

GENERAL PURCHASE CONDITIONS (“Conditions”)

General clause

These Conditions are applicable to all purchases by Puratos and are considered to be explicitly accepted by the supplier with exclusion of its own sales conditions by (i) providing a quotation/offer to Puratos or (ii) execution of Puratos' purchase order even if the supplier's terms and conditions are communicated before or after communication of these Conditions. Any deviation from these Conditions requires the prior explicit approval in writing of Puratos, and shall be interpreted restrictively.

Acknowledgement of receipt of the order

Only written purchase orders are binding upon Puratos. The supplier shall confirm the purchase order within two working days from the receipt thereof. The terms of the purchase order are binding upon the supplier as from such confirmation. Puratos has the right to cancel or change its orders until confirmation thereof by the supplier. The supplier shall use all reasonable efforts to accommodate any request of Puratos to change a confirmed purchase order.

Delivery

1. The supplier warrants that the deliverables (being goods, services, or other materials delivered by the supplier) comply with (i) the specifications mentioned on the purchase order, (ii) any terms and conditions expressly agreed with the supplier in writing and (iii) the applicable laws and legislation, such as without being limited thereto any applicable laws, regulations, prescription, rule policy concerning safety, security and hygiene (whether or not provided by Puratos to supplier). In addition, the supplier represents and warrants that the deliverables are fit for (i) its intended use and (ii) human consumption applications.

2. The term of delivery mentioned on the purchase order is binding for the supplier. In case of delay, Puratos reserves the right, at its sole discretion, to (i) cancel the order at the expense of the supplier and obtain reimbursement of the incurred damages, costs and expenses, or (ii) claim a lump sum fee for the compensation of the incurred damages equal to 1 % of the total value of the order for each started week of delay until the day of delivery of the order. Puratos has the right to claim higher compensation if it proves that the incurred damages, costs and expenses are higher. Any such compensation will be deducted from any payment due to the supplier.

3. All shipment documents will refer to the purchase order.

4. Except in case of urgent delivery, deliveries must take place during the normal working days and hours of Puratos (see below). Puratos may refuse any delivery outside these days and hours.

5. Puratos does not accept partial deliveries, except if otherwise priory agreed upon in writing or in case of force majeure.

6. Puratos is entitled to claim any defect of/in the deliverables, whether visible or hidden, at any time after delivery thereof. Deliverables are considered to be defective if they do not comply with the Conditions set forth under number 1 of this article. All complaints concerning defects shall be submitted by Puratos within a reasonable time of such defect having been determined definitively by Puratos. Payment of invoices, signature of any document at the moment of delivery or use of the goods, shall only be considered as acceptance of the delivery but never as an acceptance of the compliance of the deliverables. Puratos may, at its sole discretion, request re-work, repair or replacement to remedy the defect. Puratos also reserves the right to refuse the deliveries as long as supplier does not show it is fully compliant.

Transfer of title and risk

Title and risk of damage or loss shall be transferred to Puratos as from the moment of delivery.

Sustainable commitments

1. Puratos is committed to operating its business in line with a socially and environmentally sustainable approach and adheres to internationally recognized standards, including but not limited to (i) the OECD Guidelines for Multinational Enterprises; (ii) UN Guiding Principles on Business and Human Rights; (iii) Core Conventions of the ILO; (iv) 10 principles of the United Nations Global Impact and (v) UN Sustainable Development Goals. Moreover, Puratos' Code of Conduct applicable to Suppliers (<https://www.puratos.hu/hu/system-pages/beszallitoi-magatartasi-kodex>) includes business practices to improve and guarantee a sustainable supply chain with product safety measures and quality checks, responsible sourcing and deforested-free products, employment guarantees, business integrity, a safe and healthy workspace, grievance mechanisms, the protection of human rights and forced labor-free products. Puratos expects each supplier not only to comply with these sustainable commitments but also to ensure that all of the supplier's subcontractors and suppliers, at any level, adhere and comply with relevant international, national and local laws, regulations and applicable standards towards ethical business operations within Puratos supply chain. If the supplier fails to comply with the specified sustainable commitments, Puratos shall be entitled to terminate the agreement, without limiting any other available remedies (e.g. right to compensation).

Price – Invoicing - Payment

1. Unless otherwise agreed in writing, prices shall be DDP (Incoterms® 2020) at the place specified by Puratos. Prices are fixed in the purchase order and can only be revised with prior written consent of Puratos.

2. Invoices must be compliant with legal and regulatory standards and contain the references to the purchase order. They must be sent to the postal address (equivalent with the registered seat of Puratos) or email address specified in the purchase order. Puratos cannot be held liable for late payment if invoices (i) are sent to an incorrect postal address or email address or (ii) do not contain all required legal and administrative information (e.g. PO number).

3. Each delivery will be invoiced separately, unless otherwise agreed in writing.

4. All payments will be carried out in euro or in huf (as specified in the order) by bank transfer, 60 days from the invoice date, unless otherwise specified in the purchase order(s). Puratos has the right to compensate the amounts due to supplier with the amounts due by supplier to Puratos (if any).

Confidentiality

The supplier shall keep any technical, business, financial or commercial information (in whatever form) obtained in the framework of the purchase order (in whatever way) strictly confidential and secret during the execution of the purchase order and 10 years following termination / expiration thereof. The supplier shall (i) only use this information in the framework of the execution of the purchase order, (ii) not, in any way or at any time, disclose, directly or indirectly, the said information to any third party and (iii) only disclose this information within its own organization on a strict need to know basis for the execution of the purchase order to people who are bound by an identical or similar confidentiality obligation.

The supplier shall promptly return to Puratos, upon its first request thereto and in any case at the expiry/termination of the purchase order, all documents containing all or part of the confidential information, including all copies, notes summaries, extracts, etc..., and the supplier will not retain any copies thereof unless required by applicable law. The supplier shall destroy such information and provide Puratos evidence thereof upon request thereto of Puratos.

Puratos shall have the right to forthwith terminate the execution of the purchase order without any obligation for compensation, in case of non-compliance by supplier with this confidentiality obligation.

Intellectual property rights

Puratos is and shall remain the exclusive owner of all intellectual property rights (including know-how and trade secrets) vested in its confidential information, products, technologies, formula's, production and other processes, software, data, material or any other of Puratos intellectual property rights made available to the supplier. The supplier shall only be entitled to use such intellectual property rights and confidential information, products, technologies, formula's, production and other processes, software, data, material, etc. if and to the extent necessary to execute Puratos' purchase order. Unless otherwise agreed in writing, each Party shall remain the owner of its intellectual property rights already existing at the entry into force of these Conditions.

Puratos shall become as from their creation the sole owner of all rights (worldwide) in (i) any deliverables that are specifically produced and/or developed by or on behalf of the supplier for Puratos, and/or (ii) any developments, improvements or derivatives containing, based on, related to or inspired by Puratos' confidential information, products, technologies, processes, software, data, material and/or Puratos' above intellectual property rights relating thereto.

Data protection

The Parties agree to comply with the applicable laws regarding personal data protection (e.g. European Regulation EU 2016/679 (GDPR)). They may share and process Business Contact Information (name, business telephone, address, and email) solely for administrative purposes related to the execution of this agreement. If other personal data processing is required, the Parties will enter into a data processing agreement.

Audit

1. Puratos is entitled to conduct, or instruct an external party to conduct, an audit at all times at the supplier's premises to check whether the supplier complies with these Conditions. To this end the supplier shall give Puratos and/or the third party appointed by Puratos all the cooperation, information, access, contact and verification options Puratos may reasonably need for the audit.

2. Puratos will provide an audit report to the supplier. Such report will contain all findings of Puratos' audit, including defects, faults, shortcomings, problems or abnormalities found in the supplier's organization, production system or regarding the safety, hygiene and/or quality of the deliverables. Within 30 days following receipt of this report, the supplier shall submit a plan for improvement actions to Puratos. The supplier shall take Puratos' comments regarding this plan into account and parties shall then agree to implement the necessary actions within a reasonable time frame.

3. If an audit reveals that the supplier does not meet the requirements set out in these Conditions, the supplier will pay Puratos for the costs incurred for the audit. Furthermore, Puratos is entitled to purchase the relevant deliverables from a third party or take adequate measures (or instruct a third party to take adequate measures) at the expense of the supplier until and as long as the supplier proves is fully in compliance with the Conditions. Additional costs incurred and losses suffered by Puratos will be payable by the supplier.

Liability

1. The supplier shall indemnify and hold Puratos harmless against all damages, costs, and expenses incurred by Puratos resulting from (i) defective deliverables, (ii) supplier's non-compliance with the Conditions, or (iii) any claims related to joint liability arising from the supplier's non-compliance with applicable laws.

2. Regarding product liability, Parties explicitly refer to their respective liabilities and responsibilities under applicable law and regulations on that subject.

3. Limitations and exclusions of liability apply solely to contractual liability. They do not cover indemnification or warranty obligations, nor do they apply in cases of gross negligence, willful misconduct, fraud, misrepresentation, deliberate default, infringement of confidentiality obligations or third-party rights, or any violation of law.

4. The supplier shall obtain and maintain adequate insurance to cover its liabilities and provide an insurance certificate to Puratos upon request. The supplier's liabilities cannot be limited or excluded by the scope or amount of its insurance coverage.

Termination

Puratos has the right to forthwith terminate the execution of the purchase order, without any obligation for compensation, subject to sending a notification in this respect to the supplier, (i) if the supplier does not meet its obligations under a purchase order and (if curable) does not cure such non-compliance within a period of 30 calendar days, or (ii) if the supplier is declared bankrupt, insolvent or applied for or obtained any kind of protection against its creditors, (iii) if all or part of supplier's business activities, shares or assets is transferred to a third party without the written approval of Puratos.

Force Majeure

Neither Party shall be under any liability of whatsoever kind for non-performance in whole or in part of its obligations due to Force Majeure. "Force Majeure" means an exceptional event or circumstance which (i) is beyond a Party's control, (ii) such Party could not reasonably have foreseen before entering into the Agreements, (iii) such Party could not reasonably have avoided to overcome, (iv) is not attributable to such Party and (v) prevents such Party to execute its obligations under the Agreement. Force majeure does not include events that merely make execution more difficult or demanding than initially envisaged. The prevented Party shall (i) inform the other Party about the Force Majeure event and the consequences thereof to its obligations without delay and (ii) take all reasonable efforts to minimize the consequences of such Force Majeure event. If the Force Majeure event lasts for a period longer than a reasonable period, the other Party is entitled to cancel the relevant order with immediate effect without any obligation for compensation. On Puratos' request, agreed volumes can be reduced by the volumes that are not bought/delivered as a result of Force Majeure situations, without any compensation being due by Puratos.

Use of Puratos as a reference

The supplier shall not in any way or form, directly or indirectly, orally or in writing: (a) use Puratos as a reference or referral source or (b) articulate, publish and/or represent to any third party that it is providing or has provided services to Puratos, without Puratos' express prior written consent.

Miscellaneous

If one or more provisions of these Conditions are found to be invalid, illegal or unenforceable, in whole or in part, the remainder of that provision and of the Conditions shall remain in full force and effect. The supplier cannot assign its rights and obligations under these Conditions without the prior express and written consent of Puratos.

Conflicts

The validity, interpretation, enforcement, performance, and termination of these Conditions shall be governed by and construed in accordance with the laws of the country where the statutory seat of the purchasing Puratos entity is located, and no effect shall be given to any other choice-of-law or conflict-of-laws rules or provisions (local, foreign or international, including the UN Convention on the Sale of Goods (if applicable)), that would cause the laws of any other jurisdiction to be applicable. At Puratos' option the place of jurisdiction shall be either the court competent for its registered office or the court competent according to the applicable law.