer on any legal ground; any set-off or set-off statement the supplier may have carried out or made shall be invalid and void.

III./3. The currency of the invoice shall be the currency specified by the customer.

III./4. Any claim based on the contract between the parties and outstanding against the customer may be assigned to any third party, or any mortgage may be established on the claims referred to above exclusively upon the prior written approval of the customer.

If the customer had not granted its approval to the assignment or the establishment of mortgage in advance and in writing, then the assignment or the mortgage contract shall be invalid, void.

IV. Performance in conformity with the contract, delivery deadlines, quality, quantity and other requirements

IV.1. Parties shall consider the performance of the supplier to be in conformity with the contract exclusively if the quality of the supplied product complies with the requirements specified in Customer's order, the professional standards, the standards and regulations in effect, and if the products supplied are in full conformity and of 1st class quality, moreover, their quantity corresponds to the quantity specified in the order, as well as if delivery deadline stipulated in the order is met.

IV.2. The place of performance of the contract: the registered seat of AQ ANTON KFT in Zalaegerszeg or any other location specified by the customer in the order or subsequently in writing.

The specific supply terms and conditions are established in the order placed by AQ ANTON KFT.

IV.3. The supplier shall only be entitled to derogate the individual supply contract where the customer approved the difference expressly in writing and in advance.

In case it is expected that the supplier will not be able to fulfil the order according to the terms and conditions specified, or if any circumstance occurs which prevent the supplier from performing in conformity with the contract, then the supplier shall inform the customer immediately in writing.

IV.4. The supplier shall not be entitled to provide partial performance or partial deliveries except if the customer expressly requests so in the order or subsequently in writing, or if the customer approves the supplier's partial performances in advance in writing.

IV.5. The supplier warrants that its delivery includes all services which are necessary for compliant, safe and economical use planned by the customer, and which shall conform to the current state of the art and technology.

In course of the provisions of its services, the supplier shall observe all relevant standards and laws, in particular the provisions of law on environmental protection, hazardous materials and products, accident prevention regulations, the generally accepted security and occupational health laws and regulations, as well as the production standards of the customer.

IV.6. The supplier shall ensure that the employees and clients of the customer may have access to its registered seat and place of business at previously arranged times and dates, in order to allow the inspection to the production processes of the goods manufactured for the customer and related documentation.

IV.7. Upon the written request of the customer, the supplier shall notify the customer of the subcontractors involved or intended to be involved in the performance by the supplier.

The customer reserves the right to exclude the use of certain subcontractors, even without justification, as the case may be.

The customer shall not be obliged to accept performance from any third party used without authorization.

IV.8. **Counterfeit Parts** – Supplier shall maintain an effective prevention counterfeit parts program. Ensure that there is no possibility to counterfeit parts appear among the customer provided parts and the supplier used parts.

If potential latent counterfeit parts are determined, a written notice to customer representative is required within 24 hours of discovery.

V. Force majeure

V.1. The so-called force majeure events shall exempt the parties from their obligations arising from this contract - to the extent and in the way justified by the event - for the period of the force majeure event.

Extraordinary, special, unforeseeable, unavoidable external circumstances and events emerging after the conclusion of the contract of the parties that cannot be imputed to them, or that cannot be foreseen and controlled by the parties shall be considered as force majeure events, as well as events which do not belong to the scope of normal business risk of the party referring to the force majeure event.

The following are considered as force majeure and thus as reasons preventing performance:

- earthquake, flood, lightning, fire, windstorm, other serious natural disaster, catastrophe, war, rebellion, revolution, civil disturbances, civil war, uprising, terrorist acts or large-scale strike (natural force majeure),
- subsequent change in legislation, export or import ban, economic embargo, economic measure (legal force majeure event).

The party referring to force majeure shall inform the other party on the force majeure event, and the cause, effects and expected conclusion immediately and thoroughly in writing, and such notification shall include the extent that the force majeure event will affect the performance of

the obligations specified in the present framework contract and the individual contract based on it.

The party referring to force majeure shall use its best efforts to limit or mitigate the effect of the force majeure event.

The party referring to force majeure shall notify the other party immediately in writing of the cease of the force majeure event, and after the cease thereof, such party shall fulfil its obligations specified by the contract or by law.

VI. Withdrawal, termination by notice

VI.1. The customer may withdraw from the contract concluded by the parties or may terminate it with immediate effect if

- the customer breaches its obligations arising from the contract concluded by parties or the present General Purchasing Conditions significantly or repeatedly, or if supplier fails to fulfil its obligations even within the additional deadline specified by the customer;
- in course of exercising its right related to the parties' contract or performing its obligations the supplier breaches to crucial requirements of good faith and fairness to such an extent that AQ ANTON Kft. can no longer be expected to maintain the legal relationship in the future,
- the competent court - even if not definitively - establishes the insolvency of supplier and orders the compulsory liquidation thereof,
- bankruptcy proceeding is commenced against the supplier.

VI.2. Supplier may withdraw from the contract concluded by the parties, or may terminate it with immediate effect or by ordinary termination notice on the grounds of payment delay by the customer exclusively if supplier had ordered the supplier to fulfil its obligation in writing while providing 15-day additional payment deadline, and if the additional deadline referred to above had expired without any result.

VII. Penalty, indemnification

VII.1. In the event of delayed performance or non-performance of the individual supply contracts, the supplier shall pay penalty to AQ ANTON KFT.

If the performance of supplier is delayed, then the rate of penalty shall be equal to 5% of the entire calendar week / total net consideration affected by the delay, with that the penalty shall not exceed 30% of the total net consideration.

In addition to the above, the supplier shall pay cancellation penalty if the supplier fail to fulfil the individual orders for any reason.

The rate of the cancellation penalty shall be 50 % of the total net consideration.

The supplier shall pay the penalty upon the notification by the customer, and within 8 days of the receipt thereof.

The customer shall be entitled to set off any of its claim for penalty against any claim of the supplier.

The acceptance of any late delivery shall not be construed as the customer's waiver of enforcing default penalty.

The customer may claim penalty even where the customer otherwise did not suffer damages related to the delayed performance or non-performance.

The customer shall be entitled to claim compensation for damages caused by the breach of the contract where the customer otherwise did not enforce penalty.

The customer shall be entitled to enforce damages in excess of the penalty.

The supplier shall not be entitled to claim for the reduction of the penalty.

VII.2. The supplier shall have full and unlimited liability for compensation for damages caused by itself by breaching the contract (including lack of conformity, delay, non-performance, as well as possible other breaches of contract).

The supplier's above liability for damages shall include the compensation for so-called consequential and indirect damages, in addition, the supplier shall provide full compensation for the customer's lost profits arising from the breach of contract, as well as the damages occurred due to any possible production loss.

Where claims are made against the customer due to any defect caused by the product (e.g. damages, penalty, etc.), then AQ ANTON KFT shall enforce such claims from the supplier, and the supplier shall pay such claims in full.

VIII. Commercial guarantee, warranty

VIII.1. The supplier warrants that the product provided by it complies with the characteristics specified by the relevant laws and in the present framework contract, as well as in the orders, or the order confirmations.

In addition to the above, under Sections 6:171 to 6:173 of the Civil Code the supplier shall undertake commercial guarantee for the according to contract and lawful fulfilment of the individual supplier contracts.

The parties agree that the commercial guarantee period shall be 1 year, which deadline shall be calculated from the receipt of the product concerned by AQ ANTON KFT.

VIII.2. The customer shall notify the supplier in writing of any *inadequacy and quality defect* after the discovery thereof, within the shortest period of time allowed by the circumstances.

In the notification the customer shall refer to the supply contract, the product and/or the supplier's invoice.

The customer shall specify its warranty claim in the notification.

For the purposes of this section, the contracting parties consider fax and e-mail communications as written forms.

VIII.3. Where a claim is enforced against the customer on the basis of the product liability, the supplier shall indemnify the customer completely, to the extent the damage had been caused by the defect of the product delivered by the supplier.

VIII.4. In the above cases, the supplier shall reimburse the customer for all costs and expenses, including the incidental legal costs, incurred by the customer.

VIII.5. In case of any recall procedure attributable entirely or partly to the defect of the products delivered by the supplier, the customer shall notify the supplier immediately, except if due to the urgency of the case it is impossible to notify or cooperate with the supplier. The costs of any possible recall procedure shall be borne by the supplier in full, provided that the recall procedure is the consequence of the defect of the products delivered by the supplier.

VIII.6. In case of warranty / commercial guaranty claims and complaints, the customer shall be entitled to claim from the supplier as cost reimbursement its costs relating to the settlement of the warranty / commercial guaranty claims, complaints and differences, the amount of which is at least EUR 100 in each case.

The customer is entitled to set off its claim against the supplier's accounts receivable via unilateral statement on the grounds of cost reimbursement. The amount of cost reimbursement shall be converted to Hungarian Forint based on the Central Bank of Hungary exchange rate valid on the last day of the month of the complaint.

IX. Confidentiality, data protection

IX.1. The parties shall consider all the information acquired by the supplier in course of the relationship between the parties as *trade secret*.

Therefore, for instance all contracts, orders, order confirmations, all documents provided by the customer to the supplier, such as models, drawings and business information shall be considered as trade secret.

In addition, all information relating to any of the products, services, legal conditions, as well as all the information on the related business, technical and technological solutions shall be considered as trade secrets, while the contents and existence of the parties' business discussions, consultations, contracts, correspondence (including e-mails, faxes) shall constitute confidential information as well.

The confidential information provided by AQ ANTON KFT shall not be utilised, distributed or disclosed to third parties in any form by the supplier; the supplier may use the confidential information exclusively for the purpose specified by the parties and to the extent necessary for it.

The contracting parties expressly agree and establish that the supplier shall not use, utilise, offer and supply to external third parties the products manufactured based on the technical specifications provided by the customer.

The supplier shall be entitled to use any information originating from AQ ANTON KFT exclusively for performing the contract concluded between the parties and to the extent necessary for it.

The supplier shall ensure that the confidentiality obligation is enforced in respect of its employee and performance partners involved in the performance by the supplier as well. The products developed and further developed jointly with the cooperation of the customer and the supplier may be supplied to external third parties exclusively upon the prior written consent of the customer.

Exception to the above obligation may be provided only through the express prior written approval of AQ ANTON KFT.

IX.2. The confidentiality obligations shall remain in force without any time limit, considering which the supplier shall be continue to be bound by the confidentiality obligation even after the cease of the relationship between the parties.

IX.3. Should the supplier breach its confidentiality obligations, then the supplier shall bear full liability for the damages caused by such breach.

X. Miscellaneous provisions

X.1 Should any general terms and conditions or other general contract provisions prove to be invalid or unlawful, or be unenforceable according to any law, then this fact shall not affect the validity of the remaining general contractual terms and provisions.

X.2. The legal relationship between the parties shall be subject to the provisions of the Civil Code.

Regarding the judgement of incidental legal disputes, the provisions of Hungarian laws shall prevail, therefore the –even partial – application of any foreign law to the contract and relationship between the parties shall be excluded.

In consideration of the above as well, the court of Hungary shall have jurisdiction in respect of the legal relationship of the parties.

The general terms and conditions, the internal policies and other similar documents of the supplier shall not be applied to the legal relationship between the parties.

X.3. The supplier grants its consent to that supplier's data be stored by the customer and be processes by customer in connection with business event, in compliance with the prevailing regulations on data protection.

X.4. The parties shall co-operate mutually with each other.

The contracting parties shall inform each other on all significant circumstances affecting the fulfilment of the orders.

In case of foreign supplier, the language of communication shall be English or any other language specified by the customer.

X.5. The parties shall settle their disputes through settlement, however, if such settlement fails, then in Zalaegerszeg District Court – and depending on the scope of competence, the Zalaegerszeg Regional Court – shall have exclusive jurisdiction to adjudicate the legal dispute between the parties.

X.6. AQ ANTON KFT shall be entitled to unilaterally amend the present general purchasing conditions.

However AQ ANTON KFT is obliged to notify the suppliers subject to the scope of the general purchasing conditions of the amendment, and the amendments shall become effective upon such notification.

The notification may be made by e-mail as well.

X.7. The supplier shall notify the customer immediately of any change occurred in its data relevant in terms of the fulfilment of the contract concluded by the parties (e.g. address, e-mail address of the supplier, the contact person, etc.).

If and until this notification is made, the customer may consider the supplier's last data known by the customer effective.

X.8. Data protection. AQ Anton Kft. manages the personal data recorded for the purpose of exercising the rights and obligation related to the contract and for the purpose of maintaining contact in accordance with the data protection notification available on the website of AQ Anton Kft. (www.anton.hu). In respect of the personal data provided by the supplier in the contract or in any other way, the supplier shall notify the contact person concerned of the data management related to the contact person capacity.