TURCK
Your Global Automation Partner

TURCK HUNGARY KFT. GENERAL TERMS AND CONDITIONS

1. General Provisions

In matters not regulated by the contract concluded between Turck Hungary Kft. (company registry no.: Cg.01-09-666923, registered seat: Árpád fejedelem útja 26-28, 1023 Budapest, Hungary; tax nr.: 12328224-2-41) as supplier (hereinafter referred to as the Supplier) and the Purchaser, the provisions of the present General Supply Conditions' provisions shall prevail.

The present General Supply Conditions shall be utilised – unless otherwise indicated – for all orders between the parties. Insofar as parties concluded a separate written contract between the parties, and the provisions of said contract differ from the present General Terms and Conditions, the conditions defined in the separate contract shall prevail.

Any deviation from or modification and amendment of the General Supply Conditions shall only be possible in written form by the authorized representatives. The modification of the product range and any modification in the price list by the Supplier, shall not constitute an amendment of the contract.

The Purchaser 's General Terms and Conditions differing from or supplementing the present General Supply Conditions are not binding for the Supplier, not even when the Supplier does not explicitly object to said terms. The General Terms and Conditions of the Purchaser shall only constitute a sole and exclusive part of the contract when the Supplier expressly accepts said conditions in writing. Insofar as the Supplier's General Supply Conditions and the Purchaser 's General Terms and Conditions are in contradiction, the Supplier's present General Terms and Conditions shall prevail (prevailing rule). Insofar as the general terms and conditions of the Purchaser, properly dispatched and received by the Supplier should contain a similar prevailing rule and the conflict of conditions cannot be resolved, the provisions of the existing Hungarian legislation shall prevail instead of the conflicting provisions.

The customary form of operations previously agreed between the Supplier and the Purchaser shall not be considered as a part of the contract, neither the practices established between said parties, unless the parties have separately agreed to such a course of action in writing.

Furthermore, the customary form of operations which are widely known and regularly used by the subjects of similar contract in the given business shall also not be considered to be a part of the contract between the Supplier and the Purchaser, unless the parties have separately agreed to recognize such measures in writing.

The General Supply Conditions of Turck Hungary Kft. solely apply to undertakings defined under Section 8:1(4) of the Civil Code.

2. Purchase Orders

2.1. The Purchaser shall dispatch the purchase orders in writing (by letter or e-mail) to the Supplier. The Purchaser is liable for the late or inaccurate dispatching of purchase orders. The Purchaser is obliged to receive the products they ordered and pay their purchase price.

2.2. Supplier shall confirm the purchase order within 3 working days of its receipt by e-mail, and during this time period, the Purchaser shall be bound by its purchase order.

2.3. Insofar as the Purchaser withdraws the purchase order prior to delivery, the Supplier shall cancel the order on an individual basis. In such cases, the Purchaser is obliged to pay all costs of the Supplier as well as a cancellation fee. The cancellation fee is 10% of the value of the purchase order, but no less than EUR 40.

2.4. The Purchaser is not entitled to withdraw the purchase order or cancel the purchase in case of the so-called purchase order-oriented products. Purchase order-oriented products include products which are not pre-fabricated or which are produced upon the explicit wishes of the order of the Purchaser and/or personalized ("Purchase order-oriented products"). In the case of Purchase order-oriented products, said stipulations are references in both the price quote of the Supplier and the confirmation of said order. The impossibility of the withdrawal and cancellation of the purchase order shall be explicitly recognized by the Purchaser upon ordering Purchase order-oriented products and is obliged to receive the product and pay the purchase price.

2.5. The Supplier is entitled to legally refuse the fulfilment even in the case of confirmed purchase orders, until a) the Purchaser has overdue amounts under any legal ground towards the Supplier, or b) in case of any voluntary dissolution, bankruptcy or winding-up proceedings will be carried out or initiated against the Purchaser, or the Purchaser becomes insolvent and does not provide adequate assurance for the Supplier, or c) the Purchaser otherwise becomes insolvent and does not provide adequate assurance for the Supplier, or d) it is credible due to other different reasons that the Purchaser is unable to settle its invoices in the long term, or c) judicial proceedings or arbitration have been carried out between the Parties and the resolution or the termination of the circumstances are not satisfactorily proven by the Purchaser towards the Supplier.

2.6. The Supplier shall only repurchase delivered products on an individual basis, in existing packaging and in an unharmed technical condition and with all the parts and documents in a complete and undamaged state. During the repurchase process, Supplier is entitled to reducing at least 20% from the net price as a repurchase lump sum from the payable purchase price listed on the invoice issued to the Purchaser. Said deduction can exceed the 20% in case the proven costs and damages of the Supplier exceed this percentage. The refund of this decreased purchase price is paid subsequently, after the product was returned. The Purchaser shall return the brought back product at its own expense and risk to the Supplier's storage facility.
The repurchase stipulations set forth in the present item do not apply to Purchase order-oriented products.

3. Delivery

3.1. The Supplier shall be entitled to perform pre- and partial deliveries without the Purchaser's approval. The Supplier shall be entitled to set an additional deadline, within three days after the expiration of the delivery deadline to replace the original delivery deadline, which the Supplier shall previously confirm with the Purchaser. The condition of adhering to the delivery deadline is that the purchase order is technically finalised and approved by the Purchaser and all documents and permits required for the safe, punctual and professional delivery are submitted on time and the Purchaser fulfils the agreed conditions and additional responsibilities. Insofar as said conditions are not fulfilled on time, the delivery times shall be prolonged, that is the delivery deadline will start from the day when said conditions are fulfilled.

3.2. The Supplier shall pack the product in accordance with professional procedures suitable for domestic transfer. Packaging of any other nature shall only be provided at the special request and at the expense of the Purchaser. The Supplier is not obliged to cover any advance costs in lieu of the Purchaser.

3.3. Products designated for self-arranged transport shall be taken over within 3 working days subsequent to their reported completion. The Supplier shall be entitled to charge storage and handling fees and cancel the purchase order in case a product is not taken over within the deadline. Insofar as the Supplier fails to cancel the purchase order, the Purchaser still bears the risk of the destruction, loss or damage of the product in the case of delayed take over as if the product had been taken over on time.

3.4. Insofar as the dispatching or delivery of the products are to be postponed at the Purchaser's request, a storage fee of 0.5% per week of the purchase price shall be charged the Purchaser. The Supplier, however, can also claim the reimbursement of any additional proven costs related to the delivery from the Purchaser. If the storage period exceeds 30 days after the

reported arrival, due to reasons laying with the Purchaser, the Supplier is entitled to unilaterally cancel the purchase order and claim the costs and damages incurred from the Purchaser.

4. Purchase price and payment terms

4.1. Payments shall be performed in the order assigned by the Supplier and approved by both parties.

4.2. Purchaser is solely entitled to set-off its demands as purchase price debt against the Supplier if it is expressly acknowledged by the Supplier and is an expired or legally binding expired claim declared by court.

4.3. In the case of default payment, Purchaser shall pay interest for default to Turck Hungary Kft, equivalent to the valid prime rate on the first day of the calendar half-year involved in the default increased with eight percent of the prime rate of the central bank, from the first day of the default to the day of payment. Upon calculating the interest, the prime rate of the central bank on the first day of the calendar half-year involved in the default shall be applied for the entire time of the calendar half-year. If Purchaser defaults on payment and fails to settle the debts within 5 business days following the first written notice, Supplier shall invoice a recovery lump sum of EUR 40.

5. Retention of title

5.1. Supplier shall retain ownership of the delivered products until full payment of the purchase price. Supplier is entitled to register the ownership and the identity of the Purchaser in the collateral registry at any time, and Purchaser is obliged to bear the cost and any related advance costs. In the case of default payment or breach of contract, at the Supplier's demand, Purchaser is obliged to return at its own expense the products for which Supplier retained their ownership to a place specified by Supplier. In such cases, Purchaser must inform Supplier without further notice of the location of the unpaid products of the Purchaser and must ensure that Supplier can arrange for their transfer insofar as Purchaser fails to return them within a reasonable period despite the provision listed above.

5.2. Products sold with retention of title can only be modified, processed, combined, or united with other materials by Purchaser if the Supplier granted its prior written consent to this.

5.3. During the retention of title, Supplier can authorize in writing for Purchaser to sell the ordered and delivered products to third parties, however, in such cases Purchaser can only use the payment received from third parties to pay the invoiced price to the Supplier. For the duration of the retention of title it is forbidden to encumber the product with mortgage, or any other encumbrance or alienate the products without the Supplier's permission.

5.4. Purchaser is obliged to inform Supplier without delay of any legal or non-legal procedures and claims initiated by third parties concerning the products encumbered by retention of title. The Supplier's costs arising from such cases of intervention shall be borne by the Purchaser.

6. Force majeure

6.1. Events, such as wars, civil uprising, strikes, pandemia, natural disasters, fire, terrorism or the threat of such events and all the security measures arising from them that occur regardless of the will, actions and person of the Parties, as well as the physical and legal obstacles or other unavoidable and unforeseeable emergencies arising with any of the partners of the Parties count as force majeure, which considerably obstruct or render impossible the fulfilment of the purchase order, provided that said circumstances occur subsequent to the confirmation of the order or before the confirmation of the order, yet were not foreseeable at that date.

6.2. Force majeure events exempt Parties of their performance of obligations to such an extent that the force majeure event prevents the Party concerned in executing their contractual obligations. The exemption is valid only for the period in which the effect of the event in question exists.

6.3. The party affected by a force majeure event shall inform the other Party without delay of the commencement, nature and, if possible, the expected termination of such an event. A force majeure event in itself does not exempt the notifying Party of obligations that were already overdue before the event, or which were not affected by force majeure.

6.4. In the case of force majeure, when fulfilment is impossible, the applicable provisions of the Civil Code (Ptk.) shall be applied, i.e. if neither Party is responsible for the impossibility of fulfilment, the financial remuneration of the services rendered prior to the termination of the contract are to be reimbursed. Insofar as the other Party failed to fulfil the services already paid for, the financial remuneration is to be refunded.

7. Defective performance

7.1. Purchaser is obliged to examine the delivered products in the shortest period of time possible, and confirm whether the fulfilment was acceptable. The quantitative shortcomings, possible damages and qualitative defects of the delivered products shall be recorded and reported upon receipt, and should be acknowledged by the carrier as well, insofar as the transfer was not arranged by the Purchaser. In the case of delivery by carrier, Purchaser is obliged to – in the interest of Supplier – make timely and appropriate arrangements necessary for the enforcement of claims against the carrier. Failure to do so does not serve as grounds for the Purchaser to demand the reimbursement of damages that could have been implemented against the carrier. Purchaser is obliged to receive the shipment even in case of its non-significant deficiency.

7.2. Without the infringement of the shorter deadlines provided to submit complaints about the carrier, Purchaser shall inform Supplier about of any obvious errors no later than 14 days after delivery, otherwise Supplier is exempted from liability.

7.3. In the case of latent defects, Purchaser is obliged to inform Supplier subsequent to the discovery of the defect in the shortest time possible allowed by the circumstances. Purchaser is responsible for any damage caused by late notification.

7.4. In the case of disputes arising from defective performances, the Purchaser must prove that the product was already defective upon delivery, furthermore they must prove the date of the discovery of the defect, and that under the circumstances it was reported within the shortest possible time after its discovery.

7.5. In the case of defective performance, Supplier undertakes to provide for the repair or exchange (replacement) of the product or an equivalent discount.

8. Warranty

8.1. Supplier provides a guarantee (warranty) for the products it delivered, for 12 months from purchase. The warranty is valid only for lack of errors and operation free of errors while the product is used for its intended purpose.

8.2. The warranty obligation of Supplier does not extend to normal wear, misuse and abuse, error or deficiencies arising from any reckless mismanagement, damage, excessive use, use of inadequate fuel, damage arising from faulty construction work, construction at an unsuitable location or resulting from such external influences that cannot be assumed based on the contract, and arising from non-reproducible software failure, or other error or deficiencies resulting from any other impact for which the Supplier is not liable based on the present contract or other legal provisions. Supplier is exempt of warranty obligations if defects occur due to the assembly and installation work of the product carried out by the Purchaser or third parties, or modifications, repairs, conversion or other works that differ from the user manual.

8.3. Appropriate time and opportunity shall be provided for the Supplier to carry out repairs. If such opportunity is not provided, Supplier is exempt of warranty obligations.

8.4. In the case of complains submitted within the warranty period, the Supplier is not obliged to provide a replacement device.

8.5. Purchaser is obliged to accept the official report of the manufacturer on the testing of the product regarding the warranty claims. Insofar as Supplier incurs any expenses resulting from the testing, and the test results show that Purchaser's qualitative objection was unfounded, Purchaser is obliged to reimburse the Supplier's testing costs (including the transfer costs to and from the testing location, and the testing cost itself).

8.6. In relation to the warranty, Supplier excludes liability of any nature that exceeds warranty obligations, concerning any damage occurred at the Purchaser's premises in relation to warrantied products delivered by the Supplier. The above-mentioned exceeding of liability is not applicable in cases when liability could not be ruled out or could not be limited pursuant to the Civil Code. These include, in particular, product liability claims made by the Purchaser, and other damages caused to life, physical well-being and health by the Supplier.

9. Liabilities

Supplier is solely liable for non-compliance resulting from slight negligence in the case of non-compliance with a basic contractual obligation and the liability – based on the nature of the product – is limited to foreseeable, average and direct damage concluded in the contract. The party citing non-compliance shall take all reasonable actions – considering the circumstances – necessary to reduce the damage resulting from non-compliance, including the arrears of profit. If the aforementioned actions fail to be taken, the non-compliant party may claim the amount of compensation to be reduced by an amount equal to the sum by which the aforementioned actions could have eased the occurring or the amount of the damage.

The aforementioned limitation of liability shall not be applicable in cases of non-compliance, when the liability shall not be excluded or limited based on the Civil Code. These particularly include cases such as product liability claims of the Purchaser, or the damage to life, physical safety and health caused by the Supplier.

10. Intellectual property rights

Pursuant to the present contract, the rights of exploitation of the works at the disposal of Purchaser (software, plans, etc.) protected by copyright are rendered to the Purchaser non-exclusively and with a non-transferable nature for an unlimited duration. Purchaser is entitled to use the software supplied with the product together with the supplied product or for the aim of operating it in an unchanged form and for the purpose designated in the technical specifications. Purchaser shall not hand over the intellectual property and the related documentation to a third party on any legal grounds or agreement, or make it accessible to such persons by any means. Purchaser shall not copy, develop, undevelop or delete the intellectual property. Purchaser shall reimburse all the damage of the Supplier including the arrears of profit, resulting from non-compliance of this clause.

11. Miscellaneous clauses

11.1. In any provisions of the contract shall be held invalid, the validity of the remaining provisions shall not in any way be affected or impaired thereby, except in the cases in which the parties would not have concluded the contract without the invalid provisions or the contract would entail an inappropriately heavy burden for one of the parties without the invalid part.

11.2. Legal declarations of the parties are only valid when issued in a written from.

11.3. Parties shall handle the information, documents and data they became aware of and came into possession of as confidential business information. Providing said information to a third party is only permitted with the prior written consent of the other party.

11.4. Both parties shall take reasonable measures to prevent actions and circumstances that may affect the substantial contractual interests of the other party.

11.5. Parties undertake to inform each other about any changes in their data (name, address, phone number, bank account number) within 8 days. For damages arising from not providing the changes in the data (delayed payment or payment sent to the wrong bank account), the person failing to provide said changes shall be held responsible.

11.6. The Supplier's contact information is the following:

Company name: TURCK Hungary Kft.
Registered seat: HU-1023 Budapest, Árpád fejedelem útja 26-28.
Company reg, no.: Cg,01-09-666923
Tax no.: 12328224-2-41
Representative: Tibor Estók
Telephone number: + 36 1 477 0740
E-mail address: hungary@turck.com

11.7. The Supply conditions set forth herein and the contract shall be governed exclusively by the provisions of Hungarian law, particularly, yet not exclusively, by the provisions of the Civil Code. The parties consent to the exclusive jurisdiction and venue of the Hungarian courts.