

**IVM Zrt.  
Purchase Terms and Conditions  
2017**



**INTERNATIONAL VENDING MACHINES**

VERSION: 1.0  
2017.07.

## **1. Terms of Agreement**

- 1.1 [Scope] This general purchase terms and conditions document (hereinafter referred to as 'PTC'), together with any other attached agreements, attachments, standards, technical information, purchase order and exhibits, constitutes the entire agreement between the Supplier and IVM Zrt (collectively referred to as 'Parties'). Collectively these documents are incorporated into IVM Zrt.'s Purchase order, as submitted to the Supplier. Supplier's acceptance, acknowledgement of the Purchase order, or commencement and/or indication of performance constitutes an acceptance of the terms and conditions herein and the entire Purchase order. The Parties retain the right to modify any and all terms through separate written contracts ('Modifying Agreements'), signed by representatives of both Parties having the right to represent and sign on the behalf of their respective companies. Any and all Supplier's terms and conditions, deemed to be valid for the present legal relationship, are hereby invalidated unless exactly stated into a Modifying Agreement by the Parties, the validity of which is explicitly extended to this agreement.
- 1.2 [Language and copies] This PTC is composed of Hungarian and English versions, containing identical information and clauses. The two versions will be deemed as constituting one and the same, original instrument.
- 1.3 [Assignment] This PTC and the rights and obligations hereunder shall extend to, be binding upon and come into effect for the Parties hereto, along with their respective successors and permitted assigns, but this Agreement shall not be assigned or transferred, in whole or in part, by any Party without the prior written consent of the other Party. Supplier shall not, without the prior written consent of IVM Zrt., assign to a third party any or all of its rights and/or obligations arising from the Purchase order or any Modifying Agreements.
- 1.4 [Subcontracting] Supplier shall not subcontract any of its rights and/or obligations arising from the Purchase order or any Modifying Agreements, including employing subcontractors for any or all parts of the performance, without the prior written consent of IVM Zrt. If consent is received, the Supplier shall still be fully liable for any acts or omissions of such permitted subcontractors and caused damages as if it were the acts and omissions of or damages caused by the Supplier itself. Supplier shall hold IVM Zrt., without limitation, harmless and indemnify both IVM Zrt. and the subcontractor for all damages caused by Supplier's failure to pay its subcontractor in a timely manner. IVM Zrt. retains the right to pay the Supplier's subcontractor for any performance, if payment was not covered in a timely manner by the Supplier, and offset any outstanding amount due to the Supplier by the amount of said payment.

## **2. Definitions**

- 2.1 'Attachments' – means generally, all documentations, specifications, technical information, requirements, standards, SOWs or more detailed sets of information that relate to the Product or Service ordered from the Supplier, that said Product or Service shall comply with. A copy of each Attachment is either physically attached (on paper or electronically) to the PO, or is referenced in the PO with their source and availability stated. Materials handed over to the Supplier prior to the submitting of the PO shall not be attached again but are to be listed and referenced only. Attachments need not to be incorporated into Modifying Agreements, as they are deemed to be standard tools of extending the necessary information for proper performance of the Supplier.
- 2.2 'Confidential Information' - all product designs, drafts and ideas; inventions, improvements; standards, specifications, systems, methods and operative procedures, processes and productions; techniques and modes of manufacturing; merchandising, marketing plans and strategies; tests, logs and reports; profits, expenses, costs, pricing, product and resource sourcing, sales policies and strategies; buying habits and purchase preferences of present customers of IVM Zrt. as well as prospective and potential customers, partners, their

names and addresses; trade secrets, know-how, data, research and development; data received from and deemed confidential by a third party, all other Intellectual Property and proprietary related to products and related services currently owned by IVM Zrt. or related to products and services to be introduced by IVM Zrt. in the future. Confidential Information shall not include information, which is public knowledge or which becomes public knowledge through no fault of the Supplier; which is provided under no obligation of confidentiality and in good faith to the Supplier by a third party.

- 2.3 ‘Contact Information’ – means both a) personal and contact information of the representative of the Supplier having the necessary power to sign and authorize the agreement, b) company information of the Supplier that includes ..... Contact Information shall be held securely and is destroyed upon the end of business activities between the Parties.
- 2.4 ‘Date of Delivery’ – means the delivery date of the Product or day of completion of the Service, based on the Supplier’s Offer and stated in the PO.
- 2.5 ‘Delivery certificate’ – means a note, submitted by IVM Zrt. to the Supplier, stating that the Product or materials for a Service was delivery successfully according to the terms and condition herein, and the required information is present and matching on both the delivery note and the invoice of the Supplier. The note can be in the form of a signature, stamp or other, official and identifiable ways, at the option of the Party or third party undertaking the shipment.
- 2.6 ‘Intellectual Property’- means all trademarks, names, marketing names, copyrights, patents and intellectual property related to or incorporated into the products of IVM Zrt. or related to the services exclusively owned by IVM Zrt. Intellectual property shall also include all technical documentations, drawings, all documents containing functioning or mechanisms, software (including source code and a working copy) and materials related to IVM Zrt.’s product and services, including all copies stored physically, electronically or in any other format.
- 2.7 ‘Modifying Agreement’ – means an agreement, written and signed by representatives of both Parties having the power to do so and explicitly modifying any or all of the PTC terms and conditions herein. Attachments are submitted with the PO or referenced therein, and thus shall not be separately referenced in Modifying Agreements.
- 2.8 ‘Product’ – means the object of the PO, the Product produced and delivered by the Supplier, that must comply with all requirements and specifications submitted to the Supplier by IVM Zrt. as an Attachment of the PO, or submitted earlier alongside with the RFI or RFQ but subsequently referenced in the PO.
- 2.9 ‘Purchase Order or PO’ – means a document, submitted on paper or electronically from IVM Zrt. to the Supplier. The PO is signed by a representative of IVM Zrt. and contains the following information: a) reference to and acceptance of the Supplier’s offer, b) reference to all Attachments submitted either with the PO or previously with the RFI or RFQ, that are related to the agreement and govern the expected qualities of the Product or Service, c) the exact name and/or serial number of the Products ordered; SOW, description of the Service provided by the Supplier, d) Date of Delivery, e) any and all Modifying Agreements, that govern the terms and conditions of performance. Acceptance, acknowledgement (written or verbal), or commencement and/or indication of performance by the Supplier constitutes an acceptance of the PO, all related terms, conditions, requirements and referenced Attachments. The PO has a defined serial number upon release which is also called the PO number. This can be used to reference the PO on packages, during shipment and subsequent communication between the Parties.
- 2.10 ‘RFI’ – means request for information, an enquiry submitted by IVM Zrt. to the Supplier, that might have Attachments to described the qualities of the expected Product or Service. The RFI is non-binding on either

Party, but enables a better information flow for subsequent purchasing steps. All Confidential information contained in the RFI or any Attachments must be kept securely by either Party, and all copies must be destroyed without notice, if the Parties do not reach an accepted PO within a reasonable period of time.

- 2.11 ‘RFQ’ – means a request for quotation, as submitted by IVM Zrt. to the Supplier, that might have Attachments to clearly state the qualities of the expected Product or Service. All Confidential information contained in the RFQ or any Attachments must be kept securely by either Party, and all copies must be destroyed without notice, if the Parties do not reach an accepted PO within a reasonable period of time..
- 2.12 ‘Service’ – means the work performed by the Supplier. By default the place of performance is the headquarters of IVM Zrt. at Székesfehérvár, unless the PO states otherwise. The Service must comply with all requirements, SOWs, other conditions submitted to the Supplier by IVM Zrt. as an Attachment of the PO, or submitted earlier alongside with the RFI or RFQ but subsequently referenced in the PO.
- 2.13 ‘Statement of Work – SOW’ – means a detailed description of the Service. It may contain, including but not limited to, standards, tools to be used, places of performance, milestones, quality control methods, specific instructions, training requirements.
- 2.14 ‘Specifications’ – means a technical description of conditions that the Product or Service must comply with.
- 2.15 ‘Subcontractor’ – means a legal entity performing work for the Supplier pursuant to the order between IVM Zrt. and the Supplier.
- 2.16 ‘Supplier’ – means the legal entity performing a Service and delivering a Product for IVM Zrt.
- 2.17 ‘Supplier’s offer’ – means a binding offer, submitted by Supplier to IVM Zrt. with an expiration period. The offer shall meet all requirements stated in the RFQ and any already submitted Attachments.
- 2.18 ‘Third Party Intellectual Property’ – means all intellectual property of third parties that Supplier incorporates into the Product or Service.

### **3. Performance and Delivery**

- 3.1 [General delivery] Time is of the essence in the Supplier’s performance and delivery. Delivery date is defined in the PO. The Parties retain the right to set a different Delivery date subsequently to the acceptance of the PO, exclusively by mutual agreement and in a writing agreement. Unless stated otherwise in the PO, all deliveries and performance must be made to the headquarters of IVM Zrt. in Székesfehérvár. Delivery of the Product or any materials required for the completion of any Service must arrive between 8:00 – 16:30, local time, during business days (as prescribed by the Hungarian government).
- 3.2 [Delays] Supplier must immediately notify IVM Zrt. if the expected delivery is later than 16:30 of the set Delivery Date or Service is not expected to be fully performed by 16:30 of the set Delivery Date. IVM Zrt. retains the right to reject all Products and Services that are in delay. This right includes Products and any items required for the completion of any Service that arrive outside the time period defined in Clause 3.1
- 3.3 [Late performance penalty] In addition to the provision of Clause 3.2, IVM Zrt. retains the right to charge a late performance penalty for all Products or Services delivered late, if IVM Zrt. otherwise accepts the performance. The rate of the late performance penalty shall be 1% of the overall Product or Service value, charged for each working day between the original performance date and the eventual, late performance date.

IVM Zrt. retains the right to offset outstanding late performance penalty claims towards the Supplier against the outstanding payment obligations of IVM Zrt.

- 3.4 [Package requirements] Supplier shall package and handle the Products and materials required for the Service with due care and according to best commercial practices, in order to best protect them against any loss or damage during shipment.
- 3.5 [Delivery requirements on package] Supplier shall clearly state on the packaging of each Product and material required for a Service, a) description and quantity of items contained within the delivery package, b) IVM Zrt.'s address, c) sender's address, d) PO number of the order.
- 3.6 [Delivery note and invoice requirements] Supplier shall deliver alongside all packages a delivery note, either within the package or attached to the package in a suitable manner, which note shall contain the following information, a) PO number of order, b) date of shipment, c) delivery address, d) Product's serial number, e) description and quantity of items contained within the delivery package. If the delivered item is a material for a Service, requirement d) can be omitted, but the Service shall be identifiable based on the PO number. Unless stated otherwise in the PO, all deliveries must be accompanied by an invoice with the following requirements, a) PO number of order, b) Product serial number, c) quantity, d) address of Supplier's place of business, e) address of IVM Zrt., f) full price (including all taxes, customs, fees, charges), g) description and quantity of Products delivered and/or Service performed. If the delivered item is a material for a Service, requirement b) can be omitted. If the invoice is sent separately from the Product, the invoice shall also contain the a) serial number of the delivery note, b) date of shipment. IVM Zrt. retains the right to reject all orders where the delivery note and invoice do not have all the required information listed, or the information listed is not identical on the two documents. If all information is present and the product or material for a Service is received according to the terms herein, IVM Zrt. issues a Delivery certificate, which is a note of reception only, and shall, in no way, be understood or interpreted as a note of acceptance by either Party.
- 3.7 [Parity of delivery] Unless stated otherwise in the PO, the parity of delivery shall be: DDP, according to Incoterms 2010.
- 3.8 [Information discrepancy] Deliveries of Product or completion of Service is accepted only if the information (as required in Clause 3.4 and 3.5) is a) fully present, b) in the required format, and c) is identical on all documents. All three conditions must be fulfilled before any acceptance of delivery. Any and all payments obligations of IVM Zrt. arising from this agreement are valid from the date the Delivery certificate was issued. Should discrepancies arise, the Parties shall communicate without delay and handle the issue. In cases where the invoice is incorrect, Supplier shall promptly, without delay, issue and deliver a credit note or modifying invoice.

#### **4. Acceptance and Rejection**

- 4.1 [Deadline of decision] Within 8 days of the delivery of the Product or completion of the Service, IVM Zrt. shall inspect the status and conditions of the work. IVM Zrt. retains the right to reject all Products and Services that do not comply with the criteria, set out in Specifications, Attachments referenced in the PO, and/or are not suitable for normal operation and/or are not in a stable, working condition. Rejection shall be communicated to the Supplier without delay.
- 4.2 [Acceptance of performance] A Product or Services is deemed to be accepted if IVM Zrt. fails to notify the Supplier of the rejection within 8 days of the issuing of the Delivery certificate. Any payments made by IVM Zrt. to the Supplier in connection with a Product or Service, prior to the expiry of the 8 day deadline shall not be treated by either Party as acceptance.

- 4.3 [Rejected materials] IVM Zrt. shall hold all rejected materials at the Supplier's risk and expense while awaiting Supplier's return shipping instructions.
- 4.4 [Consequences of a rejection] In case of rejection of the Product or Service, Supplier shall, a) attempt to replace the Product, or perform the Service again, or b) repair the non-conforming Product or perform additional work to complete the Service, both options shall be at the Supplier's cost, including any and all related expenses, including but not limited to shipping and travel fees. If option a) or b) result in an accepted, successful performance, the agreement shall be concluded as normal. If either option again results in a rejection for good cause, or either option a) or b) prove to be unreasonable burdensome and/or cannot be performed within a reasonable period of time, Supplier shall fully refund IVM Zrt. for all payments already covered by IVM Zrt. in connection with the Product or Service, including any and all shipping or travel fees. The period of time of repairs or replacement cannot exceed the time between the original agreement coming into force and the first performance attempt. The Parties also retain the right to negotiate and agree upon to sell the non-conforming Product or Service to IVM Zrt. at a reasonable reduced price, independent of any other attempts to resolve the rejection. Supplier shall issue a credit note or similar modification invoice for all rejected Products or Services. Any payment demands within the the agreement shall hereinafter be calculated according to the new invoice, that shall be reduced by any reductions in value and/or deduction of costs now covered by the Supplier, including but not limited to all shipping and travel fees. In case the replacement Product or Service is accepted, a new invoice shall be issued for the repeated delivery performance. In case of a refund option, Supplier shall issue a credit not or similar modifying invoice, and return any and all amounts already paid by IVM Zrt. on the invoice or previous installments of the same agreement. All newly issued invoices shall have the same information requirements as detailed in Clause 3.5.
- 4.5 [New delivery] If upon the rejection, IVM Zrt. opts for a replacement Product or Service, the new delivery shall comply with the requirements of Clause 3. Along with the information listed in said clause, the new delivery note shall also contain the new Product's serial number and the same, original PO number. The replacement Product or Service shall undergo the same inspection process described herein.
- 4.6 [New invoice] The invoice for the replaced Product or repeated Service shall contain the same information as the original, as governed by Clause 3.5. If, by agreement of the Parties, as stated in PO, IVM Zrt. was covering any or all shipping fees for the original delivery and/or performance, the shipping and/or travel fees of the replaced Product or repeated Services shall exclusively be covered by the Supplier (as governed by Clause 4.4).
- 4.7 [Credit note] If IVM Zrt. opts to have the Supplier refund the payments already made for the rejected Product or Service, Supplier shall issue a refund invoice with the following requirements: Clause 3.6.
- 4.8 [Evaluation of separate installments] If the Product or Service is performed in separate installments or is separated by milestones, acceptance and rejection aligns to the number of invoices supplied and delivered. Rejection of performance divided into installments shall be handled according to the procedure outlined in Clause 4.4 and said process shall be completed in either way prior to the commencement of the performance of the next installment. Any and all cases that have separate performance evaluation and payment periods, the PO must govern.

## **5. Changes**

- 5.1 [Changes in general] Changes are any alterations from the terms of the PO. Changes may be requested by either Party and any change shall be negotiated in good faith prior to the issuing of a new PO.
- 5.2 [Changes of IVM Zrt.] IVM Zrt. retains the right to request any changes to the PO, at any time with good cause and in writing. Supplier shall review the requested changes within 10 days, and in a written note state

how the changes affect the delivery and price of the Product or Service. An equitable adjustment shall be made, as requested by the Supplier in the written note, and the PO shall be modified accordingly, with a new PO issues by IVM Zrt. to the Supplier. If the changes are deemed to be impossible to perform, Supplier shall state so in the reply note and the original PO shall remain in force. Alternatively, IVM Zrt. retains the right to terminate the agreement right away. Termination conditions shall be governed by Clause 7.

5.3 [Changes of Supplier] Supplier retains the right to request any changes to the PO, at any time with good cause and in writing, stating the expected changes in delivery and price of the Product or Service. IVM Zrt. shall review the request within 10 days, and accept or reject the change request. If accepted, the PO shall be modified accordingly, with a new PO issues by IVM Zrt. to the Supplier. If rejected, IVM Zrt. retains the right to terminate the agreement right away. Termination conditions shall be governed by Clause 7.

5.4 [Changes tolerance] Supplier shall strive to deliver the exact quantity of Products as stated in the PO. In case of certain items types that are packaged in larger quantities, a tolerance of +/- 5% of quantity is expected and is accepted by IVM Zrt. The Parties shall not undergo the change procedure described herein if the item quantity remains within this tolerance level. This clause does not affect the quality specification or expectation in any way and is also not valid in case the individual price of a single item is above 5 euros (as stated on the invoice).

## **6. Price and payment**

6.1 [Sum] Otherwise stated otherwise in the PO, the price on the invoice submitted by the Supplier to IVM Zrt. shall contain in one sum, all expenses, charges, taxes, VAT, contributions, delivery and travel fees, tariffs, customs, government imposed charges.

6.2 [Best conditions] Both Parties shall fully cooperate with each other to use all legally allowed and available methods to minimize taxes, shipping fees and other expenses related to the performance, where such reduction to not lower the quality or extend shipping conditions beyond unacceptable limits to either Party.

6.3 [Payment obligations] IVM Zrt. shall pay Supplier the price submitted on the invoice, following the issue of the Delivery certificate.

6.4 [Payment deadlines] All payment deadlines are valid from the date of the Delivery certificate. Any rejections resulting in the issuing of a new invoice, credit note or modifying invoice by the Supplier to IVM Zrt. and similar events, where the original invoice of the agreement is replaced, cancelled or modified in any way, automatically restart the payment deadline. The Supplier shall provide a minimum of 30 days of payment deadline on all invoices.

6.5 [Separate installments] Agreements paid in separate installments or according to milestones are treated similarly to one sum payments, but payments are connected to the relevant performance, unless agreed otherwise by the Parties in writing.

6.6 [Rejection and payment] Invoices connected to rejected performances are governed according to Clause 4.4 herein.

6.7 [New invoices] New invoices, independent of the reason why issued again, shall restart the original payment deadline and shall reference the original or repeated delivery package, along with the latest PO submitted by IVM Zrt.

6.8 [Prices] All prices must be in Euros, unless stated otherwise in the PO.

6.9 [Payment methods] By default, IVM Zrt. completes payments via electronic bank transfer to the bank account number indicated on the invoice, unless stated otherwise in the PO.

## **7. Termination**

7.1 [Term] The agreement shall remain in effect until either, a) terminated, or b) the Product is delivered and is accepted or the Service is fully performed and is accepted.

7.2 [Ways of termination] The agreement can be terminated with or without notice.

7.3 [Terminating with notice] IVM Zrt. retains the right to terminate the agreement with notice, within 15 days of Supplier's reception of said termination notice. Supplier shall immediately cease all performance related activities and inform IVM Zrt. Within 10 days, of all work done or service performed, including materials acquired for the manufacturing of Product or performance of Service. All claims submitted after this deadline are nulled. Upon request, Supplier shall prove all his expanses with invoices and work records. IVM Zrt. shall cover all such proven, actual and reasonable expenses towards the Supplier, but also retains the right, exercised as an option, to simultaneously with the payment to receive ownership of all such materials from the Supplier, shipping of which shall be covered by IVM Zrt.

7.4 [Terminating for rejected changes] Should Supplier reject the change request for good cause (as described in Clause 5), IVM Zrt. retains the right to terminate the agreement immediately, upon Supplier's reception of an immediate termination notice. IVM Zrt. shall cover all expenses in the same manner described in Clause 7.3.

7.5 [Terminating without notice] Either Party may terminate the agreement immediately, upon the other Party's reception of an immediate termination notice, in the following cases:

- a) Either party is liquidating, dissolving or filing for bankruptcy
- b) There is a change in ownership of either party exceeding 20 percent of overall controlling power
- c) the other Party commits a breach of the Agreement, which has not been rectified within thirty (30) days from written notice thereof from the aggrieved Party,
- d) the other Party commits a material breach of contract, which is not rectifiable.

7.6 [Effects of termination] Any obligation or duties which by nature are extended beyond the term of the agreement, including but not limited to obligations of confidentiality, remain in force independent of the termination of the agreement. Upon the termination of this agreement, all outstanding unpaid invoices (whether submitted or not) shall immediately become due. All financial obligations and claims which have arisen under the term of this agreement shall prevail even after the termination of this agreement, until completed or dismissed by mutual consent or declared ungrounded by a court. Unless breaching the termination conditions herein, neither Party shall be liable for the other for any additional cost or damages, including but not limited to loss of profit.

## **8. Confidential information and Ownership**

8.1 [IVM Zrt.'s property] The Supplier acknowledges that all Intellectual Property are exclusively owned by IVM Zrt. and is non-transferable and non-assignable. Nothing in this PTC or the related agreement the Parties shall be understood or interpreted as prescribing or suggesting otherwise and all provision binding the Parties to the contrary are hereby annulled.



8.2 [Confidentiality agreement] Upon this Agreement coming into effect and for an indefinite period of time, the Supplier shall not, without the prior written consent of IVM Zrt., directly or indirectly disclose, publish, or use for the benefit of any third party or itself any of the Confidential Information and all Confidential Information shall be kept strictly confidential by the Supplier. Confidential Information shall not be used by the Supplier for any purpose other than the fulfillment of the order. This provision is also binding for IVM Zrt. for data and material designated by the Supplier as confidential, as long as the confidential nature of the transmitted information was clearly indicated as such towards IVM Zrt. Indication can be an official note defining the type and scope of information defined as confidential, submitted by the Supplier or can be indicated by the Supplier on a case-by-case basis.

8.3 [Ownership of Products and Services] Unless specified otherwise in the PO, IVM Zrt. becomes, upon the acceptance of the Product or Service and completion of payment, the sole and exclusive owner of the Product or the result of the Service, including all material and immaterial elements. Supplier hereby irrevocably assigns and transfers all perpetual, royalty-free, worldwide rights and titles to the Products or result of the Service, including all intellectual property rights. This extends to any and all Third Party Intellectual Property that the Supplier have incorporated into or delivered alongside with the Product or Service.

## **9. Warranties and Liability**

9.1 [Warranty of title] Supplier hereby warrants that it has the full power to enter into the agreement and perform the obligations arising from the Purchase order, and has the unrestricted ability to assign the Product or result of the Services to IVM Zrt., including the right to use Third Party Intellectual Property.

9.2 [Warranty of work] Supplier represents and warrants that it possesses all licenses and permits necessary to perform under this agreement, and will maintain said licenses, renew them if necessary, for the entire term of the agreement. Supplier hereby warrants that all of its employees or subcontractors have been trained and retain the necessary skills and competence to carry out the Services or manufacture and deliver the Product. Supplier and its employees and subcontractors shall adhere to all environmental, health and safety regulations at IVM Zrt.'s place of operation or other target locations while performing, as defined in the PO.

9.3 [Warranty of Product or Service] Supplier warrants that all Products supplied under this Agreement shall, when it leaves Suppliers possession and control, conform with the Specifications and with applicable laws and regulations according with this Agreement, and shall be of good and merchantable quality, free from defects in materials and workmanship, free from any visible damages or scratches to its outer appearance and fit for its intended purpose.

9.4 [Infringement] Supplier hereby warrants that the assignment of ownership and other related rights will not infringe upon any rights of third party's, and shall indemnify and hold IVM Zrt. harmless for all such claims.

9.5 [Data protection] Both Parties hereby warranty to comply with all current data protection regulations valid in Hungary, and shall not, without prior notification to the other party and proper data management procedures being defined, transfers personal data of either Party's employees, customers to the other Party. In the event of doing so, the Parties shall keep such data securely and destroy it upon the completion of the data management process.

9.6 [Software compliance] Supplier hereby warrants that any and all software provided to IVM Zrt. as a Product or utilized during Services connected to IVM Zrt.'s network or products, including all components, codes, scripts of such software, shall be free from any harmful components or having harmful properties, including but not limited to viruses, worms, time locks, trap door devices. Supplier shall indemnify IVM Zrt. for all damages without limitations and including loss of profit, for any damages directly or indirectly caused by harmful software delivered or utilized by the Supplier. For the purposes of this provision, indirect damage is

defined where the software has properties or functions that allow the network or products of IVM Zrt. Or it's customer's to suffer attack or damages.

9.7 [Code of Ethics] Supplier hereby warrants that Supplier has received, read and understood IVM Zrt.'s Code of Business Practices, the provisions and principles of shall guide the conduct of the Supplier during performance and communication between the Parties.

9.8 [Performance] Supplier hereby warrants that the Product or Service complies with all requirements, standards, expectations as defined in the PO and any Attachments and is fit for normal operation upon delivery or upon the completion of the Service. Supplier shall follow the procedure outlined in Clause 4.4 and do everything in its power to replace or repair the non-complying Product or Service, and if unable to do so within the time period defined in said clause, shall fully refund IVM Zrt. for any and all payments already made related to the performance and/or delivery of the Product and Service.

9.9 [Limitation of Liability] UNLESS OTHERWISE STATED IN THE PO, IVM ZRT. SHALL NOT BE LIABLE TO SUPPLIER UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, TORT, IN ANY LEGAL OR EQUITABLE THEORY FOR ANY AMOUNTS EXCEEDING THE OVERALL VALUE OF THE ORDER. IN NO EVENT CAN IVM ZRT. BE HELD LIABLE FOR ANY INCIDENTAL, INDIRECT, CONSEQUENTIAL DAMAGES OR LOSS OF PROFIT IN GENERAL, WHETHER OR NOT IVM ZRT. WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGE OR LOSS. LIMITATION OF LIABILITY DOES NOT EXTEND TO WILLFUL DAMAGE AND BODILY INJURY OF A PERSON.

## **10. Governing law**

10.1 [Governing law] This Agreement shall be governed by and shall be construed in accordance with the laws of Hungary. With respect to matters not regulated in this Agreement, the provisions of the Hungarian Civil Code (Ptk.) shall prevail.

10.2 [Jurisdiction] The Parties agree that all disputes or claims arising out of or in connection with this contract including disputes related to its validity, breach, termination, interpretation or nullity, that cannot be resolved with negotiation between the Parties, shall be exclusively decided by the Hungarian court with the relevant jurisdiction.

## **11. General provisions**

11.1 [Offset] IVM Zrt. may use all or any part of the outstanding amount due to the Supplier to offset any outstanding obligations of the Supplier towards IVM Zrt, or, as detailed in Clause 1.4 to cover obligations of the Supplier towards Supplire's subcontractors performing under this agreement.

11.2 [Duty to proceed] Once the PO has been submitted, no dispute, interruption in communication, negotiation or payment discussion between the Parties shall excuse the Supplier from proceeding diligently with the performance or preparations for the performance, unless expressly authorized by IVM Zrt. in writing. All unauthorized stoppages shall be treated as delays.

11.3 [Vis maior] Neither Party shall be held liable if unable to perform that obligation undertaken in this agreement in whole or in part by reason of an event of vis maior. Vis maior includes by the way of illustration only and not exclusively any act of God, countrywide state of emergency, war, unrest, uprising, embargo, prevention from or hindrance from obtaining raw materials and energy or other supplies, long-term power failure, natural or humanitarian disaster, and furthermore for the purposes of the PTC, the long-term strike of employees of either Party that directly effects the duties related to this PTC, strikes by transport companies, the blocking or inaccessibly of transportation routes. If either Party seeks to rely on this clause, it shall

immediately give notice to the other with full particulars of the act or matter claimed as a vis maior. The Party so affected shall take all reasonable steps to remedy the failure to perform and to keep the other Party informed of the steps being taken to handle the vis maior situation. Should a case of vis maior exceed thirty (30) days, any order in progress may be cancelled by either Party in writing without the payment of any damages.

11.4 [Relationship of Parties] Nothing in this PTC shall be interpreted to have created a joint venture, or an employer-employee relationship between the Parties. Except when stated otherwise in the PO, Supplier shall have no right to appear as an agent, or act on behalf of IVM Zrt.

11.5 [No waiver] Except to the extent otherwise expressly set forth in this PTC, the rights and remedies of the Parties set forth herein or otherwise available at law and equity are cumulative and not alternative. No provision of this agreement shall be waived by any act, omission or knowledge of any Party or its agents or employees except upon expressly waiving such provision in writing and signed by a duly authorized officer of the waiving Party. The waiving notification must include which provision is waived, its extent and duration at all times.

11.6 [Severability] Every term, point, clause or provision of this PTC is severable from the others. If a competent jurisdiction holds any term, point, clause or provision to be invalid or unenforceable for any reason, the validity and enforceability of the remaining terms, points, clauses or provisions will not be affected and the agreement as a whole will remain in force.