



## Ganz Transformers and Electric Rotating machines Ltd.

### GENERAL PURCHASE CONDITIONS

(hereinafter: “GTC”)

<b>Date of entry in force</b>	2020. 11. 01.
<b>Last amended</b>	2022. 11. 02.
<b>Validity</b>	Indefinite – until revoked/entry in force of a newer version
<b>Version</b>	1.5.

#### 1. PRECEDENCE

- 1.1. Unless otherwise specifically agreed in writing by Ganz Transformers and Electric Rotating machines Ltd. (hereinafter: “GANZ”), the following purchase terms and conditions (hereinafter: “GTC”) shall govern all purchases placed by GANZ with the Supplier (hereinafter: “Supplier”). Any terms and conditions in Supplier’s enquiries, purchase orders, other forms, letters or elsewhere, that deviate from or contradicts with GANZ’s GTC are excluded, unless GANZ expressly accepts them in writing or the Parties specifically agree to them in.
- 1.2. Supplier shall mean any person or entity (including its affiliates where applicable) that enters into an agreement with GANZ for the supply of goods or services (hereinafter: “Goods”) to GANZ.

#### 2. ACCEPTANCE OF ORDERS

- 2.1. Purchase Orders (hereinafter: “Order”) may be issued by GANZ to the Supplier in writing by post, fax or e-mail and shall be considered to be accepted and to constitute an agreement (hereinafter: “Agreement”) between the Parties if the Supplier fails to reject the order expressly to GANZ within three working days including the receipt day of the Order or if GANZ does not cancel the Order within the same period.
- 2.2. Orders shall be deemed to be accepted by the Supplier if the Supplier:
  - 2.2.1. expressly acknowledges GANZ’s Order in writing;
  - 2.2.2. delivers any Goods to GANZ specified in the Order; or commences the performance of the services under the Order.



- 2.3. In the above cases, a valid and effective Contract is concluded between GANZ and the Supplier upon commencement of performance, the exclusive content of which shall be the terms and conditions set out in this GTC. GANZ shall simultaneously reject any modification or addition made by the Supplier, unless the Parties have previously agreed in writing on the modification and/or addition in the Contract.
- 2.4. Each Order issued by GANZ shall have an order number. Orders that do not have an individual identification number will not be recognized as issued by GANZ, therefore such Orders will be considered invalid and not binding. Orders are deemed to be received
- 2.4.1. on the day of sending if it was sent by e-mail before noon;
- 2.4.2. on the next business day following the day of sending if it was sent after noon;
- 2.4.3. on the second business day after dispatch if delivered by post.
- 2.5. Any Order that is not signed/sent by an authorized GANZ employee, identity of whom shall be communicated to the Supplier upon request, is invalid and any execution of such Order is at the sole risk and expense of the Supplier.

### **3. CHANGE ORDERS**

- 3.1. The Supplier shall approve, within 5 business days from receipt of the relevant notification, any modification initiated by GANZ to an already concluded valid and effective Contract or a contractual provision between the Parties, It is also obliged to inform GANZ of any changes in the terms and conditions and of any changes in the dates of performance and fees as a result of the amendment.
- 3.2. If the Supplier fails to confirm or reject the amendment within the deadline set out in clause 3.1, the amendment shall be deemed to have been accepted.
- 3.3. The Supplier is entitled to request a change in technology or material if during production a new and previously unknown circumstance arises. The change may only take effect if it has been
- 3.3.1. submitted in writing by the Supplier to the GANZ employee authorized for keep contact;
- 3.3.2. accepted by GANZ's representative in writing.

### **4. PRICES**

- 4.1. The prices stated are in the currency specified by the parties in the individual contract, which is also the currency of account and payment after the Agreement. Unless agreed otherwise by the parties, after the issuance and confirmation of the



Order the prices are firm and not affected by any indexation, price increases of any kind or exchange rate fluctuations.

- 4.2. The purchase price includes in addition to the product/service, all technical and commercial services indicated in the quotation, including but limited to: packaging, documentation, freight charges in accordance with the freight parity.
- 4.3. Supplier warrants that such prices are not in excess of the lowest prices charged by Supplier to other similarly situated customers for similar quantities of Goods of similar kind and quality.

## 5. PAYMENT TERMS

- 5.1. The Supplier's invoice shall include GANZ order number, order line, article number, GANZ warehouse code number and any supplementary information requested in the Order and be provided to GANZ in duplicate. Failing which, GANZ is entitled to reject the Goods and/or the invoice and return them to the Supplier. Any delay resulting therefrom, is not to be deemed as late payment.
- 5.2. The Supplier's invoices are payable 60 days of the delivery of the Goods to GANZ, except where the Parties expressly agreed otherwise in the specific Order.
- 5.3. GANZ reserves the right to pay invoices in Euro or in the agreed national currency, in conformity with legal and regulatory provisions, without this constituting any other modification of the Parties' rights and obligations.
- 5.4. Procedure for sending invoices
  - 5.4.1. The invoicing address of the GANZ is Budapest, Sas utca 1. II. floor 1. No invoice management is carried out at this address.
  - 5.4.2. Invoices are to be sent
    - 5.4.2.1. in physical form (letter, courier, personal delivery) to the following address: HU-1095 Budapest; Soroksári út 30-34. Haller Gardens Office Building, staircase C, 5th floor;
    - 5.4.2.2. electronically to the following e-mail address: [invoice@ganzelectric.com](mailto:invoice@ganzelectric.com).
  - 5.4.3. Supplier is obliged to send the invoice to GANZ both electronically and on paper.
  - 5.4.4. Invoices are considered as received
    - 5.4.4.1. on the day of sending if sent via e-mail before 12 a.m. CET;
    - 5.4.4.2. on the following business day after dispatch, if sent via e-mail after 12 a.m. CET;



5.4.4.3. on the second business day after dispatch if sent via post.

5.4.5. The payment deadline starts from the date of receipt of the invoice.  
GANZ is not liable for late payment in case of late arrival of the invoice.

5.4.6. Processing time of invoices is 3 days at most.

## **6. DELIVERY**

6.1. Unless expressly agreed otherwise in writing in the specific Order, or Contract all Goods shall be delivered DDP (as specified in Incoterms 2020).

6.2. Delivery dates stipulated in accepted Orders or concluded Contracts are binding upon the Supplier. The Supplier is obliged immediately inform GANZ in writing in case it will be unable to meet the delivery deadline. Supplier is not entitled to make partial delivery or delivery before the agreed delivery date(s), unless expressly agreed otherwise in writing in the specific Order or Contract. GANZ reserves the right to refuse delivery of Goods and return same at Supplier's risk and expense if Supplier defaults in the manner and time of delivery or in the rate of shipment. GANZ shall not be liable for any costs incurred related to production, installation, assembly or any other work related to the Goods prior to delivery in accordance with this GTC.

6.3. The Supplier shall not be released from its obligation to deliver on the delivery date as a result of any strikes on its side, its own supplier's failure or any shortage in raw or other materials, and for any ongoing, foreseeable circumstance arising from economic circumstances, which is foreseeable and, at the time of its occurrence, deemed to constitute force majeure of which the parties are aware at the time of the conclusion of the contract.

6.4. All Goods ordered shall be delivered during the working hours of the warehouse of which the address is mentioned on the Order.

Working schedule of GANZ's Tápiószele warehouses:

- opening hours on business days 07 - 16.00 and on Fridays 07 - 14.00
- Last loading starts on business days: 15.00 and on Fridays 13.00

GANZ reserves the right to unload vehicles arriving outside working hours or not ready for loading by the above times on the business day following their arrival. The Supplier shall be liable for any costs arising therefrom. The Supplier or its transport company shall organize the deliveries in accordance with the time schedules detailed above.

GANZ and the Supplier, or its transport company is obliged to sign upon delivery, a delivery or dispatch document, at least one copy of which must be made available to GANZ, which must include at least the following



- 6.4.1. GANZ order number, article number;
  - 6.4.2. GANZ warehouse code number (RM1; RM2; RM3; PT);
  - 6.4.3. the number of items or gross/net weight;
  - 6.4.4. any Goods subject of that same Order that remain to be delivered.
- 6.5. GANZ reserves the right to reject Goods which are not accompanied by such dispatch document, in which case they return to the Supplier at its risk and expense.
  - 6.6. Supplier shall be responsible for any loss or damage due to its failure to properly preserve, package, handle, or pack of the Goods; GANZ shall not be required to assert any claims for such loss or damage against the common carrier involved.
  - 6.7. Signature of this dispatch document does not indicate any recognition or acceptance regarding the state of the Goods nor any waiver on GANZ part to the rights it has in case of late delivery
  - 6.8. Any erroneous Goods delivered by the Supplier shall be returned to the supplier at its risk and expense, unless expressly agreed otherwise in writing in the specific Order. GANZ shall prepare a so called "Non-Conformity Report" ("NCR") on the erroneous Goods, missing items of which administration costs, i.e., EUR 50 per each breach shall be paid by the Supplier.
  - 6.9. The Supplier shall be responsible for ensuring that the intermediate transporters comply with the basic work safety requirements of GANZ and have all essential safety equipment, such as:
    - 6.9.1. safety helmets;
    - 6.9.2. safety boots;
    - 6.9.3. visibility vest.

## **7. PACKING**

- 7.1. Packaging is included in the purchase price, except if explicitly provided otherwise. The Supplier shall use its best endeavors to keep packaging minimal and to use environmentally friendly packaging. If the parties agree that the packaging is not to be included in the purchase price, such packaging shall be returnable to the Supplier, at its risk and cost.
- 7.2. Supplier shall pack, mark and ship the Goods in accordance with sound commercial practices and GANZ's specification in such manner as to prevent damage during transport and to facilitate efficient unloading, handling and storage, and all Goods shall be clearly marked as destined for GANZ (order number, article number, warehouse code number, and any other specifically requested item). The cost of packaging is included in the price indicated in the individual Orders.



- 7.3. Packaging will be designed to unload by fork truck and stowage of the Goods will be accordingly. Available forklifts: 2t forklift; 5t forklift.
- 7.4. The Supplier shall clearly identify the Goods. This shall be done either on the packaging or on the product, as appropriate to the nature of the Goods. Goods not received in a clearly identifiable manner shall be deemed to be faulty deliveries.
- 7.5. Identification is based on the article number on the individual Order. The Supplier shall indicate this accurately and in full on the Goods.
- 7.6. The Supplier shall indicate the product identification number on all Goods physically divisible. In the case of Goods with the same article number where both parts can be moved and machined separately, it shall be marked separately on both half.
- 7.8. Identification shall be done in such a way that the identification is accessible when the Goods are loaded.

## **8. RISK AND TRANSFER OF OWNERSHIP**

- 8.1. Ownership of, and risks relating to, the Goods supplied by Supplier shall be transferred to GANZ upon delivery.
- 8.2. In the event that GANZ cancels the Order or rescinds the contract for lack of conformity or defects in the Goods, ownership and risks of the supplied Goods shall automatically revert to the Supplier.

## **9. ACCEPTANCE OF GOODS, CUSTOMERS INSPECTION**

- 9.1 For the purposes of acceptance, quantities and weights shall be those measured at the premises of GANZ. Certain Goods cannot be tested appropriately before the production process and so acceptance shall not take place before, in which case payment of the invoice relating to the Goods shall in no event be deemed acceptance of the Goods. Quality complaints detected during processing are considered live complaints, regardless of the date of physical receipt of the Goods by GANZ and have no statutory limitation period. Acceptance covers visible defects of the Goods or any apparent lack of conformity with the product specifications but does not cover any latent defects or lack of conformity with the product specifications. Inspection of or payment for the Goods by GANZ shall not constitute acceptance. Inspection or acceptance of or payment for the Goods shall not release Supplier from any of its



obligations, representations or warranties under this GTC.

- 9.2. In the event the delivered Goods fail to meet the product specifications and/or the quality requirements GANZ shall inform the Supplier of its refusal to accept the Goods and the reasons for such refusal, and its proposals for correcting the non-compliance.
- 9.3. GANZ may either grant the Supplier a reasonable remedy period in which to make the Goods conform with the product specifications and/or quality standards or may immediately (or after any remedy period that failed to produce the required Goods) cancel the Order and rescind the contract with immediate effect and without any indemnification being due to the Supplier. GANZ is entitled to repairs the Goods itself at the costs of the Supplier, in case the Supplier refused to do so itself, or it is not economically viable or the delay caused by the repair by the Supplier is not acceptable. Without prejudice to the above GANZ has the right to claim damages for any loss suffered as a direct or indirect result of the said failure, such as the costs of any testing by GANZ or any third party, loss of profits, loss of clientele, loss of economies of scale, personal injury or death or damage to property, third party claims and furthermore such deliveries are considered as delinquent and the provisions of section 12.1. apply. GANZ is entitled to return any refused Goods to the Supplier at the Supplier's cost and expense and any payments made by GANZ to the Supplier relating to such Goods shall be immediately reimbursed to GANZ.
- 9.4. Visits may be made by GANZ to the plant of the Supplier during normal working hours, providing the supplier is given 24 hours' notice, to allow GANZ to check the manufacturing process and test the Goods, for which purposes the Supplier shall provide all reasonable access and facilities. Prior to delivery, the Supplier shall undertake tests to check that the Goods correspond to the product specifications. GANZ has the right to assist at such tests or to be given a copy of any test results. Such visits, assistance at tests or information regarding test results are only for the purposes of information and cannot be taken to mean any acceptance, on the part of GANZ, of the Goods, their components, the production process or the equipment used. In the event that such visits or tests clearly show that the Goods will not meet GANZ's product specifications or delivery dates and the contract between the parties implies successive deliveries, GANZ may cancel its Order and rescind the contract with immediate effect, without any indemnification being due to the Supplier and without prejudice to GANZ right to claim damages. GANZ expressly reserves the right to carry out this activity through its agents.
- 9.5. The commercial quality and technical documentation necessary for the acceptance and/or putting into use of the Products are integral parts of the Products. The Supplier shall ensure that these are available at the latest at the time of acceptance of the products.



## 10. QUALITY

- 10.1. The Goods supplied by the Supplier shall correspond to the product specifications stipulated in GANZ's Order or as agreed otherwise and shall be suitable for the purposes for which they are intended for. In general, such Goods shall meet the highest standards of workmanship and respect all relevant environmental and health and safety laws or regulations. In so far as possible, the said Goods and their components shall be biodegradable, reusable or recyclable. Goods shall not violate or infringe any third party domestic or foreign patent, copyright, trade secret, trademark or other intellectual property rights. All Goods must strictly comply with the specifications, approved samples and other requirements.
- 10.2. The accompanying documentation of the Goods (such as, but not limited to: technical documentation, operating instructions, etc.) shall form an integral part of the performance. Their absence or incomplete compilation shall be deemed as default performance.

## 11. WARRANTY

- 11.1. Without prejudice to any legal provisions regarding warranty, the Supplier guarantees the Goods against latent defects and non-apparent lack of conformity with the specifications and/or quality standards, except in such cases where the Supplier undoubtedly proves that the latent defect was not attributable to it. The Supplier shall immediately repair or replace any such Goods at its own cost. The replaced or repaired product must also comply with the specifications, and the warranty will restart from the date of replacement or repair regarding the replaced or repaired part. Warranty covers all defects directly attributable to the design or resulting from a defect in materials or workmanship. During the warranty period in respect of Goods that are not manufactured by the Supplier but are sold to GANZ by the Supplier, either directly or by incorporation into Goods manufactured by the Supplier, the Supplier shall be liable for such Goods to the extent of the applicable warranty for the Goods manufactured by the Supplier.
- 11.2. Without prejudice to the above, GANZ has the right to claim damages for any loss suffered as a direct or indirect result of any defect, or failure to reach quality standards or conformity with specifications, of the Goods provided by the Supplier, such as loss of profits, loss of clientele, loss of economies of scale, personal injury or death, damage to property or third party claims.
- 11.3. If any Goods or service is defective or otherwise not in conformity with the requirements of this GTC, GANZ shall notify the Supplier and may, without prejudice to any other right or remedy entitled to the followings under this GTC or at law, at its sole discretion:



- 11.3.1. claim a full refund of the price paid under This GTC; or
- 11.3.2. require the Supplier promptly to remedy the non-conformance or to replace the nonconforming Goods with Goods in conformity the specifications.
- 11.4. GANZ is entitled to decide to carry out the repair at GANZ's premises or the defective product/part have to be returned to Supplier's premises for replacement, or any other solution.
- 11.5. Supplier shall bear all costs of repair, replacement and transportation of the nonconforming Goods and shall reimburse GANZ in respect of all costs and expenses (including, without limitation, inspection, handling and storage costs) reasonably incurred by GANZ in connection therewith. Risk in relation to the nonconforming Goods shall pass to Supplier upon the date of notification thereof.
- 11.6. If the repair of the defect is carried out at the premises of GANZ, the Supplier is obliged provide the necessary equipment and personnel (hereinafter: "**Personnel**") for the repair. If any equipment is not available or would be unreasonable to provide, the Supplier is obliged to notify GANZ in due time. GANZ reserves the right to pass on the costs to the Supplier in the event of reasonable expenses incurred in connection with the use of the Goods.

## **12. BREACH OF CONTRACT**

### **12.1. Delay in delivery**

- 12.1.1. In the event of late performance, the Supplier is obliged to pay liquidated damages for each calendar day of delay in the amount of 0.4% of the gross value of the Goods affected by the delay. The penalty for late payment shall not exceed 50% of the gross value of the delayed Goods.
- 12.1.2. From the second delay onwards - unless clause 12.1.3 applies - the daily penalty rate increases to 0.6%, with the maximum rate increased to 100%, considering the above mentioned penalty bases.
- 12.1.3. In the event of a second or repeated delay by the Supplier exceeding the period specified below, GANZ may claim a lump sum penalty equal to 25% of the gross value of the Goods affected by the delay and may terminate the framework contract with immediate effect.
- 12.1.3.1. if delivery period is between 1 and 60 (calendar) days – delay is up to 15 (calendar) days,



12.1.3.2. if delivery period is between 60 and 90 (calendar) days – delay is up to 30 (calendar) days,

12.1.3.3. if the delivery time exceeds 90 (calendar) days - the delay reaches 45 (calendar) days.

12.1.4. The Supplier may not validly invoke the COVID-19 pandemic or the Russian-Ukrainian war as an excuse for a delay in delivery, or any other impediment to procurement, work organization or other obstacles.

### **12.1. Supplier's default**

12.2.1. In the event of defective performance, the Supplier is obliged to pay liquidated damages equal to 15 % of the gross value of the Goods affected by the defect. The performance shall be deemed defective if the delivered Goods do not comply with the specifications set out by law and in the contract (in particular in the tender documents, tender application and in the offer) at the time of performance.

12.2.2. In the event of a significant or mass defect, the Supplier shall pay a penalty equal to 20% of the gross value of the Goods affected by the defect. In the case of a combination of a significant and a mass defect, the liquidated damages shall be 30% of the previous liquidated damage base.

12.2.2.1. A significant defect is a defect that limits or prevents the usability of the Goods.

12.2.2.2. Mass defects are considered a defects if the proportion of Goods affected by the defect reaches 10% of the quantity of the delivery.

12.2.2.3. In both cases, GANZ may also exercise the right to terminate the contract with immediate effect.

12.2.3. GANZ may assert a warranty claim in addition to the penalty for the Supplier's defective performance.

### **12.3. Refusal of performance**

12.3.1. In the event of impossibility of performance for a reason attributable to the Supplier, or if the Supplier refuses the performance without justification, GANZ may choose between the above consequences of delay and the consequences of impossibility. If it opts for the consequence of impossibility, it shall be entitled to a penalty of 35 % of the gross value of the Goods affected by the refusal. The same amount of liquidated damages may be claimed in the event of impossibility of performance for reasons attributable to the Supplier.



- 12.3.2. The aggregate amount of penalties applicable in the event of late performance, defective performance, refusal to perform without justification or impossibility of performance for reasons attributable to the Supplier shall not exceed 50 % of the gross value of the Goods affected by the default regarding the given delivery.
- 12.4. The above provisions shall be without prejudice to the right of GANZ to claim from the Supplier full compensation for damages not covered by liquidated damages arising from the breach of contract and to exercise any other rights it may otherwise have under contract or law.

### **12.5. Material breach**

- 12.5.1. In the event of material breach, the contract may be terminated with immediate effect by unilateral declaration addressed to the party in breach.
- 12.5.2. It is considered as a material breach – in particular but not exclusively – if any of the followings occur::
- 12.5.2.1. if either party
    - 12.5.2.1.1. applies for bankruptcy or liquidation proceedings or has been declared bankrupt by a court of law with final decision;
    - 12.5.2.1.2. decides on winding-up;
    - 12.5.2.1.3. its tax number is suspended or cancelled;
  - 12.5.2.2. if the party concerned fails to inform the other party of the fact of the commencement of the bankruptcy-, liquidation- or winding-up proceedings against it or by it within 5 business days;
  - 12.5.2.3. if enforcement, attachment or judicial attachment proceedings are instituted against the party;
  - 12.5.2.4. if the Supplier's declaration of suitability is found not to be true;
  - 12.5.2.5. intentional or grossly negligent breach of an obligation under the material conditions of the contract.

### **13. UNITY OF CONTRACT AND ENFORCEMENT OF CLAIMS**

- 13.1. In the event of any failure on the part of the Supplier to perform its contractual obligations, GANZ is entitled to set off any penalties or damages owed by the Supplier against any amounts owed to the Supplier and the right for GANZ to suspend performance of its contractual obligations towards the Supplier.
- 13.2. The Supplier may invoke a set-off or other defense with regard to the relevant Order only; therefore, for example, it may not refuse or withhold payment or the performance of its obligations based on payment delays concerning other



Orders, and it may not set off any amount concerning other Orders or legal relationships against any amount it demands from GANZ as penalty payment concerning the relevant Order.

- 13.3. Submission of claims by the Supplier is subject to a preliminary written notice to be sent to GANZ within 10 days from the date when a claim arises. Such notice shall detail the underlying facts, circumstances and evidence.

#### **14. TRANSFER AND SUBCONTRACTING**

- 14.1 The Supplier may not assign the contract, the Order or its obligations arising from the sale to a third party or use a subcontractor for the performance of the contract without GANZ's prior written consent.

#### **15. SUSPENSION AND TERMINATION OF CONTRACT**

- 15.1. Any serious shortcoming on the side of the Supplier may result in GANZ's right to suspend its obligations, for the duration of the Supplier's failure, after notification in writing to the Supplier. In such case, all obligations that are due within a fixed timeframe may be adjusted accordingly.
- 15.2. Either Party may terminate the Contract in case of breach of the Agreement, or should the other Party file for bankruptcy or liquidation, be declared insolvent by a final decision, under receivership, legally broken up or in liquidation by a final decision, or fails to fulfil its obligation which is considered a material condition under the contract even after the expiry of the grace period.

#### **16. INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION, SECRECY**

- 16.1 Intellectual Property Rights shall mean all rights, licenses, all embedded information including documentary, market related, manufacturing, commercial, industrial information and trade secrets, technology, software, formula, process, intellectual property and other know-how, proprietary technology and confidential information (including, without limitation, ideas, manufacturing, development, production and marketing techniques, specifications, drawings, proposals, financial and accounting data, business and marketing plans, customer and Supplier lists and related information), inventions, research and development data, laboratory technology, rights (registered or unregistered) in design, and manufacturing process and technology, in any form (including, where applicable, those held by GANZ for the manufacture of the Product or of any other product), as well as patents, trademarks, copyrights, trade secrets, designs, drawings and other industrial rights (including, where applicable, those associated with the Product or with any products manufactured by GANZ).



- 16.2 All Intellectual Property Rights provided by GANZ to the Supplier through the specifications or if they arise out of the documents and information shall vest in, and be the exclusive property of GANZ and the Supplier shall acquire no right, title or interest in or to such Intellectual Property Rights.
- 16.3 If the information provided is no longer used for the purposes of the Order or further Orders, it must be returned to GANZ. Without the consent of GANZ, the information specified above may not be used in any other way, in particular it may not be copied, reproduced, transmitted or disclosed to third parties.
- 16.4 Supplier shall indemnify and hold GANZ harmless against and from any claims alleging an infringement of a third party's intellectual property right arising from the Supplier's breach of its obligations under Clause 10 of the GTC.
- 16.5 The Supplier shall be responsible for errors, omissions, or discrepancies in drawings and written information supplied by him or by a third party on his behalf. The Supplier shall reimburse GANZ for the costs of any alterations and repairs carried out by GANZ in connection with the above.
- 16.6 Any equipment or material entrusted by GANZ to the Supplier for the purposes of completing the contract concluded between the parties shall remain the exclusive property of GANZ and shall be clearly marked as such.
- 16.7 The Supplier shall take all due care to ensure that such items are kept safely and shall be liable as depository for any fault. In the event that the Supplier incorporates or adds any Goods or parts of Goods to such material or equipment, physically or through common destination or purpose, such Goods or parts of Goods shall become the property of GANZ and the duties of the Supplier as depository shall be extended to such Goods or parts of Goods, but risks relating thereto shall only be transferred to GANZ upon delivery. The Supplier shall take out adequate insurance coverage for such items.
- 16.8 Both Parties shall treat in strict confidence all matters which are not publicly known or general not accessible, and each party shall deem all data, facts and information, plans and any other information of which it becomes aware as trade secrets, and shall use them only in the exercise of the rights and obligations under the contract, and may only disclose them to third parties with the prior written consent of the other party, and only on a confidential basis and in connection with its obligations under the contract, unless it is required by law, court or any competent governmental or regulatory authority, or as permitted by this GTC. Notwithstanding the foregoing, the parties may disclose the information referred to in this clause in confidence, solely for the purpose of the transactions contemplated by the contract and on a strictly confidential basis, to any person within their own organization who needs to know such information and to the parties' advisors.



16.9 Both Parties shall treat in strict confidence all matters which are not publicly known or general not accessible. If there is any doubt, this confidentiality requirement shall nevertheless be observed. The parties are obliged to respect this confidentiality clause both before the Contract and after the termination of the contractual relationship. This obligation does not affect either party's legal obligation to disclose facts, if such obligation would exist.

## 17. FORCE MAJEURE

17.1 Either Party shall be entitled to suspend performance of its obligations under the Contract to the extent that such performance is impeded or made unreasonably onerous by cases of force majeure, such as but not limited to, acts of God, natural catastrophes, fire, epidemics, perils of the sea, war or civil unrest, embargo, restrictive governmental measures, labor disputes, breakdown in plant, unavailability of transportation or loading facility, failure in supply of public utility or materials, disruption in procurement from Suppliers of parts, or any other cause or circumstances beyond the reasonable control of the Parties.

17.2 If the Supplier is prevented by force majeure from performing any of its obligations under this GTC, the performance of the concerned obligations shall be suspended for the duration of the force majeure. If the circumstances constituting force majeure persist for more than 30 days, GANZ shall be entitled to terminate the contract with immediate effect by written notice to the Supplier without the Supplier being entitled to any compensation after termination. In no event shall force majeure affecting the Supplier include shortages of staff, production or resources, strikes, breach of contract by third parties contracted with the Supplier, financial problems of the Supplier, or the Supplier's inability to obtain any necessary legal or administrative authorizations or permissions in relation to the Goods to be supplied. Invocation of force majeure is explicitly excluded in respect of the COVID-19 pandemic or obstruction due to the Russian-Ukrainian war. ű

17.3 In the event GANZ is prevented from fulfilling its contractual obligations under these terms and conditions by force majeure, GANZ shall not be liable for any loss, damage, failure or delay in fulfilling its obligations. GANZ shall notify the Supplier in a timely manner of any force majeure situation affecting GANZ's performance of the contract.

## 18. FULL REPRESENTATION RIGHT

18.1. The Supplier and the person representing thereof in writing represents and warrants that:

18.1.1. the person authorized to sign in the name of the Supplier in connection with the GTC, the contract and the relating documents is otherwise authorized to sign in the name of, and



represent, the Supplier with full representation right, and such right is not affected by any restriction which could have an effect on the execution or performance of these GTC;

18.1.2.(if the party acts through its executive officer) the party has not removed the executive officers acting in the name thereof from their positions and (in any event) it has not withdrawn or limited their rights to sign on behalf of the party and their representation rights;

18.1.3.the authorized representative's legal statements are not conditional and are not subject to approval; and

18.1.4.there are no causes or circumstances which would make GANZ aware or would require it to be aware of any restriction or – if the legal statements are conditional or subject to approval – the occurrence of the condition or the requirement of approval and the lack of such approval.

## **19. LIMITATION OF LIABILITY OF EXECUTIVES**

19.1. The Supplier expressly waives, to the extent permitted by law, its right to bring damages or other claims against the executive officers of GANZ in connection with this GTC or the contract based on them. The executive officers of GANZ may rely on this limitation of liability directly.

## **20. THIRD PARTY RIGHTS**

20.1. The performance of the services set out in this GTC or in the contract based on them may be demanded by the Parties or third parties expressly authorized to do so by this Agreement. Third parties not authorized by this GTC or by the contract based on them cannot demand the performance of the contracted services.

## **21. APPLICABLE LAW AND JURISDICTION**

21.1 The contractual relationship between the parties shall be governed by Hungarian law, excluding any application of the "United Nations Convention on Contracts for the International Sale of Goods of April 11, 1980".

21.2 Parties are obliged to make every effort to settle any disagreement or dispute relating to the Agreement through amicable negotiations. In the event of any dispute arising out of or in connection with the Agreement (including the validity and termination of the Agreement) which cannot be settled amicably shall be subject to the exclusive jurisdiction of the courts of Hungary.



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**Ganz Transformers and Electric Rotating machines Ltd.**  
represented by: Jan Prins and Gergely Gál CEO's jointly