

GENERAL TERMS AND CONDITIONS OF PURCHASE**SANATMETAL Ltd.****1./ GENERAL SCOPE OF APPLICATION**

1.1./ SANATMETAL places orders solely on the basis of these General Terms and Conditions of Purchase (hereinafter "GTCP") for non-Hungarian suppliers. The GTCP applies to all— including future—purchase contracts and services contracts concluded by SANATMETAL and to their performance by non-Hungarian suppliers, even no explicit reference is made to them in the order. The term "non-Hungarian Suppliers" (hereinafter "Supplier") shall refer to the partner specifically engaged by SANATMETAL for the provision of deliveries, services and who is not registered by the Hungarian Registry Court. By accepting an order or commission, Supplier affirms acceptance of the GTCP in the applicable valid version.

1.2./ All individual agreements (including ancillary agreements, supplements, and amendments) concluded between SANATMETAL and Supplier for the purpose of executing the contract will take precedence over these GTCP. In addition and to the extent no other agreements are made, these conditions of purchase will apply exclusively as part of the contract. If any special conditions in departure from these conditions are agreed for a particular order, these GTCP will be subordinate and supplementary.

1.3./ The GTCP also apply in particular in any case when SANATMETAL accepts from Supplier a delivery without reservation and/or payment without objection even in the knowledge of terms and conditions of Supplier that are contrary to or deviate from these General Conditions of Purchase. Accordingly, any different terms and conditions of business will not be accepted by SANATMETAL, and will likewise not be accepted even if SANATMETAL has not expressly objected thereto. Even if SANATMETAL makes reference in an order to the offer documents of Supplier, this does not constitute any agreement as to the applicability of the terms and conditions of Supplier.

1.4./ Should any individual provisions of these GTCP be or become invalid or void, whether now or in the future, the remaining provisions of these GTCP and/or the contract will remain unaffected thereby. The parties commit to replace the invalid provision with an arrangement that approximates as closely as possible to the intended economic objectives of the invalid provision. The same will apply if any loophole is found to exist in the contract.

2./ PURCHASE ORDERS, CONFIRMATIONS

2.1./ The Supplier shall confirm purchase orders submitted by the SANATMETAL within 2 days after submission of the order. If the confirmation is not received within 3 business days, the SANATMETAL will deem the purchase order to have been accepted and the Supplier shall fulfil it.

2.2./ The SANATMETAL shall be entitled to cancel the purchase order without any justification any time prior to the confirmation thereof. If the cancellation is sent in due time, the Supplier may not pose any claims regarding compensation or reimbursement of any damages incurred.

3./ MODIFICATION OF THE CONTRACTUAL PERFORMANCE SET OUT IN THE PURCHASE ORDER

3.1./ The SANATMETAL may request the Supplier to modify contractual performance at any time. The Supplier shall assess the viability of the modification without delay, and then send a written offer to the SANATMETAL regarding the implementation thereof.

3.2./ If the Supplier does not or cannot fulfil the order in accordance with the modification requested by the SANATMETAL, the SANATMETAL may

- engage a third party to implement the modifications; or
- cancel the individual purchase order either in full or in part.

4./ THE SUPPLIER'S OBLIGATIONS IN RELATION TO THE PROVISION OF INFORMATION

4.1./ The Supplier is an expert in the field of the contractual performance. The Supplier shall immediately forward to the SANATMETAL any and all information, observation and warning necessary in relation to the purchase order, without regard to the skills and expertise of the SANATMETAL.

4.2./ The Supplier shall, in particular but without limitation:

- communicate to the SANATMETAL any information or observation necessary for the proper storage and use of the contractual performance;
- inform the SANATMETAL regarding any quality risks and other deficiencies that it becomes aware of prior to, during or after fulfilling the purchase order
- notification the SANATMETAL is required as soon as any delay in production or delivery is detected.

5./ QUALITY ASSURANCE, CERTIFICATES, AUDIT, INSURANCE

5.1./ The Supplier shall possess certificates relating to the scope of products supplied issued by the governmental authorities or bodies, and shall notify the SANATMETAL without delay regarding any potential or actual change of the status of such certificates, as well as the steps taken in relation thereto. The supplier is obligated to adhere to Sanatmetal's EHS (Environment, Health, and Safety) regulations.

5.3./ The SANATMETAL shall be entitled to perform comprehensive or short audits in the Supplier's facilities in order to verify the quality of contractual performance. During the audits, the Supplier shall allow the SANATMETAL to – among others – inspect the quality assurance measures. The SANATMETAL shall be entitled to conduct an audit at any time during the regular working hours at the Supplier's facilities subject to reasonable preliminary notice. In general, the preliminary notice can be considered reasonable if it is sent 3 (three) business days prior to the audit. The audits shall not unreasonably obstruct the operating processes of the Supplier. If during the audit it is established that the Supplier does not comply with the quality standards set out in the agreement, the Supplier shall take all necessary and reasonable steps without delay in order to fulfil the quality criteria.

5.4./ If the audit is necessary due to quality issues or difficulties of delivery falling into the scope of responsibility of the Supplier, the Supplier shall reimburse the SANATMETAL for all justified and documented costs incurred in relation to the audit via bank transfer within 20 (twenty) calendar days of receipt of the invoice.

5.5./ The result or eventual omission of the audit shall not affect the SANATMETAL's rights in any manner, with regard in particular to its rights relating to guarantees and claims for damages.

5.6./ The Supplier undertakes to contract public liability insurance and product liability insurance, which includes cover for product-related damage and recall expenses. Cover of up to 100.000 euro per occurrence must be provided for each of the areas of personal injury and property damage, and product- related damage and recall expenses. Supplier shall provide SANATMETAL with copies of the insurance policies and the Supplier has to maintain the insurance.

6./ DELIVERY

6.1./ Unless otherwise indicated in the purchase order, the products set out in the contract shall be delivered under DAP (INCOTERMS 2020) parity. The place and date of delivery (unloading) shall be set out in the purchase order. The delivery documents shall comply in particular with the mandatory legislative requirements. The freight fees and the transfers of the risk for goods from the Supplier to SANATMETAL shall take place in accordance with the agreed INCOTERMS.

6.2./ The Supplier shall furnish the product with packaging that is reasonably appropriate for the manner of delivery, i.e. which ensures that the product will not be damaged during shipping, loading and unloading and storage at the destination. The packaging and labelling shall be in accordance with the effective laws and the requirements set out in the purchase order.

6.3./ The duration of the delivery of the contractual performance set out in the purchase order is of the essence for the SANATMETAL. The Supplier acknowledges that failure to deliver the contractual performance at all, within the deadline or at the quantity specified may result in significant damage. Delivery earlier than those set out in the purchase order shall only be possible subject to prior written approval.

6.4./ The Supplier shall have reasonable backup procedures and an emergency protocol in order to ensure that purchase orders can be performed in full during the entire term of the contractual relationship.

6.5./ In case of delayed delivery, without prejudice to statutory rights, may furthermore demand the immediate fulfillment of the contract or may withdraw from the delivery. In either case, Supplier will bear liability for any loss or damages resulting from exceeding a deadline. Even acceptance of delayed delivery without reservation will not imply any waiver by SANATMETAL of claims that may arise due to the delayed delivery.

7./ ACCEPTANCE OF DELIVERY

7.1./ The SANATMETAL shall inspect the contractual performance in the scope of its regular production processes, and when it becomes aware of any DEFECT AND/OR DEFICIENCY, it shall notify the Supplier.

7.2./ The product's type, quantity and obvious damages shall be checked upon delivery. Regardless of the individual case, the inspection or notification shall be deemed to have been performed in due time if it is done within 30 (thirty) business days after delivery. In addition, the SANATMETAL shall check the contractual performance also in the scope of its regular production processes, and shall provide notice of any deficiencies promptly after becoming aware of them. The Supplier hereby waives its right to object on the grounds of late notification.

7.3./ If the Supplier not provides the contractual performance the SANATMETAL shall be entitled to reject any deficient contractual performance. In such cases, the Supplier shall pick up the rejected contractual performance at its own cost within 8 (eight) calendar days after delivery of the notice regarding such rejection. After the lapse of this deadline, the product shall be returned at the Supplier's cost and risk.

8./ LEGAL CONSEQUENCES OF THE SUPPLIER'S LATE PERFORMANCE

8.1./ If the Supplier falls late with the performance, it shall pay 0.4 percent of the net price of the products concerned by the delay for each day as default penalty. If the supplier fails to perform after 30 days, the transaction is considered to have failed and a penalty of 20 percent is payable.

8.2./ If the Supplier delivers the contractual performance in the scope of serial delivery, the penalty shall increase to 0.8 percent of the net price of the part delivered late for each day concerned by the delay. If the supplier fails to perform after 30 days, the transaction is considered to have failed and a penalty of 30 percent is payable.

9./ REMUNERATION AND INVOICING

9.1./ The remuneration due for the contractual performance shall be set out in the order.

9.2./ Invoicing:

An invoice is a commercial invoice eligible for deduction of the tax charged and containing all information necessary for identifying and checking the delivery of the contractual performance.

The Supplier shall comply with the following provisions in relation to invoicing. The invoices shall:

- be in accordance with the purchase orders and may not be issued until the delivery of the contractual performance.
- contain all information necessary for identifying and checking the delivery of the contractual performance.
- be sent in two copies to the address specified in the purchase order and may not be attached to the contractual performance.

The SANATMETAL may return any invoice not meeting the above requirements without settling them.

9.3./ Payment terms:

The Supplier has to issue an invoice based on the performance delivered, the payment deadline may not be earlier than 30 (thirty) business days after the delivery of the invoice and the required documents. If the statutory provisions set out a shorter payment deadline, then that deadline shall apply.

9.4./ The Supplier shall not be entitled to assign its claims arising from the contract to third parties without the prior written consent of the SANATMETAL.

9.5./ The Supplier shall not be entitled to set off its claims against the SANATMETAL.

10./ WARRANTY AND LIABILITY

10.1./ The Supplier warrants that:

- the contractual performance will be in accordance with the recognised rules of technical sciences, unless the purchase order provides otherwise
- it will comply with all applicable laws and regulations

10.2./ SANATMETAL shall have the right to determine the type of any subsequent performance. The Supplier may refuse to perform the type of subsequent performance selected by the SANATMETAL only if such is inequitable.

10.3./ The Supplier shall bear all costs resulting from any subsequent performance including any costs of the disassembly or re-installation of defective parts, transport costs, as well as disposal costs and any other costs connected with the subsequent performance.

10.4./ If the Supplier does not fulfill its obligations for subsequent performance within the time period set by SANATMETAL, the SANATMETAL may rectify any defect itself or have such undertaken by a third party and require the Supplier to compensate for the necessary costs and expenses. If any subsequent performance by the Supplier is unsuccessful, if the Supplier is in delay with any subsequent performance or in any other urgent cases, no setting of a further deadline shall be necessary and the SANATMETAL may undertake the necessary measures itself or through a third party at the cost and expense of the Supplier. SANATMETAL shall notify the Supplier before the undertaking of any such measures. If this is not possible, the measures may be undertaken without previous notification in urgent cases where it is necessary to prevent damage; in such cases the SANATMETAL shall give notification without undue delay thereafter.

10.5./ The warranty period shall expire 36 months after delivery to the SANATMETAL. For malicious nondisclosure of defects, a 10-year period will apply.

10.6./ For deliveries of spare parts and repair and maintenance works, and for remedial works performed under warranty, the warranty period will commence anew.

10.7./ Supplier bears comprehensive liability to the ordering party for all loss and damages caused indirectly or directly by defective performance of contract by Supplier or by a third party engaged by Supplier for fulfilling an order. Irrespective of degree of fault, Supplier is obligated to compensate for loss and damages resulting from breakdown, processing costs and costs that SANATMETAL must bear towards its customers, in particular in consequence to non-delivery to customers caused by delayed or defective delivery/performance by Supplier.

10.8./ If Supplier is responsible for product loss or damage, it must indemnify SANATMETAL to the extent of any third-party claims as if the cause thereof lies within its organization and sphere of control and Supplier bears liability for such towards external parties.

10.9./ Supplier is liable for the conduct of its agents (e.g. employees, supplier, subcontractor or mandatory) and third parties engaged by Supplier for fulfillment of the contract like for its own conduct.

11./ INDUSTRIAL AND INTELLECTUEL PROPERTY RIGHTS

11.1./ The Supplier hereby grants the SANATMETAL free, transferrable rights of use for an unlimited period to patentable inventions and copyrights arising from the legal relationship between the Supplier and the SANATMETAL.

11.2./ Should there be a breach of third-party rights, the SANATMETAL shall be entitled to compensation from the Supplier for the loss or damage arising therefrom, regardless of its level of culpability in the matter. The SANATMETAL shall be entitled to obtain a permit from the rights holder at the Supplier's expense to use the goods or services concerned.

12./ FORCE MAJEURE

12.1./ In the case of force majeure, industrial disputes, operational disruptions arising through no fault of its own, unrest, official measures or other unavoidable incidents, the SANATMETAL shall be entitled – notwithstanding its other rights – to withdraw from the order in whole or in part.

13./ JURISDICTION AND GOVERNING LAW

13.1./ The District Court of Eger or the Regional Court of Eger (as per the rules governing competence) shall have exclusive jurisdiction and competence over any dispute arising. The language of the procedure shall, in all cases, be the Hungarian language.

13.2./ Shall be governed exclusively by the laws of Hungary, excluding the UN Convention on Contracts for the International Sale of Goods (CISG). Any matters not regulated herein shall be governed by the provisions of the Hungarian Civil Code.

14./ TRACKING

14.1./ The GTCP that are downloadable from website or contained in documents available online, and that are referred to in orders, may be amended by SANATMETAL from time to time. The governing terms are the GTCP in the version indicated in the order.

14.2./ The GTCP is available at:

[www.sanatmetal.hu/.....](http://www.sanatmetal.hu/)