



HUNGRANA GENERAL TERMS & CONDITIONS HUN-ÁÁ

1. INTERPRETATION

1.1. In regards this document, the following words shall have the following meanings:

HUNGRANA General Terms and Conditions (hereinafter: T&C): The general contractual terms & conditions of Hungrana Kft. provided in this document.

Written form: Parties deem the e-mail communication between each other being written for.

Contract: The Order sent by Buyer and accepted by Seller, or the individual contract arranged between Parties, and in all cases, these T&C.

Goods: any such material(s), tool(s), product(s), and potential related services stated in the Contract, that Seller sells or provides to Buyer (including its certain parts).

Buyer: Hungrana Kft., whose Head Office is: 2432 Szabadegyháza, Ipartelep 0351/26

Seller: that natural person or legal entity, who/which undertakes to transfer the goods or to follow other contractual stipulations.

Scope of Contract: the Goods and potentially related Services specified by the Buyer in the Order or the Contract.

2. APPLICATION FIELD OF THE GENERAL TERMS & CONDITIONS

2.1. Conditions other than those of provided in the T&C (eg. previous correspondence, arrangements and conditions set out in previous agreements) shall not constitute a part of the Contract, unless provided so by Parties in a separate agreement. Pursuant to the Civil Code, Section 6:63 (5), the usual business practices shall not constitute a part of the Contract.

2.2. Only written Orders are deemed orders made by Buyer for the purpose to purchase the Goods stated in this document. Seller shall confirm the Order/Contract in writing. Should Seller start performing the duties set out in the Order/Contract without written confirmation, then it is deemed the acceptance of the Order and the Annexes thereof.

2.3. With respect to matters not regulated in the Contract, if applicable, the content of the Tender Notice and Documentation, the Protocol taken of the arrangement shall be taken into consideration as follows.

2.4. In the event of dispute regarding interpretation, or the contradiction of the Contract and the Annexes thereof, the documents shall be interpreted according to the following priority: (1) Individual Agreement (2) the numbered annexes of (1) (except T&C), (3) these T&C, (4) Tender Notices, (5) Documentation, (6) Protocol made of the arrangements.

3. AMENDMENT TO THE GOODS STATED IN THE ORDER AND THE CONTRACT

3.1. Should any amendment is made on either Party's request, and therefore, the costs, or the time required to perform the Contract significantly increase or decrease, then Parties shall make arrangement regarding price correction, as well as the date of delivery and performance, stipulating that the price may be increased, or the delivery or performance due date may be extended only upon Buyer's prior written consent.

4. QUALITY AND DEFECTS

4.1. Seller hereby warrants, that the quality, material and workmanship of the Goods are as good as available, and there is no failure in these regards, and they comply with

the Contract from all aspects, and fit to the exact purposes specified in the Tender Notice, and complies with all relevant legal requirements. In addition to Buyer's rights provided in the T&C, the provisions of laws and further warranties granted by Seller to Buyer shall also apply. The completion of the project shall be performed with appropriate profession and due care, in accordance with the best practices usual in the industry.

4.2. Seller shall follow the food product hygienic, applicable healthcare regulations and the quality control systems to be used and confirmed by Buyer. In addition, Seller shall take all such necessary measures, that enable the monitoring of the origin of the Goods, its components and certain parts.

4.3. Prior to the performance due date provided by Section 10, Buyer may inspect and check the Goods, Seller's plant, the methods and processes used anytime. If Buyer considers following such check or inspection, that the plant and/or process and/or methods do not comply or are expected not to comply with the contractual terms, then Buyer shall notify Seller in this regards. Seller shall take all necessary steps to ensure the compliance of the above, and Buyer may also claim for additional inspections and checks, and is also entitled to attend thereto.

4.4. In addition to the above inspection and check, Seller shall be still liable for its Goods, and the performance of the inspection or check shall not reduce or affect Seller's contractual obligations, nor Buyer's rights in any manner.

5. WARRANTY

5.1. Seller shall provide warranty on the quality, fitness of the Goods delivered, as well as on the safety technology, hygienic, environmental, etc. requirements. The warranty period is 12 months – unless longer is required by the laws – starting from the date of installation; or latest 18 months starting from the date of delivery.

5.2. In the event the Goods delivered needs to the repaired or replaced, the warranty period, in case of repair, shall be extended with the duration of such repair, or shall restart from the installation of the replaced Goods.

6. INDEMNIFICATION

6.1. Seller, in accordance with the Civil Code, Sec. 6:522, shall fully indemnify Buyer for all of its losses, damages, loss of profit and expenses (including, but not limited to reasonable legal and other experts' fees and expenses) arising due or related to the activity of Seller or its subcontractors, in particular:

- (a) negligent work, improper quality or materials, including defective manufacturing or hidden failures;
- (b) provision of improper goods/spare parts or services;
- (c) if the requirements provided in the Order/Contract are not properly met;
- (d) all claims of any nature against Buyer, related to the liabilities, losses, costs or expenses arising regarding the activity of employees, agents or third parties (collectively: Losses), provided that they occurred due to the Goods, Seller's direct or indirect breach, negligent performance, non-performance or default.



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7. REMEDIES

- 7.1. In addition to Buyer's usual rights and remedies, if the Goods are not delivered in accordance with the conditions set out in the Order/Contract, or Seller fails to fulfil such conditions, Buyer – on its sole discretion – may use any of the following options (even multiple options), irrespective of whether Seller delivered the Goods either in whole or in part:
- (a) may withdraw from the Order/Contract, or terminate it;
 - (b) may refuse the Goods (in part or in whole), and return to Seller at Seller's costs and risk, and Seller shall promptly repay the already paid price of such returned Goods in full, to Buyer;
 - (c) Upon Buyer's choice, may choose to enable Seller to fix the failure or to replace the Goods on its own costs, or take all measures required to comply with the Order/Contract;
 - (d) may choose not to accept the same Goods in the future;
 - (e) may take all measures on Seller's expense to make the Goods comply with the Contract; and
 - (f) may claim for indemnification for the damages arising from Seller's breach(es).

8. WARRANTY AND INDEMNIFICATION RELATED TO PATENTS

- 8.1. Seller undertakes that the Goods delivered provided within the framework of the Contract, and the intended use of the Goods do not infringe any proprietary or intellectual property rights, nor constitute any breach of industrial secrets, and Seller is the sole owner of the intellectual property rights, or may dispose on them without the consent of any third person.
- 8.2. Seller shall continuously make sure to hold Buyer, its legal successors, assignees, clients, and the customers of products distributed by Buyer harmless, and to indemnify them in such events, when any claim, lawsuit, loss or damage arise due to the intentional or negligent infringement of proprietary or intellectual property rights related to the use of the Goods, including reasonable attorney's costs, fees and due expenses.
- 8.3. Seller grants licence to Buyer for the exclusive and unrestricted use of intellectual properties. Buyer's licence based on the Contract is unlimited in area, time, method and extent.
- 8.4. Buyer may freely transfer the licence of intellectual properties to any third parties. Buyer shall have the right of revision and upgrade of intellectual properties.
- 8.5. Seller irrevocably consents to make Buyer monitor and inspect the operation of methods, processes related to the intellectual properties, even without Seller's separate consent.

9. INSURANCE

- 9.1. Seller shall maintain complete liability insurance, including the insurance against events related to third parties or contractual liability (personal injury or material damage), as well as product liability insurance, where Buyer shall be designated as insured, and the document certifying the insurance shall be presented on request.
- 9.2. Seller shall maintain insurance to the amount of at least the subject value per insurance event.

10. PERFORMANCE

- 10.1. The delivery and performance shall be performed in accordance with the INCOTERMS and the latest clauses specified in the Order. Buyer accepts performance only during business hours, between 6:00 and 13:30, unless otherwise provided by the Order/Contract, or otherwise reasonable by the nature of the transaction. The above date may be extended on Buyer's request. Lading out is possible only according to Buyer's orders and in its presence. On Buyer's site, the following protective wear & equipment are mandatory at a minimum: protective helmet, goggles, long-sleeve trousers, short-sleeve T-shirt, closed shoes.
- 10.2. Seller shall make sure to hand-over the certificates of origin and conformity of the Goods upon every performance, as well as the Delivery Note, which shall include, among others, the Order No., the date of Order, the number and content of the packages, and, in case of partial performance, the part of the delivery not yet performed.
- 10.3. If the quantity of the Goods delivered exceeds the quantity ordered by Buyer, then Buyer is not required to accept the excess amount. In such case, Seller shall promptly transport the excess Goods at its own expense. Should it fail to do so, Buyer shall not be liable for the custody of the excess Goods, nor to pay the transportation.
- 10.4. It shall not be deemed as Buyer's acceptance of Goods as long as Buyer has not inspected them from quality and quantity aspects within 15 days from the date of taking from the consignment. In addition to other available remedies (Clause 7.1), Buyer may request Seller to return the defective Goods and provide replacement Goods within 2 business days from the inspection or learning any hidden defects; or, on Buyer's choice, to repay the price thereof. Buyer may claim for indemnification from Seller for any damages arising from Buyer's potential default due to the replacement. Buyer may also charge its expenses arising from such replacement under any title, to Seller.

11. DEFAULT/DEFECTIVE/NON-PERFORMANCE

- Parties deem the task subject to the Contract indivisible in regards the penalty. Contract shall pay penalty, in case of:
- the Order/Contract is not performed, or such performance fails due to Seller's actionable conduct
 - default regarding the Order/Contract
 - defective performance of the Order/Contract.
- 11.1. Buyer is entitled to withdraw from the Order/Contract, if it is no longer interested in the performance due to Seller's breach of contract. Buyer's lawful withdrawal or termination shall not exempt Seller from its penalty and indemnification liabilities. Buyer may claim for the penalty even if no proven loss has arisen. Buyer may claim for its damages exceeding the amount of penalty and exercise its other rights arising from the breach of contract.
- 11.2. The payment of penalty stipulated for the event of default or defective performance determined according to the schedule of the Order/Contract shall not exempt Seller from the contractual performance. Seller, for the event of



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- its default or defective performance, shall undertake an additional performance due date.
- 11.3. Amount of penalty:
- In the event of default, the weekly amount of penalty is 3%, max.: 20%. If Seller notifies Buyer on the expected default prior to the performance due date, and Buyer accepts that by appointing an additional due date, then Seller's performance within such additional due date is deemed penalty-free.
Should Seller fail to perform within the additional due date, or Buyer did not consent to such additional due date, then the penalty payment obligation shall start on the original performance due date. If Parties agreed in an additional due date, then they shall not terminate the Order/Contract within this period, unless it becomes obvious, that the other Party will be unable to perform until the additional due date.
 - Should Seller fail to perform even following 20 days upon the expiry of the additional due date specified in the Order/Contract, then Buyer may terminate the Contract referring to lapse of interest, and Seller shall pay 20% cancellation penalty to Buyer. In the event of defective performance, Buyer may apply the provisions of the Civil Code, Sec. 6:174, stipulating that the amount of the penalty shall not exceed 20%. In the event of Seller's defective performance, Buyer may choose to accept the product in its defective condition, provided that Seller provides proportional discount from the price of the Goods.
 - In the event of defective performance, Buyer may repair the defective product on its own costs, and may charge its expenses exceeding the penalty, certified by invoice, to Seller.
 - In the event of unfeasibility and non-performance within Seller's control, 20% of the total price of the Goods.
- 11.4. The basis of penalty: the net purchase price of the Goods, in case of partial acceptance, the net purchase price of the Goods provided subject to default. Issue of partial invoice shall not constitute partial acceptance.
- 11.5. The penalty shall become due:
- in case of default, when such default ceases, or the penalty reaches the highest amount,
 - in case of defective performance, from Buyer's notice,
 - in case of unfeasibility, from the date when Buyer learns it.
- 11.6. Buyer may deduct the amount of penalty from the partial or final invoice. In the absence of open invoice, Buyer invoices the amount of penalty separately charged in a letter, and Seller shall settle it within 15 days from its reception.
- 11.7. In case the default within Seller's control arises compared to the mutually set out schedule, and Seller fails to cure it despite of Buyer's written call, the performance shall be deemed failed due to Seller's failure, and Buyer – without the obligation to prove its lapse of interest – may withdraw from or terminate the Contract.
Concurrently with the termination of the Contract, it is entitled to arrange a hedge transaction, and charge its additional costs arising to Seller.
- 12. TRANSFER OF TITLE AND RISK**
- 12.1. All Goods delivered by Seller shall be transferred to Buyer's property upon the payment or the hand-over (whichever is the earlier). Seller is responsible for, and shall bear all risk of damage or loss of Goods as long as the Goods are not delivered in accordance with Clause 10. Upon the delivery, Seller's risk of damages and losses shall cease. Buyer may refuse to accept the not professionally or contractually packaged Goods, and to return the Goods at Seller's expense; Seller shall concurrently deliver the properly packaged Goods.
- 12.2. Seller, in order to successfully conduct the technical acceptance and installation of Goods, shall hand-over the documents required for the acceptance procedure, to Buyer's on-site representative upon the delivery, or prior to the technical acceptance procedure.
Signing any delivery document by Buyer or its respective representatives shall not be deemed waiver from the right to make quantitative or qualitative objection against the Goods.
- 12.3. To certify the performance, or acceptance, in case of delivery of any Goods to Buyer, exclusively the Delivery Note sealed and signed by Buyer shall be used.
- 12.4. If pre-payment was made by Buyer, then its title and right to dispose on the Goods shall transfer upon the payment. Seller shall make sure to retain, properly and completely safeguard the product until the hand-over of the Goods to Buyer.
- 13. PROVISIONS REGARDING PACKAGING**
- 13.1. The Goods shall be properly prepared, labelled, then packaged and marked in accordance with the conditions provided in the Contract, and further, Seller shall ensure its security and protection to deliver it in good condition to the place of performance provided in the Order/Contract, and to properly handle the Goods, and to make them appropriately identifiable.
- 13.2. All hazardous Goods must be packaged separately from the non-hazardous Goods, in accordance with Clause 14.
- 13.3. Should the Order/Contract include multiple delivery and/or destination, Seller shall not start the performance as long as the provisions of the separate Order or the permits issued by Buyer do not enable that in regards the actual destination.
- 13.4. If the delivery is performed in exchange-wraps, then Seller shall make sure to take the wraps. In all cases, the laws, legal requirements and marking methods in force on the transportation of hazardous goods (ADR) shall be observed, and they shall have the hazardous substance's safety datasheet at all times.
- 14. GOODS DEEMED HAZARDOUS SUBSTANCES**
- 14.1. Hazardous substances shall be marked by Seller using the International Hazard Signs, and state each components of the hazardous materials. During the transportation and in the relevant documents, the risk(s) and the name and material of each substance must be stated.
- 14.2. Hungarian and English emergency information, i.e. written instructions must be attached to the Goods at all times, along with labels and signs.



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- 14.3. Seller shall observe the laws of the destination, as well as the international covenants on packaging, labelling of hazardous materials.
- 14.4. All available information regarding hazards occurring during the transportation, handling or use of the Goods shall be provided to Buyer.
- 15. OBSERVING THE LAWS AND OTHER REGULATIONS**
- 15.1. The Goods to be delivered shall comply with the applicable laws and regulations at all times, as well as the necessary licences.
Seller hereby warrants, that it fully observes all administrative and legal provisions, and the costs related to the compliance have been settled within the offer price. In addition, Seller, in accordance with the Civil Code, Section 6:550, hereby warrants, that it observes all regulations, standards, technical regulations, laws, etc., in particular those of related to environmental protection, marking of goods, product liability, quality and health & safety. The damages and costs, arising from non-compliance with these regulations shall be fully borne by Seller.
- 15.2. The compliance with the regulations, standards in force in Hungary shall be duly documented by Seller in a manner necessary for the products, product groups used for the delivery of Goods. The compliance shall be certified by manufacturer or distributor using the supplier's certificate of compliance, which shall be handed-over upon the performance of the Contract.
- 15.3. In case of foreign manufactured product, should no such policies are in place (eg. due to the product's brand new nature), then conformity shall be documented in a manner accepted by Buyer, including ordering and conducting conformity audit proceeding through the competent Hungarian bodies. Costs arising in these regards shall be borne by Seller.
- 16. PRICE**
- 16.1. Seller undertakes to deliver the Goods in accordance with the provisions of the Contract, for the contractual price and upon the performance due date; whilst Buyer undertakes to accept the Goods and to pay the contractual price.
- 16.2. Buyer does not accept any price change or additional cost compared to those of set out in the Order/Contract.
- 16.3. The invoice shall include Buyer's Order/Contract number and the payment due date at all times.
- 17. PAYMENT**
- 17.1. Any payment/transfer is made by reserving Buyer's all such rights, which are related to Seller's defective performance (including, without limitation, the hidden defects of the Goods unknown by Buyer), or other breach of contract.
- 17.2. Notwithstanding the otherwise available rights and remedies, Buyer reserves the right to settle any debt due to Seller into any amount unpaid by Seller to Buyer.
- 18. BUYER'S TITLE**
- 18.1. In all cases when particular materials, equipment, tools, colours, designs, proprietary and other intellectual property rights provided by Buyer to Seller are Buyer's exclusive property ('Buyer's Title'), or which are related to the drawings, specifications and data used for the delivery of Goods, Seller shall retain them on its own liability and keep them in a good condition until returning them to Buyer, and may dispose or use them only in accordance with Buyer's written instructions. Such equipment or information may be used solely for the purposes set out in the Contract.
- 19. CONFIDENTIALITY CLAUSE**
- 19.1. Contracting Parties set forth, that all data, facts learnt regarding the other Party or the activity thereof in any manner, including, but not limited to the existence and content of the Contract, are deemed trade secret (in particular pursuant to Act LIV of 2018), and shall not be disclosed or made available to third parties.
- 19.2. The confidentiality clause shall not cover the following information:
- those that are already in public domain, or become public in the future due to a cause beyond the Party obtaining such information, or
 - which are proven to had been known by the Party obtaining such information right before the effective date of this Contract, or
 - whose disclosure or issue are mandatory by the laws, stock exchange policies or administrative order, to the required extent and group.
- 19.3. Seller shall not take photo, video or audio recording without Buyer's prior written consent on Buyer's tools, equipment and assets.
- 19.4. Seller shall keep all information on such technical or commercial know-how, specification, invention, process or initiative, which are of confidential nature, or which have been disclosed by Buyer or its agent to Seller, or all such confidential information, which are related to Buyer's business activities or products, and further, Seller shall restrict the disclosure of such confidential information for its own employees, agents and subcontractors to the extent absolutely necessary for enabling Seller fulfil its obligations against Buyer, and Seller shall also make sure that these employees, agents or subcontractors observe this confidentiality clause as Seller itself.
- 19.5. Seller shall not use Buyer's trademarks or company name in any advertisement or promotional material, unless in the event of Buyer's prior written consent. Buyer may revoke its consent anytime without cause in writing
- 20. TERMINATION**
- 20.1. Buyer may terminate the Order/Contract anytime for any reason, if it notifies Seller in writing and provides a 60-day-notice unless otherwise agreed between Parties. In the event stated herein, Parties shall make settlement with each other in regards the certified expenses arising until the date of the termination of the Order/Contract.
- 20.2. Buyer may terminate the Order/Contract without notice, upon notifying Seller regarding its such intention in the following cases:
- (a) if Seller breaches any of its obligations set out in the Order/Contract or the T&C materially, or repeatedly despite of notice;
 - (b) Seller has initiated a bankruptcy proceeding against itself, or initiated a settlement attempt with its creditors, or is willing to use such opportunities available for insolvent debtors provided by the laws, calls the creditors' meeting, liquidation proceeding is launched against it (except the



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- case of reorganization or final accounting for merge purposes), the court appoints a bankruptcy Liquidator and/or Asset Manager, or any proceeding is launched in regard insolvency or Seller's potential insolvency;
- (c) if Seller terminates, proposes to terminate its business activity; or
- (d) Seller's financial condition is deteriorated in such extent, that it is ambiguous in Buyer's reasonable consideration, whether Seller will be able to fulfil its obligations set out in the Contract.
- 20.3. The termination of the Contract – for any reason – shall not affect Buyer's rights arising prior to such termination. The provisions of Sections 1, 6, 18 and 19 shall remain enforceable irrespective of such termination.
- 21. ASSIGNMENT AND USE OF SUBCONTRACTORS**
- 21.1. Seller shall neither transfer, nor assign any right or obligation arising from the Order/Contract neither in part nor in whole, unless Buyer's prior written consent. Seller shall not subcontract the whole performance.
- 21.3. Seller shall make sure to pay the subcontractors' fee due to Subcontractors used to perform the Contract, and to hold Buyer harmless against any subcontractor's claims for fees or expenses.
- 21.4 Seller shall not arrange such an agreement with its subcontractors, which would prevent or restrict Buyer's acquisition of title on the property or otherwise.
- 22. FORCE MAJEURE**
- 22.1. Parties do not commit breach of contract, if the fulfilment of their obligations is prevented by a force majeure event. All such extraordinary event arising following the arrangement of the agreement are deemed force majeure event, which Parties were unable to control, expect, or which are beyond Parties' control (eg. war, national strike, terror attack, act of God, etc.). These events do not depend on Parties' will, and directly restrict the particular Party in fulfilling its respective contractual obligations.
- 22.2. Both Parties reserve the right to deviate from the performance or payment due date, terminate the Order/Contract or reduce the amount of the Goods ordered, if it can not, or only in default, fulfil its business obligations due to a force majeure event, provided that it promptly notifies the other Party in writing on such force majeure event.
- 22.3. If either Party is unable to fulfil its obligations for at least 60 consecutive days, the other Party may terminate the Order/Contract without notice, provided that it notifies the other Party in writing on that there is such a hindrance, and in such events, neither Party shall be liable to the other, unless in regards such rights and obligations, which shall survive the termination.
- 23. HEALTH & SAFETY**
- 23.1. Seller shall acknowledge/accept and fully comply with Buyer's Notification attached to each Order/Contract, which, among others, includes the code of conduct valid on Buyer's site, and emergency duties.
- 24. MISCELLANEOUS**
- 24.1. Should any provision of the Order/Contract become ineffective, invalid or subject to objection in part or in whole, then in regards such ineffectiveness, invalidity or reasonability, they shall be managed separately from the other provisions, and the remaining provisions shall be still valid and effective.
- 24.2. If any provision of the Order/Contract is not, or only late or partially enforced, it shall not be deemed as either Party's waiver from the exercise of such rights.
- 24.4. Should Buyer waive from exercising the rights arising regarding Seller's breach of contract or failures related to the Order/Contract, it shall not be deemed as a waiver from rights related to potential future breaches or failures, and it shall not affect the remaining provisions in any manner.
- 24.5. On these T&C, the Hungarian laws shall apply, and Parties, depending on the litigation value, appoint the exclusive jurisdiction of the Székesfehérvár Local Court or the Székesfehérvár Superior Court.
- 24.6. Any change in Parties' details recorded in the company registry, in particular head office, representatives, bank account number, nor contact details of bodies or contact persons acting in the course of the conclusion and performance of the contract shall not be deemed as amendment to the Contract. The subject Party shall notify the other Party, depending on the actual case's circumstances, in advance in writing, or within 10 days from the occurrence (registry) of such change.

Valid as of: 1st January 2020