



Ganz Transformers and Electric Rotating machines Ltd.

GENERAL SALES CONDITIONS

(hereinafter: "GTC")

Date of entry in force	2020.11. 01.
Last amended	2022. 08. 15.
Validity	Indefinite – until revoked/entry in force of a newer version
Version	1.7.

1. PRECEDENCE

Unless otherwise specifically agreed in writing or stated in the quotation of GANZ, the following terms and conditions (the **Conditions**) shall govern all sales by GANZ (hereafter sales of **Product**). Any terms and conditions in Purchaser's enquiries, purchase orders, other forms, letters or elsewhere, which are either different from or in addition to GANZ's GTC are excluded, unless GANZ expressly accepts them in writing or the Parties specifically agree to them.. Under the term Product shall also be understood to include any service performance (hereinafter: **Services**) carried out by Ganz

2. VALIDITY PERIOD OF QUOTATION – COMING INTO FORCE OF THE CONTRACT

2.1 Unless otherwise stated in the Quotation, the Quotation will remain valid for 30 days, during which period the Quotation is subject to acceptance by the Purchaser, by sending a written order (the **Order**) to GANZ. Orders are subject to final approval and acceptance by GANZ.

2.2 The contract to be concluded with the Purchaser (hereinafter: Contract) will come into force as soon as the written Order by the Purchaser is received by Ganz and all of the following conditions have been fulfilled:

- (i) receipt of advance payment;
- (ii) if applicable, receipt and acceptance by GANZ of Documentary Credit.

2.3 The coming into force of the Contract must take place at latest within 2 months from the date of Order.

3. CHANGE ORDERS

Changes requested by Purchaser to an already concluded valid and effective Contract or a contractual provision between the Parties are subject to written acceptance by GANZ. Change Orders must be submitted by the Purchaser to GANZ in writing and must contain an exact description of the required variation. Changes requested by the Purchaser may result in adjustments in price, delivery times or services completion as quoted in the original Contract. GANZ will provide the Purchaser with written quotations and expected completion dates and fees for any requested and accepted change order.



4. PRICES

- 4.1 The prices stated are in Euros, currency of account and payment. They are firm and not subject to revision provided that the Order is placed during the validity period of the Quotation, and the Contract came into force within 2 months from the date of Order. The prices have been based on receipt of an Order for the entire quoted Product, hence, in case of a partial order GANZ is entitled to a price adjustment .
- 4.2 The following items are in particular not included in the price: costs for witnessed inspection, type tests or special tests, storage of the Product after delivery Ex Works, or any other cost beyond the specified delivery condition, such as supervision of erection, testing and/or commissioning on site. Any present or future custom duties, taxes, levies, port charges, entry fees or similar charges, levied outside the country of manufacture and related to the supply of the Product and/or services are not included in the price. If applicable, Purchaser shall be liable for all these charges.
- 4.3 In case of resorting to our site activities and services, the prices are stated in Annex 1 of this GTC.

5. PAYMENT TERMS

- 5.1 The payment terms shall be as specified in the Quotation.
- 5.2 Should any delay in payment occur, the outstanding payments shall bear interest at a monthly rate equalling the applicable base rate of the Hungarian National Bank on the first day of the calendar half year affected by the default - for a pecuniary debt denominated in a foreign currency, the base rate set for the relevant currency by the issuing central bank, in the absence of such a rate, the money market interest - plus eight per cent, from the contractually agreed payment date and without any notice to this effect being required from GANZ, and this without prejudice to GANZ's right to demand immediate and full payment, to suspend or to terminate the Contract, or to any other contractual or statutory rights.
- 5.3 Unless otherwise stated in the Quotation, the following minimum payment terms shall apply:
- (i) Purchaser must pay 25 % of the total Contract price as an advance payment, within 30 days from the date of Order, against invoice ;
 - (ii) Purchaser must pay 75% of the value of the Product (or any part thereof) upon Ex Works delivery.
- 5.4 For Contracts with Purchasers in non-OECD-countries, this remaining 75% of the value of each part of the Product shall be paid through an irrevocable at sight Documentary Credit issued in favor of GANZ by a first-class bank of GANZ's choice.

Payments shall be made under this Documentary Credit at the counters of the bank of GANZ, pro-rata shipment, against presentation of shipping documents only, exclusive of any document originating directly or indirectly from Purchaser.

This Documentary Credit shall be opened within 30 days of Order, and show a validity period covering the delivery time plus three months. If at expiry date all deliveries have not been completed, Purchaser is obliged to extend the Documentary Credit for the remaining balance for a period of 3 months.



- 5.5 In case of FOB shipment, the Documentary Credit should provide for an alternative document to the Forwarder Cargo Receipt (FCR), such as a warehouse certificate or GANZ's written notification of readiness for shipment of the Product, in case there is no ship available or indicated within one month after readiness for shipment.

All bank charges, except the charges of the bank of GANZ, shall be borne by the Purchaser.

The Documentary Credit shall further:

- (i) allow shipment from any European port
- (ii) allow partial shipments and transshipments
- (iii) authorize the paying bank to reimburse itself by telex on a corresponding bank
- (iv) allow presentation of documents within 21 days of issue of Bill of Lading
- (v) be subject to the I.C.C. Uniform Customs and Practice for Documentary Credits (UCP600)

6. TRANSFER OF RISK AND TITLE

- 6.1 The transfer of risk of loss or damage shall be ruled by the agreed Incoterms®2010. Purchaser shall notify GANZ in writing promptly and without delay of any claim with respect to loss which occurs while GANZ has the risk of loss, and of which Purchaser has knowledge, and shall cooperate in every reasonable way to mitigate or settle damages, costs, consequences.
- 6.2 In all circumstances, the transfer of title to the Purchaser shall only take place upon full payment of the Product by the Purchaser. The retention of title by Ganz shall not affect the transfer of risk under the present GTC.

7. DELIVERY TIMES

Delivery times are expressed in calendar months or weeks starting from the coming into force of the Contract. Any delay in the coming into force of the Contract, delay in payments or delay occurring during the delivery period, due to the Purchaser or other circumstances beyond control of GANZ, shall result in a corresponding postponement of the delivery/performance date or extension of total delivery time, if such circumstance is justified by a reduced availability of production capacity at GANZ's works, and/or price adjustment.

8. DELAY IN DELIVERY

- 8.1 Should GANZ fail, due to reasons solely attributable to GANZ, to maintain the delivery times, and provided that the Purchaser has paid penalties, liquidated damages or damages to his customer due to GANZ's delay, the Purchaser, to the exclusion of any further rights and/or claims he might have under the Contract or the applicable law, shall be entitled to claim from GANZ, as liquidated damages, a compensation at the rate of 0.3 % of the gross price of the delayed Product per full week of delayed delivery, starting one week after the notification by the Purchaser. The maximum amount of liquidated damages shall not exceed 3 % (three percent) of the gross price of the delayed Product, and such liquidated damages shall be paid in full and final satisfaction of all claims and liabilities for the said failure. The Purchaser's



right to liquidated damages shall be forfeited if such request has not been submitted within three months after the due time for delivery.

- 8.2 If at the scheduled delivery date, the Purchaser is unable or unwilling to take delivery for any reason and if the Purchaser so requests in writing, GANZ may accept to arrange for storage of the Product at the Purchaser's risk. However, the Purchaser shall in that event pay GANZ for all costs incurred by such storage and obliged pay for the goods at the scheduled delivery dates, as if the Product had been delivered. The delivery term of the Contract shall be deemed to be changed into Ex Works - Bill & Hold, with transfer of risk and title.
- 8.3 If the delay in delivery on GANZ's part is due to a delay on the part of GANZ's suppliers, GANZ excludes any liability for the delay. The exclusion of liability shall also apply if the supplier's delay is due to force majeure caused by the COVID-19 pandemic. In such case deadlines indicated in the Contract shall be extended automatically by the period of the delay caused by GANZ's supplier without the Purchaser being entitled to any liquidated damages/penalties.

9. DELIVERY CONDITIONS

Unless otherwise expressly agreed upon, the Product will be delivered Ex Works, to be interpreted in accordance with the ICC Incoterms® 2020.

10. PACKING AND MARKING

Packing as per GANZ's standard export packing, suitable for transport to the place of delivery and handling in good conditions, has been included in our prices. The Product shall be marked and packed according to GANZ's standard.

11. DESIGN DIMENSIONS

Except when explicitly guaranteed, any dimensions and weights stated in the technical part of our Quotation are approximate and cannot be considered as binding. If detailed drawings and documentation must be approved by the Purchaser, such approvals must be given within 2 weeks from the date of request for approval. Failing to provide the approval for Ganz within the above deadline the drawings shall be deemed to have been approved.

12. TESTING

Testing will be done at GANZ's premises, unless indicated otherwise. Should the Purchaser wish to attend the tests to be performed on the Product before shipment, he may do so at his own cost and provided that he has notified GANZ of his intent at least 6 weeks before the testing date. In case the Purchaser is not in GANZ's plant on the notified testing date, GANZ will perform the testing without further delay and without the presence of the Purchaser. The test report shall then be deemed accepted by the Purchaser.

13. RELEASE AND ACCEPTANCE

- 13.1 Should the Purchaser wish to inspect the Product before shipment, for release, he may do so at his own cost and provided that he has notified GANZ in writing of his intent at least 6 weeks before the planned date of shipment. In case the Purchaser is not present in GANZ's plant on the agreed inspection date, GANZ will be allowed to ship the transformer without further delay and the release of the Product shall be deemed complete.



- 13.2 The Purchaser shall carry out the acceptance of the Product at the location specified in the Contract and shall issue an acceptance certificate to GANZ. However, acceptance of the Product shall be deemed complete 15 days after issuance by GANZ of notice to Purchaser to carry out same, but in any case not later than 6 months from notification of readiness for shipment.
- 13.3 Apparent defects or deficiencies shall be considered as accepted when the acceptance has taken place or is deemed to have taken place, or Purchaser has accepted the performance i.e. it has overtaken the Product. Under all circumstances, any operations with or use of the Product shall implicitly mean that the performance i.e. the Product is accepted.

14. WARRANTY

- 14.1 If, under normal and proper use, a defect appears in the Product manufactured by GANZ during the applicable warranty period and Purchaser promptly notifies GANZ within 10 days after discovery of any defect, or within 10 days after the date that such defect should have been discovered, in writing of such defect or non-conformance and follows GANZ's instructions regarding return of defective or non-conforming Product, GANZ will exercise its best efforts to either repair, replace or correct such Product without charge as soon as possible. When the defect is such that it may cause damage, Purchaser is obliged to notify Ganz immediately. Negligence of the Purchaser may result in loss of his rights and the Purchaser shall under all circumstances mitigate the damages resulting from defective Product. The notice shall contain a sufficient description of the defect.
- 14.2 A defect is a non-conformity with the agreed technical specifications, which has a material negative impact on the function or the performance of the Product. This warranty covers all such defects that are directly related to design, material or workmanship.
- 14.3 The warranty is not applicable in the case of defect due to design originating from Purchaser or a third party; Purchaser's modifications, misuse, neglect, accident or abuse; improper cabling, repairing, installation, storage and maintenance, normal wear and tear, improper operation or disregard of GANZ's installation and operation manual or GANZ's and/or its vendor's specifications, by the Purchaser or any third party. For products not manufactured by GANZ itself, GANZ shall only be liable to the extent of the warranty given to GANZ by its own suppliers and within the above time limit, provided that GANZ is able to shift the liability to its suppliers.
- 14.4 The warranty period will be 12 months from commissioning date. However, under no circumstances this period will exceed 18 months as from notification of readiness for shipment.

For longer warranties (if explicitly agreed in writing by GANZ), the warranty will only remain valid if the Purchaser can prove that he organized a yearly inspection of the Product by a qualified expert.

GANZ shall decide whether repair shall be carried out at the site of the Product or a defective part shall be returned to GANZ for replacement, or any other solution. No product will be accepted for repair or replacement without the authorization of and in accordance with instructions of GANZ. Removal and reinstallation expenses as well as transportation expenses associated with a returning of Product to GANZ shall be borne by the Purchaser.

- 14.5 After GANZ repairs such Product or acquires a replacement Product, GANZ shall pay the cost of transportation of the repaired or replaced Product. If GANZ determines that the



returned Product was not defective, Purchaser shall pay GANZ's costs of handling, inspecting, testing and transportation and, if applicable, travel and related expenses. In repairing or replacing any Product or part of Product under this warranty, GANZ may use either new, remanufactured, reconditioned, refurbished or functionally equivalent products or parts; provided, however, that such repair or replacement will not impact upon the function of the Product under normal and proper use, as provided in the specifications. The replaced Product or parts shall become property of GANZ. Purchaser must return all replaced parts to GANZ within one month of their replacement, in default of which their value will be invoiced. The repair or replacement of items during the period of warranty does not extend the warranty period.

- 14.6 The Purchaser shall at his own expense arrange for any dismantling and reassembly of other Product than the Product delivered by GANZ, to the extent that this is necessary to remedy the defect.
- 14.7 GANZ shall not give any warranty as to the usefulness or fitness for purpose of the Product. Only the Purchaser shall be responsible for his intentions or their realization with the Product.
- 14.8 The foregoing warranties are exclusive and are in lieu of all other express and implied warranties, including but not limited to warranties of merchantability and fitness for a particular purpose. Purchaser's sole and exclusive remedy shall be GANZ's obligation to repair and/or replace as set forth above in this warranty.

15. LIABILITY

- 15.1 The Parties' exclusive remedies and the entire liability of a party, its affiliates and their employees, agents and suppliers, for any claim, loss, damage or expense of the other party or any other entity arising out of this agreement, or the use or performance of any product or services, whether arising out of breach of contract, tort, negligence, indemnity or strict liability, shall be as follows:
 - (i) for the non-performance of Product and services during the warranty period: the remedy set forth in article 14 "Warranty";
 - (ii) in case of accidents occurring at any time, both during the eventual assembling as afterwards, the responsibility of GANZ is limited to its Products and GANZ is never responsible for any damage incurred by an accident in the Purchaser's premises, nor to his installations, goods and/or staff ;
 - (iii) subject to the terms of clause (iv) below, for everything other than as set forth above, the amount of the proven direct damages, not to exceed the price allocable to the Product or part thereof which gives rise to the claim ;
 - (iv) Ganz shall not be liable for any damages that the Purchaser could have been mitigated with reasonable care, nor for incidental, indirect, consequential or economic damages such as loss of profits, revenues or savings, loss of other Product or tangible damage, downtime costs or business interruption losses, removal or reinstallation costs, claims of third parties, arising out of the Contract, or the use or performance of any product or services, whether in an action arising out of breach of contract, tort, negligence or strict liability.
- 15.2 Each party shall give the other prompt written notice of any claim.



- 15.3 The Purchaser may invoke a set-off or other defence 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.
- 15.4 Submission of claims by the Purchaser is subject to a preliminary written notice to be sent to GANZ within 10 days from the date when a claim arises. Such notice must detail the underlying facts, circumstances and evidence.
- 15.5 Any liability arising under the Contract, including but not limited to liquidated damages, shall not exceed 50% of the contractor's fee as set out in the Contract.

16. FORCE MAJEURE

- 16.1 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, labour 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.
- 16.2 In the event GANZ is prevented from fulfilling its contractual obligations by force majeure, GANZ shall not be liable for any loss, damage, failure or delay in fulfilling its obligations and may, at its option, extend the time of delivery of the Product or, should the force majeure persist, re-negotiate or cancel unconditionally the unfulfilled portion of the Contract. However, in no case shall payments for delivered Product or services rendered to be interrupted or hindered due to the force majeure. GANZ shall notify the Purchaser in due time of any force majeure case affecting its performance. If GANZ requests an extension of delivery times, this will be deemed as accepted if the Purchaser does not object within 7 calendar days from this request.

17. HARDSHIP

If, by reason of availability and cost of raw materials above such costs ruling at the date of the quotation, the cost for GANZ of performing its obligations under the Contract is substantially increased, the Parties will discuss in good faith a modification of the contract price that should reflect such substantial increase.

18. SUSPENSION AND TERMINATION OF CONTRACT

- 18.1 Any serious shortcoming on the side of the Purchaser may result in GANZ's right to suspend its obligations, for the duration of the Purchaser's failure, after notification in writing to the Purchaser. In such case, all obligations that are due within a fixed timeframe may be adjusted accordingly.
- 18.2 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, when any of the above circumstances in the other Party's opinion may jeopardize the continuation or performance of the Contract.

19. CANCELLATION FOR CONVENIENCE

When cancellation of all or part of a Contract is received by GANZ, charges shall be assessed against the value of the cancelled Product and/or services in accordance with the following cancellation table, less any payments received against the value of the Product and/or services, notwithstanding the right of GANZ to demand full indemnification for any and all damages resulting from this cancellation.

Cancellation table		
For Distribution transformers up to 10 MVA and Air Insulated Switchgear		
Duration after receipt of an order	But not exceeding	Cancellation charge = % of total contract value
Within 1 week		10
> 1 week	2 weeks	30
> 2 weeks	3 weeks	45
> 3 weeks	4 weeks	60
> 4 weeks	5 weeks	70
> 5 weeks	6 weeks	75
> 6 weeks	7 weeks	80
> 7 weeks	8 weeks	85
> 8 weeks	x - 1 week *	90
Within 1 week prior to shipment		100
For Small power transformers up to 25 MVA/72.5 kV and Gas Insulated Switchgear		
Duration after receipt of an order	But not exceeding	Cancellation charge = % of total contract value
Within 4 weeks		10
4 weeks	8 weeks	30
8 weeks	12 weeks	60
12 weeks	16 weeks	75
16 weeks	x - 4 weeks*	85
Within 4 weeks prior to shipment		100
For Power transformers above 25 MVA/72.5 kV		
Duration after receipt of an order	But not exceeding	Cancellation charge = % of total contract value
Within 1 month		10
4 weeks	8 weeks	30
8 weeks	12 weeks	45
12 weeks	16 weeks	60
16 weeks	20 weeks	70
20 weeks	24 weeks	75
24 weeks	28 weeks	80
28 weeks	32 weeks	85
32 weeks	x - 4 weeks*	90
Within 4 weeks prior to shipment		100

* x = delivery time in weeks

20. INTELLECTUAL PROPERTY RIGHTS, OWNERSHIP AND LICENSE

- 20.1 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).
- 20.2 All Intellectual Property Rights provided by GANZ to the Purchaser 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 Purchaser shall acquire no right, title or interest in or to such Intellectual Property Rights.

- 20.3 All Intellectual Property Rights provided by the Purchaser to GANZ through the specifications or which exist or arise out of the documents and information relating to the supply of the Product, shall vest in, and be the exclusive property of, the Purchaser and GANZ shall acquire no right, title or interest in or to such Intellectual Property Rights. The Intellectual Property Rights deriving from any additions, improvements, design changes, modifications, additions, refinements, and developments developed by GANZ in, on or relating to such Intellectual Property Rights of the Purchaser (“Improvements”) shall however vest in, and become the property of GANZ, unless expressly agreed otherwise in writing in advance by the Parties.
- 20.4 The Purchaser shall render all reasonable assistance to GANZ to enable the Improvements referred to in clause **Hiba! A hivatkozási forrás nem található.** above, as appropriate, to be duly registered and maintained in accordance with applicable laws in the name of GANZ in any jurisdiction as GANZ may deem fit. This clause shall survive the termination of any agreement concluded with these conditions.
- 20.5 If any Intellectual Property Rights provided by a third party to GANZ is necessary for the use of the supply of the order (“third party’s IPR”), then the Purchaser’s rights to use such third party’s IPR will be subject to a written sub-license to be entered into between GANZ and the Purchaser, which sub-license will itself be subject to the third party’s approval (unless the right to sub-license is part of the license granted to GANZ) and its terms and conditions shall be the same or no greater than those granted by the third party to GANZ.

21. INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS

- 21.1 The Purchaser shall indemnify and hold GANZ harmless against and from any claim alleging an infringement of third party’s Intellectual Property Rights arising out of or in relation to the Purchaser’s use of the Product for a purpose other than that indicated by, or reasonably to be inferred from, the Contract; or in conjunction with anything not supplied by GANZ, unless such use was previously disclosed.
- 21.2 At any time of GANZ’s choice or if the Product is found, by an enforceable judgement rendered by a court of competent jurisdiction, to violate the Intellectual Property Rights of a third party, GANZ will, at its choice and costs, either alter or exchange Product in such a way that it no longer infringes any third party rights, and continues to comply with the specifications or procure the right for the Purchaser to use the Product from such third party.

22. INFORMATION, PROPERTY AND CONFIDENTIALITY

- 22.1 The Purchaser 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 Purchaser shall at his own expense carry out any alterations or remedial work necessitated by such errors, omissions or discrepancies for which he is responsible or pay GANZ the cost incurred by GANZ in carrying out any such alterations or remedial work so necessitated.
- 22.2 All drawings and technical documents relating to the Contract, submitted by one Party to the other prior or subsequent to the formation of the Contract, shall remain the property of the submitting Party. Drawings, technical documents or other technical information received by one Party shall not, without the prior written consent of the other Party, be used for any other purpose than the execution of the Contract. They may not, without the consent of the



submitting Party, otherwise in particular be used or copied, reproduced, transmitted or communicated to a third party.

- 22.3 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.

23. LICENSES, PERMITS, LAWS AND REGULATIONS

- 23.1 The Purchaser shall be responsible for obtaining all licenses, permits and authority approvals outside of GANZ's country in due time as necessary for the performance of the Contract. Negligence or untimely delivery of all necessary licenses, permits and approvals may result in Contract adaptation by Ganz regarding delivery times and costs if appropriate.
- 23.2 All local laws, rules and regulations that are applicable to the Product, its operation or its assembling, in the country where the Product must be delivered and/or assembled, shall be deemed to be known by the Purchaser, who shall incorporate all necessary elements in the Specifications. In general, it is Purchaser's responsibility to inform GANZ about any relevant issue in this respect.
- 23.3 Any change in applicable laws and regulations and / or in applicable codes and standards after the signature of the Contract shall be considered as a change order from the Purchaser and shall entitle GANZ to adjust the Contract, particularly the prices and terms of delivery accordingly.

24. FULL REPRESENTATION RIGHT

The Purchaser and the person representing thereof in writing represents and warrants that:

- (i) the person authorized to sign in the name of the Purchaser in connection with the GTC, the Contract, the Orders and the documents connected thereto; and otherwise authorized to sign in the name of, and represent, the Purchaser, has full representation right and such right is not affected by any restriction which could have an effect on the execution or performance of this GTC;
- (ii) (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;
- (iii) his/her legal statements are not conditional and are not subject to approval; and
- (iv) 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.



25. LIMITATION OF THE LIABILITY OF THE EXECUTIVES

The Purchaser 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.

26. THIRD PARTY RIGHTS

The performance of the services set out in this GTC or in the contractual provisions based on them may be demanded by the Parties or third parties expressly authorised to do so by this agreement. Third parties not authorised by this GTC or by the Contract based on them may not demand the performance of the contracted services.

27. APPLICABLE LAW AND JURISDICTION

27.1 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”.

27.2 All disputes arising out of or in connection with the Contract (including its validity and termination) and which could not be solved by an amicable settlement, shall be submitted 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

Annex 1.: SITE ACTIVITIES, SERVICE & COMMISSIONING



ANNEX 1: SITE ACTIVITIES, SERVICE & COMMISSIONING

COMMERCIAL CONDITIONS

1. SITE SERVICE DAILY RATE EURO 1.100, -/ PERSON / CALENDAR DAY

The daily rate must be paid for each calendar day at site regardless of the fact whether Ganz's employee(s) is(are)

- (i) working or
- (ii) not working because of any hinderance / administrative matters of stay in the country or
- (iii) on weekend holiday after reached the weekly working time limit or
- (iv) not working because of a national / religious holiday of the host country

Daily/weekly basic working time and it's limitations:

- (i) normal daily working time is 10 hours in an interval between 6:00 am and 8:00 pm. on weekdays (from Monday through Friday in EU countries and correspondingly in countries where the weekly rest day differs from this). For working hours over 10 hours an extra hourly rate will be charged in addition to the basic daily rate. (see point 3)
- (ii) maximum daily working time - with overtime - is 12 hours with the following conditions:
 - accumulated weekly working time cannot exceed 60 hours
 - a rest period of at least 11 hours must be provided between the end of the work and the start of the next day's work
 - minimum one day must be free after 6 working days
 - the daily travel time from the accommodation to workplace and back is included in the working time

2. HIGH RISK LOCATION DAILY RATE EURO 1.600, -/ PERSON / CALENDAR DAY

The daily rate must be paid for each calendar day at site regardless of the fact whether Ganz's employee(s) is(are)

- (i) working or
- (ii) not working because of any hinderance / administrative matters of stay in the country or
- (iii) on weekend holiday after reached the weekly working time limit or
- (iv) not working because of a national / religious holiday of the host country

Daily/weekly basic working time and it's limitations:

- (v) normal daily working time is 10 hours in an interval between 6:00 am and 8:00 pm. on weekdays (from Monday through Friday in EU countries and correspondingly in countries where the weekly rest day differs from this). For working hours over 10 hours an extra hourly rate will be charged in addition to the basic daily rate. (see point 3)
- (vi) maximum daily working time - with overtime - is 12 hours with the following conditions:

- accumulated weekly working time cannot exceed 60 hours
- a rest period of at least 11 hours must be provided between the end of the work and the start of the next day's work
- minimum one day must be free after 6 working days
- the daily travel time from the accommodation to workplace and back is included in the working time

3. WORK PERFORMED ON WEEKEND AND PUBLIC HOLIDAYS

For weekday's working hours over 10 hours

- (i) **110,- Euro / hour** overtime rate will be invoiced above normal daily rate (see point 1.)
- (ii) **160,- Euro / hour** overtime rate will be invoiced at high risk locations above the daily rate (see point 2.)
 - Where applicable, Saturday and Sunday or any other day in the week depending on the regulation of the host country will be considered as weekends.

Work at the first day on the weekend (Saturday in EU countries)

- (i) **130,- Euro / hour** overtime rate will be invoiced above the normal daily rate (see point 1.)
- (ii) **200,- Euro / hour** overtime rate will be invoiced at high risk location above the daily rate (see point 2.)

Work at the second day on the weekend (Sunday in EU countries)

- (i) **170,- Euro / hour** overtime rate will be invoiced above the normal daily rate (see point 1.)
- (ii) **240,- Euro / hour** overtime rate will be invoiced at high risk location above the daily rate (see point 2.)

Work at public holidays of Hungary, depending from where the technician / engineer will be involved.

- (i) **220,- Euro / hour** overtime rate will be invoiced above the normal daily rate (see point 1.)
- (ii) **320,- Euro / hour** overtime rate will be invoiced at high risk location above the daily rate (see point 2.)

4. DAILY LIVING EXPENSE

EURO 250, - / DAY/ PERSON

This daily flat rate covers meal, accommodation and local transport cost. This rate will be applied from the day of arrival in the country to the day of departure. No receipts will be issued to the client from these costs. Daily living expenses are not invoiced in case that cost –defined above- covered by the customer.

5. TRAVEL COSTS

All associated travel costs will be at the customers charge or billed by Ganz's, with actual cost plus 15% handling charges.



6. TRAVELLING TIME

EURO 110, - / HOURS

Travelling time is defined as the time required to travel from Ganz specialist’s job location or place of residence plus the time to return back to the point of origin. Any travelling time exceeding 10 hours will be invoiced at the normal travel rate as above. In case that the site works and travel is performed on the same day in excess of 10 hours, the overtime rate applies. Any travel on a Saturday, Sunday or Hungarian public holiday (see section 3) will be invoiced at the weekend and public holiday rate.

7. PREPARATORY AND REPORT WRITING TIME

Preparatory and report writing time and any other additional time expended after the service trip, which is necessary in order to complete the required work are to be regarded as being equivalent to normal working daily/hourly rate in accordance with section 1 or 2 depending of the location. Report will be established in English language.

8. STANDBY TIME, NON-WORKING DAY

In case Ganz’s site person/s is/are hindered or delayed in carrying out or completing the agreed work due to any acts, requests or omissions of the Customer, Ganz will invoice the standby time as working time in accordance with section 1. or 2., depending on the location.

9. PAYMENT TERMS AND CONDITIONS

Payment conditions will be applied based on the Ganz’s Quotation/sales order.

Special payment conditions concerning to the subjected activities:

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Please approve with your signing each pages of this document and returning them to your Ganz contact.	
Company Name:	Name:
Authorizing Signature:	
P.O. Number:	Date: