

GENERAL TERMS AND CONDITIONS

For contracts concluded by ESSITY HUNGARY Kft.'s Health and Medical Solution business unit regarding the purchase of products/goods and/or services

I. Definitions

Definitions of the most important terms in present GTC:

- i. **„GTC”**: general terms and conditions for contracts based on any legal grounds concluded by the Health and Medical Solutions business unit of ESSITY Hungary Kereskedelmi Korlátolt Felelősségű Társaság regarding the purchase of products/goods and/or services;
- ii. **„Offer”**: a declaration of intent delivered by the Supplier to Essity in writing or by e-mail, which is aimed at concluding a contract for the sale of Products and/or Goods and/or the provision of Services. This declaration of intent contains the essential terms of the Contract, especially the name, specification, quantitative and qualitative characteristics, the price, payment terms of the Product and/or the Good and/or the Service, deadlines and all other conditions considered essential by the Parties;
- iii. **„Parties”**: the parties concluding the Contract, including Essity and the Supplier together;
- iv. **„Party”**: the parties concluding the Contract individually, such as Essity or the Supplier;
- v. **„Representative”**: legal representative, authorized representative, employee, agent, contractor, sub-contractor of Essity or the Supplier, furthermore, any Party's collaborator participating in the performance of the Contract;
- vi. **„Essity”**: ESSITY Hungary Kereskedelmi Korlátolt Felelősségű Társaság (registered seat: H-1021 Budapest, Budakeszi út 51; registration number: 01-09-716945, TAX number: 10187502-2-44);
- vii. **„Order”**: the acceptance of the Supplier's offer by Essity by issuing a form contained in Annex 1/A of present GTC, or Annex 1/B in case of a medical aid shop;
- viii. **„Supplier”**: any person considered to be an „undertaking” according to clause 4 of Section 8:1 of the Hungarian Civil Code, who sells a Product or provides a Service to Essity;
- ix. **„Intellectual creation”**: all creations of literature, science, art, text, photo, graphic, image and music material, or any other creation that is considered to be intellectual creation based on Act No. LXXVI. of 1999. (Hereinafter referred to as: Szt.) on copyright;
- x. **„Individual contract”**: a bilateral agreement on any legal grounds concluded in writing between the Parties, based on which the Supplier is obliged to deliver a Product or provide a Service to Essity, while Essity undertakes to pay the Contractual fee to the Supplier;
- xi. **„Contract”**: a contract based on any legal grounds concluded between the Parties for the sale of the Product ordered by Essity from the Supplier and/or Service provision, the terms of which are contained in the Order and/or the Individual contract as well as in present GTC;
- xii. **„Service”**: a task/service to be performed by the Supplier and which the Supplier performs/provides to Essity;
- xiii. **„Contractual fee”**: the fee specified in clause 6.4.1. of present GTC, which, in case of a Contract for the sale of the Product means the purchase price of the Product, and in case of an Order related to the production or manufacture of the Product means the fee due to the Supplier for the production of the product; also, in case of a service agreement the consideration due to the Supplier for the service provision, which Essity is obliged to pay to the Supplier, if the Supplier fulfils the Contract;
- xiv. **„Product(s)” or „Good(s)”**: the product(s) distributed, manufactured or produced by the Supplier, specified by Essity in its Order, which is supplied by the Supplier (if the Order refers to this);
- xv. **„Certificate of performance”**: in case of a Contract for the purchase of the Products or Goods a statement issued with a content specified in Annex 2/A of present GTC, in case of a Contract for purchase of Services a statement issued with a content specified in Annex 2/B of present GTC, and in case of medical aid shop a statement issued with a content specified in Annex 2/C of present GTC, declaring the fulfilment of the provisions of the Contract;
- xvi. **„Global Supplier Standard/ GSS”**: based on internationally recognised standards and management systems, a set of requirement set by Essity, containing the requirements of responsible business operation, quality and sustainable development, which all Suppliers shall comply with. The current version of GSS of all times can be found on the following website: www.essity.com/gss. The GSS forms an inseparable part of present GTC.

II. General provisions

- 2.1. Present GTC contain the general terms and conditions of the Contract concluded by the Health and Medical Solutions business unit of Essity regarding the purchase of Products and/or Services (“GTC”).
- 2.2. Present GTC form an inseparable part of the Order as well as the Individual contract concluded between the Parties. Present GTC will be sent to the Supplier upon request with the Order or in case of an Individual contract, when the draft is being developed, otherwise the current version is available at www.essityshop.hu.
- 2.3. Unless otherwise agreed in writing by the Parties, present GTC apply to the Contract between the Supplier and Essity for the sale of Products and/or provision of Services, the Individual contract as well as all their Annexes and to all documents and declarations issued

- by either Party in relation to them, including in particular the Supplier's Offer, the Order, invoice(s), objections to performance, proof of performance issued by either Party in relation to the Contract as well as all other statements related to the Contract.
- 2.4. By confirming the Order or by signing the relevant Individual contract the Supplier expressly and unconditionally accepts the provisions of present GTC, which thereby become an inseparable part of the Contract between the Parties without any further legal action.

III. Conclusion and subject of the Contract

- 3.1. The Contract between the Parties is concluded by the confirmation of the acceptance of the Order by the Supplier, or in case of an Individual contract, by the signature of the latter.
- 3.2. Pursuant to the Contract, the Parties agree, the Supplier undertakes to sell the Product specified in the Contract and/or provide Services to Essity or the person designated by Essity, for the fee specified in the Contract and in accordance with the conditions specified in the Contract.
- 3.3. A written form is required for the validity of the Contract, except for Orders related to the daily operations of Essity, with a total (i.e. within a year) net contract value of HUF 200,000 (i.e. Two hundred thousand forints, hereinafter referred to as: "**Low Value Orders**"), in which case the Order, as well as the confirmation of its acceptance can be made in any way, by which the placing of the Order and its confirmation can be proven beyond any doubt.
- 3.4. The Order, its confirmation, the conditions contained in present GTC, as well as, if the Parties so agree, the Individual contract regarding the sale of the Product and/or provision of Services, as well as their annexes, together form the Contract between the Parties.
- 3.5. The Contract supersedes the Parties' previous consultations, agreements, and declarations related to the subject of the Contract prior to the conclusion of the Contract, as well as any regulations and documents containing contractual conditions issued by the Parties regarding the subject of the Contract or applicable to it. Prior to the conclusion of the Contract, neither the Essity's nor the Supplier's declaration regarding the Contract can be considered when interpreting the Contract. Essity and the Supplier expressly exclude the application of the provisions of Section 6:63 (5) and Section 6:87 (2) of the Hungarian Civil Code.
- 3.6. With the conclusion of the Contract, the Parties declare that, during the conclusion of the Contract, they did not rely on the declarations, statements or warranty statements made by or on behalf of the other Party before the conclusion of the Contract, and that these did not initiate the conclusion of the Contract. Both Essity and the Supplier waive all their rights, to which otherwise they would be entitled in the absence of the provisions of this clause, with respect to such statement, declaration or warranty statement. The condition contained in this clause constitutes an essential condition for the conclusion of the Contract, which the Supplier expressly acknowledges by confirming the Order, or in the case of an Individual contract, by signing the Individual contract.

IV. The terms stipulated in present Chapter IV. apply solely for contracts for the delivery of Products/Goods

4.1. Place, time and manner of performance

- 4.1.1. The delivered Product, together with the accompanying documents necessary for checking and/or verifying contractual performance, must be handed over to Essity's representative according to the Order or the Individual contract or as designated by Essity prior to delivery in writing, at the (site) location (place of performance).
- 4.1.2. The time of performance is the time specified in the Order or in the Individual contract, or if it is not indicated in these, the Supplier is obliged to deliver the Product to Essity as soon as possible.
- 4.1.3. The manner of performance shall be as indicated in the Order or in the Individual contract.
- 4.1.4. The Supplier is obliged to take out property insurance in the amount indicated in the Order or in the Individual contract or in the absence of this, equal to the value of the Products for any damage related to the Products, including in particular theft, non-delivery or delayed delivery for any reason.

4.2. Delivery, packaging, storage

- 4.2.1. Pursuant to the Contract, the Supplier may only deliver the Product to Essity in accordance with the applicable laws and standards, in possession of all necessary permits for the delivery of the Product to Essity and after making an official notification.
- 4.2.2. If the Order and the Individual contract do not provide otherwise, the Products shall be delivered by the Supplier or its subcontractor.
- 4.2.3. The Supplier is obliged to make the Product available to Essity in the form and packaging that complies with the valid marketing authorization and the relevant legislation, with a label suitable for identification (expiry date, production number) and data on use (quality, analytical certificate).
- 4.2.4. The Supplier is obliged to indicate the name and quantity of the delivered Products on the delivery note, and, if it exists, the production number, marketing authorization number, expiry date, and is also obliged to provide Essity with all data and information that are necessary for the intended use of the Products as well as that are required for use for the purpose specified in the Individual contract, or for the purpose known or knowable by the Parties.

- 4.2.5. The Supplier shall hand over the Product to be delivered to Essity in individual packaging in accordance with the relevant legal provisions and professional standards, if necessary in rolls or in other packaging in accordance with the method of delivery and the regulations. The name/designation of the Product, the packaging unit, the production number and the expiration date, if any, must be clearly marked on the packaging. The Supplier ensures that the Product can be transported without damage. Multipacks must be designed in such a way that they are suitable for further transport.
- 4.2.6. Unless the Parties agree otherwise, the Supplier is entitled to invoice Essity for the pallets provided for the transport of the Products as well as for the finished product, in which case the pallet is returned to the Supplier at Essity's own expense and invoiced at the purchase price.
- 4.2.7. The Supplier shall ensure that the delivery of the Products is carried out in accordance with the applicable laws, official and professional regulations, and that the Products are not physically damaged or otherwise harmed.

4.3. Quantitative and qualitative acceptance, commissioning, performance complaints

- 4.3.1. The Supplier undertakes to deliver the Products exclusively in first-class quality and acknowledges that Essity only accepts Products of first-class quality. In the event of any quantitative or qualitative deviation from the terms and conditions stipulated in the contract that can be established by simple visual inspection, Essity is entitled to refuse acceptance.
- 4.3.2. If, pursuant to the Order or the Individual contract, the proper use of the Product requires the commissioning of the Product, the Supplier shall commission the ordered Product at its own expense at the place of performance, carry out its trial operation, train the person designated by Essity in the use of the Product, physically hand over the Product to Essity, and provide all information, documents, and tools necessary for its operation and handling ("Commissioning"). Commissioning is considered successful if the flawless and complete operation of the Product can be verified during the trial of the Product.
- 4.3.3. Upon delivery of the Products to the place of performance, and, if Commissioning takes place, simultaneously with the Commissioning, the Supplier shall provide Essity with all certificates, declarations, warranty and/or guarantee certificates, plans, know-how, equipment, and all necessary information for the proper use of the Products, completely and without delay.
- 4.3.4. Quantitative acceptance takes place at the place of performance, based on the delivery note. Only the person designated in the Order, the Individual contract, or by Essity and notified to the Supplier in advance in writing, is authorized to carry out quantitative acceptance on behalf of Essity.
- 4.3.5. Essity may raise quantitative objections simultaneously with the acceptance or the refusal of acceptance of the Products, in a report prepared on the receipt, which report shall record any deficiencies and visible defects of the delivered Products. The Supplier shall immediately remedy the deficiencies and repair the defects indicated in the report. If the Supplier fails to comply with this obligation within 2 (two) days after the preparation of the report, Essity is entitled to terminate the Contract with immediate effect and reduce the Contractual fee proportionally to the defective performance.
- 4.3.6. The Parties declare that qualitative acceptance at the place of performance means, in the legal relationship between the Parties, only the verification of the absence of visible defects by Essity and does not extend to the verification of any internal, hidden defects. Consequently, any declaration made or receipt issued at the place of performance does not constitute acceptance of the quality of the Product.
- 4.3.7. Essity shall notify the Supplier in writing of any quality objections to the ordered Products immediately after delivery, but no later than within 10 (ten) working days. If Essity could not have recognized the quality defect within this period because the defect was not externally visible, the deadline set forth in this clause shall commence on the day on which Essity became aware of the defect.
- 4.3.8. The delivery of the Product shall be considered complete when Essity confirms the performance in writing. After having checked the compliance with the quantitative and qualitative requirements of the performance specified in the Contract, a written Certificate of performance shall be issued about the proper delivery of the Product and, if necessary, the successful completion of the Commissioning by Essity's duly authorized Representative with the content specified in Annex 2/A to present GTC, in the case of a medical aid shop, in Annex 2/C.
- 4.3.9. The Supplier warrants that the Product to be delivered is free from internal and external defects and damage, and further warrants that it will remedy any defects notified by Essity immediately, but no later than within 2 (two) days of becoming aware thereof, and replace the defective products.
- 4.3.10. If the Supplier is unable to perform on the due date, or performs defectively or incompletely, it shall immediately notify Essity and simultaneously propose a supplementary deadline for performance. If Essity accepts this supplementary deadline, it shall not be entitled to claim damages or any other claim against the Supplier on the grounds of delay. If the Supplier still fails to perform after the expiry of this supplementary deadline, or if setting a supplementary deadline or accepting the proposed supplementary deadline is not in Essity's reasonable interest for excusable reasons, Essity is entitled to withdraw from the Contract and claim compensation for damages related to the delay.

4.4. Warranty, guarantee

- 4.4.1. In the case of perishable nature of products, the Supplier guarantees that the delivered Products have an expiry date of at least 6 (six) months at the time of performance. The Supplier may only deviate from this with Essity's written consent.

- 4.4.2. The Supplier guarantees that the Product delivered to Essity complies with the relevant legal and professional regulations, the statutory and contractual characteristics, and has the necessary official permits for its intended use and for the purpose specified in the Order or the Individual contract or known or knowable by the Parties.
- 4.4.3. The Supplier provides a warranty that the Products are free from defects. As part of this, the Supplier undertakes that if the Product malfunctions within 2 (two) years of its delivery to Essity, or within a shorter period prescribed by law for the mandatory warranty of the Product, within the period specified in the applicable law, it will repair the defect within 5 (five) days after the Product has been handed over for repair. The Supplier is released from this obligation if it proves that the cause of the malfunction arose after the handover of the Product. Regardless of the warranty stipulated in the Contract, Essity may, at its discretion, also exercise its warranty rights arising from defective performance.

4.5. Liability, transfer of ownership

- 4.5.1. Liability for damage in relation to the Product shall pass to Essity upon successful Commissioning in accordance with Clause 4.3.2 above, or, if no Commissioning takes place, upon handover of the Product to Essity in accordance with the Contract.
- 4.5.2. Unless otherwise agreed by the Parties in writing, ownership of the Product shall pass to Essity upon payment of the purchase price of the Product, i.e. the Contractual fee, or upon taking possession of the Product (whichever occurs first).

4.6. Termination of the Contract

- 4.6.1. In addition to the provisions of Clause 6.9.1 below, the Contract shall terminate in the following cases:
 - i. upon proper handover of the Product and payment of the Contractual fee.

V. The following conditions in Chapter V apply exclusively to contracts for the provision of Services:

5.1. The Service, its performance, and certificate of completion

- 5.1.1. Under the Contract, Essity orders from the Supplier the performance of the Service specified in the Order or, if an Individual contract is concluded between the Parties, the Service specified therein.
- 5.1.2. The Supplier shall provide the Service in accordance with the time schedule, place, and manner specified in the Order and the Individual contract concluded on the basis thereof.
- 5.1.3. The conditions for the proper performance of the Service are set forth in the Order or the Individual contract of the Parties.
- 5.1.4. Unless the Parties agree otherwise, the Supplier is entitled to engage a collaborator for the performance of the Service with Essity's prior approval. If the Supplier engages a collaborator, it shall ensure that its Representative participating in the performance of the Contract is aware of and complies with the provisions of the Contract and present GTC that are applicable to the collaborator.
- 5.1.5. Unless the Parties agree otherwise, the Supplier shall perform the Service with its own resources.
- 5.1.6. The Supplier shall perform the Service in accordance with the provisions of the Contract, with the high level of professional expertise expected from the Supplier, with the utmost care, representing Essity's interests, in accordance with Essity's instructions, and in cooperation with Essity. The Supplier shall inform Essity of any unprofessional or inappropriate instructions given by Essity. The Supplier is liable for any damage suffered by Essity due to the Supplier's failure to comply with the above.
- 5.1.7. If any written material, in particular a preliminary or interim draft, professional opinion, or other document, is prepared in connection with the performance of the Service covered by the Contract, which Essity intends to use, the Supplier shall provide it to Essity in advance for review and comment. Essity is entitled to make recommendations in this regard and, if necessary, to modify the text. The Supplier shall, to the extent possible, take into account Essity's recommendations and changes, while duly observing professional considerations, or, if the Supplier is unable to do so, it shall inform Essity of the reasons thereof in writing.

5.2. Verification and Certificate of performance

- 5.2.1. Essity is entitled to continuously monitor the Supplier's performance at any time and to request reports from the Supplier on the provision of the Service.
- 5.2.2. Essity shall issue a Certificate of performance to the Supplier for the proper performance of the Service provided by the Supplier, with the content specified in Annex 2/B, and in the case of a medical aid shop, in Annex 2/C to present GTC.

5.3. Termination of the Contract

- 5.3.1. In addition to the provisions of Clause 6.9.1. below, the Contract shall terminate in the following cases:
 - i. upon proper handover of the Product and payment of the Contractual fee.

VI. The following conditions in this Chapter VI. apply to all Contracts:

6.1. Order and confirmation of the Order

- 6.1.1. Unless the Parties agree otherwise, Essity shall send its Order for the procurement of the Product and/or the use of the Service, in accordance with present GTC, to the address specified in the Supplier's Offer, in writing, or, if not contrary to present GTC and its Annexes, in any manner that can be unequivocally proven (by e-mail or fax).
- 6.1.2. The Supplier shall confirm the Order to Essity immediately, but no later than within 3 (three) working days of receipt of the Order, or make a statement to Essity regarding the Order, in the manner described in Clause 6.1.1 above. If the Supplier fails to confirm the Order within this period or refuses delivery in accordance with the Order, and if the Parties do not conclude a separate written Individual contract, no Contract is concluded between the Parties. If the Supplier's confirmation deviates from the Order, it shall be considered a new Offer from the Supplier.
- 6.1.3. Unless otherwise provided in the Order or the Individual contract of the Parties, the Supplier is not entitled to partial performance, and Essity is not obliged to pay any advance payment or instalment.

6.2. The Supplier's rights and obligations

- 6.2.1. The Supplier shall deliver the Product ordered by Essity and covered by the Contract to Essity, or perform the ordered Service for Essity, in accordance with the provisions of the Contract.
- 6.2.2. Upon proper performance of the Contract, the Supplier is entitled to the remuneration specified in Clause 6.4.1.
- 6.2.3. The Supplier warrants that both it and its Representative acting on its behalf in the performance of the Contract
 - (i) have the experience, skills, and resources, material and human resources, and all authorizations, permits, registrations, and entitlements necessary for the lawful, professional, and successful performance of the Contract in accordance with Essity's expectations, and for the performance of its obligations under the Contract; and
 - (ii) are aware of and comply with the provisions of the Contract and present GTC, which form an integral part thereof.
- 6.2.4. If relevant, given the nature of the subject matter of the Contract, the Supplier shall, in the performance of the Contract, comply with the rules laid down in Act XCVIII of 2006 on the General provisions relating to the reliable and economically feasible Supply of medicinal products and medical aids and on the distribution of medicinal products ("Gyftv."); Decree 3/2009 of the Ministry of Health ("Decree") on the detailed rules for the promotion of medicinal products and medical devices for human use, the registration of persons carrying out promotional activities, and commercial practices towards consumers in relation to medicinal products and medical devices; the Code of Ethics of the Association of Health Technology and Medical Device Suppliers ("ETOSZ") ("Code of Ethics"); and the MedTech Europe Code of Ethical Business Practice ("**Medtech Code**"). Within this context, the Supplier specifically declares and warrants that, in the course of performing its duties, it will not make any unlawful or irregular payments or engage in any activity related to bribery, either in its own name or on behalf of Essity and will refrain from participating in any corrupt practices.
- 6.2.5. In addition to the above, during the performance of the Contract, the Supplier warrants compliance with the relevant legal provisions, applicable professional rules, and ethical standards relating to the subject matter of the Contract, and further warrants that its conduct does not infringe the rights or legitimate interests of any third party. Essity shall not be liable for any breach of the provisions of this clause, and the Supplier shall immediately take responsibility for the fulfilment of any compensation or other financial claims arising from Essity or any of its Representatives as a result of violating the provisions of this clause. Furthermore, if Essity is penalized by any authority and/or court for the Supplier's breach of contract or in connection with it, in particular, if the Supplier is obliged to pay a fine, the Supplier shall reimburse Essity without delay in full for the fine and other financial disadvantages. The Supplier shall also be liable for damages caused to third parties in connection with its breach of contract.
- 6.2.6. The Supplier acknowledges and warrants that it will use Essity's intellectual property and trademark, name, logo, and other designations solely and exclusively during the performance of the Contract, to the extent necessary for performance, and in the manner approved by Essity. The Supplier shall be solely and fully liable for any damage arising from any use other than the above.
- 6.2.7. The Supplier shall refrain from any conduct that would harm or jeopardize Essity's economic interests, tangible and intellectual property, or reputation.
- 6.2.8. The Supplier shall immediately notify Essity of any material data, factors, and circumstances affecting the Contract or the Service/Product provided/delivered thereunder, including, but not limited to, any deficiencies, delays, incorrect or inaccurate information, or incorrect instructions from Essity, specifying the errors, deficiencies, and delays. The Supplier shall only be obliged to perform in relation to the changed circumstances if Essity gives express written instructions to that effect.
- 6.2.9. In addition to the information specified in the previous clause, the Supplier shall continuously inform Essity of all its activities and tasks to be performed in connection with the provision of the Service and/or the delivery of the Product and shall notify Essity in due time of the need for additional information, documents, or any other support, in particular external expert support.
- 6.2.10. The Supplier undertakes to retain all written materials and documents related to the performance of the Contract for 5 (five) years and to provide them to Essity immediately for further use, upon the Essity's request, for the purpose of providing evidence.

6.3. Essity's rights and obligations

- 6.3.1. Essity is entitled to demand from the Supplier the handover of the Product or the provision of the Service specified in the Order and the Individual contract.
- 6.3.2. Essity is obliged to accept the Product/Service and, in the event of the Supplier's proper performance of the Contract, to pay the Contractual fee.
- 6.3.3. Essity may instruct the Supplier in order to ensure flawless performance; however, the instructions may not make the performance of the work related to the production of the Product or the provision of the Service more burdensome for the Supplier. If Essity gives inappropriate or unprofessional instructions, the Supplier shall warn Essity accordingly. If Essity maintains its instructions despite this warning, the Supplier shall act at the Essity's risk. The Supplier shall refuse to perform any instructions that are contrary to law or that pose a risk of life-threatening danger or personal injury. The Supplier is liable for any damage incurred by Essity due to its failure to comply with the above.
- 6.3.4. Essity undertakes to provide the Supplier with all relevant information, data, and documents previously indicated by the Supplier and necessary for the delivery of the Product or the provision of the Service.

6.4. Contractual fee and its payment

- 6.4.1. Upon performance of the Contract, the Supplier is entitled to the Contractual fee mutually agreed upon by the Parties and specified in advance in the Order or the Individual contract.
- 6.4.2. In the absence of a different agreement between the Parties, the Contractual fee includes all costs and fees of the Supplier related to the performance of the Contract (including the consideration for the rights of use set forth in Chapter VII), and the Supplier is not entitled to any reimbursement of costs in addition to the Contractual fee.
- 6.4.3. The Representative designated as the contact person on behalf of Essity in the Order or the Individual contract is entitled to certify performance and issue the Certificate of performance in accordance with present GTC on behalf of Essity, and is personally entitled and obliged to verify the Supplier's performance.
- 6.4.4. The Supplier shall attach the Certificate of performance issued by Essity in accordance with present GTC to its invoice.
- 6.4.5. Essity shall pay the Contractual fee within 60 (sixty) calendar days of receipt of the invoice issued in accordance with the applicable accounting and tax regulations at the time and place of the Supplier's performance, by bank transfer to the Supplier's bank account specified in the Contract and on the invoice.

6.5. Guarantees

- 6.5.1. In the event of late performance by the Supplier, the Supplier shall pay a penalty for delay equal to 0.001% of the Contractual fee per calendar day of delay. In the event of a delay exceeding 30 (thirty) calendar days, Essity is entitled to withdraw from the Contract, in which case the original condition shall be restored, and the Supplier shall compensate Essity for all damages and losses incurred in connection with the delay.
- 6.5.2. In the event that the performance fails, whether due to Essity's withdrawal or for any other reason attributable to the Supplier, the Supplier shall pay a penalty for non-performance equal to 20 (twenty) percent of the Contractual fee.
- 6.5.3. If the Supplier's conduct harms or jeopardizes Essity's business reputation or breaches its confidentiality obligation, the Supplier shall pay a penalty equal to 50% of the Contractual fee, and, in addition, shall compensate Essity for all damages arising therefrom.
- 6.5.4. When determining the amount of the penalty to be paid, the followings shall be taken as a basis:
 - a) in case of a Contract for the procurement of a specific Product, the purchase price of the Product;
 - b) in case of the procurement of a Product by type or quantity or continuous delivery for more than 12 months, the total value of the Products ordered and delivered during the 12 (twelve) months;
 - c) in case of a Contract concluded for the use of a given Service for a definite period, the amount of the Supplier's Contractual fee;
 - d) in case of a Contract concluded for the careful and continuous use of a Service for an indefinite period, the amount of the Supplier's annual fee.
- 6.5.5. The penalty for delay may not exceed the amount of the penalty for non-performance.
- 6.5.6. Essity is entitled to set off the amount of the penalty against the Supplier's claim for payment, and, in addition, the Supplier shall compensate Essity for all damages arising from the delay.
- 6.5.7. In the event of late payment of the Contractual fee, Essity shall pay default interest to the Supplier at the rate specified in Act V of 2013 on the Civil Code ("Civil Code"). The Supplier may waive the payment of default interest.

6.6. Liability

- 6.6.1. The Parties' liability for damages and losses caused to each other in connection with the performance of the Contract shall be governed by the liability rules of the Civil Code applicable to breach of contract.

- 6.6.2. The Supplier shall be solely and fully liable for any loss, damage, lost profit, or injury incurred by Essity due to the Supplier's or its collaborator's negligent or intentional breach or violation of the Contract. In this case, regardless of whether Essity exercises its right to terminate the Contract with immediate effect, the Supplier shall fully compensate Essity.
- 6.6.3. The Supplier shall have objective, i.e. full financial responsibility regardless of fault for any equipment received from or entrusted to it by Essity, and shall compensate Essity for all damages arising from or in connection with the damage, destruction, or loss thereof.

6.7. Vis major

- 6.7.1. The Party obliged shall be released from the timely performance of all its contractual obligations, and all its obligations shall be extended by the duration of the force majeure event, if performance is prevented or delayed by force majeure during the term of the Contract. Force majeure means any unforeseeable and unavoidable event that occurs for reasons beyond the control of the Parties.
- 6.7.2. In the event of force majeure, the affected Party shall immediately notify the other Party in writing and provide it with the relevant and necessary information. Even in the event of force majeure, the Parties shall make all necessary and possible efforts to fulfil their obligations affected by the force majeure event.
- 6.7.3. If the cause of the force majeure event persists for more than six (6) months, the Parties shall negotiate the further maintenance of the Contract.

6.8. Term of the Contract

- 6.8.1. Unless otherwise agreed by the Parties, the Contract shall enter into force on the date of its signature by all Parties in accordance with present GTC.
- 6.8.2. In the absence of a provision to the contrary by the Parties, the Contract shall remain in force as long as the Parties have mutual obligations towards each other.

6.9. Termination of the Contract

- 6.9.1. In addition to the provisions of Clauses 4.6.1 and 5.3.1 above, the Contract shall terminate in the following cases:
- i. by mutual agreement of the Parties
 - ii. unless otherwise agreed by the Parties, either Party is entitled to terminate the Contract without cause by giving 30 (thirty) days' written notice to the other Party (ordinary termination);
 - iii. Essity is entitled to terminate the Contract with immediate effect by giving written notice to the Supplier, stating the reason, in the event of a material breach of contract by the Supplier. A material breach of contract by the Supplier shall be deemed to have occurred, in particular, but not exclusively, if:
 - a. the Supplier fails to fulfil its contractual obligations by the deadline specified in Essity's notice;
 - b. the Supplier is in default of performance for more than 30 (thirty) days for reasons attributable to it;
 - c. the Supplier performs defectively, or it becomes evident before the expiry of the performance deadline that it will only be able to perform the contract defectively, and it fails to remedy or eliminate the circumstance causing the defect upon notice;
 - d. the Supplier fails to comply with the instructions given by Essity;
 - e. bankruptcy, liquidation, or winding-up proceedings are legally instituted against the Supplier, or it becomes insolvent in any other way, or it requests the rescheduling of its debts, or it otherwise becomes unable to meet its financial obligations;
 - f. criminal proceedings are instituted against the Supplier, or its business reputation is damaged to such an extent that it may have adverse consequences for the other Party in the course of its relationship with the Supplier;
 - g. the Supplier's conduct harms or jeopardizes Essity's business reputation;
 - h. the Supplier breaches its confidentiality obligation;
 - i. the Supplier does not have the official permits, authorizations, or official notifications required for the performance of the contract;
 - j. the Supplier breaches any laws, official regulations, or ethical rules related to the performance of the Contract.
 - iv. in the event of a material breach of contract by Essity, the Supplier is entitled to terminate the Contract with immediate effect by giving written notice to Essity and stating the reason. A material breach of contract by Essity shall be deemed to have occurred, in particular, but not exclusively, if:
 - a. Essity fails to provide the Supplier with all relevant facts, data, and documents necessary for the proper delivery of the Product or the proper provision of the Service;

- b. bankruptcy, liquidation, or winding-up proceedings are legally instituted against Essity.
- 6.9.2. If the Contract is terminated by extraordinary termination as set forth in Clause 6.9.1 above, and as a result the Supplier does not deliver the Product to Essity or does not perform the Service in accordance with the Contract, the Supplier shall not be entitled to the Contractual fee.

6.10. Confidentiality

- 6.10.1. The Contract concluded between the Parties, all documents and information related thereto, and all data and information that comes to the Supplier's knowledge during or in connection with the performance of the Contract regarding Essity, its business partners, and its activities constitute business secrets which the Supplier may use exclusively for the purpose directly related to the performance of its obligations under the Contract, and may not disclose to any third party, make public, or use beyond the performance of its obligations under the Contract without the prior written consent of Essity.
- 6.10.2. The confidentiality obligation shall not apply to the following information: (i) information of which the other Party was already aware prior to its disclosure, and for which it has written evidence; (ii) information that is public knowledge or has been lawfully disclosed; and (iii) information that the Party lawfully obtains from a third party outside of its relationship with the other Party.
- 6.10.3. The confidentiality obligation extends to the Parties, their Representatives, and all third parties whose assistance the Parties engage for the performance of the Contract.
- 6.10.4. The Supplier shall draw Essity's attention to the fact if the performance of the Contract requires the transfer of personal data or confidential information to a third party. In the latter case, the Supplier shall ensure that the third parties who may thus obtain confidential information and personal data also treat such information confidentially, in accordance with the applicable data protection legislation, and only for the purpose for which it was transferred to them.
- 6.10.5. The confidentiality obligations shall apply to the Parties from the first moment of negotiations for the conclusion of the Contract, during the term of the Contract, and after its termination.
- 6.10.6. Breach of the confidentiality obligations shall be deemed a material breach of contract and, as such, may result in the immediate termination of the Contract.

6.11. Data protection, data processing

- 6.11.1. The Supplier undertakes to process any data that comes to its knowledge during or prior to the performance of the Contract and that falls under the scope of the EU General Data Protection Regulation (GDPR), as well as any data that falls under the scope of Act XLVII of 1997 on the Protection of Personal Data related to Health and Related Personal Data, in accordance with the provisions of the aforementioned legislation.
- 6.11.2. The Supplier shall take all technical and organizational measures to protect personal data against unauthorized access and unlawful possession, and against any loss, damage, or alteration, and to ensure that only those persons who are authorized to do so and exclusively for the purpose of performing this Contract have access to personal data.
- 6.11.3. The Supplier shall ensure that all persons who have access to the data receive appropriate information and training regarding the handling and safekeeping of personal data, and are aware of the confidential nature of the data.
- 6.11.4. The Supplier acknowledges that Essity is entitled to process personal data provided for contact purposes in relation to the Contract in accordance with the provisions of European Union and Hungarian data protection legislation, including the EU General Data Protection Regulation (GDPR), as this is necessary for the performance of the contract or for taking steps prior to entering into the contract (Article 6(1)(b) of the GDPR). The Supplier acknowledges that Essity is entitled, on the basis of its legitimate interest, to store and process its data in its internal databases and make it accessible to members of the group of undertakings, taking into account that Essity is a member of an international group of undertakings, for reasons of its business interests and operational structure (Article 6(1)(f) of the GDPR). The processing of data within the group of undertakings is a legitimate interest that overrides the protection of contact details as business and personal data, especially in view of the data security measures taken by Essity. Further information on data processing can be found at <https://www.essity.com/privacy-policy/>. The Supplier acknowledges that Essity is obliged to retain the Contract and the data contained therein in its databases for 6 (six) years in view of tax legislation (Article 6(1)(c) of the GDPR).
- 6.11.5. For the rest, the provisions of Essity's Data Processing Information (<https://www.essity.com/privacy-policy/>) shall apply to the processing of supplier data processed by Essity.
- 6.11.6. The Supplier acknowledges that breach of the obligations set forth in this clause shall be deemed a material breach of contract. Upon becoming aware of such breach, Essity is entitled to terminate the Supplier Contract with immediate effect.

6.12. Communication

- 6.12.1. The Parties shall maintain continuous contact with each other through the contact persons designated in the Order or the Individual contract, or previously designated to each other in writing.
- 6.12.2. The Parties shall cooperate with each other and take into account each other's legitimate interests for the purpose of performing the Contract. As part of this cooperation, they shall immediately inform each other of any essential circumstances affecting the

performance of the Contract through their contact persons. The Party failing to do so shall be liable for any damages arising from such failure.

- 6.12.3. The Parties may send written notices to each other by e-mail, fax, registered mail, and/or personal delivery, provided that receipt by the other Party can be duly verified. Any communication and other correspondence between the Parties shall be deemed to have been communicated on the date of personal delivery to the specified address, in the case of registered mail, at the time indicated on the return receipt, in the case of notification by fax, at the time indicated on the fax transmission confirmation, in the case of e-mail, at the time indicated in the read receipt, or on the 5. (fifth) day after sending. A notice sent by registered mail shall be deemed delivered 5 (five) days after its posting even if it is returned with the indication "not collected," "not accepted," "unknown," or "moved," or any other indication with the same meaning, provided that the sender demonstrably addressed it to the address/registered office notified by the addressee and/or registered in the company register.
- 6.12.4. The Parties shall use e-mail only to facilitate cooperation and for everyday communication, and shall make declarations with legal effect in writing (by registered mail with return receipt), or confirm such declarations made by e-mail in writing.
- 6.12.5. The Parties shall immediately, but no later than within five (5) days of the effective date of the change, notify the other Party in writing of any changes in the contact persons designated in relation to the Contract, as well as any changes in their data affecting the proper performance of the Contract. The Party failing to do so for any reason shall be liable for all damages arising from such failure.

VII. The provisions of present Chapter VII shall apply if the Contract is for the creation of an Intellectual creation and/or requires and/or may involve the use of any Intellectual creation:

- 7.1. Before the performance of the Contract by the Supplier, the Parties shall consult with each other regarding the transferable copyright(s) of Intellectual creations used and/or created for and/or in connection with Essity for the performance of the Contract by the Supplier, in particular, regarding the content of the rights of use granted to Essity in respect of the Intellectual creations, the method of transfer of these rights, their temporal and territorial scope, the extent of these rights, and the consideration for the granting of the use of these rights, and the Parties shall record their mutual agreement resulting from such consultation ("**License Agreement**") **in writing**. The License Agreement regarding the transfer of these copyrights shall form an integral part of the Contract.
- 7.2. The License Agreement shall contain the following:
 - 7.2.1. The temporal and territorial scope of the transfer of the transferable copyrights of the Intellectual creations (the economic rights to the Intellectual creations).
 - 7.2.2. An indication of whether the rights of use granted to Essity are exclusive or non-exclusive.
 - 7.2.3. The Supplier's warranty that Essity is entitled to transfer the copyrights (economic rights) assigned to it to a third party without restriction, and that it is also entitled to grant the rights to which it is entitled to a third party. Essity's right to adapt and revise the Intellectual creations, as well as the right to have them adapted and revised by third parties, and the right to transfer all rights of use to third parties. The content of the right of further use that may be granted by Essity to third parties must be identical to the content of Essity's right of use.
 - 7.2.4. The manner and extent of use of the Intellectual creations by Essity.
 - 7.2.5. If the Contractual fee does not include the consideration for the transfer of rights, the amount and method of payment thereof; if, on the other hand, the Contractual fee stipulated in the Contract includes the consideration for these rights of use, a reference to this fact.
 - 7.2.6. The Supplier's express warranty that any Intellectual creation created or used by the Supplier for the performance of the Contract and delivered to Essity constitutes its exclusive intellectual product, and its express declaration that the Supplier has the exclusive right to dispose of the Intellectual creations and to make the legal declarations contained in the License Agreement.
 - 7.2.7. The Supplier's express warranty that, at the time of the transfer or licensing of the Intellectual creations and during the entire period of their use, no third party has any right that would restrict or exclude their use by or on behalf of Essity. Furthermore, it shall contain the Supplier's warranty that there is no legal or other impediment to the transfer of the rights under present GTC or any Contract concluded on the basis thereof, or the License Agreement attached thereto, to Essity, or to the use of the Intellectual creations by Essity, and that this does not infringe or jeopardize the rights or legitimate interests of any other third party. The Supplier shall assume exclusive, unlimited, and unconditional liability towards Essity for any direct or indirect damages or other claims asserted by a third party in connection therewith.
 - 7.2.8. The Supplier's express warranty that the Supplier's Representatives and any collaborators engaged by it in the performance of the Contract have consented to any use that enables Essity to use the Product(s) and/or Service(s) covered by the Contract in accordance with the purpose of the Contract, and that enables Essity to exercise its rights of use specified in the Contract and the License Agreement forming part thereof without restriction. In this regard, the Supplier shall warrant that it has obtained the declarations necessary for the exercise of the rights of use by Essity from all entitled persons, and shall provide them to Essity upon request.
 - 7.2.9. The Supplier's undertaking to indemnify Essity against any claims asserted by third parties against Essity in respect of the copyrights assigned by the Supplier to Essity.

7.3. Unless the Parties conclude a separate License Agreement deviating from Clauses 7.1-7.2, the following provisions shall apply to Intellectual creations: The Supplier warrants that Essity is entitled to exclusively use the Intellectual creation created by the Supplier or its collaborator as a creation (presentation, other material created during the performance of the assignment), from the time of handover of the creation to Essity, for the entire term of protection of the creation, without geographical restriction. The right of use extends to all known methods of use of the creation, including, in particular, the reproduction, distribution, public performance, and communication to the public of the creation in any number of copies (digital and non-digital) (in particular, the communication of the creation in such a way that Essity makes it available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them). For the purpose of using the creations, Essity is entitled to use the name and image of the Supplier or, if different, the author, to the extent specified above. Essity may modify (revise) the creation without the prior consent of the Supplier, and is entitled to transfer the rights of use to third parties, and is entitled to grant the right of sublicense as specified above to such persons. In exercising the rights specified in this clause, Essity shall respect the Supplier's professional independence. The Supplier declares that the Contractual fee was determined by the Parties taking into account that Essity acquires the right of use of the creation, and that the Supplier has waived its rights relating to the further use thereof, including the economic rights related to the copyrighted work. The Supplier warrants that any intellectual creation under this clause is its intellectual product, or that it has the exclusive economic copyrights and the right to dispose of the right of use thereof, and that at the time of the transfer or licensing, and during the entire period of use, no third party has any right to the intellectual creation that would prevent or restrict its use.

VIII. Miscellaneous Provisions

- 8.1.1. Any general terms and conditions of the Supplier that deviate from present GTC shall only be valid with the express written consent of Essity.
- 8.1.2. Any contractual relationship between the Parties established on the basis of present GTC may only be amended in writing by mutual agreement.
- 8.1.3. Unless otherwise provided in writing by the Parties, the prior consent of the other Party is required for the assignment of the Contract or the rights arising therefrom, or for the transfer of their exercise.
- 8.1.4. The current Global Supplier Standard, available at www.essity.com/gss, form an integral part of present GTC. The term "GTC" in present GTC shall mean the content of present GTC supplemented by the Appendix.
- 8.1.5. Present GTC form an integral part of both the Order and any Individual contract concluded between the Parties. In the event of any discrepancy between present GTC and the Individual contract concluded between the Parties, the provisions of the Individual contract shall prevail.
- 8.1.6. Essity informs the Supplier that present GTC may contain provisions that significantly deviate from usual contractual practice, as well as essential deviations from the terms and conditions previously applied between the Parties. The Supplier's confirmation of the Order or, in the case of an Individual contract, the Supplier's signature of the Individual contract shall also constitute acceptance of these provisions.
- 8.1.7. The invalidity of any part of present GTC shall not affect the validity of the entire GTC or the individual contract.
- 8.1.8. Present GTC shall enter into force on the 15th (fifteenth) day following their signature and shall apply until withdrawn by Essity or until new GTC are issued. Essity shall inform the Supplier of the repeal or amendment of the GTC prior to the entry into force of the amendment or withdrawal. If the Supplier does not make a statement regarding the new (amended) GTC within 15 (fifteen) days of its receipt, it shall be deemed accepted. If the Supplier refuses to accept the GTC, either Party shall be entitled to terminate the Contract with immediate effect without giving any reason by sending a unilateral declaration to the other Party. The Parties declare that, to the best of their knowledge, no third party has any right that would jeopardize or prevent the implementation of the provisions of the Contract, the performance of any obligation undertaken by any Party, or the exercise of any right granted to it, and they further warrant that the performance of the Contract does not infringe the rights or legitimate interests of any third party.
- 8.1.9. The Parties declare that they are entitled to conclude the Contract and that they have not concluded and will not conclude any contract in the future that would prevent or jeopardize the performance of their obligations under the Contract.
- 8.1.10. The Parties declare that they will attempt to settle any disputes arising from the Contract amicably, out of court, through negotiations. If the negotiations fail, the Parties agree that the exclusive jurisdiction for the settlement of any legal dispute between them shall be the court having jurisdiction over Essity's registered office.
- 8.1.11. If a foreign party is involved in the dispute, the parties submit to the exclusive jurisdiction of the Permanent Arbitration Court attached to the Hungarian Chamber of Commerce and Industry, Budapest, for the settlement of any dispute arising out of or in connection with this contract, its breach, termination, validity, or interpretation, with the Arbitration Court acting in accordance with its own Rules of Procedure.
- 8.1.12. Matters not regulated in present GTC shall be governed by the provisions of applicable Hungarian law, primarily the Act V of 2013 on the Civil Code.
- 8.1.13. Essity shall send present GTC to the Supplier individually, in English, and electronically upon request prior to the conclusion of the Contract; otherwise, the current version is available on the www.essityshop.hu website.

Annexes:

1/A: Order form

1/B: Order form for Suppliers of medical aid shops

2/A: Certificate of performance for contracts for the procurement of Products or Goods

2/B: Certificate of performance for contracts for the use of Services

2/C: Certificate of performance for contracts with Suppliers of medical aid shops

Appendix:

Global Supplier Standard/GSS

Last update: June, 2024, Budapest



ESSITY HUNGARY Kft.