

## Terms and Conditions of Sale and Delivery

Effective from 1 April 2016,  
revised on 21 October 2022.

### Section 1 General provisions

(1) These Terms and Conditions of Sale and Delivery (hereinafter the “Terms”) shall apply to the delivery of any product (hereinafter the “Product”) or service (hereinafter the “Service”) by SEW-EURODRIVE Kft. (1037 Budapest, Csillaghegyi út 13., hereinafter “SEW”) to any party as referred to in paragraph (3) (hereinafter the “Customer”), and to all offers, orders, confirmations and agreements relating thereto, as well as to the handover, installation, maintenance and repair of the delivered Products.

By placing an order with SEW, the Customer accepts that the provisions of these Terms shall be binding in the legal relationship between the parties. The delivery and other provision of Products by SEW and the performance of Services by SEW shall only take place pursuant to the properly documented provisions of these Terms. *The stipulation of any condition, provision, performance claim or manner under any provision that differ from the provisions of these Terms, or any claim for the performance of such a transaction, in particular in legal relationships relating to the delivery of Products, shall be deemed invalid and shall be replaced by the mandatory rules of these Terms, unless the parties have expressly agreed otherwise in writing in advance.* SEW will only accept contractual provisions that differ from the Terms on the basis of an express and individual written agreement and only based on this agreement shall SEW comply with and perform under such differing provisions.

(2) **SEW’s general requests for quotes, product information documents and their transmission do not constitute a binding offer. An order or engagement shall be deemed to have been accepted and a legal relationship to have been created if SEW has expressly confirmed this in writing in accordance with the following provisions.**

(3) These Terms **apply only to business entities, individual enterprises and contracts concluded with them**, and do not apply to persons who qualify as consumers under the Civil Code.

(4) The Customer shall submit orders which are full and complete in all respects and shall provide SEW with complete and properly documented data and information which enable SEW to perform its activities in accordance with the Customer’s needs. When confirming the order, the **Customer shall also immediately check whether the data recorded in SEW’s offer (order confirmation) for the Customer’s order has been**

**correctly indicated. The Customer shall bear sole financial and legal liability for the incorrect or incomplete communication of data, information and needs, and for failure to check these immediately, as well as for SEW's provision of products or performance of services on the basis of such incorrect information.** Deliveries made or services provided in accordance with a documented and confirmed order shall be accepted by the Customer as contractual performance and the Customer shall comply with its obligations in full.

(5) **SEW indicates the subject of the delivery or service (e.g. in catalogues, product information, electronic media or as product title) based on its general experience and knowledge. This is informative and does not constitute a specific offer, but is only a general product description, guide to the value, recommended price or fee, or general information, indicative marking or information.** Neither the product description nor the specifically agreed technical metrics/applications are sufficient to constitute an order. The Customer's order shall be valid only if:

- all information, data and needs necessary for the performance of the order have been recorded and
- submitted to SEW, and
- SEW's request for data provision has been fulfilled,

in order to enable SEW to verify the technical and legal suitability of the Product for the intended use, to identify the possibilities of fulfilling the needs, to verify the Customer's needs and to communicate the results of these verifications to the Customer, so that the delivery of the Product by SEW or the provision of the Service by SEW meet the Customer's needs as fully as possible and comply with all applicable legal requirements. All information materials (e.g. catalogues and operating instructions) are regularly updated and available on SEW's website and by requesting them from the following contacts: [www.sew-eurodrive.de](http://www.sew-eurodrive.de), [www.sew-eurodrive.hu](http://www.sew-eurodrive.hu)

(6) SEW's description of the quality and possible applications of the Product included in general product information shall not be considered a guarantee or warranty condition (requirement) of the individual order, shall not give rise to warranty claims and shall not be adjudicated on the basis of Sections 6:157-6:173 of the Civil Code, unless the parties have expressly agreed in writing in connection with the specific order after the procedure described above has been carried out.

(7) Project subsidies and discounts provided by SEW to the Customer may be granted only in individual cases, and may not be used in the context of another order, and no new discount may be claimed on the basis of a previously granted discount. This clause also applies if SEW offers and supplies Products with integrated functional safety systems to the Customer.



(8) SEW reserves the right to change technical data and designs in the interests of technical development, and thus the right to modify the general product information at any time and in any form, without limitation, and the Customer shall not be entitled to any claims or rights of complaint in this respect in the course of the order, which shall only serve as a basis for the consideration of its contractual intent.

## Section 2 Prices and payment terms

(1) Prices quoted by SEW in relation to a specific order and payable by the Customer shall, unless otherwise expressly and unequivocally agreed on in writing by the parties, be gross prices and shall include VAT and environmental product charge (if charged to or incurred by SEW), packaging, shipping and all other costs associated with the performance.

Unless otherwise expressly and unequivocally agreed in writing by the parties, payments must be made in full, without any deductions, within 30 days of the date of the invoice, by cash payment at SEW's cash desk or by transfer to the bank account specified in SEW's invoice.

(2) If, after the order has been confirmed, SEW becomes aware of a significant deterioration in the Customer's financial situation or that the Customer is the subject of winding-up, liquidation, bankruptcy, legality supervision or compulsory strike-off proceedings, its claims shall become immediately due and payable and SEW shall notify the Customer thereof without delay. In addition, SEW reserves the right to carry out the remaining deliveries, even in a manner different from that stated in the order confirmation, only against advance payment or to withdraw from the contract after a reasonable grace period, unless the Customer provides SEW with adequate security for the contractual performance and full compliance with its payment obligations. The same provision shall apply in the event of non-compliance with the Customer's payment obligations under any legal relationship, even if such non-compliance relates to another legal relationship arising from the mutual business relationship.

(3) The Customer shall only be entitled to set off a claim if its counterclaims are based on SEW's acknowledgement of debt evidenced by a private document with at least full probative value or on a final court judgment or a final payment order. The Customer is not entitled to exercise the right of retention.

## Section 3 Delivery date

(1) Delivery and performance shall take place on the week or day specified in SEW's order confirmation. This time limit shall be automatically extended, without the need for

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the parties to agree separately, by the period of time which, for any reason within the control of the Customer, results from the Customer's failure to fulfil its contractual obligations or its delay in fulfilling them, in particular from the delay in providing the preconditions for SEW's contractual performance, e.g. the provision of a place of performance, the creation of local preconditions for installation, the provision of information and data relating thereto, or delay in the performance of any other obligation incumbent on the Customer in respect of which the Customer is contractually required to take the lead.

The Customer shall fulfil all its obligations (e.g. advance payment obligation) in a timely manner. SEW shall only be liable for any delay for which it is solely and exclusively responsible (and which is attributable to it).

(2) The Customer acknowledges that **SEW shall not be liable in any way for any delay in performance by an external supplier, in particular due to force majeure, wage disputes, import/export restrictions, delays in official approval procedures and other impediments to the production of the parts to be delivered which are beyond SEW's control, or due to breakdowns, build-up of scrap, and delays in the delivery of essential parts and raw materials, especially if the above impediments can be shown to have had a significant influence on the production or delivery of the Products subject to delivery. The Customer acknowledges, without the possibility of asserting any claims, that the above impediments encountered by the manufacturer or its suppliers may cause a delay in performance without a separate declaration by the parties.** Also SEW shall not be liable for impediments if they occur during an ongoing delay. However, SEW shall inform the Customer of such impediments in a timely manner and to the fullest extent possible. SEW shall promptly inform the Customer of the start and expected duration of such events and the expected date of delivery of the Product.

(3) **If the Customer is late in taking delivery of the Product or fails to comply with any of its obligations to perform, notify, cooperate, etc. under the contractual relationship between the parties, it shall also be liable to compensate SEW for any damages arising from such breach of contract, including any additional costs and loss of profit incurred by SEW. Such costs may include: increased shipping costs, warehousing costs, etc.** SEW makes a reservation of rights with regard to the enforcement of any further claims of any kind against the Customer.

#### **Section 4 Assumption of risk, acceptance**

The delivery of the Products to the Customer shall take place at the Customer's registered office or place of business, or at any other place specified by the Customer in the contract,

by delivery to the Customer or to the Customer's representative or agent, unless otherwise provided for in the contract.

If the Customer fails to ensure or fails to properly ensure the receipt of the Products in any way, the Customer shall bear the full financial and legal responsibility for such failure.

## Section 5 Retention of title

(1) **The Products shall remain the exclusive and unencumbered property of SEW and SEW expressly retains title thereto until the Customer has fully performed all of its (payment and any other) obligations under the contract. The Customer's obligation to pay the purchase price and other payment obligations arising from the contractual relationship shall be deemed to have been fulfilled when they are paid in full to SEW's cash desk or, in the case of a transfer, credited in full to SEW's bank account. SEW shall be entitled to register the fact of reservation of title to the Product and the identity of the buyer (Customer) in the collateral register or the corresponding register at any time, but not after the full purchase price has been paid.**

(2) If the Customer is late in fulfilling its contractual obligations, in particular, but not exclusively, if it fails to meet its payment obligations on time, SEW shall have the right, based on its retention of title to the Products, after prior notice, to take an inventory of the Products, to check the existence of the Products and to document their condition in an appropriate manner. In case of default or delay in the performance of the Customer's contractual obligations, SEW shall have the right, without rescinding the contract and without any special notice, to **arbitrary repossession** of the Products delivered to the Customer, without any restrictions or limitations, for the purpose and in the interest of securing its title and property interests, subject to the agreement and mutual intent of the parties as set out in this Section of these Terms, in this case with the power of repossession deemed to be mutually justified. The Customer hereby authorises SEW to enter its business premises, registered office or place of business during normal business hours and repossess the Products without delay in the event of such circumstances.

(3) SEW shall, with regard to the retention of title, have the same right to take possession of the Product without any limitations if the Customer is not yet in default of performance but there has been or is expected to be an adverse change in its economic situation which, in SEW's opinion, casts doubt on its performance of the contract; or liquidation proceedings, bankruptcy proceedings or compulsory strike-off proceedings have been instituted against the Customer; or its insolvency has been established, or for any reason the Customer's contractual performance is, in SEW's opinion, compromised or in doubt.

(4) Until the purchase price has been paid in full, the Customer shall treat the Products with due care and insure them at its own expense against fire, water and theft for an amount equal to their price when new.

(5) Exploitation of the Product in any way, transfer of its use to any third party under any title whatsoever, its disposal, pledging, use as security, enforcement or seizure is not permitted as long as the Product is the property of SEW as described above. If the Product is compromised in any way, or if it is pledged or seized, or taken possession of by a third party, or if there is an attempt or threat thereof, or if any interference or intervention, attempted or actual, affects the existence, condition or value of the Product, the Customer shall notify SEW immediately in writing in a verifiable manner. The Customer shall bear full financial and legal liability for any damage caused by the above or resulting from failure to notify SEW or such circumstances.

(6) The Customer shall be entitled to resell the delivered Products in the ordinary course of business after acquiring title to the Products.

(7) The Customer shall immediately notify SEW of any adverse change in its economic/financial situation and shall provide SEW with detailed written information upon SEW's request.

(8) Any machining, modification, installation or use as a structural unit in any way of the delivered Product by the Customer shall not affect or limit in any way SEW's ownership rights or possibility to enforce a claim as described above. In all these cases, SEW is entitled, in order to enforce its ownership rights, to take possession of the entire item created by the installation or processing of the Product for whatever reason. SEW's ownership of the complete new item created by installation or processing shall be proportionate to the value of the new item at the time of sale compared to the value of the new item at the time of enforcing the claim.

(9) SEW undertakes to release the Products to the Customer, at the Customer's request, if the Customer provides adequate security for the fulfilment of SEW's claims, payment of its debts or enforcement of SEW's other claims (lien, security deposit, bank guarantee, etc.), and if the realisable value of such security exceeds the value of the Customer's total liability by more than 10%, with the proviso that SEW shall not exercise any other rights of enforcement, retention, repossession, etc. to which it is entitled under these Terms or by law, or which may be stipulated in an individual contract. SEW shall have a discretionary right to select and accept or reject the securities offered for acceptance.



## **Section 6      Warranty claims**

(1) After inspecting the Product, the Customer shall immediately notify SEW in writing of any defects or deficiencies found in the Product.

(2) If it finds defects or deficiencies, the Customer may request their correction. SEW may choose to eliminate the defect/deficiency either by repairing the Product or by replacing the Product with a non-defective one. The Customer shall allow SEW sufficient and reasonable time to repair the defect and/or to replace the Product or its parts, taking into account the specific nature of the Product. Strictly in an emergency, in the event of a threat to safe operation or in order to avoid disproportionately extensive damage, the Customer shall be entitled, subject to having provided prior written notice to SEW, to carry out the repair work itself or have it carried out by a third party instead of SEW and to claim reimbursement from SEW for the necessary and justified expenses. The Customer shall keep the defective parts and components, allow SEW's experts to inspect them and, upon request, return them to SEW in appropriate packaging, enclosing a delivery note and indicating the order number. The Customer shall bear full responsibility for the repair work carried out by the Customer or any other third party engaged by the Customer, and for the suitability of the parts used in the repair work.

(3) SEW shall bear all necessary and justified expenses and costs related to the elimination of defects and deficiencies, such as the costs of labour and materials for the repair, the costs of call-outs and possible shipping during the repair, provided that these are reasonable, realistic and justified and do not cause the Product to become unsuitable for its intended use.

(4) If the defects or deficiencies cannot be eliminated, if the replacement does not have the intended effect, or if the repair or replacement of the Product would result in disproportionate additional costs (Civil Code Section 6:159 (2) b), the Customer is entitled to demand a reduction in the purchase price or to rescind the contract.

(5) SEW shall not be liable for any warranty or guarantee if the defect arises from any cause after the sale/transfer of the Product to the Customer, after performance by SEW, for any reason whatsoever, in particular, but not exclusively, from the improper use of the Product by the Customer or by any person acting in its interest, or from the improper acts or omissions of persons under the Customer's responsibility, in particular, but not exclusively, in the following cases:

the defect is caused by improper or unprofessional use after delivery of the Product, in particular, but not exclusively, by excessive use;

or the defect is the result of incorrect assembly or installation by the Customer or a third party, despite the installation manual having been supplied with the Product,

or the defect is caused by natural wear and tear, improper or negligent handling, the use of inappropriate fuels, the use of inappropriate replacement parts, faulty construction work, failure to follow the user manual, improper conditions of use, in particular if the defect occurs under adverse chemical, physical, electromagnetic, electrochemical or electrical, weather or natural conditions or as a result of excessively high or excessively low ambient temperatures.

(6) The statute of limitations for warranty claims shall be the period of time established for industrial equipment in accordance with the applicable Hungarian legal provisions in force, which shall be taken into account and applied from the beginning of the statutory limitation period.

(7) Additional claims may only be enforced in accordance with Section 8 of the Terms.

### **Section 7 SEW's voluntary warranty and its conditions**

Although SEW is not obliged to provide warranty to Customers under the applicable legal provisions, SEW assumes a voluntary warranty for the Products it sells for a period of 24 months from the conclusion of the sales contract with SEW (hereinafter the "Warranty Period"), subject to the following conditions. In order to claim under warranty, it is necessary to report the failure in writing (letter or email) with a precise description of the failure, to present an invoice for the sale and hand in or return the Product to SEW. The Customer shall bear the associated shipping costs and risks.

SEW shall be released from its warranty obligation if it proves that the defect occurred after the performance.

The warranty shall not cover defects listed in paragraph (5) of Section 6, i.e. if they result in particular, but not exclusively, from the improper use of the Product by the Customer or by any person acting in its interest, or from the improper acts or omissions of persons under the Customer's responsibility, in particular, but not exclusively, in the following cases:

- the defect is caused by improper or unprofessional use after delivery of the Product, in particular, but not exclusively, by excessive use;
- or the defect is the result of incorrect assembly or installation by the Customer or a third party, despite the installation manual having been supplied with the Product,



- or the defect is caused by natural wear and tear, improper or negligent handling, the use of inappropriate fuels, the use of inappropriate replacement parts, faulty construction work, failure to follow the user manual, improper conditions of use, in particular if the defect occurs under adverse chemical, physical, electromagnetic, electrochemical or electrical, weather or natural conditions or as a result of excessively high or excessively low ambient temperatures.

Due to the nature of the Products SEW distributes, SEW is unable to confirm the validity of the notified warranty claim at the time of notification, and the Customer is obliged to hand over the Product to SEW against receipt as a condition of its warranty claim and in order to verify the validity of the warranty claim.

SEW shall inspect the Product as soon as possible, but no later than within 30 working days, and shall notify the Customer in writing of the results of its inspection / expert opinion.

SEW will not provide a replacement or substitute product for the duration of the inspection.

This warranty is conditional upon both parties accepting the results of the inspection by SEW / SEW's expert opinion as to the validity of the warranty claim.

Under this voluntary warranty, SEW may choose to provide the Customer with free repair or replacement of the defective and warranty-covered Product. Any other claims by the Customer under this warranty are excluded. In case of replacement, the original Product returned or the replaced part will become the property of SEW. This shall be without prejudice to any other existing statutory rights of the claimant, in particular warranty rights.

If ownership of the Product is transferred, the new owner may enforce the rights arising from the warranty against SEW, which assumes the warranty, but must provide SEW with credible proof of ownership of the Product and purchase from SEW (copy of invoice and/or contract) at the same time as notifying SEW of the warranty claim.

The warranty claim is valid within the warranty period, and the warranty period does not start again after the replacement or repair. If SEW fails to comply with its obligation at the Customer's request within a reasonable time, the warranty claim may be enforced before a court within three months after the deadline set in the request, even if the warranty period has already expired. Failure to meet this deadline will result in the loss of rights.

## **Section 8 Liability for claims for damages and costs**

- (1) If damage is caused by SEW's negligence, SEW's liability for damage to the subject of the service and other material damage is limited to foreseeable damage that is customary for the contract, taking into account the Customer's and end user's contribution and duty to prevent, eliminate and mitigate damage.
- (2) In the event of minor negligence, SEW is liable for damages to the subject matter of the service and other damage to property only if there has been a material breach of its contractual obligations. In this case, SEW's liability is also limited to foreseeable damages that are customary for the contract, taking into account the Customer's and end-user's contribution and duty to prevent, eliminate and mitigate damage.
- (3) Otherwise, warranties and guarantees are governed by the Civil Code and other applicable Hungarian laws. The limitation and prescription periods for the enforcement of claims are governed by the applicable laws. Enforcement of a claim starts from the moment the damage and the person who caused it become known.

## **Section 9 Right of rescission**

SEW may rescind the contract in whole or in part by unilateral written declaration if the Customer becomes insolvent, becomes indebted, ceases to make payments, or if, in SEW's opinion, for any reason, its performance is in doubt or compromised, or if its economic/financial situation changes in a negative direction, or if proceedings are instituted against it for a declaration of insolvency, or if it is subject to bankruptcy or compulsory strike-off proceedings. If SEW has not yet performed its obligations under the concluded contract, SEW may refuse performance in the above cases at any time without the Customer having the right to enforce its claims and may unilaterally rescind the contract. In the above cases, SEW is entitled to claim as a creditor against the Customer for any damage related to the production of the individual Product manufactured under the contract, loss of profit, depreciation, etc.

## **Section 10 Export restrictions, export compliance**

- (1) The Parties acknowledge that the sale of goods and/or provision of services or parts thereof, in particular the export and transit of goods, transfer of technology, trade and intermediation, technical assistance or provision of economic resources may be subject to EU, German, US or other country-specific export control laws and regulations (e.g. restrictions on countries, persons, use, etc.), as well as financial sanctions (hereinafter "Export Control Regulations").

- (2) The Customer shall duly and fully inform SEW of these circumstances in advance. All orders are therefore valid only if and on condition that the Product and/or Service is not subject to a prohibition of delivery/service under the above rights and all necessary licenses, permits and approvals required for SEW's performance have been issued and are available. Unless otherwise agreed between the Parties, the Customer shall be responsible for obtaining any licenses and permits, and for ensuring compliance, etc.
- (3) The Parties shall comply with all relevant Export Control Regulations, in particular all applicable regulations in the country of destination. The Parties acknowledge that the sale of products and/or provision of services covered by such Export Control Regulations may be subject to authorisation or prohibited. In the event that an applicable Export Control Regulation would permanently prevent SEW or the Customer from complying with this agreement, either party shall have the right to terminate the agreement for the supply of the products and/or services concerned, in whole or in part.
- (4) Any delays caused by the competent export control authorities' licensing procedures will extend the time limit for completion accordingly. This applies in particular to delivery deadlines.
- (5) Claims for damages related to the rejection or delay of an application are excluded in respect of export control regulations, except where they relate to damage resulting from injury to life, limb or health, or where the damage was caused intentionally or through gross negligence by either party.
- (6) The Parties undertake to cooperate in the licensing procedures. Upon request, each Party shall promptly provide the other Party with the relevant information/documents (e.g. end-user certificates) necessary for the application procedure.
- (7) The Customer undertakes, in the event of any resale of the products, to observe the above export restrictions and also undertakes to comply with and enforce compliance with them. Any damage which SEW may suffer as a result of the Customer's failure to comply with the above or violation of the above shall be compensated by the Customer immediately and in full upon SEW's request.

## **Section 11 Place of performance, jurisdiction and applicable law**

- (1) Unless otherwise specified in the order confirmation, the place of performance shall be the Customer's registered office, place of business or other place indicated by the Customer.

(2) All disputes arising directly or indirectly from the contractual relationship shall be subject to the exclusive jurisdiction of the courts having jurisdiction over SEW's registered office.

(3) The parties must attempt to settle any disputes arising from the contractual relationship out of court. Disputes shall be settled in accordance with the applicable provisions of Hungarian law.

(4) These Terms shall form an integral part of the individual contract concluded with the Customer, taking into account that the Customer has become familiar with its contents, has sent its order creating the individual contract and has concluded its contract in the knowledge of the contents of the Terms.

(5) The Customer confirms that it has previously become familiar with the Terms as contractual provisions by signing and sending the individual order or the signed contract. In view of the foregoing, the Customer expressly accepts the provisions of the Terms as binding on it. In the event of any discrepancy between the terms and conditions of the Terms and those of the individual contract, the latter shall become part of the contract without any further express stipulation.