

TRANSMODULS Tervező- és Gyártó Korlátolt
Felelősségű Társaság Cg. 19-09-500533
8200 Veszprém, Lahner Gy. u. 14.

Applies in its range of activity the following

GENERAL TERMS AND CONDITIONS

1. BID, CONFIRMATION OR CONTRACTING

- (a) „TRANSMODULS” Kft., hereinafter: Corporation, as a corporation specialised in machine construction, has the following General Terms and Conditions (“General Terms and Conditions”) which applies for its trade practice, for all its bids, is an integral part of the bids, and for all contracts (“Contract”) through which the Corporation sales goods and services (“Product”) that are purchased by the Buyer. The validity of the General Terms and Conditions extends to all future agreements except for the case, if the Corporation expressly deviates from its fixed content in written form.
- (b) The Corporation definitely declares that it does not accept and ignores all the terms and conditions of the Buyer which differ from those registered in these General Terms and Conditions regardless of the fact if their announcement and their agreement was made before or after the announcement of the present General Terms and Conditions. The Corporation declares that it does not regard the terms and conditions differing from these General Terms and Conditions as a valid part of the Contract and as compulsory for the Corporation, and the Corporation definitely and completely disregards from their application in every commercial sense.
- (c) As regards the bids of the Corporation, the Corporation has a bid restriction during the time period fixed in the bid, if there is no such time period, the bid restriction for the Corporation is 30 (thirty) days that starts from the day of the announcement of the bid, but with the consent of the Buyer, the Corporation may become exempted from the bid restriction in case of the withdrawal or invalidation of the bid.
- (d) Regarding the bids including their attachments, the Corporation has only offer validity, but those aren't regarded as a contract. The Corporation must fulfil the content of the order only after the written confirmation of the order. The written confirmation obliges the Corporation to fulfil the content of the bid and of the General Terms and Conditions except for the fact, if the Parties agreed otherwise. The Contract comes into being by the written confirmation of the order which the Buyer is bound to.

2. CONTRACT PRICE

The contract price will definitely be fixed in Hungarian Forint (HUF) or in Euro (€) in the bid, confirmation or in the Contract. If not agreed otherwise in written form, the delivery takes place in the factory of the Corporation or in another factory appointed by the Corporation based on Ex-Works (the latest version of INCOTERMS). The contract price doesn't contain the currently or future valid taxes and other charges belonging to the Product. In cases, when stated or allowed by the law, the Corporation includes the taxes and other charges into the contract price which must be paid by the Buyer.

3. **PAYMENT TERMS**

- (a) If there is no written agreement between the Parties, the Corporation charges a sum which is accepted by the Buyer and corresponds to the sum fixed in the written bid about the delivery costs for the delivery. The Corporation may require the full or partly payment, or any other form of payment, of this sum in advance in accordance with the delivery conditions of the bid. If not agreed otherwise by the Parties in written form, the payment liability is within 30 (thirty) days after making out the invoice. The Buyer must pay all the payments to the appointed account of the Corporation. In case of hire-purchase, the Corporation makes out invoices for all the part-payments and the deadline of each one is the deadline of the given part-payment invoice. In case of pre-fulfilment, the Buyer can't get any discount except for the case, if the Corporation gives a written consent to that.
- (b) The Buyer consents to the fact that the Buyer's ability to pay is continuously being checked by the Corporation. If the Corporation finds that the financial position of the Buyer may delay or endanger the contractual payment, the Corporation has the right to suspend, delay or withhold the fulfilment.
- (c) In case of default in payment, no payment of the contract price or any other costs or in case of default of any Contractual obligation, the Corporation has the right to suspend, delay or hold back the delivery of the Product or any other fulfilment, but the responsibility does not rest on the Corporation for that.

4. **SHIPPING AND QUANTITY REQUIREMENTS**

- (a) Based on the deviating written agreement of the Parties, the Product will be delivered based on the appointed place of the Corporation according to Ex-Works (the latest version of INCOTERMS). Since the Products represent high technological values, the Corporation determines the delivery deadline after finishing the production, within the final deadline fixed in the Contract. The day of delivery can be determined only in possession of a previous notification. The pre-fulfilment or delay in performance within reasonable time limit compared to the determined deadline aren't considered to be a breach or delay in performance for which the Corporation can be blamed. The Corporation does every commercially reasonable effort for a fulfilment until the announced or confirmed date, if the Buyer provides the Corporation with all the necessary order- and delivery information before the order.
- (b) If the technical handover and takeover fails due to a factor caused by the Buyer (shortage of material from the product, no availability, failure of the handover of the installation area, failure of the energy resources, a connecting-, but not a Transmoduls Product failure, etc.), the Corporation has the right to send a final invoice after a 30 days grace period. If the Buyer refuses the final acceptance of the Product during the technical handover and takeover due to discovered defects, but the Product can operate under normal conditions and the Buyer operates the Product under normal conditions, that is, uses it as his own, the Corporation has the right to send the final invoice on the condition that the Corporation has to eliminate the recorded defects until an agreed deadline.
- (c) Due to the dimension dispersion of the Buyer components, the Corporation cannot be blamed for delay. The Buyer must provide the Corporation with 1.33 cpk dimensions used in the automotive industry regarding the device to be delivered. The two Parties must elucidate the critical dimensions not later than at the closure of the plan jury of the Buyer.
- (d) The Buyer sends the Corporation a written error report eight (8) days after the handover in which the Buyer marks the defect, damaged or not delivered Products. If the Corporation doesn't repair the Products marked in the error report within thirty (30) days, the Buyer gets 1% / week late tax the sum of which cannot be higher than 10% of the value of the defect, belatedly delivered or not at all delivered Products, if the Corporation is responsible for the delay and it can be justified. If the Buyer doesn't report the faulty performance until deadline, the 11th point of the General Terms and Conditions shall be applied instead of the present provisions.
- (e) The risk of hazard is transferred to the Buyer at delivery based on the INCOTERMS regulations to be applied.

5. **QUALITY REQUIREMENTS**

The Corporation produces the Products to its best professional ability. The Corporation can fulfil the special requirements only, if the Buyer provides the Corporation fully with the available technical information and material samples during the order. In case of lacking technical information and/or original products or material samples, the Corporation doesn't take responsibility for the quality and applicability of the Products. Due to subsequently or belatedly sent information and/or material samples, the Corporation has the right to modify the fulfilment conditions and/or contract price.

Controls and tests:

all the Products of the Corporation are carefully examined and tested according to the instructions before the handover. Any other tests ordered by the Buyer or any costs of examinations which weren't fixed in the bid of the Corporation including the pilot plant, sample product, but except for the technical handover and takeover protocol, will be charged to the Buyer. All the costs emerging during the tests, trials and examinations of the Buyer must be covered by the Buyer.

The lifespan examinations aren't part of the Contract. If the Buyer wishes, the special tests of the manufactured Products must be fixed in a separate Contract and their costs must be covered by the Buyer.

The Corporation doesn't have to undertake a guarantee for the lifespan of the commercial items within the warranty period. If the Buyer exceeds the operation cycle number defined by the manufacturer, the Buyer must replace the spare part during the maintenance and arrange their regular replacement.

Fulfilment:

The Corporation performs based on the original material samples, possible examinations and experience provided by the Buyer. The Corporation isn't responsible for such errors or defects of the Product which happened, because the Buyer didn't provide the Corporation with sufficient technical information and/or the material sample wasn't appropriate. The Buyer is responsible for the fact that the ordered Product shall be suitable for its intended purpose and shall be appropriate according to the provided documentation. (Except for the case, if the Parties agree otherwise in written form)

6. **FORCE MAJEURE**

The Corporation isn't responsible for the absence of the fulfilment or for faulty performance in the following cases:

- (i) in case of failure or delay caused by the interruption of the Product manufacturing, if it wasn't caused by intentional or severe carelessness,
- (ii) in case of failure or delay caused by force majeure fixed in the law or detailed below,

In the above fixed cases, the contractual fulfilment will be suspended as long as the obstacle isn't removed. The Corporation isn't responsible for the damages of the Buyer due to these obstacles.

The "force majeure" expression means circumstances or events that are outside of the Corporation's rational scope of authority – whether they were visible when making the contract or not – and as a result of this, the fulfilment of the contractual obligations for the Corporation cannot be required rationally including the force majeure cases or any failures caused by the Corporation's suppliers. If the force majeure event lasts for three (3) months (or if the Corporation thinks on good grounds that the delay will last three months), the Corporation has the right to withdraw from the whole Contract or from any of its part without taking any responsibilities towards the Buyer.

7. **RISK OF HAZARD AND THE TRANSFER OF PROPRIETARY RIGHTS**

- (a) The Corporation undertakes the risk of hazard until the integration carried out on the site.
- (b) After the delivery, the risk of hazard will be transferred to the Buyer according to point 4 (d), except for the fact, if it can be justified that the damage occurred due to the mistake or carelessness of the Corporation. In the latter case, the Buyer has got notification obligation towards the Corporation within 3 (three) business days. Until the payment of the purchase price, the Buyer mustn't sell the Product to a third person and mustn't offer it as a guarantee.
- (c) As long as the full purchase price isn't paid, the proprietary right of the Product belongs to the Corporation.
- (d) Regarding the provisions of paragraph 7 (b), the Buyer must provide access to those Products owned by the Buyer for which the Corporation has proprietary right maintenance.
- (e) The Buyer must immediately inform the Corporation in written form, if a third person withholds or takes possession of the Product based on a claim on the Buyer, and the Buyer must provide the Corporation with every kind of support in case of legal disputes.
- (f) The costs of maintenance and storage and the costs which originate from the co-operation obligation and were fixed during the enforcement of the Product withhold right are covered by the Buyer.
- (g) In case of the insolvency of the Buyer, the Corporation has the right to withdraw from the Contract or to suspend the fulfilment as long as the whole amount of the purchase price isn't paid.

8. **INTELLECTUAL PRODUCT AND SOFTWARE RIGHTS**

The Product sold by the Corporation to the Buyer include those not exclusive and not alienable limited licence of the intellectual product rights (intellectual product rights of the Corporation), which are the due of the Buyer on the field of application and resale.

Depending on the execution, some drawings, software and/or other connecting documentation will be handed over as components of the Product regarded as accessories. The sale of a Product does not mean the handover of the plans, drawings, the ownership of the operating- and controlling software and/or other connecting documentations to the Buyer, but in accordance with the earlier registered facts, it entitles the Buyer to the not exclusive and not transferable usage of an intellectual property owned by the Corporation regarding the drawings, software and/or connecting documentation which are connected, incorporated in the Product or handed over with it.

The buyer doesn't have the right: (a) to modify, transform, change or partially produce based on those plans or a software which were handed over by the Corporation together with any Products (b) to assign, to rent it as a sub-licence, to rent, to debit, to cede, to publicise or to make the overhanded plan or software available for a third party (c) to unite or integrate the overhanded plan or software into another plan or software (d) to try to get the source code of the software through deciphering, dividing, disjointing or in any other way without the written authorisation of the Corporation, unless the law as it applies to the case allows it. The licence of third persons may be applied.

In case of the violation of the above factors, the Corporation has the right to claim compensation without limit.

9. **WARRANTY**

- (a) The Corporation guarantees that during the operation under normal conditions which apply to the user's manual (except for the use of any software that wasn't installed on the product by the Corporation), the Product is suitable for the product characteristics or corresponds to those applicable characteristics which were taken over by the Corporation. If the Product is defect or it doesn't fit the – expected and known – characteristics at the time of the order, the Corporation has to and has the right to replace or repair it within reasonable deadline based on the written objection of the Buyer, but the Corporation charges nothing for it. The Buyer must immediately give the improper or defect Products to the Corporation as long as they are replaced or credited. If neither the replacement nor the repairing have the expected results, the Buyer has the right to proportionally decrease the contract price.
- (b) Despite of the above mentioned factors, there is no guarantee obligation if the alleged error or mistake is the result of external or forced impacts, incorrect application, application differing from the described application in the user's manual, careless, incorrect operation or an accident, incorrect repairing, changing, modification, storage, transport or the consequence of other, improper treatment or if the applicability was damaged only in an insignificant way.
- (c) If not agreed otherwise, the Buyer has the right to announce his/her claim to guarantee after the technical handover or for 12 (twelve) months after the bringing into service except for the easily wearing parts, because these are not subjects of the warranty due to their nature. These parts are listed in detail in the user's manual so that the Buyer can replace and purchase them in time.

10. **PENALTY FOR INTELLECTUAL PRODUCTS**

- (a) The full cost of any legal processes started by a third person against the Buyer must be covered by the Corporation, if the person starting the process finds it deleterious that based on the contract between the Parties, the Product given to the Buyer directly violates the patent- or copyright, business secret or trademark of the third person; and to the extent of this indirect and exclusive violation of the law the Corporation exempts the Buyer from any lesions and covering of the costs until the definitive judgement.
- (b) The Corporation doesn't have the obligation and responsibility fixed in point (a) paragraph 10 towards the Buyer, if: (1) (i) the Corporation doesn't get immediately informed in written form about the announced demand (ii) if the Corporation doesn't have the right to control the investigation, preparation, defence and agreement connected to the announced demand exclusively; and (iii) the Buyer doesn't provide the Corporation the reasonable and expected assistance and co-operation during the investigation, preparation, defence and agreement (2) if the demand is handed in 1 (one) year after the handover.
- (c) Disregarding the exceptions and limitations fixed in paragraph 10, the Corporation is obliged to the Buyer and is fully responsible for the restoration of the Buyer's rights regarding all the existing and alleged violation of patent- and copyrights.

11. **LIMITATION OF THE LIABILITY**

- (a) The responsibility of the Corporation cannot be determined regarding the Buyer's costs and expenses which are based on any damages, compensation and/or repay (hereinafter: "Damage Claims") regardless of its legal ground, especially the breach of the contract provisions and of the rules of the warranty or delay, the violation of the obligations and/or in case of their irregular fulfilment. Damage claims cannot be established stemming from delayed or faulty performance even if the Buyer determined a deadline for the fulfilment which has expired with no results.

- (b) The above fixed exceptions don't apply for the cases of legal responsibility, especially, but not exclusively for the legal provisions regarding the Product Liability, for the actions that were committed deliberately or with gross negligence, or which damage life or body, and for the violation of contractual obligations. Although the extent of the breach is limited regarding the Damage Claim due to the nature of the Contract concerning the covering of the damage except for the fact, if the damage was caused by deliberate or heavily careless behaviour or if it caused the damage of life, body or health. The present provisions cannot be applied against the Buyer.
- (c) The damage claim for which the Buyer has right based on paragraph 11 is limited in time based on point (e) of paragraph 8. Regarding the current Damage Claims, the legal deadlines are to be considered as standard based on the law about Product Liability.
- (d) The maximum extent of the responsibility of the Corporation isn't higher than the sum which is covered by the liability insurance.

12. **OBLIGATION OF OFFICIAL SECRECY**

The Buyer shall accept that all the technical, commercial and financial data that the Buyer receives from the Corporation belong to the business secrets of the Corporation. The Buyer doesn't have the right to expose the received business secrets to any third person and to use these business secrets to purposes other than those agreed by the Parties and other than those determined in the contract.

13. **THE RIGHT TO TRANSFER AND WITHHOLD**

The Buyer doesn't have the right to transfer any right or obligation without the written consent of the Corporation. The Buyer doesn't have the right to decrease or withhold the purchase price in order to cover an existing or future demand concerning a Product which was sold within the boundaries of the present contract or of any other contractual relations. The Buyer takes upon him/herself to pay the amount of money that was withheld by him/her or his/her representatives. Despite of all this, the Buyer has the right to even his/her claims based on undisputable or legally binding claims.

14. **STANDARD LAW AND LEGAL AUTHORITY**

The Hungarian law is standard regarding all the bids, confirmations and contracts. The Parties will try to settle their disputes stemming from the Contract at first peacefully, in good faith, in a co-operative way and through an agreement. If the disputed questions cannot be settled peacefully, the Parties agree that the Veszprém Law Court and Regional Court of Veszprém (Veszprémi Törvényszék és Veszprémi Járásbíróság) has exclusive jurisdiction.

15. **BREACH AND THE TERMINATION OF CONTRACT**

The Corporation has the right to terminate the whole Contract or a part of it at once in written form, if:

- (a) the Buyer breaks or violates the provisions of the contract;
- (b) any insolvency process, bankruptcy (including reorganisations), final accounting or liquidation process is started against the Buyer, independently from the fact that it was initiated by the Buyer, a compulsory or volunteer, supervisor or trustee was appointed to control the Buyer and that the creditors grant the Buyer discount.

If any of the above listed reasons emerge, all the payment liabilities of the Buyer will be regarded as expired and due.

In case the contract becomes invalid, terminated or expires, its provisions regarding the invalidation, termination and expiration of the General Terms and Conditions remain valid.

Veszprém, 01/06/2017