

General Terms and Conditions of FESTO-AM Kft.

Effective from: 15 January 2021

1. General provisions

1.1. Effect of General Terms and Conditions

All current and future legal relations of FESTO-AM Kft. (“**FESTO-AM**”) are subject solely to the following General Terms and Conditions (“**GTC**”). Any business, sales and delivery conditions of the contractual partner of FESTO-AM (“**Partner**”) contrary to the GTC shall not apply to FESTO-AM. FESTO-AM hereby excludes the application of such partnership conditions that are in conflict with these GTC.

The Partner accepts the general validity of FESTO-AM’s GTC when accepting the order and concluding the contract - at the latest upon the fulfilment thereof - even if it otherwise refers to its own terms and conditions. The acceptance or payment of the Partner’s products and services by FESTO-AM shall not be construed as an acceptance by FESTO-AM of the Partner’s terms and conditions. The above also applies if the price offer or confirmation contains clauses that differ from, supplement or amend the terms and conditions of FESTO-AM. The use of such conditions is hereby expressly excluded by FESTO-AM.

For the purposes of these GTC, a contract means framework contracts, ad hoc contracts and orders, as well as individual contracts concluded in other ways. A framework contract is an agreement that, as a general rule, does not create a delivery and ordering obligation, within the framework of which FESTO-AM is entitled to place an order. Order and ad hoc contract means an agreement that clearly defines the service to be provided by the Partner and creates a delivery obligation for the Partner, which can be concluded between the Parties directly (ad hoc contract) and within the framework of a framework contract (order).

1.2. Governing provisions

These GTC apply to all contractual relations of FESTO-AM, in particular to the procurement contracts, machinery procurement contracts, as well as agency, business and rental contracts of FESTO-AM’s production-related products.

During the application of these GTC,

- Chapters 1 and 5 of the GTC shall apply to all contractual relations of FESTO-AM;
- Chapter 2 of the GTC shall apply to procurement contracts for FESTO-AM’s production-related products;
- Chapter 3 of the GTC shall apply to FESTO-AM’s machinery procurement contracts;
- Chapter 4 of the GTC shall apply to FESTO-AM’s assignment, business and lease contracts.

Certain provisions of these GTC are to be applied together in such a way that the general provisions of Chapters 1 and 5 shall not apply only insofar as any provision of clauses 2 to 4 governing the contract in question contains expressly different rules therefrom and the individual provisions cannot be construed as complementary provisions that are applicable in parallel. In the event of an express conflict between the general provisions and the provisions governing each contract, the provisions governing each contract shall prevail.

1.3. Offers and orders

Orders are only valid if they are sent or confirmed in writing by FESTO-AM. Agreements concluded orally or by telephone must be confirmed in writing within 3 (three) working days. The terms of the contract must always be set out in writing in a legally binding form. The requirement of written form is also met by fax, EDI (electronic data interchange) and e-mail.

FESTO-AM is entitled to place and confirm an order via the SAP / EPFL system so that an order sent by

FESTO-AM is also valid without a signature. The Contracting Parties shall consider such an order to be in writing. The Partner may also confirm without a signature an order sent in this way, which the Contracting Parties shall also consider to be in writing. Such documents (also in the absence of a signature) shall be accepted by the Contracting Parties as binding documents, on the basis of which they shall mutually fulfil their obligations.

Performance deadlines set in the form of due dates shall expire on the due date for performance, regardless of the date of confirmation by the Partner. All other performance deadlines (insofar as the date of performance is not recorded in the form of a due date) are counted from the date of confirmation by the Partner. Orders placed by FESTO-AM shall be deemed accepted by implication if the Partner does not object to the order by returning a statement whose contents are contrary to the contents of the order within 3 (three) working days after the notification of the written order, in which case the contract shall be deemed to have been concluded in writing. The different terms of the scheduling and delivery agreements in effect and agreed with the Partner shall not be affected by this.

Samples and/or quotations are to be sent free of charge and shall not create an obligation for FESTO-AM.

Processes and methods as described by the documents contained in FESTO-AM's Partner Information System (sis.festo.com) ("**SIS**"), such as supplier's guide, packaging regulations, labour safety, fire and environmental regulations, safety regulations and similar documents in force, shall also be applied in the course of cooperation.

1.4. Performance deadline

The Partner warrants that the agreed performance deadlines will be met.

The performance must be completed by the date specified in the order. If the performance deadline is changed due to documents not provided or changed by FESTO-AM, the Partner must notify this in writing.

In all cases, the Partner is obliged to notify FESTO-AM in advance if it considers that it is unable to meet the deadline.

The Partner's failure to meet a deadline shall be considered as late performance even without FESTO-AM's express notification relating thereto.

1.5. Contractual performance

The Partner shall have full liability for damages towards FESTO-AM for delivery at the high quality standard required. The Contracting Parties have preliminarily consulted regarding FESTO-AM's specific needs and have mutually informed each other thereof, and therefore the Partner accepts the contractual offers and/or orders in awareness thereof.

Contractual products must at all times comply with the conditions of origin laid down in the EU's preferential agreements; the Partner is obliged to hand over the relevant certificates of origin to FESTO-AM even without any special request for each product before the first delivery of each product, unless this is expressly waived by FESTO-AM. If the products are not subject to the conditions of origin contained in the EU preferential agreements, the Partner is obliged to hand over the relevant certificates to FESTO-AM even without any special request for each product before the first delivery of each product, unless this is expressly waived by FESTO-AM.

Settlement shall take place against an invoice. Delivery shall take place without reimbursement of separate delivery or other costs (in accordance with DDP FESTO-AM Budapest (delivered with customs duty paid) parity according to INCOTERMS 2010 in the absence of different contractual regulations), during which the risk of damage shall be borne by the Partner. The services are to be provided only at the agreed place of performance. The Partner is obliged to ensure that the given products comply with

all legal, customs and technical regulations applicable to the given products.

If the Partner engages in activities that are contrary to the contract, the law or professional rules, and does not stop such activity despite FESTO-AM's request, FESTO-AM may suspend performance (without any delay in receipt occurring on its behalf). In this case, a protocol shall be drawn up on the fact of the suspension of performance and the reason thereof. If the Partner nevertheless continues its activities and thereby causes damage to FESTO-AM or a third party, it shall be obliged to reimburse such damage in full.

If FESTO-AM is dissatisfied with any employee or other contributor of the Partner and/or the quality of performance, it shall notify the Partner thereof via the designated contact person. In all cases, the Partner is obliged to investigate the notification immediately and to notify FESTO-AM in writing of the result thereof within 5 (five) working days from the receipt of the notification.

The Partner undertakes to make every effort to arrange for the substitution or replacement of its employee or other contributor performing tasks for FESTO-AM if the employee or other contributor does not perform his/her task at his/her designated site of performance in an inappropriate manner or if FESTO-AM requests the replacement of such person for any other proper reason.

1.6.Rights and obligations of the Contracting Parties

The Contracting Parties are obliged to cooperate with each other in order to fulfil the contract and to prevent the risk of accidents.

To the extent necessary for the performance of the contract, FESTO-AM shall:

- Provide appropriate conditions for the smooth performance of the tasks at its registered office and premises for the Partner's employees and other contributors, and provide all material conditions, circumstances, data and information required for performance of the services free of charge.
- Provide access for the Partner to its registered office and premises as necessary, and make the work area available to it.
- Provide the possibility of energy connection free of charge at the installation site.
- Provide information on any unplanned interruptions of work or downtimes, as well as planned downtimes provided that those affect the performance of the works.

In order to fulfil the contract, the Partner:

- The Partner declares that it is entitled to enter into and perform the contract and it possesses any required permits.
- It shall perform the contract to first class quality, in accordance with the applicable Hungarian Standards and all relevant regulations.
- The Partner shall fully comply with and ensure that its employees and subcontractors fully comply with FESTO-AM's regulations relating to the performance of work.
- It is obliged to constantly ensure the cleanliness of the work area and to protect its integrity. The Partner is obliged to communicate the Labour Safety, Fire and Environmental Protection regulations and expectations provided by FESTO-AM to its employees and contributors, to fully comply with and to ensure that its employees and subcontractors fully comply with the rules, and to forward the fact of training to FESTO-AM's contact person in a documented manner.
- It is obliged to provide the employees and contributors employed by it with the collective and individual protective equipment necessary for the work to be performed.
- It shall provide first aid equipment for its employees and contributors while performing work at FESTO-AM's premises. The Partner may use the first aid equipment located at the premises of FESTO-AM and owned by FESTO-AM only in the event of an emergency that requires immediate intervention.
- It shall ensure the availability of required fire protection equipment when working at the premises of FESTO-AM. Fire protection equipment located at the premises of FESTO-AM and owned by FESTO-AM may be used by the Partner only in an emergency situation that requires

immediate intervention.

- At the premises of FESTO-AM, the Partner is solely responsible for maintaining professional discipline and morale in the event of accidents caused by the Partner's own fault, and for any disputes arising from these, the Partner may not make any claims or demands whatsoever against FESTO-AM.
- With the performance, the Partner may not interfere with the activities of third parties.
- The Partner is responsible for ensuring that its employees and contributors comply with those specified in this contract.
- During the performance of the contract, it shall act in compliance with FESTO-AM's instructions and the priority of its interests.
- During the work performed under the contract, it is continuously obliged to ensure the cleanliness of the work area, to preserve its integrity, and to collect the waste generated; if the generated waste is classified as hazardous waste, the Partner must ensure that it is disposed of properly.
- It is entitled to involve a contributor subject to prior written notification of FESTO-AM, if FESTO-AM has not objected to the use of the contributor within 5 (five) working days of receiving the notification. The Partner is responsible for the contributor, the contributor's employees and the work they perform as if the Partner had performed the work itself.
- If FESTO-AM submits design documentation to the Partner, it is obliged to examine the submitted design documentation before concluding the contract and to warn FESTO-AM of any identifiable defects and deficiencies in the plan. If any defect or deficiency in the plan becomes apparent during the implementation process, the Partner must inform FESTO-AM thereof without delay.

If the Partner engages in the above activities and activities that are contrary to the relevant professional rules and does not stop such activity despite FESTO-AM's request, FESTO-AM may withdraw from the contract, suspend or terminate performance. A protocol shall be drawn up on the fact of the suspension and termination of performance and the reason therefore. If the Partner causes any damage to FESTO-AM as a result of its activities contrary to the above provisions, it shall repair or compensate such damage at its own expense and, if necessary, ensure the smooth operation of the FESTO-AM site concerned.

1.7. Force Majeure

If due to force majeure or other reasons not attributable to the Partner, the Partner would not be able to meet the established performance deadline, it shall immediately notify FESTO-AM of the reason and expected duration of the delay. In this case, FESTO-AM has the right to extend the delivery or acceptance deadline or to withdraw from the contract in whole or in part. The Partner is not entitled to withdraw from the contract and may not implement a price increase with reference to an unexpected and significant change in circumstances.

In the event of force majeure, a necessary restriction or termination of business operations, FESTO-AM is entitled to unilaterally extend the delivery deadline or withdraw from the contract. In such cases, the Partner is not entitled to refer to a late receipt by FESTO-AM or to assert a claim in this regard. In such cases, the Partner expressly waives the right to claim damages, except in the case of gross negligence or wilful and harmful misconduct of FESTO-AM representatives.

In the event of force majeure, FESTO-AM is entitled to modify the order by increasing or decreasing the ordered quantity, or by ordering different parts of similar type and value, otherwise subject to unchanged conditions. Notwithstanding the above, FESTO-AM is entitled, in other cases too, to unilaterally extend the originally planned delivery and acceptance deadline by a maximum of 4 (four) weeks, without any delay in receipt occurring.

1.8. Payment terms

Invoicing shall always be based on the valid contract and the performance certificate.

The contractual consideration and the invoicing schedule are included in the contract or the order. In the case of the purchase of machinery, unless otherwise agreed, the relevant provisions of these GTC shall apply. If the Contracting Parties agree upon payment in instalments, the Partner is obliged to issue a separate invoice for each instalment.

Unless otherwise agreed, payment is due within 60 calendar days of the date of the invoice. FESTO-AM is entitled to set off legitimate and justified claims against the Partner arising from any of its legal relationships, provided that the Partner is informed thereof in writing. The payment of the purchase price by FESTO-AM does not constitute recognition of contractual performance.

In the case of late payment, the Partner shall be entitled to charge default interest as set out in the Civil Code in effect, upon instructing FESTO-AM to settle the invoice and pay interest after the lapse of the payment deadline. The interest payment obligation is due sixty calendar days from the receipt of the Partner's invoice, after the demand for payment has been sent.

FESTO-AM is entitled to return an invoice issued incorrectly in form or content and which cannot be corrected in compliance with legal regulations, in which case FESTO-AM shall not be obliged to pay default interest and no other legal consequences of late performance shall apply to FESTO-AM.

1.9. Transfer of ownership

The Partner warrants that the subjects of the contract are free and clear of all liens, encumbrances and claims. FESTO-AM does not agree to its retention of ownership. The Partner further confirms that the subjects of the contract are not subject to any rights of any third parties that would restrict or prevent the transfer of ownership. FESTO-AM does not recognize any extended or expanded reservation of title with respect to the Partner.

The Partner agrees that, unless otherwise provided, the ownership of the subjects of the contract shall be transferred to FESTO-AM upon payment of their consideration. By fulfilling the contract, the Partner agrees that the subjects of the contract may be used by FESTO-AM, processed or transformed by it in the course of its production activities, and sold by it in commercial traffic even before the transfer of ownership.

The beginning of the assumption of risk by FESTO-AM is determined on the basis of the applied Incoterms parity, failing which the beginning of the assumption of risk is the date of the transfer of ownership (signing of the performance protocol).

1.10. Guarantee and warranty

Unless otherwise provided for in this section, the legal provisions shall apply to liability for material defects and warranty of title.

The Partner is obliged to ensure that the given products comply with all legal, customs and technical regulations applicable to the given products. In case of doubt, the Partner is obliged to contact FESTO-AM and agree on the conformity of the delivered products.

The Partner guarantees and warrants correct and professional production and implementation in accordance with the current state of science and technology, and that the best quality raw materials will be used during production and implementation. The Partner expressly guarantees and warrants that the contractual products sold will conform to the samples pieces, samples, descriptions and specifications provided by the Partner. Any information provided by the Partner during the sales negotiations, and in particular in the catalogs, advertising materials, public announcements, data

sheets and/or other product descriptions, shall be considered as the contractually agreed characteristics of the products. In this regard, the Partner also guarantees and warrants that the delivered contractual products possess the features guaranteed or required by the contract, and they must nevertheless be suitable for predetermined use or have the features normally expected from contractual products of the same type and quality.

In the event of defective performance by the Partner, FESTO-AM shall be entitled to request a refund of the consideration specified in the contract, a price reduction, the delivery of a replacement product or the correction of the defect free of charge. All costs incurred in this regard, such as transport, travel, material costs and labour fees, as well as the cost of goods inspection at the time of receipt in excess of the usual inspection costs, shall be borne by the Partner. If the Partner fails to comply with FESTO-AM's written request to rectify the defect or deficiency within a reasonable period of time set by FESTO-AM, FESTO-AM shall be entitled to perform the necessary tasks at the Partner's expense or have those performed by a third party. Minor defects may be corrected or caused to be corrected immediately at the Partner's expense without prior notice. However, the Partner's service department must be informed thereof. The cost of repair shall always be borne by the Partner.

In case of defective products, FESTO-AM is entitled to separate (by physical blocking) or sort any defective contractual products to be found among the given products and perform post-processing, at the expense of the Partner, and without the consent of the Partner. This only applies if there is an imminent risk of production loss prevailing at FESTO-AM or its customer. This is without prejudice to FESTO-AM's other rights regarding defective performance.

The Partner warrants, subject to its full liability for damages, that no third party right obstructs, restricts, prevents or limits in value FESTO-AM's acquisition of rights.

For contractual performance, the Partner undertakes a guarantee for 12 months from the date of performance and a warranty for 24 months from the date of performance.

If the manufacturer of the built-in component undertakes a guarantee for a different period for the components, the guarantee undertaken by the Partner shall be identical to that, but at least 12 months.

The Partner's guarantee obligation is not affected by the fact that it has performed the contract itself or through a third party involved.

If the defective performance is detected by FESTO-AM within the guarantee period, it is presumed that the cause of the defect already existed at the time of transfer of the risk of damage (upon delivery or receipt), unless this presumption is incompatible with the nature of the defect. In the event that works covered by the guarantee becomes necessary, the Partner is obliged to carry out the repair works within 48 hours of FESTO-AM's notification.

The defect shall be reported by FESTO-AM's contact person informing the Partner's contact person by e-mail.

The Partner's guarantee obligation does not cover failures arising from:

- changes in operating conditions,
- unprofessional handling,
- non-observance of the operating and maintenance instructions.

1.11. Contractual penalty

If the Partner defaults on any of its obligations under the contract, FESTO-AM shall be entitled to a default penalty at the rate of 0.5% of the net consideration of the contract affected by the delay for each day affected by the delay. The total amount of the default penalty may not exceed 20% of the net consideration of the contract. The obligation to pay a default penalty is also substantiated by the Partner's faulty performance in due time, in which case the days affected by the delay include the time

elapsed until the Partner's contractual performance. The default penalty shall be due upon the occurrence of the delay. In the event of a delay, the Partner shall continue to be obliged to perform the contract in accordance with the contract, in addition to the payment of the default penalty, and also to pay the penalty for defective performance immediately or within the additional deadline set by FESTO-AM.

In case of defective performance by the Partner, the Partner shall be obliged to pay a defective performance penalty, the rate of which is 20% of the net value of the contract affected by the defective performance. In the event of defective performance, the Partner (in addition to paying the penalty) shall also be obliged to fulfil its guarantee and warranty obligations.

If the Partner performs the contract in a defective manner and/or is in delay regarding performance, FESTO-AM shall be entitled to withdraw from all or part of the contract without setting an additional deadline and to demand from the Partner a cancellation penalty of 20% of the net value of the contract affected by the withdrawal.

The payment of a penalty for delay, defective performance or cancellation penalty does not preclude the option for FESTO-AM to also enforce its damages in excess of the penalty.

1.12. Liability

The Partner shall be liable for all direct or indirect damages caused by it and its contributors including, in particular, damages resulting from any wilful or negligent acts or omissions by the Partner's employees, co-workers or other employees, contributors, or contributors' employees.

The Partner shall be obliged to compensate FESTO-AM for the full damage caused by the breach of contract. The Parties shall not limit the Partner's liability for damages, nor FESTO-AM's right to claim from the Partner any damages exceeding FESTO-AM's claim for contractual penalty. The Contracting Parties also expressly agree that the Partner shall compensate FESTO-AM for all damages incurred by it (damages caused to the subject of the service, other damages caused to FESTO-AM's property or loss of financial advantage on FESTO-AM's side) regardless of whether the damage was caused intentionally or by way of negligence.

The Partner's liability for damages also extends to consequential damages that occur after the Partner's breach of contract in the cost of additional activities performed by FESTO-AM on the subject of the service, as well as in the value of other assets used for these. Such liability for damages shall be borne by the Partner especially in the event of defective performance by it in the case of products procured by FESTO-AM for further processing, if the defect is recognized after the product has been processed by FESTO-AM. The extent of the Partner's liability in such cases shall be equal to the market value of the products produced (processed) by FESTO-AM or the sum of the purchase value of the product and the direct and indirect costs incurred during processing performed by FESTO-AM, shown on the basis of the clearing prices of FESTO-AM.

The Parties expressly exclude FESTO-AM's liability for damages, except for the case of intentional damage and breach of contract that cause harm to human life, bodily integrity or health.

The Partner shall be liable for claims enforced by FESTO-AM's contractual partners or other third parties on any legal basis which arise as a result of either negligent or intentional breach of its contractual obligations.

If a product liability claim is asserted against FESTO-AM in connection with the subject of the contract (including the contractual products or the machine-made products), the Partner undertakes to satisfy the claim so enforced either directly (including the involvement of a contributor), or to reimburse FESTO-AM for all costs incurred in connection with a claim against it under product liability. In this regard, the Partner's liability is independent of who qualifies as a manufacturer under liability law, and with regard to product liability claims, it is the Partner's responsibility to prove that the products delivered to FESTO-AM were not defective.

All costs and expenses resulting from the fulfilment of the above obligations shall be borne by the Partner (including, in particular, all costs of any litigation or necessary corrective/recall measures).

The Partner is obliged to take out appropriate liability insurance which also covers product guarantee claims, and to send a copy of the relevant insurance policy to FESTO-AM. The Partner is obliged to maintain the coverage and scope of the insurance for the entire duration of the business relationship of the Parties, including the period of limitation of any guarantee and warranty claims of FESTO-AM, at least unchanged. Coverage is adequate if it reaches at least the amount of the net annual turnover expected from the Parties' business relationship.

The Partner must regularly check the coverage of its liability insurance. The Partner shall increase the insurance coverage at its own expense if the net amount of expected annual turnover between the Parties during the year exceeded the coverage amount or there are reasons arising that could negatively affect or increase the risk of damage or claims.

1.13. Withdrawal and termination

FESTO-AM may withdraw from the contract at any time, regardless of its expressly specified right of withdrawal, in which case it is obliged to compensate the Partner for its damages. The total amount of such compensation for damages may however not exceed the amount of the consideration of the contract. In the case of a contract for employment or the performance of prolonged activities, the amount of compensation shall be equal to the amount of the part performed up to the date of notification of the withdrawal in proportion to the total contractual consideration. The Partner may not make any further claims for payment or compensation.

FESTO-AM shall be entitled to withdraw from the contract at any time if the Partner stops the performance (delivery, payment) or is able to perform its work only with delay (not by the contractual performance deadline) or the Partner terminates its work without a justifiable reason and it fails to continue implementation upon the request of FESTO-AM and after the deadline set by it. In such cases, FESTO-AM may claim damages in accordance with the rules on breach of contract. The Partner shall have full liability for damages. In this case, the Partner shall not be entitled to claim the consideration for any non-performed services or the non-sellable parts of any services already performed.

If FESTO-AM withdraws from the contract because it became apparent prior to the lapse of the performance deadline that the Partner would only be able to perform the contract with delay or performance is not in FESTO-AM's interest anymore, FESTO-AM may exercise its rights arising from the default (e.g. contractual penalty) and claim full compensation for its damages. The lapse of interest relating to performance need not be proved if the Partner should fulfil the contract at a definite time and it becomes apparent before the lapse of this deadline that the Partner will not be able to fulfil the contract within the deadline.

Ordinary termination

Either Contracting Party may terminate the contract concluded for an indefinite term via ordinary termination, with a 30-day notice period, without justification, by sending a written notification thereof to the other Contracting Party. In the event that the contract is for a definite period of time or is intended to achieve a specific result, ordinary termination is excluded.

In the event of termination of a framework contract, unless FESTO-AM declares otherwise in the termination, the orders already accepted must be fulfilled.

Termination for cause

In the event of a material breach of contract by either Contracting Party, the other Contracting Party may terminate the contract with immediate effect in writing, stating the reasons. The occurrence of any of the events listed below shall be deemed as a material breach of contract:

For FESTO-AM:

- If it fails to deliver the documents or information required for performance of the tasks set out in the contract despite having been instructed by the Partner to do so, or delivers them with content that is false beyond doubt;
- There is a delay of more than 30 days in the payment of the contractual consideration;
- In the case of a lease agreement or other contract relating to the use of property, if the subject of the contract or any component thereof was damaged due to unprofessional or negligent handling or improper use or was lost.

For the Partner:

- If it materially breaches its cooperation and information obligation set out in this contract, thereby risking not being able to perform the agreement by the deadline;
- If the performance is not of the highest standard that can generally be reasonably expected and of good quality;
- If it does not fulfil its obligations by the deadline at all or in accordance with the contract despite being instructed to do so by FESTO-AM.

2. Terms of procurement for production-related products

2.1. Acceptance/assumption of risk of damage/documentation

With regard to the characteristics of the products, the quantity, size and weight determined by FESTO-AM during the inspection at the time of acceptance shall apply. Overperformance or underperformance is acceptable within the overperformance or underperformance tolerance limits specified in the order. Defective delivery must be notified to the Partner in writing immediately after the discovery of the defect in the normal course of business - or subsequent use. In this regard, the Partner waives its right to invoke failure to report errors in a timely manner. The payment made shall not be construed as an admission of faultless performance. The above does not affect other terms and conditions arising from other guarantee agreements or the exercise of guarantee rights.

The risk of damage shall only pass to FESTO-AM upon receipt of the products at the destination specified in the order.

The documentation of the product or service shall be provided in full to the extent agreed by the Contracting Parties, or at least to the extent necessary for distribution.

2.2. Contractual penalty

In the event of defective performance by the Partner, the penalty for defective performance shall be based on the sum of the net price of the products affected by the defective performance. In all other respects, the general provisions of these GTC shall apply to penalties.

2.3. Prohibited substances

The Partner guarantees that the products delivered to FESTO-AM do not contain any substances specified in FESTO-AM's Prohibited Substances Regulations (see SIS). These regulations are part of the GTC.

2.4. Quality

The Partner is obliged to manufacture and test the contractual products to be delivered in accordance with the applicable environmental, technical safety and legal regulations and the relevant ISO, EN and DIN standards, taking into account the usual market quality specifications. The Partner is obliged to use a quality management system, at least in accordance with the ISO 9001 quality management standard, which is properly maintained and further developed by it during the cooperation.

The Partner is obliged to inform FESTO-AM in due time and in advance about any changes in the

contractual products; this also applies to products procured from third parties. The Partner also undertakes to notify FESTO-AM in writing without delay of any planned change in the production or inspection process or of a change of the production site. In each case, FESTO-AM reserves the right to re-test the products and/or to carry out a technical approval procedure in accordance with FESTO-AM's product qualification process due to the above-mentioned modifications. If the products do not comply with the rules of the FESTO-AM product qualification process due to the above-mentioned modifications, FESTO-AM reserves the right to reject the changes.

Upon receipt of the products, FESTO-AM is not obliged to carry out quality control on them. According to this, during the receipt of the products, FESTO-AM shall only check whether it is the ordered products that have arrived in the ordered quantity (quantitative check) and whether the products have suffered obvious delivery damage that can be detected by external inspection. In addition, FESTO-AM is not obliged to perform any other tests upon receipt of the product. These quality assurance regulations shall not limit or modify the guarantee regulations contained in these GTC. FESTO-AM shall notify the Partner in writing of the detected defects immediately after the discovery thereof in the normal course of business; this also applies to defects that may occur during subsequent use. In this regard, the Partner is not entitled to refer to late reporting of errors.

3. Procurement conditions for machinery purchases

3.1. FESTO-AM parts

The Partner is obliged to use only Festo pneumatic products when manufacturing machines/equipment/devices (hereinafter: "machine") that are the subject of the contract, if this requires the use and installation of pneumatic components.

Products made by other manufacturers may be used only with FESTO-AM's prior written consent.

3.2. Contractual and defective performance

FESTO-AM is entitled to check the progress of the production of the machine to be delivered at the Partner's factory unit during normal working hours without any prior notice.

The Partner shall deliver to FESTO-AM a complete machine containing all components as per the contractual terms and conditions relating to machines and required for the faultless operation thereof with the characteristics specified in the contract even if not every individual component required for the fulfilment of these conditions has been listed.

FESTO-AM shall send written notice regarding the faulty performance as soon as it becomes aware of it in the normal course of business. In this regard, the Partner waives its rights arising from the late notification of the lack of supplies of the delivered machine. Payments made by FESTO-AM shall not be construed as recognition of regular performance.

3.3. Financial settlement

The Partner shall be entitled to issue an invoice/invoices in accordance with the payment schedule set out in this Clause, against the documentation required therefor (signed performance certificate, bilaterally signed protocol on successful handover/acceptance), in accordance with the accounting laws in force.

Financial settlement shall be made within 60 days of the invoice being issued, by bank transfer.

Invoicing and payment schedule:

- For a contract value not exceeding EUR 50,000:
within 60 days of delivery of the machine, the full contract value.

- For a contract value exceeding EUR 50,000:
 - 30% following an order or contract conclusion confirmed by the Partner, based on an advance payment request.
 - 20% after prior successful handover/acceptance at the Partner, against a bilaterally signed protocol in this regard, on the basis of an invoice for partial performance, or
if there is no prior handover/acceptance, upon declaration of readiness to deliver, on the basis of an invoice for partial performance.
 - 40% after successful commissioning at FESTO-AM, based on a partial invoice issued against a bilaterally signed handover/acceptance protocol.
 - 10% after a test run for the duration specified in the contract, if FESTO-AM has received the machine in a faultless condition, permanently, on the basis of a final invoice and a signed protocol on the successful test run.

3.4. Transfer of ownership and assumption of risks

Ownership of the ordered machine is transferred with deferred effect:

- after successful commissioning, successful test run and the handover/acceptance protocol (if there is no post-production) or
- after full payment of the contractual consideration by FESTO-AM (in case of a test run)

FESTO-AM shall bear the risks of and benefit from operation thereafter.

FESTO-AM shall bear the risks from the time of the transfer of ownership.

3.5. Preliminary handover/acceptance at the Partner, commissioning, trial run and final handover/acceptance at FESTO-AM

3.5.1. Advance handover/acceptance of the machine at the Partner

The Partner must provide FESTO-AM with the opportunity for preliminary receipt of the machine.

Preliminary acceptance does not replace handover/acceptance, commissioning and test run at the place of performance/FESTO-AM's registered offices or site.

If the supplier and manufacturer of the machine are not the same, the preliminary handover/acceptance must take place at the manufacturer of the machine.

If the preliminary handover/acceptance cannot take place at the manufacturer, the preliminary handover/acceptance must be carried out at the manufacturer's agency.

The Contracting Parties shall record any deficiencies detected in the handover/acceptance protocol. These must be rectified immediately by the Partner.

Once the repairs have been carried out, another preliminary handover/acceptance will take place. If during this process, defects preventing the preliminary handover/acceptance are still detected, the contract shall be deemed to have not been performed, with all the legal consequences thereof.

The formal requirements shall be complied with during the preliminary handover/acceptance procedure. The preliminary handover/acceptance shall be deemed successful if FESTO-AM does not indicate any deficiency towards the Partner until or after the closing of the preliminary handover/acceptance procedure.

During the preliminary handover/acceptance procedure, the Partner shall hand over the following documents (or the documents required for the machine) to FESTO-AM:

- CE declaration of conformity in Hungarian,
- machine geometry measurement protocol,
- results of the manufacturer's measurements regarding protection against physical contact,
- statement on the use of hazardous substances,
- safety data sheet of the materials required for the operation (operating) of the machine in Hungarian,
- measurement report on the results of the noise test,
- operating instructions in Hungarian - at the latest when the machine is delivered,
- Hungarian language machine delivery and installation instructions

Upon preliminary handover/acceptance, FESTO-AM shall provide the Partner with a quantity of workpieces sufficient for the tests of the quantity specified in the contract. If the handover/acceptance does not yield results after the number of attempts specified in the contract, the additional material costs must be borne by the Partner/Manufacturer.

3.5.2. Commissioning and handover/acceptance of the machine at FESTO-AM

During commissioning, a contact protection test is required, the cost of which shall be borne by FESTO-AM.

Upon commissioning and handover/acceptance, FESTO-AM shall provide the Partner with a quantity of workpieces sufficient for the tests of the quantity specified in the contract. If the handover/acceptance does not yield results after the number of attempts specified in the contract, the additional material costs must be borne by the Partner/Manufacturer.

The assembly and commissioning of the machine shall be carried out by the Partner's specialists at FESTO-AM's registered office or site. The consideration set out in the contract covers the costs of this.

If deficiencies are detected during commissioning, the Partner shall correct these without delay. The date of commissioning shall be specified by the Parties in the contract.

Any defects and deficiencies discovered during commissioning shall be recorded by the Contracting Parties in the handover/acceptance (commissioning) protocol. The Partner is obliged to correct any errors or deficiencies immediately. Once the repairs have been carried out, another handover/acceptance will take place, by signing a protocol. If during this process, defects preventing the handover/acceptance are repeatedly still detected, the contract shall be deemed to have not been performed, with all the legal consequences thereof.

The formal requirements shall be complied with during the handover/acceptance procedure. The handover/acceptance shall be deemed successful if FESTO-AM does not indicate any deficiency towards the Partner until or after the closing of the handover/acceptance procedure.

If the official short-term machine capacity inspection (assessment of SPC-specific C_m and C_{mk} parameters) cannot be performed at FESTO-AM due to any defect of the machine, any costs arising – including in relation to the replacement and return of the machine, if necessary – shall be borne by the Partner.

3.5.3. Test run and final handover/acceptance of the machine at FESTO-AM

The commissioning of the contracted machine will be followed by a test run.

The duration of the test run is defined by the Contracting Parties in the contract, the purpose of which is to test the contractual operation of the machine delivered by the Partner in practice and to certify that the machine covered by the contract complies with the specification. The test run shall be performed and/or controlled by the Partner's professional personnel, or they shall authorise FESTO-

AM's professional personnel in writing to do so.

The test run, managed and carried out by FESTO-AM specialists, shall not affect the date of transfer of risk assumption and transfer of ownership.

FESTO-AM shall declare its intention to conduct the final handover/acceptance and acknowledge the Partner's proper performance if:

- no deficiencies or defects have been identified during the test run, or
- any deficiencies and defects detected have been corrected before the end of the test run.

The Contracting Parties shall jointly draw up a protocol regarding defects detected during the test run. These defects must be corrected by the Partner immediately. If after that FESTO-AM detects any new defect that prevents the final handover/acceptance of the machine, the contract shall be deemed to have not been performed, with all the legal consequences thereof.

If FESTO-AM detects defects or deficiencies, the final handover/acceptance procedure may take place with reservation of the right to the immediate correction of the defects. In this case, FESTO-AM shall be entitled to retain, from the final instalment payable, at maximum 10% of the amount of the contractual consideration until the existing defects are corrected.

The final handover/acceptance – which shall only be valid in writing – shall be deemed successful, valid and completed if FESTO-AM has not indicated any deficiency during or after the completion of the test run.

A separate protocol shall be drawn up by each of the Parties on the successful completion of the test run and the successful final handover/acceptance.

3.6.Spare parts

The Partner is obliged to ensure the full supply of spare parts for the delivered machine for ten years after the final acceptance of the machine. Unless otherwise agreed, the current list prices shall apply as fixed prices.

3.7.Warranty

The Partner shall warrant a choice of materials that best fits the purpose of the contract, as well as proper and professional implementation, in observance of the latest advances in science and technology, subject to its full liability for damages.

In addition to its full liability for damages, it shall also warrant that

- the machine supplied is and will be fully in accordance with the tests, samples and specifications previously supplied by it,
- the delivered machine has the characteristics specified in the contract,
- there are no third-party rights preventing, restricting or reducing the value of FESTO-AM's acquisition of ownership of the machine.

3.8.Repurchase of standard parts delivered by a Partner

If certain standard parts delivered are not utilized and are in faultless condition, the Partner commits to repurchase these parts at the purchase price preliminarily agreed with FESTO-AM.

If the delivered and unused parts do not meet the requirements applicable for new parts – regardless of their operability – due to reasons imputable to FESTO-AM, the Partner commits to repurchase these parts at a lower price than the purchase price preliminarily agreed with FESTO-AM. If the deterioration

was not a result of reasons imputable to FESTO-AM, the purchase price shall be applicable for the repurchase.

3.9.Repair support (Hot-line support)

The Partner agrees to establish a phone customer service at its own cost, via which it shall provide phone support for solving any disruptions and malfunctions at the times agreed by the Contracting Parties for at least two years from the date of the preliminary handover/acceptance procedure.

The Partner undertakes to be available continuously during the specified period. The Partner shall disclose the relevant phone number to FESTO-AM at the time of the first preliminary handover/acceptance procedure.

The Partner undertakes to start rectifying any defect immediately, but no later than 24 hours after the notification thereof by FESTO-AM, by suitably qualified specialists. If the defect is notified after 12:00 (noon) on a Friday, the deadline for starting troubleshooting is 12:00 (noon) the following Monday. The same applies to public holidays as per the place of performance, in which case the deadline for starting troubleshooting is 12:00 (noon) on the next working day. If the Partner fails to comply with this obligation, it shall pay to FESTO-AM an amount of EUR 500 per breach of contract or the corresponding HUF amount as a penalty within 15 days of receiving the relevant notification to this effect. FESTO-AM remains entitled to claim damages in excess of the penalty.

4. Terms of assignment, business and lease agreements

4.1.Performance of maintenance tasks

If the Contracting Parties' contract requires the Partner to perform maintenance tasks as a primary or ancillary service, then the provisions of this Clause shall apply therein.

The Partner shall remedy all defects falling within the scope of regular maintenance within the deadline set in the relevant contract via original parts or parts of the quality specified by the manufacturer. Regular maintenance tasks shall be performed during normal business hours. If FESTO-AM is unable to provide the opportunity for maintenance works at the pre-agreed time, it may request in writing, at least 5 business days prior to the start of the work, that the maintenance be rescheduled, in which case it shall not have any obligation to pay damages.

The Partner shall begin to remedy the defects detected in the course of maintenance or reported by FESTO-AM within 24 hours on business days, as soon as reasonably practicable.

If a severe malfunction is reported or detected, the Partner shall perform an inspection within 4 hours during working hours, and take the necessary measures without delay. The Partner shall, upon inspection, submit a quote to FESTO-AM, pursuant to which it may place a purchase order.

The time of performance for the rectification of the reported defect shall be agreed upon by the Contracting Parties' contact persons. FESTO-AM shall inform the Partner about the malfunction, the type and ID code of the failed equipment and the nature of the malfunction.

The Partner shall perform repairs required due to any of the reasons below as soon as reasonably practicable upon prior notification and approval by FESTO-AM (taking into consideration the lead time for procuring the relevant part(s)):

- natural wear and tear,
- unprofessional handling,
- unauthorised intervention,
- improper use or alteration,
- mains supply outage or fluctuation.

The Partner shall have FESTO-AM certify the activities performed and materials used via a work sheet at the site. Invoicing shall be based on the certified work sheet in all cases.

5. Miscellaneous provisions

5.1. Governing law

The contractual relationship between FESTO-AM and the Partner shall be governed by the laws of Hungary, subject to the exclusion of all bilateral and/or multilateral conventions on the sale of movable property, in particular the UN Convention on Contracts for the International Sale of Goods of 11 April 1989 (CISG).

5.2. Obligation to cooperate

The Contracting Parties shall cooperate in connection with the fulfilment of the contract, mutually inform each other regarding all material circumstances relating to the contract, promptly notify each other of any hindrances, and, if possible, settle their disputes amicably.

In connection with the performance of the contract, the Contracting Parties shall act with due regard to each other's interests.

The Partner shall, in observance of the principle of diligence, notify FESTO-AM of any circumstance detected in the course of performance which would incur additional work or result in lower quality performance. FESTO-AM shall also be notified if the requests made by it incur additional costs to FESTO-AM.

5.3. Place of performance/competent court

The place of performance of the products is the specific delivery destination.

With regard to all legal disputes arising in connection with any legal relationship falling within the scope of these GTC, the place of jurisdiction shall be the registered office of FESTO-AM, thus, depending on competence, the Budapest II and III District Courts shall have exclusive jurisdiction. However, FESTO-AM is also entitled to bring an action before the competent court as per the Partner's registered office.

5.4. Intellectual property rights

Designs, models, samples and tools provided by FESTO-AM or made in accordance with FESTO-AM's specifications are the property of FESTO-AM; they may not be used for the benefit of third parties and may not otherwise be made available to third parties.

The Partner warrants that the samples, brands, models, designs, descriptions and documentation provided by it will not be subject to any third party rights that prevent or restrict the use of the product/documentation and they do not infringe any intellectual property rights. The delivered products must comply with legal regulations and official requirements. The Partner shall in all circumstances be liable in place of FESTO-AM for any claims for damages by third parties arising from the violation of these rights and regulations.

If the subject of the contract is the supply of computer hardware and/or software in whole or in part, the Partner is obliged to provide us with a right of use that is unlimited in time, non-exclusive, non-transferable, unrestricted and irrevocable as to territory and method of use, for the hardware and software products and related documentation. FESTO-AM is entitled to make copies for data protection purposes. The Partner shall warrant the software and its data structure to be error-free and shall ensure that it can be copied accordingly.

5.5. Software

Unless otherwise provided for in each contract, the Partner shall grant FESTO-AM at least a non-exclusive, non-transferable and unlimited license to use the software and hardware products and

related documentation.

FESTO-AM is entitled to make copies for data backup purposes. FESTO-AM is also entitled to pass this on to our customers in connection with the performance of the contracts by drawing their attention to any restrictions issued by the author.

5.6. Business secrets

The Partner shall act in accordance with FESTO-AM's good reputation and interests, adhering to the general rules of fair business activity.

The Partner shall handle with full confidentiality all FESTO-AM's data, information, Intellectual Property (e.g. drawings, models, templates, designs) and items it becomes aware of during the performance and any arrangements disclosed to it by FESTO-AM. It may not disclose these to other persons without FESTO-AM's prior written permission, and may only use them for its own purposes with the prior written permission of FESTO-AM.

The Partner shall handle all technical or business information and intellectual property it becomes aware of in relation to FESTO-AM's activity confidentially towards third parties even in excess of the scope and the term of the contract, until this information or intellectual property become publicly known otherwise or FESTO-AM releases the Partner from this confidentiality obligation in writing. The Partner shall also oblige its employees to maintain confidentiality accordingly.

Handing over information or documents shall, in itself, not be deemed to be the transfer of ownership and user rights. Duplication of these items shall only be permitted in order to satisfy needs relating to delivery, in compliance with the regulations relating to copyright.

The above-mentioned conditions shall also apply in full to the Partner's contributors and contributors' employees.

In the case of any breach of the confidentiality obligation, the Partner shall pay to FESTO-AM an amount of EUR 50,000 (or a HUF amount equivalent to that) as a contractual penalty within 15 days of receipt of the notice thereto. Payment of the penalty shall not release the Partner from its obligation to compensate FESTO-AM for all damages incurred by it.

If at any time the Parties have entered into a separate confidentiality agreement regarding the protection of their business secrets, the confidentiality agreement shall be applied together with the provisions of these GTC. In the event of any discrepancy between the GTC and the confidentiality agreement, the provisions of the confidentiality agreement shall prevail.

5.7. Reference, promotion

The Partner may only use or display the agreement between Contracting Parties or any data or information relating thereto or FESTO-AM's name or logo for promotion, as a reference or for any other purpose subject to FESTO-AM's preliminary express written authorisation. Before each and every such use or display, the Partner shall deliver to FESTO-AM the text, image or other notice to be used or displayed for authorisation, indicating the place and purpose of such use or display. If the Partner is not given preliminary express written authorisation from FESTO-AM, the use or display shall be deemed to have been denied. If authorisation is given, only the visual material provided by FESTO-AM may be used.

No photos may be taken or videos recorded at FESTO-AM's registered office or premises during and after performance of the contract, unless FESTO-AM has given its prior express written authorisation therefor. Authorisation to take photos or record videos shall not constitute authorisation of any publication thereof.

The authorisation obligation relating to use as promotion or a reference shall fully apply to the Partner, its employees and any contributors in contractual relationship with the Partner.

5.8.Compliance

The Partner hereby declares, confirms and certifies that the Partner and all its directors, officers, employees and contributors have accepted the FESTO-AM Code of Conduct available at all times in the FESTO-AM Partner Information System (Code of Conduct) (see SIS).

In order to comply with the FESTO-AM Code of Conduct, the Partner undertakes to take all necessary measures to avoid illegal acts, in particular those that may be burdensome for FESTO-AM.

Accordingly, the Partner is obliged to take all necessary measures within its company and/or group of companies and to put in place all the systems necessary to verify that its directors, officers, employees and subcontractors comply with the FESTO-AM Code of Conduct, in particular measures strictly necessary to prevent corruption and other criminal offenses.

5.9.Processing of personal data

FESTO-AM, as data controller, shall process the personal data (name, personal identification data, contact data and other data necessary for the performance of the contract or arising during the performance of the contract) of the natural person acting as the legal entity Partner's representative and contact person for the purpose of fulfilling the contract and maintenance of contact, on the basis of the common legitimate interest of the Contracting Parties related to the performance of the Partner's existing contract and business relations on the one hand, and on the other hand in order to preserve the accounting documents arising in connection with the contract, on the basis of the legal obligation relating thereto, and in the event of claims arising from the contract, on the basis of a legitimate interest in proving and enforcing the claims, for the proof required for the claim to be enforced. The contact details of the legal entity's representative or contact person will be processed as long as the data subject acts as the legal entity's representative or contact person, provided that FESTO-AM is notified of the termination of the legal relationship or in the case of documents (e.g. contracts, invoices), in which such person has been indicated until the end of the period governing the retention of that record. The data shall be accessed by companies providing accounting and IT services to the data controller as data processors, if in this context or within the group of companies data is transferred to a third country, and this is done only with the necessary guarantees, on the basis of the European Commission's decision on compliance or the so-called "Binding Company Rules" (available on request from FESTO SE & Co. KG). In connection with the data processing, the Partner's representative has the right to request access, rectification, erasure, restriction of processing, as well as to object and to data portability, and in case of any injury suffered in relation to FESTO-AM's data processing, it has the right to complain to the competent data protection authority, or to apply to a court. No automated decision-making or processing of special data shall take place in connection with the personal data of the Partner's representative.

5.10. Contract amendments

The Contracting Parties agree that this contract may only be amended in writing. The Partner may enforce against FESTO-AM the additional costs of any change or modification (including additional work) diverging from the Partner's Quote only if a separate written agreement was concluded regarding these.

5.11. Contractual statements

All notifications shall be made in writing, in the Hungarian (or if the partner is foreign, the Hungarian and/or English/German) language, and shall be delivered in person or via email or post (as registered mail with certificate of delivery) to the Contracting Party concerned. The Parties agree that for the purposes of the contract, messages sent via email shall be considered to be written statements. Messages sent via e-mail shall be deemed delivered when it becomes available to the recipient. The Contracting Parties agree that notices sent via post shall be deemed delivered on the day when an attempt of delivery is made if the recipient refused to accept the consignment. If such a consignment is returned marked "unclaimed", "unknown" or "moved", it shall be deemed delivered on the fifth

business day after the second attempt at delivering the registered mail with certificate of delivery. Messages sent via fax shall be deemed delivered when the consignor receives confirmation of the success of sending.

5.12. Severability

The invalidity of any provision of these Terms and Conditions shall not affect the validity of the remaining provisions or of the entirety of the contract.

If these terms and conditions or a provision of the contract are void under mandatory law, the Partner shall, at the request of FESTO-AM, agree with FESTO-AM on additional contractual provisions and make statements to third parties or authorities that ensure the validity of those provisions or, if that is not possible, that ensure that the business intent pursued by the original provision is effected as much as possible.