

Applicable to Diatron MI Plc. (hereinafter referred to as Customer) business transactions with companies, legal entities under public law and special funds under public law (hereinafter referred to as Supplier or Contractor), which delivers product or provides services to Diatron MI Plc. in the frame of business agreement or transactions.

1. General Provisions

Our Terms and Conditions of Purchasing fully and exclusively govern the Diatron MI Plc.'s Purchases. Diatron MI Plc.'s General Purchasing Conditions apply exclusively; general business terms and conditions of the Supplier conflicting with or deviating from our Terms and Conditions of Purchase are only recognized insofar as we expressly agreed to them in writing. Acceptance or payment of goods and services from the Supplier (hereinafter referred to as Products) does not constitute agreement.

2. Quotations and documentation of quotation

2.1 Quotations submitted by Suppliers or Contractors are free of charge and without obligation, these offers do not create a binding offer for the Diatron MI Plc.

2.2 The models, patterns, tools and other manufacturing equipment and materials as well as diagrams, drawings, calculations and documentation in relation to the Diatron MI Plc., Diatron reserves the right to ownership and copyright, to make them available without express written permission of the Customer is prohibited to third party. The above listed items can only be used to fulfill the order for the company Diatron MI Plc.; After the completion of Customer order, all these materials and the made copies to be provided back to the Customer without any previous notice. In addition, the Supplier shall not communicate without the express written permission of Customer to third party any information related to Diatron MI Plc.'s product range, manufacturing, and manufacturing processes and technologies. In case of violation of the provisions laid down in this section, all loss or damage resulting from the Customer infringement claim compensation act.

3. Conclusion of and Modifications to the Contract

3.1 Orders, contracts and order releases as well as modifications and supplements will be placed and made in writing by Diatron MI Plc.

3.2 Oral agreements of any kind – including subsequent modifications and supplements to our General Purchasing Terms and Conditions – must be confirmed by us in writing to become effective.

3.3 The written form requirement is also deemed complied with if communications are sent by remote data transmission (electronically).

3.4 Our Terms and Conditions of Purchase are valid for all orders regardless of the supplier's sales or other conditions state otherwise in these Terms and Conditions of Purchase. Such different arrangements will be excluded by the Parties.

If not otherwise agreed with the Customer, the Supplier upon receipt has to confirm the purchase order within 10 working days. If no answer arrived or the Suppliers does not object during the 10-day period, the Customer understands that the Supplier has accepted all the terms and conditions of the purchase order.

3.5 The Diatron MI Plc. is entitled to withdraw/cancel the order if the Supplier within ten working days of the receipt of the order do not confirm it with the conditions laid down by the Diatron MI Plc.

4. Delivery

4.1 Deliveries deviating from our contracts and orders are only admissible if given our prior written approval.

4.2 Agreed periods and dates are binding. Punctual compliance with the delivery periods and delivery dates is determined by the date of receipt of the goods by us. Unless delivery "free at factory gate (EXW)" is agreed, the supplier shall make the goods available in good time, taking account of the time for loading and shipment to be agreed with the forwarder.

4.3 If the Supplier is responsible for set-up or installation and unless otherwise agreed, the supplier shall bear all the necessary incidental costs such as travel expenses, provision of tools and daily allowances, subject to the reservation of divergent regulations.

4.4 The provisions of statute shall apply if agreed dates are not met. If the Supplier anticipates difficulties with respect to production, the supply of material, compliance with the delivery period or similar circumstances that could interfere with supplier's ability to deliver punctually or to deliver the agreed quality, the supplier must immediately notify our Procurement Department.

4.5 The unconditional acceptance of a delayed delivery or service does not constitute a waiver of claims to which we are entitled due to the delayed delivery or service. This applies for pending full payment of the amounts owed by us for the delivery or service in question. In case of delay in delivery penalty is payable in addition. The penalty is based on the contract price. The penalty is 0.5% / day. The maximum amount of the penalty is 5%.

4.6 Partial deliveries are inadmissible in principle unless Diatron MI Plc. expressly agreed to them or can reasonably be expected to accept them.

4.7 If the Customer finds during the in the incoming inspection that the amount of weight, size, quality, etc. of the Supplier's product does not meet with the contract terms, the price of the product is entitled to retain proportionally of the non-fulfillment of the Supplier.

4.8 Diatron MI Plc. has the right to make a security copy (back up) of the delivery documentation.

4.9 The Supplier must send for all supplied material the * RoHS certificate and the material composition. RoHS Certificate is an English-language statement of the Supplier to ensure that every product manufactured or supplied complies with the 2011/65 / EU RoHS Directive on material level.

4.10. Supplier undertakes to manufacture and deliver only those products to Diatron MI Plc., which are made from ROHS and REACH compliance raw materials. In addition, to submit all the required certificate and test report in this topic for Diatron MI Plc. if requested.

4.11. Unless otherwise agreed, deliveries shall be made to DAP Budapest (INCOTERMS * 2020).

5. Packing

The Supplier warrants that the packing and marking of the products will be made for safe and appropriate movement as per the mode of transport during the delivery of the goods to the Customer as per the applicable laws and regulations prescribes. The Customer does not pay for packing fee, only if it is stipulated in the purchase order placed.

6. Quality and quantity acceptance of Products, warranty

The shipping of the Products to the warehouse indicated by the Customer is the responsibility of Supplier and at the cost of the Supplier. Transportation shall be done on the date indicated by the terms of the contract, during working hours: between 08:00 – 16:00. The designated representative of the Customer has the obligation to be present on the date and in the place indicated by the contract and to take over the Products delivered based on the Purchase Order. Supplier should deliver the Quality certificates requested by the Customer together with the goods.

The Supplier shall ensure that the product packaging is suitable for the safety transport of the goods and identification of the packages and the items, as defined by Customer (e.g. Diatron Purchase Order number and the Diatron Part Numbers, as stated in our Purchase Order should be indicated on the Packing List. The Diatron Part Numbers should also be indicated on the individual parts and on the part's packing, as well).

Supplier should deliver all products with suitable delivery note or invoice to the Customer - as defined by the Customer above. The quantity acceptance of the Products takes place at the time of delivery, based on the quantities indicated by the Purchase Order which must correspond to the quantities listed on the packing list accompanying the Products. If the delivered quantities do not correspond with the quantities indicated on delivery note, the representatives of the Customer and of the Supplier (or its freight forwarder) shall make a record of any missing items at the time of delivery. Any quality complaints shall be submitted by the Customer to the Supplier in writing, by completing a Quality Complaint Record (QCR) sheet, in which Customer shall indicate the inspected items which did not pass incoming inspection. Customer has the right to send back at Supplier's cost any items which were rejected during incoming inspection. Customer has, no obligation to pay for any of the rejected items. Replacement of the rejected items shall be done upon mutual agreement between Supplier and Customer.

Those parts, which were return to Supplier with QCR Report or Rework Request should be delivered back to Customer after repair or rework that the relevant delivery note (Packing List) contains the Diatron part number, the Diatron's return material delivery number, the QCR number or Rework Request Number. The complaint (QCR) sheet filled with repair or rework description should be attached to the delivery note of every shipment in order to inform the Incoming Inspection about what to be checked on the warranty or repaired part.

Supplier offers 12 (twelve) months warranty for all Products not affected by Customer's quality check (that is for all Products, which were received without being checked). The quality complaint sheet shall contain the requested compensation (replacement, price reduction, credit note or refusal of further purchasing the rejected Product).

7. Vis Major

Force majeure events such as operational disturbances without fault, strike, riots, governmental measures and other unavoidable events exempt Diatron MI Plc. from liabilities according to order. During such events and for a two week period there after we are entitled – notwithstanding our other rights – to withdraw from the contract in whole or in part, provided that such events are not of inconsiderable duration and our requirements are considerably reduced as the goods have to be procured elsewhere as a result thereof.

8. Completion certificate and invoice

The conditions stated s in our purchase orders or in contracts shall apply to the invoice and to the completion certificate (in case of services) too. An invoice should contain always the Diatron purchase order or contract number.

Diatron expects from its partners to send the invoices with the requested attachments, such as the of Diatron's Purchase Order (this is always to be attached to the invoice) and the delivery note signed and stamped certifying receipt of the goods by the Diatron or in case of services the completion certificate signed by the Diatron. The invoice must comply with the legal requirements.

The original copy of an invoice to be sent to the postal address specified in the Customer's order or in the contract. The payment of the invoice does not mean that Customer waiving his rights related to the order.

9. Pricing and Passing of Risk

The price stated on the purchase order is fixed price and total price, it should not be changed for any reason without specific written consent of the Customer. Rates are based on the terms of delivery (parity) and together with packing stipulated in the purchase order.

The supplier bears all risks of loss or of damage to the goods until the goods are received by us or by our representative at the location to which the goods are to be delivered in accordance with the order or contract.

10. Payment Conditions

Unless otherwise agreed, the invoice shall be paid either within 60 days or within 20 days with 2% discount with effect from the due date of payment and receipt of both the invoice and the goods or performance of the service. Payment is subject to invoice verification.

11. Management of Change

11.1 The Supplier shall be obliged to inform Customer in time and ahead from any kind of deviation change in the his production process and / or the technical specification of technological change in the Supplier's premises, from products and raw material changes, including raw material purchasing from new sources.

11.2 The Supplier shall ensure that no products are delivered that deviates from agreed quality standards. However, in exceptional cases, the Supplier may apply for a written special approval from Customer. In the deviation request, the deviation itself must be defined with the part number of the affected item, in case of serialized product the serial numbers too. This special approval belongs to the specified quantity or purchase order number. The Customer will sign this form and shall return to the Supplier confirming the approval of the change.

11.3 The Supplier should not do any change in the product until the receipt of Customer approval.

12. Product Liability and Recall

12.1 In the event a product liability claim is asserted against Diatron MI Plc., the supplier is obliged to hold us harmless from such claims if and to the extent the damage was caused by a defect in the Product supplied by the supplier.

12.2 In the cases of paragraph 12.1 above, the supplier assumes all costs and expenses, including the costs of any legal action.

12.3 In all other respects the provisions of statute shall apply

12.4 Prior to any recall action which is partially or wholly due to a defect in a Product supplied by the supplier, Diatron MI Plc. shall notify the supplier, give the supplier the opportunity to collaborate and discuss with the supplier the efficient conduct of the recall action, unless no notification or collaboration by the supplier is possible on account of the particular urgency. The costs of the recall action shall be borne by the supplier insofar as a recall action is due to a defect in a Product supplied by the supplier.

13. Conducting Work

Persons who carry out work on Diatron MI. Plc. premises in fulfillment of the contract must observe the respective plant regulations. The liability for accidents suffered by these persons on Diatron MI. Plc. premises is excluded except to the extent caused by willful or gross negligent breach of duty by our legal representatives or persons employed in the performance of our obligations.

14. Provision of Materials

Materials, parts, tools and special packaging provided by Diatron MI. Plc. remain our property. These may only be used as designated. The materials are processed and parts assembled by Supplier for Diatron MI. Plc. It is agreed that we are co-owner of the products manufactured with our materials and parts in proportion to the value of the materials or parts provided in relation to the value of the whole product; such products shall be kept safe for Diatron MI. Plc. by the Supplier to this extent.

15. Documentation and Confidentiality

15.1 The Supplier shall keep confidential with respect to third parties all business and technical information made available by Diatron MI. Plc. (including features which may be derived from objects, documents or software provided and any other knowledge or experience) as long and to the extent that it is not proven public knowledge, and it may only be made available to those persons in the supplier's business facility who necessarily need to be involved in the use thereof for the purpose of delivery to us and who are also committed to confidentiality; the information remains Diatron MI. Plc. exclusive property. Without our prior written consent, such information must not be duplicated or exploited commercially – except for deliveries to Diatron MI. Plc. At our request, all information originating from us (if appropriate also including any copies or records made) and loaned items must be, without undue delay, returned to us in full or destroyed. Diatron MI. Plc. reserves all rights to such information (including copyright and the right to file for industrial property rights such as patents, utility models, etc.). In the event this is provided to Diatron MI. Plc. by third parties, the reservation of rights also applies for the benefit of such third parties.

15.2 Products manufactured on the basis of documentation drafted by Diatron MI. Plc. such as drawings, models and the like, or based on our confidential information, or manufactured with our tools or with tools modeled on our tools, may neither be used by the Supplier itself nor offered or supplied to third parties. This also applies analogously to our print orders.

16. Export Control and Customs

The Supplier shall be obliged to inform Diatron MI. Plc. about any applicable (re-) export license requirements for the Products under European or US export control law and customs regulations as well as the export control law and customs regulations of the country of origin of the Products.

Therefore, at least in his offers, order confirmations and invoices the Supplier shall provide the following information with respect to the Products:

- country of origin of the Products and of the components thereof, including technology and software;

- HS-Code of the Products; and

- a contact person in his organization to provide further information to us upon request.

Upon Diatron MI. Plc. request the Supplier shall provide any other foreign trade data with respect to the Products and their components in written form and shall inform us on all changes to such data without undue delay and prior to supply to us.

17. Compliance and environmental protection

The Supplier shall comply with the respective statutory provisions governing the treatment of employees, environmental protection and health and safety at work and to work on reducing the adverse effects of its activities on human beings and the environment.

The Supplier shall comply with the principles of the UN Global Compact Initiative relating basically to the protection of international human rights, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discrimination when personnel is engaged and employed, the responsibility for the environment and the prevention of corruption.

18. Contract cancellation / termination

18.1. In addition to the statutory rights of rescission we have the right to cancel or terminate the contract with immediate effect if

- the Supplier has stopped supplying its Customers,

- there is or threatens to be a fundamental deterioration to the financial circumstances of the supplier and as a result of this the performance of a supply obligation to us is in jeopardy,

- the supplier meets the criteria for insolvency or over-indebtedness or

- the Supplier stops making its payments.

We also have the right to cancel or terminate the contract if the Supplier files an application for insolvency or comparable debt settlement proceedings to be initiated with respect to its assets.

18.2. Statutory rights and claims shall not be limited by the regulations included in this Section 18.

19. Subcontractors

Supplier is obligated to use subcontractor for the Customer's order fulfillment only by the prior written consent of the Customer.

20. Advertising

The Supplier only in the possession of prior written authorization from the Customer, can refer to the business relationship between them.

21. Jurisdiction and place of performance and choice of law

If one of the provisions of these General Purchasing Terms and Conditions and of additional agreements reached should be or become ineffective, this shall not affect the validity of the General Purchasing Terms and Conditions in other respects.

On matters not regulated by provisions of these General Purchasing Terms and Conditions and by specific agreements Civil Code shall be applied.

These General Purchasing Conditions, and established the basis of this agreement and delivers the Hungarian Substantive and Procedural Law is applicable.

The Contracting Parties agree that legal disputes, which may arise from the application of these General Purchasing Conditions and agreements/contracts concluded by these conditions, will be settled by personal negotiations.

If their efforts in this direction would lead to no result, the Contracting Parties shall submit themselves to the exclusive jurisdiction of the competent court over the Customer's registered office.]