

General Terms and Conditions for Purchasing and Ordering

General terms and conditions for purchasing and ordering ("Purchasing Conditions") applicable to Phoenix Mecano Kecskemét Kft. (registered office: H-6000 Kecskemét, Szent István krt. 24., company registration number: Cg.03-09-102028) (hereinafter referred to as "Buyer") and its partners (hereinafter referred to as "Seller") (hereinafter the Buyer and the Seller collectively: "Contracting Parties").

The Purchasing Conditions contain in bold those terms which fundamentally differ from (i) statutory requirements; (ii) general contracting practices.

1. Definitions used in this document

- 1.1. Only these Purchasing Conditions shall apply to the legal relationship between the Buyer and the Seller for the purchase of products or services (hereinafter: "Goods" or "Delivered Goods"), except where the Contracting Parties have agreed upon other or different conditions.
- 1.2. The Buyer expressly rejects the acceptance of any conditions that differ from these. The unconditional acceptance of the products, as well as any payment made without the Buyer's explicit objection, does not imply that the Buyer accepts terms that differ from or are contrary to these contract terms.
- 1.3. These Purchasing Conditions are applicable to all future business relationships related to goods delivery between the Buyer and the Seller.

2. Purchase Contract

- 2.1. All purchase contracts (including orders and their confirmations), cancellations of deliveries, and any other declarations related to deliveries must be made in writing. Cancellations of deliveries must also be made in writing. The written form requirement can also be fulfilled via remote data transmission (e.g., email) or fax.
- 2.2. If the Seller does not confirm the order within two weeks of receipt, the Buyer is entitled to withdraw the order. The cancellation of deliveries must be confirmed without unreasonable delay and will be valid at the latest if the Seller does not object within one week. If the Seller does not state otherwise within one week, the withdrawal shall be considered accepted by the Contracting Parties. The acceptance of the order is expressly limited to the content of that particular order.
- 2.3. The Buyer may request the Seller to change the Goods within reasonable limits, as well as request changes to the structure and design of the Goods. In this case, the Contracting Parties must agree on any potential consequences, especially regarding the reduction or increase in prices, and changes in delivery deadlines.
- 2.4. The Seller may only subcontract the entire production or its significant part with the Buyer's prior written consent.
- 2.5. If the Contracting Parties agree on the scheduling and/or volume of future deliveries, the Buyer is only obliged to purchase these quantities for the agreed period. The Buyer must fulfil this obligation through orders as per Point 2. The Seller is obliged to order stocks and materials for up to an additional two months within the agreed delivery deadlines and volume limits, unless the Contracting Parties have agreed otherwise. The Seller automatically takes into account

changes in delivery deadlines and/or volume limits when planning production and ordering stocks/materials.

- 2.6. By accepting the order, the Seller guarantees that the Delivered Goods comply with the current versions of the relevant EU standards, as well as the applicable laws, regulations, and directives, particularly including: RoHS II (2011/65/EU), RoHS III (EU/2015/863), Chinese RoHS, REACH Regulation 1907/2006/EC, CLP Regulation 1272/2008/EC, PFOS Directive 2006/122/EC, WEEE Directive 2012/19/EU, Section 1502 of the Dodd-Frank Act of 2010. The Seller also guarantees that the Delivered Goods do not contain raw materials that are hazardous to human safety and health, particularly those raw materials identified by ECHA (European Chemicals Agency) as "substances of very high concern," except in cases where they are permitted and appropriately labelled as such.
- 2.7. The Seller guarantees that it will fulfil all of its obligations related to the delivery of the Goods in accordance with the relevant provisions, regulations, rules, and directives, and will provide the Buyer with all necessary documents, particularly the certificate of origin and the export/import licences, in accordance with the regulations.
- 2.8. The Seller undertakes to comply with all applicable export control and sanction regulations, customs laws and regulations, including applicable trade restrictions, embargoes, and other restrictions on the import and export of goods, services, and information ("Export Control Regulations").
- 2.9. Furthermore, the Seller undertakes to ensure that neither itself, its actual owners, any of its representatives, nor any subcontractors used by them are listed as sanctioned companies and/or individuals on any current sanction lists.
- 2.10. The Seller is obliged to provide information and access to documents required by the Buyer to verify compliance with Export Control Regulations upon the Buyer's request. The obligation also extends to providing information about subcontractors, if such information is available to the company obligated to provide information, or if obtaining it is possible.
- 2.11. A violation of Export Control Regulations constitutes a fundamental breach of the contract's essential obligations, and the Buyer has the right, but not the obligation, to take appropriate measures, such as conducting an audit or even terminating the business relationship.
- 2.12. The Seller shall also oblige its subcontractors to comply with and implement the requirements of Export Control Regulations, and shall check their compliance using appropriate means.

3. Prices, Payment, and Orders

- 3.1. The agreed prices are fixed and include all ancillary costs (e.g., packaging fee, delivery charge, customs and other expenses), unless the Contracting Parties have agreed otherwise in the order, order confirmation, or in another written document.
- 3.2. Unless otherwise agreed in writing by the Contracting Parties, the prices include the payment of customs duties ("Delivered Duty Paid" - Incoterms 2020) to the Buyer's specified address or an agreed location. The prices do not include VAT.
- 3.3. The invoice is prepared in two copies and includes the order number, description of the Goods, size, quantity, unit price and total price, as well as all information required by Hungarian laws.

- 3.4. Unless otherwise agreed in writing by the Contracting Parties, payment is to be made with a 2% discount within 20 days of the delivery of the Goods in accordance with the specifications, and the receipt of the official invoice by the Buyer, or within 30 days with no discount.
- 3.5. The Seller may transfer its payment claims and their collection to a third party only with the Buyer's prior written consent. The Buyer may not unreasonably withhold its consent.

4. Delivery and Packaging

- 4.1. Unless expressly agreed otherwise in writing by the Contracting Parties, delivery is made to the location specified by the Buyer or a place determined by the Buyer in such a way that customs are paid in advance according to "DDP" (Incoterms 2020). Thus, the risk of damage transfers to the Buyer upon delivery of the goods.
- 4.2. Partial deliveries require the Buyer's prior written consent. The Buyer reserves the right, in individual cases, to accept excess deliveries or deliveries of lesser quantities of goods, and is entitled to reject deliveries before the deadline without legal consequences.
- 4.3. The delivery note must include at least the product description, item number, quantity, date, delivery address and delivery time, as well as the Buyer's order number.
- 4.4. The Seller is also obliged to provide the Buyer with all documentation and data related to the Goods, including the certificate of origin, as well as export and import licences (if any).
- 4.5. If the Delivered Goods contain hazardous substances, the Seller is obliged to pass on all current safety-related information to the Buyer, and the goods must be labelled in accordance with the provisions of the CLP Regulation 1272/2008/EC – on the classification, labelling and packaging of substances and mixtures.
- 4.6. The Seller ensures that the packaging is resistant to the physical and climatic effects of transport and storage, meets any special requirements specified by the Buyer, and guarantees that the packaging protects the goods from damage and other harm.

5. Delivery Terms

- 5.1. The agreed delivery deadlines and dates are binding. For the purposes of compliance with delivery deadlines and dates, the receipt of the Goods at the Buyer's location or a place determined by the Buyer shall be decisive.
- 5.2. If the Contracting Parties have not agreed on DDP (pre-payment of customs duties before delivery), the Seller is obliged to prepare the Goods for shipment in a timely manner, taking into account the average time required for loading and transport.
- 5.3. The Seller must immediately inform the Buyer in writing of any circumstances that have arisen or become apparent which mean that the agreed delivery date or time cannot be met, or if it cannot meet the agreed quality requirements.

6. Delivery Delay

In the event of delivery delay, the Buyer is entitled to charge a late payment interest of 1% of the value of the goods for each day commenced, so the maximum amount of late payment interest shall not exceed 20% of the value of the goods. The Buyer may demand payment of the late payment interest at the time of delivery. The Buyer's entitlement to legal claims due to delivery delay does not negate the Seller's responsibility for additional costs, damages, and

losses resulting from the delivery delay. The unconditional acceptance of a delayed delivery does not exempt from related claims.

7. Quality Deficiency, Liability, Warranty, Infringement of Third Party Rights

- 7.1. In the case of defective goods, current statutory provisions apply and the Buyer is entitled to demand compensation and damages from the Seller. These rights apply without prejudice to previous decisions in the subsequent cases.
- 7.2. Upon receipt of the goods, the Buyer checks that the goods are undamaged and complete. If the Buyer detects a deficiency, they shall immediately notify the Seller in writing (email is acceptable) in accordance with usual business practice. In this case, the Seller waives the right to object to the late notification of defects.
- 7.3. If the Buyer detects a defect in the delivered goods within 6 months from the date of delivery, it is presumed, unless proven otherwise, that the defect was already present at the time of delivery, except if this presumption is incompatible with the nature of the product delivered or the nature of the defect.
- 7.4. The Buyer has the free choice to demand a subsequent delivery or other remedy (e.g., initially the repair or replacement of the faulty goods, then a price reduction or cancellation of the purchase contract). The Seller may only refuse the type of subsequent delivery chosen by the Buyer if it can only be fulfilled at disproportionately high costs.
- 7.5. The Buyer may repair the defect themselves or have it repaired by a third party at the Seller's expense if a reasonable deadline set for the Seller (for the repair or replacement of the faulty goods) has expired without result, or in urgent cases, e.g., in acute emergencies or to prevent damage, except when the Seller is entitled to refuse subsequent delivery. In particularly urgent cases where the Seller cannot be informed about the defect or the significant danger arising from it, or if it would be unreasonable to set a very short deadline for the repair of the defect, it is not necessary to set a deadline for subsequent delivery.
- 7.6. The warranty for quality defects is 36 months following the delivery of the goods, but at least 24 months after the Buyer has delivered the final product manufactured from the Goods to the end user. If a quality defect occurs in connection with the Goods, the Seller is obliged to replace it free of charge at the request of the Buyer.
- 7.7. The Seller is obliged to comply with Section 1502 of the Dodd–Frank Wall Street Reform and Consumer Protection Act. The Seller may not use in the manufacturing of the delivered goods materials that are listed in Sections 1 and 4 of Dodd–Frank Act Section 1502(b). All necessary steps must be taken to ensure that no non-compliant materials are purchased during material procurement and their use is prohibited. If the Seller uses materials in the manufacture of the delivered goods that may not comply with the regulations, they must annually certify to the Buyer that they are not violating the legal prohibitions related to this.
- 7.8. Regardless of fault, the Seller is responsible for claims related to the infringement of third-party rights in the use of the Delivered Goods, including the infringement of industrial and intellectual property rights (collectively "Third Party Rights"). The Seller is obliged to indemnify the Buyer and the Buyer's clients for all claims arising from the infringement of Third Party Rights. The Seller is aware that the Buyer's products are used worldwide.
- 7.9. The Seller is not responsible for the infringement of Third Party Rights if the delivered goods were manufactured according to designs, drawings, descriptions, and specifications provided by

the Buyer and in this context, the Seller did not know or could not have known that Third Party Rights could be infringed.

- 7.10. In the event of infringement of Third Party Rights, the Contracting Parties are obliged to immediately inform each other as soon as they become aware of it; to consult on the associated risks and the extent of the infringement; and to provide each other with the opportunity to defend against claims by third parties.

8. Product Liability and Insurance

- 8.1. Unless otherwise provided in these purchasing conditions, the Seller is liable to the Buyer according to the statutory provisions on product liability. In the event of the Seller's liability towards the Buyer, the Seller is obliged to indemnify the Buyer against third-party claims.
- 8.2. In the event of a product liability claim against the Buyer, the Seller is obliged to indemnify and release the Buyer from such claims if the damage or loss was caused by defective goods supplied by the Seller. In this case, the Seller is obliged to reimburse the Buyer for all costs and expenses incurred in taking measures to avert the risks, especially in relation to legal steps and recall measures. If feasible and reasonable, the Buyer will inform the Seller about the recall measures and allow the Seller to comment on them.
- 8.3. The Seller is obliged to take out adequate product liability insurance with an official insurance company, which covers the financial losses associated with the product, as well as the potential costs of recalls. The product liability insurance must cover the costs of purchasing new products, repair costs, replacement and supplement, recall or destruction costs. The insurance shall be valid worldwide. The Seller is obliged to present the document proving the insurance at the request of the Buyer.

9. Reservation of Rights

- 9.1. The Buyer expressly rejects all forms of reservation of rights by the Seller. The validity of the Seller's reservation of rights is subject to a written agreement.

10. Buyer's Stocks ("Reserves")

- 10.1. Stocks ("Stocks") that the Buyer hands over to the Seller with the purpose of enabling the Seller to fulfil their contractual obligations remain the property of the Buyer and may only be used in accordance with the Contract. The Seller may only process and transform the Stocks for the benefit of the Buyer.
- 10.2. If the Stocks are permanently mixed with other products not owned by the Buyer, the Buyer acquires co-ownership of the new products proportionate to the value of the Stocks relative to the new mixed product at the time of the process.

11. Production Tools

- 11.1. Samples, models, casting moulds, templates, tools, and other products; Stocks (hereinafter: Production Tools) remain the property of the Buyer. Production Tools acquired or manufactured by the Seller for the purpose of fulfilling the delivery contract with the Buyer become the property of the Buyer. The intellectual and industrial property rights related to the Production Tools belong to the Buyer. The Seller may use the Production Tools exclusively for the production of the Buyer's products and for the fulfilment of the contract with the Buyer, and must handle them with appropriate care.

11.2. The Seller is obliged to hand over the Production Tools to the Buyer at any time, immediately upon request, without the Buyer having to justify such request. Those Production Tools which remain with the Seller after the last delivery of goods can only be destroyed following prior written instruction. The Seller may demand the Buyer to take back any remaining Production Tools.

12. Confidentiality

12.1. The Contracting Parties treat all non-public operational and technical information, which they become aware of during their business relationship, as strictly confidential and as business and commercial secrets. The Seller extends its confidentiality obligation to all third parties to whom it must provide information or access to business and commercial secrets during joint work (including employees and subcontractors).

12.2. Production Tools, drawings, sketches, manufacturing data and similar objects provided by the Buyer must not be transferred or made accessible to unauthorized third parties; they may only be transferred to the Seller's subcontractor after the prior written acceptance of the corresponding confidentiality obligations. Copying the aforementioned documents is only permitted within the scope of operational requirements and applicable legal provisions, following the Buyer's written permission.

13. Withdrawal, Termination of the Contract

13.1. In addition to the legal provisions on withdrawal or termination of the contract, the Buyer is entitled to terminate the purchase contract with immediate effect if the Buyer no longer delivers the agreed products to its customers.

13.2. If the Seller's economic situation deteriorates during the term of the contract to such an extent that the fulfilment of the contract is seriously endangered, or if a petition for insolvency proceedings against the Seller is filed and is not dismissed for being unfounded, or if insolvency proceedings are rejected due to lack of assets, the Buyer is entitled to withdraw from the contract regarding the remaining deliveries. The Buyer is entitled to withdraw from the entire contract if it is not interested in partial performance.

13.3. The Buyer is also entitled to withdraw from the entire contract if the obligations set out in the contract cannot be fulfilled for more than 30 days due to force majeure; or if the Seller breaches its delivery obligations to the Buyer and does not fulfil them despite written demand; or if other circumstances described in the laws and regulations occur.

13.4. If the Seller only partially fulfils its delivery obligations, the Buyer may only terminate the entire purchase contract if the partial delivery in question is not in the interest of the Buyer.

13.5. The points of this Chapter 13 do not limit or exclude other legal rights and claims.

14. Force majeure

14.1. Unforeseeable, unavoidable, insurmountable, severe and external events beyond the control of the Contracting Parties (force majeure) shall release the Contracting Parties from their mutual obligations under the contract for the duration of the event. Force majeure is only acceptable if it directly affects the fulfilment of the terms stipulated in the contract. The Contracting Parties are obliged to inform each other without undue delay in the case of force majeure and to modify their obligations in good faith based on the changed circumstances.

14.2 If the duration of the impediment results in the Contracting Parties being essentially deprived of what they were entitled to under the Contract, the affected party has the right to terminate the relevant contract by notifying the other party within a reasonable time. Unless otherwise agreed, the Parties expressly agree that either party may terminate the Contract if the duration of the impediment exceeds 3 months.

15. Data Processing and Data Protection

15.1 As data controllers and processors, the Contracting Parties are obliged to protect the personal data of individuals acting as agents or contacts on behalf of the Contracting Parties during the processing of personal data.

15.2 Personal data electronically or on paper (as part of the Contract or its appendices) provided by employees to each other, particularly names, positions, email addresses, telephone numbers, are processed by the Contracting Parties in the course of their business activities in connection with contracts they have entered into or will enter into, for the purpose of concluding or fulfilling the contract and maintaining contact, to the extent necessary for the conclusion or performance of the contract and contact maintenance (GDPR Article 6 (1f). and (1b).). Personal data are stored in the IT systems of the Contracting Parties; the data are not processed in any other way.

15.3 The Contracting Parties guarantee that access to the aforementioned personal data is limited to individuals authorized based on their positions necessary for the performance of their duties. These employees must sign a confidentiality statement.

15.4 Personal data are stored by the Contracting Parties only for the period specified by law or until the purpose of data processing is achieved, but for no longer than five years following the conclusion of the last business activity. Compliance with the provisions on data security as defined in GDPR Article 32, i.e., the implementation of appropriate technical and organizational measures, ensures adequate protection of personal data, including protection against unauthorized or unlawful processing and against accidental loss, destruction, or damage of data.

15.5 After the period defined for data processing purposes has elapsed, depending on the decision of the Contracting Parties, all personal data are either deleted or returned to the Contracting Parties. Existing copies shall also be deleted by the Contracting Parties, unless the laws of the EU or individual member states require storage of personal data.

15.6 Without prior written, individual or general consent of the Contracting Parties, other data processors may not be used.

15.7 Specific inquiries related to the processing of personal data must be answered without undue delay, but no later than one month after receipt of the inquiry. The Contracting Parties must provide all information necessary to verify the aforementioned obligations and any information that enables and supports inspections carried out by the Contracting Parties, as processors or by an authorized inspector, including on-site inspections.

16. Code of Conduct

16.1 The Seller undertakes to comply with the provisions of the Code of Conduct for Suppliers, which can be viewed on the following website: [https:// www. phoenix-mecano.hu](https://www.phoenix-mecano.hu)

16.2 If the Seller improperly violates its obligations arising from the Code of Conduct, the Buyer, without prejudice to further claims, has the right to withdraw from or terminate the contract if the Seller fails to remedy the breach within a reasonable period after the lapse of the reasonable deadline (if possible).

17. Final Provisions

- 17.1. The business relationship between the Contracting Parties is exclusively governed by Hungarian law. The application of conflict of laws rules and the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded. The delivery terms are regulated by Incoterms 2020.
- 17.2. The place of performance for delivery is the Buyer's premises or the delivery place agreed upon in the contract.
- 17.3. All disputes arising from or in connection with the contract terms between the Contracting Parties shall be settled through amicable negotiations. Any disputes that cannot be settled within 30 days of their occurrence shall be submitted to the Permanent Court of Arbitration of the Hungarian Chamber of Commerce and Industry, which shall conduct the proceedings according to its own rules. The venue for the arbitration proceedings is Budapest, Hungary. The Contracting Parties agree to continue to fulfil their contractual obligations during the court proceedings, if reasonably expected, except for the part of the purchasing conditions that is the subject of the court proceedings. The court's decision shall be final and binding on both Contracting Parties. The costs of the court proceedings shall be borne by the losing party, unless the court decides otherwise.
- 17.4. These contractual conditions should be interpreted in a manner that complies with applicable legal requirements. If any part of these contractual conditions becomes invalid or unenforceable, the remaining rules must be adhered to by both Contracting Parties in the future. The Contracting Parties agree to replace the invalid or unenforceable provision with another provision that is as close as possible to the original meaning and purpose of the invalid provision. Any amendments, deletions, and additions must be approved by both Contracting Parties in a further written agreement.
- 17.5. These general delivery and payment conditions are prepared in Hungarian, English, and German languages. For the interpretation of the contract, Hungarian language shall be prevailing.

Effective from 1st December 2023