

## **GENERAL PURCHASING CONDITIONS**

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These General Purchasing Conditions set out the purchasing and payment conditions of materials, products, and services, including in particular but not limited to the production, delivery, and other services related to materials and products, ordered by Gyémánt-Pirazol Korlátolt Felelősségű Társaság (registered address: H-4031 Debrecen, Nívó utca 11. Hungary; Company Reg. No.: 09-09-034339), as Buyer (hereinafter “Buyer”), as well as the rights and obligations of the company delivering products or services to the Buyer (hereinafter “Supplier”). The contractual relationship between the Buyer and the Supplier (collectively, the “Parties” or “Contracting Parties”) shall in all cases be governed by these General Purchasing Conditions.

### **1. General provisions**

1.1. Unless otherwise agreed, the legal relationship between the Supplier and the Buyer shall be governed exclusively by these General Purchasing Conditions (hereinafter “GPC”). Any sales terms and conditions of the Supplier contrary to the provisions of these GPC shall be deemed void in relation to the Contract between the Parties. Neither the unreserved acceptance of products, documentation, or services (hereinafter “Goods”) provided by the Supplier under the Contract nor the payment of the Supplier's invoice shall be construed as acceptance of the Supplier's General Terms and Conditions of Sale.

1.2. These conditions shall prevail over any other terms and conditions (business conditions, delivery terms, or order confirmation) set out by the Supplier, unless otherwise agreed in writing by the Buyer, approved by the Buyer, or agreed by the Parties in the Purchase Order.

1.3. The Supplier agrees that the delivery of Goods and/or Services to the Buyer does not constitute exclusivity. No provisions of this GPC shall restrict the Buyer from exercising its right to procure from third parties goods and/or services that are identical or similar to the Supplier's goods and/or services.

### **2. Conclusion and scope of the Contract**

2.1 The Buyer hereby declares that this GPC shall apply to all written Purchase Orders (including Purchase Orders placed via e-mail). A Purchase Order is a request to the Supplier for the delivery of Goods, together with any drawings, specifications, and other annexes thereto.

2.2 The Supplier shall confirm the Purchase Order without reservation in five (5) business days or within any other period specified by the Purchase Order (hereinafter “Confirmation”). In the absence of a Confirmation the Buyer may cancel its Purchase Order, i.e. the Purchase Order is no longer binding on the Buyer.

2.3 All of the following shall constitute a Contract:

- Purchase Orders accepted by the Supplier without reservation or modification;
- Purchase Orders accepted by the Supplier with reservations or modifications agreed upon with the Buyer;
- Purchase Orders accepted by the Supplier later than the specified deadline but agreed with the Buyer;
- other agreements between the Supplier and the Buyer that refer to this GPC.

2.4 Unless otherwise agreed in writing, the Supplier's commencement of performance and delivery of the Goods shall be deemed to constitute acceptance of the terms and conditions of this GPC.

2.5 After concluding the Contract, any deviations from the agreed scope of delivery may only be made with the written consent of the Buyer.

2.6 The Supplier is obliged to thoroughly check the Buyer's requirements before concluding the Contract, and to draw the Buyer's attention, in writing, to any circumstances that may prevent the proper performance of

the Contract. The Supplier shall immediately notify the Buyer of any obstacles arising after the conclusion of the Contract.

2.7 The Supplier acknowledges that the Buyer may monitor the performance of the Contract at any stage, both in terms of its progress and quality assurance. The Buyer shall notify the Supplier 24 hours in advance of any planned inspections, and the Supplier is obliged to allow such inspections.

2.8 The Supplier warrants that the goods delivered are free from defects, conform to the specifications, and are suitable for the intended use specified by Buyer in the Contract. The Supplier warrants that the quality inspection was carried out to certify that the Goods are free from defects upon delivery. The Supplier acknowledges that the Buyer might request reasonable modifications to the scope and performance of delivery even after concluding the Contract. The Parties mutually agree upon the additional costs, cost reductions and delivery deadlines related to the above modification.

### **3. Prices and payment terms**

3.1 The cost estimates and quotations submitted shall be binding on the Supplier during their period of validity and shall be free of charge to the Buyer.

3.2 The agreed prices shall be fixed for the term of the Contract.

3.3 Unless otherwise specified in the Contract, the price to be paid for the Goods and/or Services:

- is the net price excluding value added tax (VAT)
- includes all costs of packaging, loading, transportation, insurance, and delivery of the Goods and all travel, food, beverage, and other expenses related to the Services, as well as all duties, royalties, license fees, and taxes other than VAT payable for the Goods and/or Services.

3.4 In the event that the Supplier has also undertaken installation, commissioning, or other works related to the Goods, the Supplier shall bear the additional costs of such works.

3.5 For deliveries within the European Union (EU), prices are quoted at DDU parity, for deliveries from outside the EU at DDP (Incoterms 2000) parity.

3.6 Unless otherwise agreed, the Buyer shall pay by the following deadline (payment deadline) upon the acceptance of the invoice and the Goods, or upon the performance of the scope of delivery and the issuance of the invoice in accordance with the conditions set out in this GPC:

- 60 days without deduction; or
- at the discretion of the Buyer 14 days with a 3% deduction (discount).

3.7 Invoices must comply with all legal requirements. Payment by the Buyer will be due after verification of the invoice, within a maximum of 10 workdays, if the Buyer establishes that the invoice is correct. If the Buyer discovers any mistake in the invoice during verification, the Buyer is entitled to return it to the Supplier. If the Supplier corrects the invoice or issues a new invoice, the time limit for verification by the Buyer will start again.

3.8 The Supplier shall indicate the number of the Buyer's Purchase Order on the delivery note, the certificate of performance, the invoice and any other document related to the Purchase Order. In the absence of the Purchase Order No. the Buyer shall be entitled to return the Invoice to the Supplier for correction before the verification.

3.9 In the event that the invoice covers multiple Purchase Orders, the Supplier must indicate the data separately for each Purchase Order.

3.10 The Buyer shall be entitled to refuse to pay any disputed or insufficiently documented amount on any invoice.

3.11 The Buyer shall be entitled to withhold payments due if the Supplier has an obligation and to set off such obligations against the payment due.

#### **4. Delivery delay, compensation, penalty, defective goods**

4.1 Agreed deadlines are binding. Meeting the delivery deadline means the arrival and acceptance of Goods and all accompanying documentation at the agreed delivery address.

4.2 In the event that the Contract parity is not DDP, DDU, CFR or CPT, the Supplier shall consult with the Buyer's forwarder or carrier and shall make the goods available for dispatch, taking into account the time required for loading and dispatch.

4.3 No partial performance is allowed without the express consent of the Buyer.

4.4 If the Supplier fails to perform by the delivery date or until the delivery period specified in the Purchase Order, the Buyer shall be entitled to claim a penalty of 1% of the net value of the Purchase Order for each day of the delivery delay. The maximum amount of the penalty is 20% of the net value of the Purchase Order.

4.5 Delayed delivery or performance shall not be construed as a waiver by the Buyer of any claim for damages to which the Buyer is entitled due to the delay.

4.6 If the Supplier foresees that contractual performance will be hindered, either in terms of the deadline or quality, the Supplier shall notify the Buyer immediately in writing, stating the reason for the obstacle, and the method and the deadline for its removal.

4.7 In the event of a delay in delivery, the Buyer shall provide the Supplier with a reasonable period of extension. Providing such period of extension shall not relieve the Supplier from compensating the Buyer for any damage caused by the delayed delivery.

4.8 In the event of failure to meet the extended deadline, the Buyer shall be entitled to obtain the goods concerned from another source on behalf of the Supplier and at the Supplier's risk, or to commission a third party to perform the contract. All costs and expenses incurred in connection with the above shall be borne by the Supplier. In addition to the above the Buyer is entitled to withdraw from the Contract.

4.9 In the event of breach or non-performance of any provision of the Contract or the General Purchasing Conditions, the Buyer may claim a penalty of 40% of the net value of the purchase from the Supplier. Accepting the performance of the Purchase Order in breach of the terms and conditions set out in this document shall not affect the Buyer's right to claim a penalty.

4.10 Notwithstanding the penalty for late payment in clause 4.4 and the penalty for breach and non-performance in clause 4.9, the Buyer may claim damages in excess of the penalty and exercise other rights arising from the breach of Contract.

4.11 The enforcement of the penalty for non-performance excludes the claim for performance and the 5% penalty for non-performance. The payment of a penalty for late performance of 1%, as set out in clause 4.4, does not exempt the Supplier from performance.

4.12 If the Goods delivered do not comply with the contractual or legal requirements (defective Goods), the Buyer may, without prejudice to the rights and remedies available to the Buyer under the Contract or any other legal basis, at its own discretion, exercise one or more of the following remedies.

- refuse to accept the Goods;
- require the Supplier to repair or replace the defective Goods at the Supplier's own expense within a reasonable time period specified by the Buyer;
- the Buyer shall be entitled to have the repair carried out at the Supplier's expense or by a third party;
- claim compensation from the Supplier for all costs, damages and other losses incurred in connection with the repair or replacement of the defective Goods.

#### **5. Confidentiality**

5.1 The Supplier shall keep confidential all information relating to the Buyer's operations and the Purchase Order (including the properties of the delivered items, documentation, software, and any know-how

and experiences). The Supplier may only make copies of drawings, plans, specifications, and other data provided by the Buyer in connection with the processing of the Purchase Order, and may use those exclusively for that purpose.

5.2 The Buyer shall keep confidential all information that has come to the knowledge of the Buyer as a result of the agreement between the Parties, and shall grant access only to those who are involved in the performance of the order and bound by a confidentiality obligation imposed by the Supplier. Without the express consent of the Buyer, this information may not be reproduced or used for commercial purposes, except for delivery to the Buyer. At the Buyer's request, any information – copies, records, or items borrowed – obtained from the Buyer must be returned immediately or destroyed with an appropriate written declaration.

5.3 With respect to the information specified above, the Buyer reserves all rights, including copyright and professional protection rights. If the Buyer received the information from a third party, the reservation also applies on behalf of the third party.

5.4 The Supplier shall not use for its own purposes, offer, or transfer to third parties any products manufactured according to the Buyer's designs, drawings, models, etc., or confidential data, with tools owned by the Buyer or copied from tools owned by the Buyer.

5.5 The Supplier's above obligation remains in force regardless of the termination or expiry of the Contract, but does not apply to publicly disclosed information or documents.

## **6. Intellectual property**

6.1 The Supplier assigns to the Buyer, as an exclusive right, all non-personal rights in intellectual property created or assigned in the course of the Parties' legal relationship and transferable under the law. In particular, but not exclusively, the Parties agree that the scope of this provision shall include the intellectual property rights (including the right to protection of intellectual property, if applicable) and, where the intellectual property rights (right to protection) are not transferable, all rights to use and exploit the intellectual property.

6.2 When the right to use and exploit an intellectual property is transferred, the transferred rights shall be assigned completely to the Buyer for any use, without territorial, temporal or any other restriction. On the basis of the rights transferred, the Buyer shall be entitled to adapt the intellectual properties, to transfer them to third parties (for copyright works, in accordance with Article 46 of Act LXXVI of 1999 on copyrights (Copyright Act)), and to use them for the purpose of the exploitation of all intellectual properties in accordance with the provisions of Paragraph (2)-(4) of Article 47 of the Copyright Act, in so far as these rights may be applied to the intellectual property in question, and in relation to these rights, this provision shall be construed as an express reservation. The rights referred to in this paragraph shall be granted to the Buyer without any restriction and without any additional obligation.

6.3 The Supplier warrants that the intellectual property created and delivered shall be free from all claims, liabilities, and actions. The Contracting Party declares that no third party has any rights or entitlements that would restrict or prevent the Buyer from obtaining the non-personal rights to the intellectual property. The Supplier shall stand in for the Buyer and indemnify the Buyer against all claims and proceedings arising out of any infringement of copyright, patent, trademark, trade name, or other proprietary right. If applicable to the intellectual property in question, the Supplier shall be liable for any warranty.

## **7. Transportation**

7.1 Unless otherwise agreed by the Parties, ordered Goods packed in accordance with the requirements of the transport shall be delivered at the risk and expense of the Supplier, to the place of delivery indicated by the Buyer. The Supplier is responsible for the accuracy and completeness of the accompanying documents.

7.2 In the case of goods classified as dangerous, the Supplier is responsible for the packaging, marking, means of transport and routing (road, rail, river, sea, or air). The Supplier shall comply with the marking and preservation instructions stipulated in the Purchase Order.

7.3 All deliveries must be accompanied by a delivery note addressed to the Buyer. The delivery note must include the following information: Supplier's name, Purchase Order ID, quantity of Goods, Buyer's and Supplier's commodity codes/article numbers (if applicable), date and ID of the delivery note, gross and net weight of the Goods, and additional data provided by the Buyer in the Purchase Order (e.g. address of the place of unloading, project ID, etc.).

7.4 If the Buyer does not receive the delivery note together with the Goods, or if the delivery note or the marking of the Goods does not comply with the above requirements, the Buyer shall be entitled to reject the Goods, or to store them at the Supplier's expense and risk until the appropriate and complete documentation is made available to the Buyer by the Supplier.

7.5 Upon the Buyer's request, the Supplier is obliged to provide the Buyer, free of charge, with documentation and proof of origin of the Goods (Certificate of Origin) and the tariff code of each article. For Goods originating outside the EU, the delivery note must be clearly marked as "goods of non-EU origin". The Buyer shall be obliged to bear all costs incurred due to an inadequate, incomplete or defective proof of origin.

## **8. Force Majeure**

8.1 Force Majeure is an unforeseeable, unavoidable external circumstance and/or event (beyond the control of the Party concerned), including but not limited to war, fire, explosion, strike, riot, accident, natural disaster, governmental or official action, which makes it impossible for either Party to perform its obligations under the Purchase Order and/or the applicable laws.

8.2 Neither Party shall be liable for any failure to perform or delay in performing its obligations under the Purchase Order if such failure or delay is the result of a Force Majeure that makes it impossible for the Party affected by the Force Majeure to perform its obligations in whole or in part under the Purchase Order.

8.3 The Party affected by a Force Major shall notify the other Party in writing (at least by e-mail) without undue delay following the Force Major of all necessary information (nature, cause, expected duration, etc.) relating to such an event. In the absence of the above mentioned notice, the Party concerned shall be liable to pay compensation for any damage caused by its failure to give notice or its delay in giving notice.

8.4 The Party affected by a Force Majeure shall be relieved of its obligations under the Contract only if it can be shown that the prevention or reduction of the damage could not reasonably have been expected from the party concerned.

8.5 Each Party shall bear its own costs and expenses incurred in connection with the Force Majeure.

8.6 Each Party shall perform its obligations without delay after the termination of the Force Majeure.

8.7 The Buyer shall be entitled, without prejudice to its other rights, to withdraw from the Contract in whole or in part if the duration of the event reasonably and significantly reduces its purchasing needs.

## **9. Transfer of risk and ownership**

9.1 The risk and ownership will be transferred to the Buyer upon receipt of the consignment at the place of delivery, or for deliveries requiring installation or assembly and other operational tasks, after formal acceptance of the performance. This provision shall apply even if the Buyer assumes the cost of delivery, if any, or the delivery is made at Ex Works parity.

## **10. Guarantee, warranty**

10.1 The Supplier guarantees that deliveries and performances have the characteristics specified or guaranteed in the Contract, that they fully comply with the specified purpose, and that the delivered Goods do not show any defects that would impair their value, usability, or agreed-upon or guaranteed quality.

10.2 Any discrepancy between the agreed and the actually delivered volume of delivery, in particular, but not limited to, discrepancies in quantity or quality, shall be considered material deficiency.

10.3 In any case, the obligation to inspect the Goods and to report any defects shall only apply if the Goods have already arrived at the place of receipt specified in the Purchase Order. The statutory period for objections will be extended by one month from that date.

10.4 Under the law, the Supplier shall be liable for any defects in the Goods delivered that have occurred within 24 months of their installation, but not later than 36 months after delivery, unless a longer warranty period is provided for by law. Without prejudice to its statutory rights, the Buyer may, at its discretion, demand either covering the shortage or delivering Goods free of defects. In cases of urgency, or if the Supplier delays in repairing or completing a defective or incomplete consignment, the Buyer shall, at the Supplier's expense, including the cost of loading and unloading, either remedy the defect itself or obtain other goods free of defects without having to notify the Supplier in advance of the means of remedying the defect.

10.5 Along with the repair or replacement, the Supplier shall reimburse the Buyer for the damages and costs incurred as a result of the interventions carried out on the delivered goods after the defect has been reported, the search for defects necessary to detect the deficiencies, as well as the defect of the Goods.

10.6 In addition to exercising its rights under the guarantee or warranty, the Buyer may also claim compensation for damages arising from defective performance, in accordance with the rules on damages.

## **11. Documentation**

11.1 With respect to the Goods supplied, the Supplier shall comply with the regulations and technical standards in effect in the Buyer's country and at the place of end use specified in the Purchase Order, and shall comply with the agreed safety regulations and technical specifications. The Supplier shall establish, maintain and have certified an appropriate quality management system.

11.2 The Supplier shall include with the delivery its CE Declaration of Conformity and the corresponding documentation. The additional documentation required by the Contract, in particular, but not limited to, drawings, engineering certificates, measurement reports, declarations of conformity, calibration reports, shall also be part of the scope of supply.

11.3 The documentation to be attached to the delivered Goods under the Contract shall be kept for ten (10) years and shall be presented to the Buyer upon request. The Supplier shall apply this requirement to its own suppliers.

## **12. Final provisions**

12.1 Issues not covered by the Contract or these General Purchasing Conditions shall be governed by the laws and regulations of Hungary.

12.2 These General Purchasing Conditions are valid from November 1, 2023.

12.3 The Buyer may unilaterally modify these General Purchasing Conditions by sending a written notice to Supplier.