

General Terms and Conditions

MERTCONTROL GROUP performs for-profit agricultural and shipment control, mineral oil industry and fertilizer, metal and mineral control activities, and is also active in the field of laboratory testing, both in Hungary and abroad.

I. General provisions

1. These General Terms and Conditions contain the general terms and conditions governing the contract agreements to be concluded by and between the members of the MERTCONTROL GROUP (hereinafter as: Contractor) and their clients (hereinafter as: Principal). In the individual contract agreements the Parties may deviate from these General Terms and Conditions, but only in writing, however, unless otherwise stipulated, these General Terms and Conditions shall be binding for both the Principal and the Contractor, without any further stipulations. For matters not regulated in the contract agreements concluded by and between the Parties, primarily these General Terms and Conditions shall be applied, whereas for matters not regulated herein, the currently effective legislation shall be applied. For matters not regulated in these General Terms and Conditions and for the interpretation of these General Terms and Conditions the provisions of Hungarian law shall be applied.

2. The General Terms and Conditions and amendments thereof (if any) shall be published by the Contractor on its website. Amendment of the General Terms and Conditions shall also affect and apply to the currently effective contract agreements, except if the Contractor and the Principal expressly amend the contract agreement in derogation to the above. In the event the Principal does not raise any objections in terms of the amendment within 15 days from the date of publication of the amendment on the Contractor's website, the amendment shall be considered as duly accepted. If the Principal raises an objection against the amendment within 15 days from the date of publication of the amendment, a provision must be incorporated into the individual contract concluded with the Principal whereby the deviation in terms of the legal relationship between the Principal and the Contractor from the General Terms and Conditions must be specified.

3. Should any of the provisions of these General Terms and Conditions be or become invalid or unenforceable, in part or in whole, this shall not affect the validity of the remaining provisions.

II. Price quote and purchase order

4. The Contractor shall prepare the price quote according to the scope of services requested by the Principal, taking into account the services and prices specified on the currently effective inspection and test fee list. As of acceptance of the price quote in writing, the Principal also accepts these general terms and conditions. The Principal represents and warrants that it has the ability to enter into contracts and has all the authorizations required to enter into the contract regarding the services.

5. Both Parties agree that any and all price quotes, purchase orders or their amendments (if any) shall have to be made in writing. Contractor shall only accept any changes requested by the Principal in terms of the ordered services if such changes are reported in writing. There shall be a further precondition required to change the ordered service (hereinafter as: Service) – in addition to the written document sent by the Principal – namely that the Contractor confirms the contents of the change in writing and that the Parties agree in writing regarding the possibly modified terms and conditions (performance deadline, price, etc. ...).

No contract shall be created if any provision of the purchase order is different in any respect from that of the price quote.

6. Principal acknowledges and accepts that in the event the purchase order is forwarded by Mertcontrol Hungary Kft to the sub-contractor or service provider appointed by the Principal, Mertcontrol Hungary Kft shall not undertake any liability for the activities of the company (actually performing the concerned service) that does not belong to the company group, not even if Mertcontrol Hungary Kft issues a certificate concerning the activity.

III. Performance

7. The sampling, control and testing Services shall be performed by the Contractor according to the currently effective Hungarian and international standards, in their absence according to the established professional practice.

8. The performance deadline for the Services undertaken by the Contractor is based on an estimate and shall

only oblige the Contractor if the Parties expressly determined in writing that the performance deadline is “binding”.

The performance deadline shall start only after the Principal’s co-operation obligation has been fulfilled. Principal undertakes to provide any and all necessary materials and samples to the Contractor, free of charge, and shall provide to the Contractor any and all information, without delay, in advance, if possible, that affect the Contractor’s rights and obligations arising from this agreement. In the event of any delay in fulfilment of the Principal’s above co-operation obligation, the performance deadline shall be extended proportionately. In the event the performance of the Service is late or requires to be repeated as a result of the Principal’s late, incorrect or deficient provision of samples, data or information, all related extra costs shall be borne by the Principal. Even when the price is fixed under the contract, Contractor shall be entitled to pass on its extra costs arising from the above to the Principal.

Force Majeure shall mean any and all unavoidable events occurring regardless of the intentions and procedures of the Parties, not attributable to the Parties, preventing, hindering or frustrating the performance of the undertaken Service. Parties shall be obliged to notify each other about the occurrence and termination of such an event, and – during its existence – about any essential circumstance related to the concerned event as well. If the Force Majeure event does not make the performance impossible but delays it, then the performance deadline shall be extended with the period of delay caused by the Force Majeure event, and the Contractor shall have the right to split the ordered services time proportionately.

9. Contractor shall be entitled to employ subcontractors. Contractor shall be responsible for the work performed by the subcontractor vis-à-vis the Principal. Principal hereby acknowledges that the Service or part thereof performed with the involvement of the subcontractor shall be subject to these General Terms and Conditions as well.

10. The Services provided by the Contractor to the Principal shall be based on the samples, checks/controls and measurements taken by or provided to the Contractor, and shall contain information only and exclusively with respect to the services ordered by the Principal.

Hence, the Services are performed in accordance with the Principal’s instructions, therefore it could happen that certain essential attributes or characteristics are not examined, evaluated or reported.

11. Principal declares and accepts that the Contractor – by provision of the Services – does not assume any of the Principal’s contractual or other obligations vis-à-vis third parties (such as the Principal’s obligation to supply goods of a certain quality or condition as determined under its supply contract).

12. Principal acknowledges that all the drafts, preliminary or partial reports prepared by the Contractor may only be used at the Principal’s risk and responsibility, and Contractor shall not undertake any liability for any possible deviations or discrepancies of these as compared to the final report or the completed Service.

IV. Warranty and liability

13. Any claims related to the Service provided by the Contractor shall only be valid if the Principal reports the concerned claim to the Contractor in writing, without delay, but in any case within 3 working days following the provision of the service at the latest, with due indication of all relevant data.

If the claim is justified, Principal may request – at its own discretion – repair of defective performance free of charge, its supplementation or the repeated performance of the Service, in whole or in part (repeated measurement). However, if the Contractor is of the opinion that repair or repeated measurement is not possible, Contractor’s liability shall be limited to reimbursement of the fee paid for the Service.

14. Contractor undertakes the responsibility to ensure that the accuracy of its measurement results conform to the requirements expected from the test method.

15. In the event of any verifiable and quantifiable damage resulting from the Contractor’s activities or failed measures, Parties shall take all necessary actions to mitigate the damage, without delay. If the Contractor has direct and evidenced responsibility for a damage, the Contractor shall take part in mitigating the damage, and shall pay damages the maximum amount of which shall be ten times the amount of the fee paid or payable for the given part of the service, but in any case maximum the amount equalling USD 15 000, calculated on the basis of the foreign exchange rate published by the National Bank of Hungary. In addition to this amount, the Contractor shall

not have any responsibility for any possible damages (including consequential damages, too) or for the loss of revenues, production, future transactions, etc. or for loss of business assignments or termination of contracts.

Principal shall warrant and indemnify and hold the Contractor harmless for any claims of such third parties that received or used or relied upon any reports or other Service or results thereof from the Contractor, if the amount of the concerned claim – including the related attorney’s fees and litigation costs – exceed the above limit amount, and Principal shall be obliged to defend, indemnify and hold the Contractor harmless against any claims (including litigation costs as well) that originate directly or indirectly from the following: (i) claims originating from any administrative measures or claims raised by third parties, if the concerned claim was raised on the grounds that the Principal or a third party receiving or using or relying on a report or other Service or results thereof from the Contractor, presumably or actually violated any applicable legislation or court decisions, (ii) any information provided by the Principal and relied upon by the Contractor, (iii) personal injury, damage to or loss of property, economic loss and loss related to intellectual property, caused to any legal entity or natural person in relation to the provided Services.

Principal shall be obliged to indemnify, defend and hold the Contractor harmless for any claims (including litigation costs) originating from the unauthorised use or misuse of the Services (reports, etc.).

If a particular damage is caused not only by the Contractor solely, Parties shall settle accounts with each other based on the rules of sharing of the damage. The Contractor shall not be held liable if the damage is indirect, or if the damage resulted from the Principal’s defective or deficient provision of samples or data or the Principal’s failure or due to any reason within the control of the Principal.

16. Accordingly, the Contractor can only certify the quality and check the quantity of the tested products at the place and time of the test; the Contractor expressly excludes any liability for the loss or reduction (if any) in the quality or quantity of the tested products or for any damage to them after the time of the test.

17. It shall be the Principal’s responsibility to interpret the measurement results provided by the Contractor, to apply these, to draw conclusions from these and to rely on these. The Principal may ask the Contractor to undertake increased responsibility in consideration for payment of an increased Service charge, and a written agreement signed by the Contractor’s authorised associate shall be required for that purpose.

V. Payment terms

18. Principal shall send a written notice about acceptance or refusal of performance, within 3 working days following performance; in the absence of this, performance shall be considered by the Parties as duly accepted.

Contractor shall issue an invoice regarding the performed service. The service charge shall be due within 8 calendar days. In the event of late payment, the Contractor shall be entitled to suspend the provision of its further services to the Principal, and shall have the right to charge the default interest specified under Act V of 2013 (the Civil Code) for late payment of financial debts. The VAT – effective at the time the invoice is issued – shall be added to the amount of the service charge.

19. Any claims related to the invoice issued by the Contractor shall only be valid if the Principal reports the claim to the Contractor in writing, without delay, but in any case within 10 calendar days following the issuance of the invoice at the latest, with due indication of at least the invoice number.

VI. Further use of the results of the Service

20. The copyrights related to the test results, the Contractor’s assessment (expertise) and the calculations shall remain with the Contractor.

21. In the absence of the Contractor’s explicit written consent to the contrary, the Principal shall be entitled to transmit or use in any way whatsoever the measurement results, opinions, certificates and reports, in their entirety and unaltered form only. Unless otherwise agreed by the Parties, the services can only be used by the Principal in its own name and for its own benefit.

22. In the event the Principal uses any Service in a way leading to a legal dispute with the Contractor (including also any other members of the MERTCONTROL Group) or otherwise damaging the good professional reputation of the Contractor and/or the MERTCONTROL Group, the Contractor shall be entitled to use and

transfer any data, notes, records or samples serving the defense of the Contractor.

VII. Jurisdiction clause

23. Parties agree that they shall try to settle their disputes through negotiations. Parties agree that in the event they fail to settle the dispute through negotiations, they stipulate the exclusive jurisdiction of the Court of Budapest Districts 2 and 3, or the Regional Court of Tatabánya, depending on the value of the subject of litigation.