

GENERAL TERMS AND CONDITIONS OF SALE

Prysmian MKM Hungarian Cable Works Ltd.

1 General

- 1.1 These General Terms and Conditions of Sale (also “**GTCS**”) provide for the mutual rights and obligations of the Parties in connection with all supplies of the Prysmian Group portfolio products and other goods (hereinafter both referred to as the “**Goods**”) by Prysmian MKM Hungarian Cable Works, (hereinafter the “**Seller**”) to another party (hereinafter the “**Buyer**”) and form an integral part of each contract providing for the sale or supply of the Goods by the Seller to the Buyer, unless the Parties expressly agree otherwise.

2 Order & Delivery of Goods

- 2.1 The Goods shall be delivered to a place of delivery defined in the purchase contract entered into by and between the Seller and the Buyer (hereinafter the “**Purchase Contract**”). The Purchase Contract may also be concluded by means of an order placed by the Buyer and its subsequent confirmation by the Seller; to avoid any doubt, it is agreed that the Seller is not obliged to confirm the order. In case the Seller does not confirm the order, the legal relationship for supply of the Goods is not concluded. The Purchase Contract is concluded in the moment of confirmation of the Buyer’s order by the Seller. These GTCS shall apply irrespective of any referrals of the Buyer to his own general terms and conditions or similar conditions, which shall have no legal force, even if Seller has not explicitly objected to such general terms and conditions or similar conditions of Buyer. This shall in particular also apply, if Seller made the reference to such conditions with knowledge of contradictory or different conditions of the Buyer. In case of orders made through EDI, the Purchase Contract is concluded in the moment of the issue of an invoice for the supply of the ordered Goods by the Seller, and to avoid doubts, the Buyer is not entitled to cancel the orders once placed through EDI. By conclusion of the Purchase Contract, the Seller agrees to deliver the Goods to the Buyer on the agreed date and in the agreed quantity and quality and the Buyer agrees to take over the Goods and pay the purchase price for the Goods to the Seller properly and in due time.
- 2.2 An order for supply of Goods (hereinafter the “**Order**”) may be placed in writing, by fax, e-mail or through EDI.
- 2.3 The Order must include the following basic details:
- (a) business name of the Buyer (or name and surname of the Buyer if the Buyer is a natural person), identification number, tax identification number, registered office of the Buyer (or place of business if the Buyer is a natural person) and information on registration in the Commercial Register (or the Trade Register if the Buyer is a natural person); this shall not apply if the Order is placed through EDI;
 - (b) the name and phone number of the contact person; this shall not apply if the Order is placed through EDI;
 - (c) the number of the Seller’s quotation if a quotation has been presented to the Buyer;
 - (d) the sort of goods according to the Seller’s quotation if a quotation has been presented to the Buyer, the required number/amount;
 - (e) place of delivery, manner of delivery
 - (f) the required time of delivery;
 - (g) special requirements for the delivery of the Goods – e.g. delivery by a car equipped with a crane, delivery to a construction site etc.
- Failure to include any of the above mentioned items will not render the contract void or these GTCS inapplicable or ineffective. The Seller may complete such lack of information in the confirmation based on the information known from the previous communication with the Seller or otherwise known to the Seller.
- 2.4 The contract for the supply of the Goods shall be considered as existing only after the confirmation was made by the Seller and as binding to the Parties according to the confirmation. The Seller will determine the price, the applicable Incoterms clauses and the other conditions of the performance in the confirmation, according to which the supply relationship may be realised. In case of discrepancy from the Order, the Buyer is entitled to indicate in three days from the receipt if the conditions set out in the confirmation are not acceptable for it, and thus it withdraws from the supply relationship. In case no objection is made by the Buyer within the before mentioned term, the Purchase Contract shall bind the parties as contained in the confirmation.
- 2.5 The Seller reserves the right to supply the Goods with a deviation of 5 % from the agreed amounts/numbers of individual Goods; the Buyer is obliged to pay the purchase price corresponding to the actually supplied amounts/numbers of the Goods unless agreed otherwise.
- 2.6 The Seller is entitled to deliver the ordered Goods in multiple shipments.

- 2.7 If the Seller does not deliver the agreed Goods in due time and this breach of the Seller's obligation may result in any liability of the Seller, the Buyer, after a grace period of 10 days, is entitled to claim that the Seller pay liquidated damages in the amount of 0.05 % of the purchase price of the Goods that were not delivered properly and in due time for each day of delay under the following conditions:
- (a) the amount of the liquidated damages may not exceed 10 % of the purchase price of the Goods that were not delivered in due time. If another liquidated damage is explicitly accepted by the Seller with or without another cap, the total of the liquidated damages due on different basis may not exceed the cap determined herein;
 - (b) the Buyer is not entitled to terminate the contract, and acknowledges that it shall not have any more claims towards the Seller in relation to the breach of obligations of the Seller sanctioned by liquidated damages.
- 2.8 The Buyer is not entitled to cancel or change the Orders that have already been confirmed and based on which a Purchase Contract has been concluded as well as to make changes to the Order waiting for confirmation without the Seller's consent. The Buyer is bound by its offer made in the form of Order. If, after the conclusion of the Purchase Contract and without the Seller's consent, the Buyer cancels or changes his Order based on which a Purchase Contract has been partially or entirely performed, the Seller will be entitled to claim compensation for all costs that incurred in connection with the cancelled supply, including overhead costs and any costs related to the cancelled supply. In such a case, the Seller shall also be entitled to claim that the Buyer pay liquidated damages for the failure of the contract in the amount of 10 % of the total agreed Price of the Supply (as defined below), but it does not affect the right for indemnification of the Seller.
- 2.9 Unless the Parties expressly agree on delivery terms in an individual case, the EXW Incoterms® 2020 (hereinafter "**EXW**") delivery terms will apply to the delivery of the Goods. The branches of the Seller are situated at Kistelek (HU-6760 Kistelek, Árpád út 43.) and Balassagyarmat (HU-2660 Balassagyarmat, 010 hrsz), the Goods may be taken over at these places. The actual branch will be identified in the confirmation of the Order.
- 2.10 In case of delayed delivery attributable to the Buyer, the Seller shall be entitled to invoice the payment due at delivery and the warranty period shall commence as if delivery had taken place on the initially agreed upon delivery date. In addition, the Buyer shall pay the Seller resulting storage and hedging and financing costs related to the Goods incurred in connection with the postponement of the delivery date.
- 2.11 Except as may be otherwise specified in any contract or purchase order which may be formed subsequent to the issuance of the Seller's quotation, the Buyer shall provide and maintain Transit Insurance, with coverage for the full value of the shipment(s). Insurance deductibles, if any, shall be borne by Buyer.
- 2.12 The risk of damage to the Goods will pass to the Buyer as of the date of the delivery as per the relevant Incoterms 2020. Buyer shall be responsible for the licences and other necessary permissions to be obtained from the authorities.

3 Prices & Payment Terms

- 3.1 Unless expressly agreed otherwise, the mutually agreed price is EUR and does not include VAT, import charge and other additional costs and fees. The Buyer is obliged to pay the price of the supply, value added tax, and other additional costs and fees (hereinafter the "**Price of the Supply**") to the Seller by means of a wire transfer to the bank account given in the invoice. The payment is fulfilled as of the day of crediting the appropriate amount to the Seller's account.
- 3.2 Unless expressly agreed otherwise, the Price of the Supply is payable before shipment, and under no circumstances is the Seller obliged to ship the Goods before it receives payment of the Price of the Supply.
- 3.3 The Buyer's delay with the payment of the Price of the Supply or any part thereof or any pecuniary performance towards the Seller, such delay is deemed a material breach of his obligations under the Purchase Contract. In that case, the Seller is entitled to withdraw partially or entirely from the Contract at any time. Seller is also entitled to withdraw from the Contract should Buyer become insolvent, stop payments to its Creditors or an insolvency petition have been filed against it. By virtue of withdrawal from the Contract, the Seller will be entitled to the following options:
- (a) claiming of the return of the delivered Goods and packaging and the compensation for any damage incurred due to withdrawal, including overhead costs. In such a case, the Seller shall also be entitled to claim that the Buyer pays liquidated damages in the amount of 10 % of the total agreed Price of the Supply, or
 - (b) if the Seller does not claim back the packaging, it shall be entitled to claim the invoiced amount for the already shipped goods together with the default interest – if any - mentioned under 3.4 (a) accrued as of the date of the withdrawal.
- 3.4 If the Buyer is in delay with any pecuniary performance towards the Seller, the Seller shall also be entitled to:

- (a) demand the payment of default interest in the amount of 0.05 % of the outstanding amount for each day of delay;
 - (b) withhold any supply of Goods to the Buyer including those ones already confirmed by the Seller.
- 3.5 In case the parties have agreed to apply different payment term than set out in article 3.2, and it becomes obvious after conclusion of the Purchase Contract that the Buyer will not pay the Price of the Supply or any part thereof properly and in due time, the Seller shall be entitled to demand that the Price of the Supply be fully paid before the supply of the Goods; in that case, the Seller shall be entitled to withhold the supply until the demanded amount is paid; this shall also apply to supplies already confirmed by the Seller. In such a case, for the goods already delivered, but not yet paid because the price is not due yet, Seller shall be entitled to withdraw from the contract and claim for the return of the goods.
- 3.6 Payments made by the Buyer shall first be used to settle the costs then the interests of the Buyer's due payables and only lastly to settle the principal amount, regardless of the Buyer's designation or marking of the payments. If the Buyer has multiple due payables, the payments shall first be used to settle the accessions of all due payables and only after the payment of all accessions, where the accessions of the payables with the earliest maturity shall be settled first.
- 3.7 The Buyer is not entitled to unilaterally postpone the maturity of any pecuniary performances to which an obligation has arisen to the Buyer under the Purchase Contract.
- 3.8 Without prior written consent of the Seller, the Buyer is not entitled to withhold, assign or set off any receivables against the Seller's receivables resulted from the Purchase Contract.
- 3.9 The Buyer is not entitled to exercise retention right in respect of the Goods, packagings or any other items owned by the Seller or items owned by a third party that are to be handed over to the Seller.
- 3.10 To avoid doubt, the provisions of articles 3.7. to 3.9. also apply if a legitimate claim against the Seller has arisen by the Buyer due to defects of the supplied Goods.

4 Packaging

- 4.1 On each packaging, the length of the given Goods must be indicated in order to determine the amount/number of the delivered Goods. The actual length of the Goods may differ from the length given on the packaging by a maximum of 1 %.
- 4.2 The Buyer shall be entitled to return the packaging of the Goods, if the Purchase Contract so allows. The Buyer shall notify the Seller in advance, prior to the shipment of the packaging in writing of its intent to return the packaging to the Seller. The Seller shall not accept the packaging in lack of the Seller's prior written consent to their return.
- 4.3 Safety materials used for transport of the Goods (e.g. prisms) remain the property of the Seller and the Buyer is obliged to return them to the Seller.

5 Liability for Defects; Liability for Damage

- 5.1 Unless expressly stated otherwise, the Seller provides warranty for the period of 24 (twenty-four) months as of the delivery of the Goods (hereinafter the "**Warranty Period**"). The Seller warrants that until the end of the Warranty Period, the supplied Goods shall maintain their expressly agreed or common properties (the Seller does not warrant that the Goods will be of top quality or fit for the given purpose or that they will have properties not expressly agreed. In case of repair or replacement, the Seller provides a warranty for the repaired or replaced Goods for the period of 24 (twenty-four) months of the repair or replacement; however, the aggregate warranty period shall not exceed 10 (ten) years of the first delivery.
- 5.2 The Seller's liability for defects of the Goods or related damage shall not apply to defects and damage caused by common wear and tear, by external causes or third parties without the Seller's fault, in particular by tampering with Goods, unprofessional handling, use for purposes other than those for which the Goods were designed, and improper storage.
- 5.3 The Seller is not liable for defects that the Buyer claims after the expiry of the warranty period even if these demonstrably occurred during the warranty period.
- 5.4 The Buyer is obliged to inform the Seller of any defects of the Goods in writing or by means of an e-mail (hereinafter also a "**Complaint**") without unnecessary delay, but not later than within 7 (seven) days of the discovery of the defect in question.

- 5.5 The Buyer is obliged to inspect the Goods as soon as possible after delivery and make a Complaint related to defects discovered during the inspection within 5 (five) days following the delivery of the Goods to the agreed place of delivery; if the Buyer fails to make a Complaint in respect of defects that can be discovered during the inspection with due professional care (especially defects in the type and declared number/amount) within this deadline, the Buyer's claims following from these defects expire (by the mere fact of lapse of time) and the claim cannot be raised any more.
- 5.6 In case of Complaint related to defects of Goods, the relevant Goods must be stored separately from other Goods until the Complaint is resolved. Without prior written consent of the Seller, the Buyer may not handle the Goods in a way that would hinder or prevent the assessment of the claimed defect.
- 5.7 In case of Complaints regarding the number/amount of supplied Goods, the Buyer is obliged to submit the carrier's consignment note with the Complaint.
- 5.8 In case of Complaints related to defects of Goods, the Buyer is obliged to submit photographic documentation of the Goods subject to the Complaint and the carrier's business record (consignment note).
- 5.9 If the Seller acknowledges the Buyer's Complaint, the Buyer is entitled, depending on the Seller's decision made on its sole discretion, to have the defective Goods repaired or replaced or to receive a discount on the purchase price. The Seller is obliged to compensate the Buyer neither for the costs of removal of defective Goods from the place of installation nor for the costs of installation of the replacement Goods.
- 5.10 Apart from claims under articles 5.1 to 5.9, the Buyer has no further claims related to the defective Goods being the subject matter of the performance under the Purchase Contract; any claims for compensation for damage in the defective Goods being the subject matter of the performance under the Purchase Contract and any related contractual penalties are excluded.
- 5.11 The Seller, furthermore, is liable for damage incurred by the Buyer as a result of breach of the agreed obligations of the Seller up to the maximum amount equal to 25 % of the purchase price of the Goods under the Purchase Contract stipulating the Seller's obligations breached. The Seller shall compensate the Buyer only for actual damage; the Seller shall not be liable for the Buyer's lost profit, indirect, consequential or unforeseeable damage. The Seller is not liable for any damage caused by the Buyer as a direct or indirect result of breach of the agreed obligations of the Seller. The liability of the Seller may be claimed under this section exclusively for damages incurred as a result of breach of contract that are the consequences of circumstances other than delay of performance and/or defects of the Goods being the subject matter of the performance.

6 Force Majeure

- 6.1 The Seller shall not be liable for any failure, hindrance, or delay in the performance of its obligations under the Purchase Contract or for any omission or damage arising out, directly or indirectly, in a foreseeable way or otherwise, of any circumstances that are beyond the reasonable control of the Seller having any affect that would (i) delay, hinder or prohibit the performance of the Purchase Contract by the Seller, or (ii) cause any disruption or limitation in the normal business operations of the Seller; these circumstances may be in particular (not limited to the followings): fire, flood, riot, pandemic, shortage of goods and raw materials, strikes, telecommunications disruptions, acts of god, acts of the public enemy or of terrorism, war or civil disturbances, or any laws or mandatory rules (hereinafter "**Force Majeure Event**"). The present clause shall have no effect on the applicability of any other legal provisions of the applicable law allowing the suspension or delay or decrease or denial of performance, or termination of the Purchase Contract.

7 Miscellaneous

- 7.1 The Buyer acquires the ownership title to the Goods upon payment of the full purchase price. The Buyer agrees to ensure the effectiveness of the reservation of the title under the previous sentence in respect of third parties at his own expense (e.g. he shall not attempt to transfer the ownership title to the Goods).
- 7.2 At any time, the Seller is entitled to assign any of its rights and obligations under the Purchase Contract (including the Purchase Contract as a whole or the Framework Agreement as a whole (if any)) to an affiliate belonging to the Prysmian Group or to supply the Goods through an affiliate belonging to the Prysmian Group acting as a subcontractor or to a 3rd party limited to transportation of the goods. For the purposes of this paragraph, an affiliate belonging to the Prysmian Group means any entity which is directly or indirectly controlled by the Seller, which is directly or indirectly controlling the Seller or which is directly or indirectly controlled by the same entity as the Seller. The Seller is entitled to assign its receivables arising out of the Purchase Contracts to 3rd parties.

- 7.3 All non-public information or documents that the Buyer acquires in connection with the execution or performance of the Purchase Contract are deemed business secrets of the Seller; the Buyer is obliged to maintain their confidentiality and to refrain from disclosing them to any third parties even after the termination of the contractual relationship with the Seller. Cases where the Buyer discloses this information within the performance of its statutory duty or where it discloses the information to entities required to maintain confidentiality by the law are not deemed a breach of the confidentiality obligation. If the Buyer breaches the obligation under the preceding sentences of this article, the Seller shall be entitled to claim from the Buyer liquidated damages in the amount of 5% of the Price of the Supply but HUF 1.000.000 as a minimum for each individual breach; the payment of the liquidated damages shall not prejudice the Seller's right to full indemnification.
- 7.4 Any and all disputes arising out in connection with the supplies of Goods by the Seller to the Buyer shall be finally resolved by the competent Hungarian Court.
- 7.5 The Buyer acknowledges and accepts that the legal remedies and consequences regulated in these GTCS are exclusive remedies and consequences, and the Buyer shall not be entitled to any further claims beyond those regulated herein.
- 7.6 The failure by Seller to enforce any term or condition contained herein shall not be considered a waiver thereof and shall not prevent Seller from enforcing any such term or condition thereafter.

8 Final Provisions

- 8.1 Other rights and obligations of the Seller and the Buyer shall be governed by applicable legal regulations of Hungary excluding its clauses for conflict of laws. The United Nations Convention on Contracts for the International Sale of Goods will not be applicable.
- 8.2 Unless the Parties expressly agree otherwise, their mutual rights and obligations regarding the supplies of Goods shall be governed by the General Terms and Conditions of Sale in the wording effective as of the date of the proposal to execute an individual Purchase Contract (Order, offer); when negotiating each delivery of Goods, the Buyer is obliged to acquaint himself with the currently effective wording of the General Terms and Conditions of Sale on the Seller's web site at www.prysmiangroup.hu.
- 8.3 The Seller reserves the right for modification of these GTCS at any time. In such situation, the Seller notifies the Buyer fifteen days prior to the modification is valid and effective. The Buyer has 5 (five) days from the receipt of the notification to terminate the legal relationship. In lack of reaction, the modified GTCS shall be deemed as accepted by the Buyer and thus be considered as binding to the Parties.