



MATUSZ-VAD ZRT.
GENERAL TERMS AND CONDITIONS (GTC)
CONCERNING SUPPLY CONTRACTS
(SEE DETAILS IN FOOTER)

Consolidated version including amendment no. 9

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MAIN PROVISIONS

1. DEFINITION OF TERMS USED IN THE GENERAL TERMS AND CONDITIONS:

- 1.1. **GTC:** The General Terms and Conditions of MATUSZ-VAD Zrt.
- 1.2. **CLIENT:** MATUSZ-VAD Zrt., whose identification data and contact details are indicated in the footer.
- 1.3. **Supplier:** A natural person or a legal entity entering a legal relationship with or disclosing a legal act to CLIENT for the purpose of supply/sale for CLIENT, in relation to whom CLIENT receives rights or incurs obligations.
- 1.4. **Parties:** CLIENT and Supplier collectively referred to.
- 1.5. **Product:** The subject of the legal relationship between CLIENT and Supplier that can be food or other marketable assets.
- 1.6. **Written statement, notices:** a document duly signed (also signed by two witnesses in case of a private person) that is proven to be directly received by the other party or sent by post as a registered mail or as a mail with a return receipt. If it is disputed whether a mail sent by CLIENT as a registered mail was received, it shall be presumed that the date of receipt is the 5th day after posting. The electronic mail of CLIENT shall be deemed to have been received if a read receipt is sent or if Supplier responds to it in any form. Other than what has been specified herein, CLIENT shall not conclude a contract and shall not make valid statements by implication. CLIENT shall not conduct door-to-door trading activities. In the event of prompt transactions (if the Product is handed over and the purchase price is paid against an invoice immediately, at the same time), CLIENT has the right to dispense with the written form of concluding transactions. The invoice of Supplier shall be deemed to be delivered on the date when it is actually delivered at the seat of CLIENT.
- 1.7. **Contract:** a particular legal transaction or framework agreement concluded between CLIENT and Supplier in writing, or specifically Supplier's contract for the supply of goods.
- 1.8. **Place of performance:** a specific address of any of CLIENT's own or contracted premises in Hungary, indicated in the order.
- 1.9. **Date of fulfilling an order:** the date indicated on the confirmation that cannot be a date later than one week from

· **MATUSZ-VAD ZRT.** · SEAT: H-1103 BUDAPEST KŐÉR U. 3/A · COMPANY REG. NO.: 01-10-048495, REGISTERED BY THE COMPANY REGISTRY COURT OF BUDAPEST-CAPITAL REGIONAL COURT ·

· VAT NUMBER: 14651245-2-44 · BANK ACCOUNT NUMBER: HUF: 10400401-50526569-76491007; EUR: HU65 104004010002956700000007 ·

REPRESENTED BY: BALÁZS KÁROLY MATUSZ CHAIRMAN AND CEO, AUTHORIZED TO SIGN ON BEHALF OF THE COMPANY ·

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the date of order, unless specifically provided otherwise by CLIENT in the order.

2. GENERAL PROVISIONS:

2.1. The scope of the GTC covers all legal transactions concluded by CLIENT and all Contracts concluded between CLIENT and Supplier either within national territory or abroad, unless provided otherwise by CLIENT in writing. With regards to unilateral legal acts, provisions of the GTC related to Contracts shall apply mutatis mutandis.

2.2. CLIENT shall **publish** the current text of the GTC in force **on their website (see footer)**. CLIENT shall have the right to unilaterally amend the GTC, in which case they shall inform Supplier electronically, and as of the entry of the amendment into force – which shall be the 15th day after **publication** unless provided otherwise –, the amended GTC shall be applied in the legal relationship between the Parties. An exception to this shall be if Supplier objects to the amendment in writing within 15 days from publication and disclosure. In the event of a statement of objection, the Parties shall be obliged to consult with each other, and if it proves to be unsuccessful – and if a material part of the contract is affected –, the Parties shall become eligible to terminate the relationship between them. If the contract is not terminated, the latest approved provisions of the GTC prior to the objected amendment shall apply to the legal relationship of the Parties.

2.3. A contractual term different from, contrary to or supplementing the GTC shall become part of the Contract – including the GTC – only if it was specifically and mutually stipulated and approved by the Parties in writing.

2.4. The **employees of CLIENT** – except for representatives registered in the company register – are not authorized to conclude transactions and make legal acts without a written authorization.

2.5. If certain provisions of the Contract concluded with Supplier – including the GTC – are or become invalid, it shall not affect the validity of other provisions. The provision that has become invalid must be replaced with another one that is legally permissible and as similar as possible.

2.6. No conclusions can be drawn from specific contracts and statements of CLIENT with regards to the existence, non-existence and content of other contractual relationships and statements, as well as to the intention and presumed transactional will of CLIENT. (Exclusion of the application of Article 6:63(5) of the Civil Code) **Supplier's GTC** can be taken into consideration only if the Parties specifically subjected themselves to the scope of it in their Contract in writing and they also excluded the application of CLIENT'S GTC at the same time.

2.7. In the event of accepting the order, the date of acceptance shall be the date of concluding the contract, or if it is disputed, the date of performance.

2.8. The Parties shall mutually accept the price indicated in the order form sent by CLIENT – and confirmed by Supplier



– as the basis of settlement. The Parties shall mutually acknowledge that an order confirmed by Supplier shall be concluded as a contract. If Supplier fails to confirm an order in writing, but delivers the goods to the premises of CLIENT, the order shall be deemed as confirmed, and the price indicated in the order shall become the basis of settlement.

2.9. In the event that CLIENT has an outstanding claim against Supplier, Supplier shall have the right to take legal action regarding their overdue receivables against CLIENT only after trying to compensate the outstanding claims against each other in writing and if this compensation effort failed to lead to any results within 15 working days after their initiative. CLIENT shall have the right to unilaterally set off their debt against their claim against Supplier.

2.10. In case of a material breach of contract, the injured Party shall have the right to terminate the Contract immediately in writing, provided that they previously requested the defaulting Party in writing to restore contractual conformity, and the reasonable deadline stipulated in the notice passed without any results. Any delay regarding the settlement of any invoice or financial notification letter exceeding 15 days, the repeated incomplete or defective performance or non-performance of a delivery obligation, as well as the breach of confidentiality and damage to reputation shall especially constitute a material breach of contract.

2.11. Either Party shall have the right to terminate the present Contract with immediate effect if a winding-up proceeding is initiated against the other Party at first instance or finally, or if the other Party has made a decision concerning the initiation of a voluntary liquidation against themselves.

2.12. Products are received in unit packs.

2.13. The delivery-receipt of Products is confirmed by an itemized delivery note or CMR completed by Supplier, by which the representatives of the Parties confirm the delivery-receipt with their signature (stamp, date, time, signature), as well as they record any quantity- or quality-related complaints experienced during delivery-receipt. The delivery note accompanying the Products must indicate the order number sent by CLIENT, as a reference number; in the absence thereof, CLIENT shall have the right to refuse to accept the consignment without any legal consequences, with reference to a defective performance. The receipt of the replacement or exchange shall constitute a separate delivery note that shall not be charged to CLIENT and shall not be followed by an invoice.

2.14. With respect to conditions – just like with respect to other aspects of the Contract, the Parties shall be obliged to comply with the provisions of Act XCV of 2009 on the prohibition of unfair distribution practices against suppliers of agricultural and food products and shall be obliged to conclude and apply all their agreements by making efforts to comply with this act (and with other applicable legislations).

3. OWNERSHIP-RELATED PROVISIONS

3.1. Supplier shall be obliged to immediately inform CLIENT of all characteristics, parameters or extraordinary events different from the regular use of the Products that affect the Products, as well as of the possible damage or destruction of the Products. Supplier shall be obliged to immediately inform CLIENT of any change in the relevant circumstances of the Products (particularly but not exclusively of any change in ownership or of the deterioration of the Products), as well as of any change in their own data indicated in the Contract.

3.2. Supplier shall be obliged to immediately report all facts and circumstances to CLIENT in a verifiable manner that may foreseeably affect the performance of the Contract. Supplier shall – without exception – be obliged to inform all claim validating third parties – particularly in the event of enforcement, winding-up, other claim validation and taking possession – of CLIENT's ownership of the Products and – after the notification – shall be obliged to immediately present documents to CLIENT evidencing the notification. (notification obligation).

3.3. In the event of breaching their contractual obligations or their obligations stipulated in the GTC, Supplier shall be fully liable to CLIENT for damages. In the event of a liability for damages or a breach of contract, CLIENT shall become eligible to unilaterally withdraw from the Contract with immediate effect.

3.4. By receiving the Products, CLIENT shall acquire ownership thereof and shall have the right to resell those prior to settling the invoice of Supplier.

4. CLIENT'S OBLIGATIONS AND RIGHTS

4.1. CLIENT shall have the right to unilaterally withdraw from the Contract or to temporarily withhold their own performance – until the reason for the withholding ceases to exist – even after concluding the Contract, without the right to claim a consideration, compensation, interest or any cost from Supplier based on this if

a. CLIENT deems it necessary due to a significant change in the economic environment after concluding the Contract: for example, due to a shift of at least 10% in the price conditions affecting the Products that can influence the market – such as, in particular, stock market prices, list prices of wholesale suppliers, prices of energy suppliers; due to a change in the loan interests of financial institutions financing CLIENT that adversely affect CLIENT; due to an unfavorable shift of at least 0.5% in the Hungarian central bank base interest rate or in the interbank interest rate (BUBOR); due to an unfavorable shift of at least 10 HUF/EUR in the HUF/EUR exchange rate compared to the closing rate of the previous day; or due to a change in administered prices, fees, taxes, official measures affecting the Products that result in costs;

b. Supplier's economic situation changes considerably – adversely (for example one of the Parties is not able to fulfill



their obligations – even to third parties – on the due date, their winding-up was finally ordered or an enforcement proceeding was initiated against them or precautionary measures were otherwise taken in relation to their assets);

c. Supplier has a payment obligation or an obligation to deliver the Products to CLIENT that is more than 30 days overdue;

d. Supplier provided incorrect information during the conclusion of the contract with respect to a significant circumstance from the aspect of the legal relationship;

e. a negative change occurs in the financial situation of Supplier after the conclusion of the Contract that jeopardizes Supplier's ability to perform. The following in particular shall constitute such an event:

- an overdue tax debt or another public debt collectible as taxes is incurred by Supplier;
- a lien on property is registered on Supplier's assets;
- Supplier's VAT number was suspended by the National Tax and Customs Administration;
- Supplier sells their assets or a significant part of their assets stipulated in the Accounting Act;
- Supplier tries to enforce a claim against CLIENT (arising from any relationship) the merits of which are disputed;

f. Supplier seriously breaches any of their Contracts concluded with CLIENT;

g. further information comes to the knowledge of CLIENT which suggests that Supplier's contractual performance may fail.

h. CLIENT receives previously unknown material information related to the performance of the Contract or to the Products or to safeguards, in the knowledge of which they would not have even concluded the Contract and in the knowledge of which the continued fulfillment of contractual obligations cannot be expected from them.

4.2. CLIENT shall have the right to partially or fully withdraw or modify their order prior to delivery – within a reasonable period of time – without legal consequences. In any event, the Parties agree that the withdrawal or modification of an order shall be considered to be within a reasonable time if it is announced by 8AM on the working day before the date of delivery or handover. In the case of Supplier's contract for the supply of goods currently in force, CLIENT shall not be under any obligation to place an order and shall have the right to unilaterally decide whether to unilaterally suspend their contractual obligations or to terminate the Contract without adverse legal consequences, as well as, in other cases, they generally shall not be under any obligation to accept the Products and shall have the right to unilaterally refuse to accept Products ordered but not yet delivered – without adverse legal consequences – in the cases stipulated in Section 4.1, concerning which they shall be obliged to inform Supplier in writing and by providing adequate reasoning.

4.3. Orders are placed by CLIENT on a regular basis as agreed by the Parties and in an electronic mail. The order shall specify the following: company name and billing address of CLIENT, the order number, the name, item number, quantity and units of Products ordered, the precise address of delivery, as well as the name and contact details of the person responsible for the receipt of the Products.

4.4. CLIENT shall be obliged to accept the Products from Supplier only if the Products contain homogeneous data in terms of expiration date and/or per pallet, and/or identical data at least by rows, and/or if every product was provided with a bar code complying with GS1 or EAN 128 standard and containing the expiration date. In cases other than the above, CLIENT shall have the right to refuse to accept the Products and to consider the delivery as unfulfilled.

4.5. CLIENT shall commit themselves to ensure that the commercial sales price of Products purchased from Supplier will not be lower than the invoiced transfer price, except for cases stipulated in legislations.

4.6. CLIENT shall provide a replacement packing upon delivery by Supplier. If, for any reason, a replacement packing cannot be provided, CLIENT shall register the packing not returned until transport. Packings can be charged only under a specific separate agreement. In case of charging, only packing prices mutually approved by both Parties can be applied. Supplier shall be obliged to indicate the quantity of packing delivered to CLIENT on the delivery note. Supplier shall be obliged to match and account for the packing balance with CLIENT's authorized representative at least once per quarter.

5. SUPPLIER'S RIGHTS AND OBLIGATIONS

5.1. By concluding the Contract, Supplier shall undertake to ensure a performance to CLIENT – with respect to their orders – that complies with legislations and other mandatory requirements, through their own or their appointed representative's logistics network, and to deliver the Products according to the electronic order sent by CLIENT, to the site addresses specified by CLIENT in the order, according to parameters specified in the order and to quality requirements stipulated on the website.

5.2. In any event, Supplier shall be obliged to indicate the list prices of Products by including the taxes as required by relevant legislations, particularly but not exclusively: excise duty, public health product tax (hereinafter referred to as: NETA), environmental product fee and value added tax (hereinafter referred to as: VAT). If the taxes stipulated by relevant legislations are not indicated separately upon specifying the list prices of Products, then the specific prices shall be deemed to already include taxes and fees required by legislations. By concluding the Contract, Supplier shall warrant that the amounts of taxes or fees included in the prices of Products were already paid either by them or by a third party at a previous stage of the supply chain – if they are liable to pay taxes.



5.3. On the date of delivery, Supplier shall issue an invoice for Products that were received by CLIENT and that were delivered, separately for each delivery, and by specifying a payment deadline as stipulated by the Contract, and shall attach the delivery note to the invoice as a proof of performance. If the Parties previously did not specify a predefined payment deadline, it shall be 30 days.

5.4. CLIENT shall return any invoice issued by infringing the rules on invoicing within 5 working days from receipt to Supplier. If an invoice is not settled within the payment deadline stipulated in the Contract without a statement of objections, then CLIENT shall be obliged to pay a default interest equal to central bank base rate + 5%. The Parties agree that the amount of EUR 40 as cost of recovery for late payment cannot be enforced against CLIENT if payment is completed within the first 30 days of the period of delay. The above obligation shall not arise if the delay was caused by a reason not attributable to CLIENT.

5.5. If any data of any Product related to its presentation, packaging, dimensions, weight or any other logistics parameters is changed, Supplier shall be obliged to inform CLIENT at least one week before launching the Product with changed data, in writing and by sending their own specification sheet. A Product with changed data shall constitute a new Product.

5.6. In any event, Supplier shall be obliged to inform CLIENT about the Products delivered to them constituting the first place of unloading in Hungary in advance and at a time so that CLIENT can fulfill their related obligations duly and within deadline. If Supplier fails to comply with this obligation, they shall be obliged to bear all resulting damages and fines. In the event of an order requiring a registration in EKAER (Electronic Public Road Trade Control System), Supplier shall be obliged to send the scanned copy of the final CMR receipt to CLIENT prior to transport, with particular attention to the quantity of Products and to vehicle license plate numbers, thus allowing CLIENT to complete the registration in accordance with EKAER requirements. If Supplier fails to comply with this, or completes this inaccurately or late, or launches the transport without prior information, then CLIENT shall have the right to cancel the order without adverse legal consequences on them and shall have the right to refuse to accept the Products, as well as Supplier shall be obliged to fully compensate CLIENT for all resulting damages, costs and fines. In the event of a freight transport requiring BIREG registration, Supplier shall be obliged to check the registration of the carrier commissioned by them, as well as the existence of related documents.

5.7. Supplier shall acknowledge that in the event of road transport, transport can begin only by possessing an Electronic Public Road Trade Control System (EKAER) number as stipulated by the Taxation Act.

5.8. Supplier shall confirm all orders received by logging into CLIENT's website, <https://shop.matusz-vad.hu/hu/> by using

their own login name and password, selecting the time slot selection tab and ticking the tick box, as a result of which, the order is deemed accepted and confirmed, and the Contract is concluded between the Parties, which creates obligations for both Parties. (the login name shall be the e-mail address, while a password can be generated at any time by clicking on forgotten password)

5.9. Supplier shall be obliged to fully deliver all confirmed Orders in accordance with the Contract. In case of breaching this obligation, Supplier shall be obliged to pay a penalty to CLIENT as stipulated in Section 8, within 8 days from issuing a financial settlement.

5.10. Access to the premises is authorized only by booking a valid time slot, which Supplier shall be obliged to book before the planned delivery date in the time slot booking system operated by CLIENT (<https://shop.matusz-vad.hu/hu/>), by logging in by using their own login name and password and selecting the time slot selection tab (the login name shall be the e-mail address, while a password can be generated at any time by clicking on forgotten password)

5.11. CLIENT shall consider all Product deliveries without a booked time slot or a missed time slot booking that cannot be renewed until the expiry of the delivery deadline as an unfulfilled order. In these cases, CLIENT shall not be obliged to accept the Products and Supplier shall be obliged to bear all resulting damages and costs.

5.12. Supplier shall take full responsibility for all damages caused by them at CLIENT's premises, as well as for all damages caused by the companies, subcontractors commissioned by them, to CLIENT.

5.13. If Supplier fails to confirm an order within one working day, the order shall expire in the time slot booking system, unless a Supplier's contract for the supply of goods has been concluded by the Parties, in which case it is not required to confirm the order separately.

5.14. If Supplier fails to fulfill the order sent by CLIENT and confirmed by Supplier or the order specified in a separate Supplier's contract for the supply of goods during the period stipulated in the order confirmation or in the Contract, then CLIENT shall be entitled to a cover purchase (the additional costs of which can be charged to Supplier), as well as to a cancellation fee in accordance with Section 8.

5.15. It shall be Supplier's warranty obligation to ensure that the Products are safe food that are authorized by all competent authorities, comply with Hungarian and EU legal regulations, standards and official requirements currently in force and that were manufactured, labelled, stored and transported in accordance with HACCP. Supplier shall commit themselves to ensure that at the time of handing over the Products to CLIENT, at least 2/3 of the 'use by' date and minimum durability date (hereinafter collectively referred to as: expiration date) of the Products has not passed yet; otherwise, CLIENT shall have the right to refuse to accept the concerned Products with reference to a



defective performance. In case of a fresh produce, if the expiration date of the Product is less than 15 days, CLIENT shall have the right to refuse to accept the Product with reference to a defective performance if it is not delivered to them within 3 days from the date of production.

5.16. Supplier shall warrant that the packaging of Products complies with all requirements stipulated in regulations, standards and official requirements currently in force, contains the appropriate license numbers and mandatory labels and markings in Hungarian, German, Slovakian and Romanian languages, as well as that the expiration date of Products is indicated on the individual packaging of Products. Markings on Products must be applied in a way so that those can be removed only by applying a strong physical impact, and marking must contain the GS1 or EAN 128 bar code supplemented by the weight in case of Products of variable weight, while in case of Products of a fixed weight, a fix bar code, also EAN 128. Furthermore, by concluding the Contract, Supplier shall warrant that the Products are free from any defects and are suitable for storage, transport and distribution in every respect as well. Products can be delivered to CLIENT only in double packaging, while delivery in bulk is excluded.

5.17. It is prohibited for Supplier to deliver or even to facilitate the indirect delivery of Products to CLIENT, the distribution of which is subject to a restriction by embargo in any member states of the European Union or that is prohibited even by Hungarian national legislations. Supplier shall be objectively liable for this restriction, meaning that in case of breaching it, they shall not have the right to plead that they were unaware of the concerned Products being prohibited. In case of breaching the restriction, Supplier shall be obliged to immediately exempt CLIENT from all sanctions and to buy back the concerned Products from CLIENT at purchase price – regardless of the expiration date of those Products, to immediately transport the Products from CLIENT, as well as to reimburse 20% of the purchase price of the concerned Products to CLIENT as a breach of contract penalty. (see Section 8)

5.18. Supplier shall be obliged to provide CLIENT with all data related to transport and to the Products in order to allow CLIENT to comply with their reporting obligations to authorities, as required by Hungarian national legislations. Supplier shall be obliged to inform CLIENT of all data related to the transport of Products and to the Products at least 36 hours before the entry of the Products into Hungary, at the e-mail address of beszerzes@matusz-vad.hu. The information obligation shall include but shall not be limited to the name, net weight, country of origin, planned import period and shipping method of the Products, while in case of inland transport: the precise vehicle license plate number, owner and keeper of the means of transportation. Furthermore, Supplier shall be obliged – if the originally provided data is changed – to immediately inform CLIENT of the change of data at the above e-mail address by also

specifying the precise reason for the change and by substantiating the change by presenting a report. Supplier shall be obliged to bear all sanctions resulting from breaching the above obligations.

5.19. Supplier shall transport industrially pre-packed Products requiring cooling or freezing only by a means of transport that is properly clean, suitable for the transport of chilled or frozen Products, ensuring and registering appropriate cargo compartment temperature, and that is also suitable for preventing any external contamination of the Products. If the internal temperature of Products delivered does not comply with requirements, CLIENT shall have the right to refuse to accept the Products with reference to a defective performance. Vehicles used for the performance of the transport service shall have a lockable, clean and hygienic cargo compartment that can be isolated from weather conditions, even in case of all other Products.

5.20. Products must be placed onto intact pallets. The height of a pallet must not exceed 1800 mm including the pallet itself. The weight of a pallet must not exceed 800 kg including the pallet itself. Products must not extend over the pallet in any direction. Supplier shall be obliged to retain the ability to count the Products, as well as to wrap the Products around with a stretch film in any event, in a way that allows for the safe transport of the Products.

5.21. Supplier shall be obliged to immediately inform CLIENT of all circumstances that delay or prevent the timely and – even in other respects – contractual performance of orders, that make it impossible or that affect it in any other way. Supplier shall be liable for all damages resulting from failing to inform. However, the above information shall not exempt Supplier from their obligation to pay a penalty as specified in Section 8 or to pay other sanctions.

5.22. Supplier shall acknowledge that they are not allowed to give a gift, commission, loyalty fee, bonus or any other allowance of a total value higher than HUF 15,000 (fifteen thousand) per year to the employees of CLIENT, to persons related to them or to other businesses of those employees (regardless of its basis) – except for other allowances resulting from normal course of business that were previously approved by the Chairman and CEO of CLIENT in writing (free of charge partner invitation to factory visit, exhibition).

5.23. The obligation stipulated in Section 5.22 shall be of crucial importance from the aspect of the cooperation between the Parties, as a result of which the possible breach of obligation shall be deemed to be a serious infringement that shall oblige Supplier to pay a compensation to CLIENT, the rate of which shall equal to 15% of the annual gross product turnover generated between CLIENT and Supplier. If the unlawful conduct raises the suspicion of a criminal offence (Articles 290 and 291 of the Criminal Code), CLIENT shall have the right to inform the competent investigating authority to request an initiation of criminal proceedings. The above infringement shall be deemed to be a material



breach of contract and shall constitute a basis to terminate the Contract concluded between the Parties with immediate effect.

5.24. Supplier shall be obliged to take back their own packing to the extent distributed by them, during the entire period of the supply relationship with CLIENT, as well as within 120 days from the termination of the relationship. Upon termination of the supply relationship, Supplier shall be obliged to buy back the packing at the last contracted price. In this regard, the Director of Logistics shall be CLIENT's official representative.

5.25. Supplier shall not have the right to charge a pallet to CLIENT if Supplier's representative refuses to accept it as a replacement upon delivery with reference to reasons other than quality-related complaints concerning the pallet. In this case, it shall be indicated on the receipt documents that Supplier's representative refused to accept a replacement pallet.

6. GENERAL REMUNERATION RULES

6.1. Supplier shall have the right to exercise their right of **set-off** only if their offset claim was definitively established by a court or if CLIENT expressly agreed to the claim in writing.

6.2. The price of the Products can be validly settled also by a third party instead of the Parties – with reference to this.

6.3. Unless otherwise stipulated by CLIENT, the **price of the Products** shall be considered to be expressed in Hungarian legal tender (HUF), and payment shall be completed also in this currency. If the currency specified for payment upon concluding the Contract (the currency in which payment obligations are to be met) is different from the currency of actual payment (the currency in which the payments are actually made), the consequences of an adverse change in the exchange rate on CLIENT shall be borne by Supplier.

6.4. CLIENT shall register Supplier's claims on a supplier's account, while their debts on a client's account. In the event of enforcement of claims, it shall be presumed that these statements are true and correct. Supplier shall have the right of rebuttal.

7. WARRANTY AND DEFECT LIABILITY

7.1. If any of the criteria related to the Products or to Product compilation is not met, CLIENT shall have the right to refuse to accept the consignment with reference to a defective performance or to allow Supplier or their representative to rearrange the cargo.

7.2. Supplier shall be subject to all warranty and defect liability obligations related to the Products. Supplier shall be obliged to immediately and fully exempt CLIENT from all liabilities and damages resulting from the possible defects and deficiencies of the Products. Should the competent food administration or other authority suspend or prohibit the distribution of the Products for any reason, Supplier shall be obliged to transport back goods not yet sold – and recalled

after sale – depending on the decision of the authority, at their own cost, or to compensate CLIENT for the costs of destruction and for all resulting damages to CLIENT.

7.3. By concluding the Contract, Supplier shall warrant that Products transported by them during the contract period do not violate and endanger the rights or legitimate interests, life, health and physical integrity of third persons in any way and on any basis, as well as they shall undertake to immediately inform CLIENT if such impairment of rights occurs or can possibly occur (e.g., product liability claim), as well as to exempt CLIENT from all liabilities and to immediately compensate CLIENT for all damages and costs incurred – upon request – if those were caused by reasons not attributable to CLIENT. CLIENT shall accept the Products at the place of performance by checking their quantity and quality item by item and in any event, by the reservation of rights.

7.4. CLIENT shall reserve the right to enforce claims resulting from a breach of contract [Article X of Book 6 of the Civil Code]. With regards to quality defects and quantity problems detected after receipt, CLIENT shall inform Supplier immediately after detecting those but not later than within 5 working days.

7.5. Supplier **shall be obliged to immediately investigate CLIENT's comments and complaints** related to the Products and to inform CLIENT of this in writing not later than within 3 working days from the receipt of comment or complaint, depending on the nature of the case. In the event of a comment or complaint made over the phone, Supplier shall be obliged to provide a response in writing, depending on the nature of the comment or complaint – where appropriate and upon request by CLIENT.

7.6. Supplier shall be fully liable for quality and quantity complaints and for an incomplete or defective performance attributable to Supplier.

7.7. In the event of a quantity difference, Supplier shall be obliged to deliver the missing Products immediately but not later than within 2 working days, at their own cost.

7.8. The Parties agree that CLIENT shall have the right to refuse to accept the Products in the following cases, even by returning the entire consignment, as well as Supplier shall commit themselves to accept Products already accepted by CLIENT, as return products:

- a) Not the Products ordered were delivered, or the Products ordered were not delivered in the presentation ordered, and Supplier failed to inform CLIENT of this in advance.
- b) Supplier changed the unit packages without previously informing CLIENT in writing.
- c) The quality or transport circumstances of the Products do not comply with quality and transport requirements.
- d) In the event that frozen Products are ordered, if the Products were frozen at a place other than the original place of production in a professional manner.



e) If the LOT number, expiration date and EEC number of each Product is not indicated on the delivery note, CMR or other transport document, or if it is not indicated that the Products are frozen. In case of various expiration dates and/or LOT numbers, the weights of the Products must be indicated separately.

f) In case of Products that cannot be generally distributed due to an official prohibition or by or within the scope of activity of CLIENT.

g) In other cases stipulated in the Contract, in a separate agreement of the Parties or in a legislation.

h) Due to a quality issue that CLIENT shall have the right to assess by their own organoleptic examination. With regards to disputes related to the quality of products received, the Parties shall accept the expert opinion of the official veterinarian competent for the place of storage of the Products as applicable. If quality issues are supported by the expert opinion, (i) CLIENT shall have the right to refuse to accept the concerned Products without any payment obligation or any liability for damages and compensation, while Supplier shall be obliged to deliver the Products affected by the refusal within 1 working day from CLIENT's notification and in conformity, and (ii) if the Products subject to a defective performance were already accepted, Supplier shall be obliged to transport the Products affected by the defective performance back (return of products) within 2 working days from CLIENT's notification and to deliver the Products again in conformity.

i) Missing bar codes.

7.9. Supplier shall be obliged to correct their previously issued invoice with the quantity of returned Products. If Supplier has not yet issued an invoice, they shall have the right to issue an invoice only on the actually delivered quantity reduced by the quantity of returned Products.

7.10. In questions related to warranty and defect liability obligation, general rules (stipulated in the Civil Code and in other applicable legislations) shall apply.

8. PENALTIES

8.1. If Supplier fails to fulfill or to completely fulfill their obligation towards CLIENT to deliver the Products or any of their other forward obligations within deadline, or if Supplier fails to settle accounts with CLIENT, Supplier shall be obliged to pay a penalty to CLIENT. The basis of penalty should be the list price of the Product subject to a delayed or non-compliant performance, without VAT. The rate of penalty: 2% of the basis of penalty / calendar day until the date of a compliant performance accepted by CLIENT, however, it shall not exceed 20% of the basis of penalty in total. In the event that the penalty reaches 20%, it shall constitute a ground for CLIENT to unilaterally withdraw from the contracted quantity or from the specific order.

8.2. In case of failing to perform an order, CLIENT shall be entitled to a cancellation fee (it shall also constitute a non-performance if Supplier fails to even confirm the order of

the concerned Products, or if CLIENT does not accept the communication of obstacles, a performance in the form of split deliveries, or a performance by delivering Products in a different presentation or by delivering replacement Products, or if CLIENT accepts these with certain conditions and then those conditions are failed to meet later). The basis of penalty should be the list price of Products subject to non-performance, without VAT. The rate of penalty: 20% of the basis of penalty. If the Parties concluded a "Supplier's temporary contract for the supply of goods" in relation to a specific Product, in which the amount and price of a specific Product or Product group to be delivered by Supplier during a specific period is specified, and this is not fulfilled in accordance with the date of orders, then CLIENT shall have the right to make a cover purchase from any other supplier, the additional costs of which shall be paid by Supplier within 8 days against an invoice issued by CLIENT. In these cases, CLIENT might be forced to make a purchase even at a 30% higher price due to the constraint to conclude a prompt transaction, therefore Supplier shall not have the right to object to these transactions subsequently, and those shall not constitute a ground for enforcement.

8.3. Supplier shall be obliged to transfer the amount of penalty to CLIENT within 15 days from receiving the financial notification letter of CLIENT.

8.4. By accepting the GTC, Supplier shall recognize the rates of penalty types specified in the present section as proportionate to the severity of breach of contract, and therefore shall not have the right to enforce a claim for the reduction of penalties.

9. LIMITATION OF LIABILITY, FORCE MAJEURE

9.1. CLIENT shall exclude their potential liability against Supplier for negligence. CLIENT's liability for damages shall not exceed 40% of the transaction value of the transaction subject to compensation in any respect. This limitation shall not apply to cases where the applicable provisions of the Civil Code exclude the limitation of compensation. The limitation of liability shall be taken into consideration when establishing the purchase price.

9.2. The Parties shall be exempted from their obligation to conclude a Contract when an unforeseen (force majeure) event arises that prevents or makes it impossible to perform the Contract. Such events are, for example: acts of war, rebellion, sabotage, unavailability resulting from vandalism or a crime committed by a third person, bombing, other emergency situations, natural disaster, flood, fire, lightning strike, epidemic, or other natural disasters or events, strike, measures taken by state authorities, or in events and with conditions stipulated by a separate legislation.

10. INFORMATION OBLIGATION:

10.1. The Parties shall be obliged to immediately inform each other in writing of all circumstances that affect or could endanger the implementation of the Contract, however, the



communication of obstacles itself shall not constitute an automatic exemption from the performance of the Contract. The Parties shall accept also e-mail as a means of communication used for notification. They shall regard this as originating from the other Party and therefore they shall not have the right to refer to the invalidity of such notice.

10.2. By signing the individual Contract, the Parties shall warrant that they are not subject to any bankruptcy proceedings, winding-up proceedings, voluntary liquidation, as well as that there are no enforcement proceedings initiated against them, and that the financial situation of their companies shall constitute a ground for the timely fulfillment of their obligations stipulated in the Contract, it shall ensure that.

10.3. If a succession process or any other process substantively affecting performance is launched at Supplier, they shall be obliged to inform CLIENT in writing in advance, at the same time when the process is launched. Supplier and their representative shall be obliged to compensate for all damages resulting from the breach of this obligation in full amount, in accordance with civil law rules.

11. CONFIDENTIALITY

The Parties shall be obliged to treat all facts, data and other information obtained in relation to their relationship as confidential information, and as such, they shall be obliged to protect those according to the rules on the protection of business secrets, both during the period of their relationship and even after its termination, without a time limit. Furthermore, the Parties shall be obliged to refrain from disclosing, distributing, prompting, transferring and making available – in any form – any information damaging or endangering the reputation of the other Party in any way – whether true or untrue, whether misrepresenting reality. In case of violating any of these provisions, the Party at fault shall be liable for damages.

12. CLOSING PROVISIONS

12.1. With regards to the Contract between the Parties, the **Hungarian law**, and in particular, the Civil Code and other regulations currently in force related to the Contract between the Parties shall apply, such as – if those are mandatory to apply – the provisions of Act CLXIV of 2005 on Trade and of Act XCV of 2009 on the prohibition of unfair distribution practices against suppliers of agricultural and food products. Provisions of the United Nations Convention on Contracts for the International Sales of Goods shall not be applicable.

12.2. If any provision of the GTC is invalid or is impossible to implement for any reason, it shall not affect the validity of and possibility to implement the other provisions of or the entire GTC. In this event, the provision that has become invalid or impossible to implement must be replaced with another valid provision that is possible to implement and

that is as close to the original intention of the Contract as possible.

12.3. For the event that the Parties cannot settle their legal disputes by reconciliation, they shall appoint the jurisdiction of the competent court in Győr to adjudicate their disputes related to the Contract.