SALES AND PURCHASE CONTRACT - BASIC CONTRACTUAL PROVISIONS

„HF PW spare parts - MPA4 Ti:Sa crystal"

SUBJECT MATTER OF THE AGREEMENT, SELLERS MAIN OBLIGATION	Seller shall deliver to the place of performance and hand over the product specified in the Seller's Winning Proposal and which complies with the technical parameters defined in Buyer's Request for Proposal (hereinafter referred to as the "Product"), Seller shall transfer ownership of the Product to the Buyer free of all liens, claims and encumbrances. The Buyer shall take delivery of the Product at the place of performance and shall pay the purchase price defined in the Agreement.
PLACE OF PERFORMANCE	Wolfgang Sandner utca 3., H-6728 Szeged, Hungary
PERFORMANCE DEADLINE	**22 weeks (154 days) from the date of signature by both parties i.e. from the entry into force of the Agreement**
DELIVERY	With regard to the delivery of the Product, *the terms of DAP - Delivered at Place, Incoterms* shall be applicable.
HANDOVER ACCEPTANCE OF PERFORMANCE	Following the delivery and handover of the Product the Buyer shall issue a takeover declaration (hereinafter referred to as Acceptance Declaration). Within eight (8) calendar days of signature of the Acceptance Declaration, Buyer shall prepare a Certificate of Completion of performance. The Seller shall be entitled to issue an invoice after receipt of the Certificate of Completion, with the same date of the performance indicated on the certificate.
DOCUMENTATION TO BE PROVIDED ALONG WITH THE PRODUCTS	The Seller shall deliver to the Buyer together with the Product the following documents: a) delivery note (copy signed by the recipient), b) user and maintenance manual in English, c) where relevant, a declaration of conformity, declaration of performance, official authorisation or other document required for the placing on the market of the Product, in accordance with the legislation in force, d) any additional documents necessary for the intended use of the Product, or otherwise prescribed by the Request for Proposal.

TRANSFER OF OWNERSHIP	Ownership of the Product shall be transferred to the Buyer upon full payment of the purchase price of the Product by the Buyer to the Seller.
PAYMENT DEADLINE	Buyer shall transfer the invoice amount to the Seller's account within thirty (30) days of the receipt of a correctly issued invoice.
DEFECTIVE PERFOMANCE	**1.** In case Seller's performance fails to comply with the technical specifications set out in the Request for Proposals, the provisions of this Agreement, or with the applicable legal requirements, or the Product is unsuitable for intended use, the Seller shall, upon the Buyer's request, immediately commence the repair or replacement of the faulty Product and complete it within a reasonable and technically justified period agreed by the Buyer, otherwise the Buyer may request a proportionate reduction of the purchase price or, at its discretion, may withdraw from the Agreement, or terminate it. **2.** The Buyer is not obliged to accept the defective performance, however, the Buyer may not refuse to accept and take over the Product due to defects that do not prevent the intended use.
WARRANTY	**1.** The Parties agree that the Seller shall place a warranty seal on the packaging of the Product at the latest on the date of handover. The Parties shall record the intact seal placed on the packaging of the Product in the form of photographic documentation. **2.** The seal may be broken by mutual agreement between the Parties, at which time the Seller shall ensure that the seal is intact, and the warranty period for the specific Product shall start from the moment the seal is broken. The parties shall record the breaking of the seal in the form of video evidence. **3.** The parties agree that the **warranty period for a Product shall be 3 months** from the date of breaking the seal of the specific Product, but the warranty obligation shall expire within **24 months** from the date of handover in case the seal is not broken within this time period. If, when the seal is broken, the Product is found to be non-conforming or incompatible with the HF-PW laser system, and therefore not suitable as a spare part, the Seller shall replace it under warranty. **4.** If the Buyer breaks the warranty seal without prior agreement with the Seller, the 3 months warranty period shall start from the date of delivery of the Seller.

	5. The Parties agree that in case the warranty seal has not been broken within 24 months from the date of handover, the Parties shall consider the warranty period to have expired. **6.** If the Buyer ascertains a defect or deficiency of the Product during the warranty period, the Buyer shall notify such defect or deficiency without undue delay to the Seller. Defects and deficiencies may be notified on the last day of warranty period, at the latest. **7.** The Buyer notifies defects and deficiencies in writing, e-mail notification is also considered acceptable. The Seller shall confirm within 24 hours from the receipt of the notification. **8.** In the case of defective performance under the warranty, the Seller shall - unless otherwise requested by the Buyer - primarily be obliged to replace the defective Product. The Seller shall fulfil its obligation to replace the Product within a reasonable and technically justified deadline agreed and approved by the Buyer. **9.** Instead of replacement, in justified cases, the Buyer is entitled to claim the following under the warranty: a) repair of the defective Product within a reasonable and technically justified deadline; or b) a proportionate reduction of the purchase price of the Product. **10.** Parties shall execute a protocol on the removal of the defect, which shall contain the description of the defect, de means of removal of the defect and the confirmation that the defect was removed. **11.** The warranty does not cover defects which are proven by Seller to be caused by failure of Buyer to follow Seller's instructions for the operation and maintenance of the Product or otherwise is a result of non-intended use.
CONTRACTUAL SANCTIONS	**Penalty for default:** **1.** If Seller is in default of performance and his delay exceeds 15% of the performance deadline (penalty-free delay) – for fractional days, the general rules for rounding apply - , Seller shall pay a penalty for the period of the delay exceeding the penalty-free delay. The default penalty shall be 0.1% per day of the net amount of the purchase price of the Product, up to a maximum

	of 5% of the net amount of the purchase price of the Product (maximum default penalty). **2.** If the penalty for late delivery reaches the maximum default penalty, it will be deemed a serious breach of contract and Buyer shall be entitled to terminate the Agreement with immediate effect, or cancel the Agreement. **Penalty for non-performance** **1.** If performance fails due to the Buyer's cancellation or termination based on the Seller's serious breach of contract, or for any other reason for which the Seller is responsible, the Seller shall be liable to pay a penalty for non-performance. The penalty shall be 15 % of net amount of the purchase price of the Product; ***any amount already paid as penalty for default due to late performance shall be set off against such penalty for non-performance.*** The Buyer shall be entitled to claim damages in excess of penalties.
APPLICABLE LAW	This Agreement shall be governed by the laws of Hungary, in particular by the provisions of the Hungarian Civil Code (Civil Code).
PREVAILING LANGUAGE	The Agreement has been drawn up in Hungarian and English languages. In case of any discrepancy between the two texts, the English version shall prevail.
JURISDICTION	In the event that negotiations between the Parties fail to produce results, the Parties stipulate that the competent Hungarian court shall have exclusive jurisdiction over the legal dispute.