

General Terms of Purchase

1. Contract conclusion

- 1.1 With respect to our orders, the present general terms of purchase shall be valid. The supplier's general terms of supply shall only take the place of the present general terms of purchase insofar as we expressly approve this. Our general terms of purchase shall also be applicable if, in the knowledge of the supplier's terms that run counter to, or depart from, our terms of purchase, we accept the supplier's delivery without reservation.
- 1.2 We only undertake a legal obligation – in respect of the extent and object of any delivery – by way of our written order. The order shall not place us under any obligation if, within 14 days following the time of our order at the latest, the order is not confirmed by the supplier in writing with respect to both the price and the deadline for delivery.
- 1.3 The technical drawings/technical specifications attached to the orders have exclusive validity. The supplier is required to check these documents related to the order on the occasion of every order or consignment request.
- 1.4 In the case of framework orders, only our individual consignment requests shall be deemed orders given with binding force.
- 1.5 Collateral agreements, supplements and amendments shall only be binding on us insofar as we have confirmed them in writing. The requirement of written form shall also apply with respect to any agreements to depart from the requirement of written form stipulated in this subsection.
- 1.6 The present general terms of purchase shall also apply in respect of future orders.
- 1.7 Force majeure events, strikes, natural disasters, rioting, measures imposed by authorities, etc., as well as transportation problems, lockouts and other disruptions of operations occurring within the scope of our suppliers' interests, which result in the restriction or stoppage of our production, or which prevent us from taking delivery of the ordered goods, shall, for the duration and in the extent of their impacts at the most, free us from our obligations arising from the order, if we are unable to eliminate such disruptions through reasonable efforts.

2. Price

The price specified in the order is a fixed price applicable for the full duration of the order.

3. Delivery and delivery deadline

- 3.1 The delivery must conform with the approved samples, particularly with regard to design/construction, size/volume and priority of the order, and must take place by the requested deadline. We are under no obligation to accept partial or surplus deliveries that have not been agreed.
- 3.2 With respect to the deliveries, the risk of damage shall be borne by the supplier, and delivery – including packaging – shall take place at the supplier's expense to the address specified in the order.
- 3.3 In the event of late delivery the supplier shall pay any damages resulting from the lateness. Our company, however, shall be entitled in every case to claim an amount equivalent to 1% of the value of the late delivery, for every whole week of lateness (late delivery penalty). The maximum extent of this amount shall be 5% of the total value of the late delivery. We shall be entitled, moreover, to also claim our damages incurred in excess of this. Following the setting and inconclusive expiry of an appropriate supplementary deadline, we shall be entitled to rescind the agreement and claim compensation.
4. Payment terms
- 4.1 The date of delivery, the number of our order and the number of the technical drawing/technical specification must be displayed on the invoice and other accounting documents, and the change index ID of the delivered goods must be attached to them, and they must be submitted in at least one copy.
- 4.2 Payment shall take place within 30 days calculated from receipt of the invoice, but from the time of acceptance of the goods at the earliest. We are entitled to deduct a 3% cash discount from the invoice.
- 4.3 Without prior written approval, which approval may not, however, be refused unreasonably, the supplier is not entitled to assign to third parties its receivables from us, or to engage a third party for the collection thereof.
- 4.4 Until any faults in the goods constituting a part of any delivery are remedied, we are entitled to withhold all or a part – depending on the costs of remedying the fault – of the payment; usually an amount equal to twice the cost of remedying the faults at any given time may be withheld.
- 4.5 Payment shall not be construed as recognition of contractual delivery or performance.
- 4.6 The supplier shall not be entitled to offset its own claims or exercise a right of retention in respect of our claims, except where the supplier's claims are not disputed or where they have been established in a legally binding decision.

5. Faulty performance

- 5.1 The incoming goods are checked by our acceptance inspection system on the basis of the AQL (Acceptable Quality Level) system or another quality inspection system. It is compulsory to attach a first sample/first delivery protocol to first deliveries.
- 5.2 The supplier operates a pre-delivery quality assurance final inspection system. Following the arrival of the goods we will check that the goods are of the ordered quantity, and whether any visible external transportation damage or obvious defects can be found. If we do detect any damage or defects in the course of the aforementioned inspections, then we shall indicate this within 14 calendar days following the receipt of the goods. We are not obliged to perform further acceptance inspections of incoming goods.
- 5.3 The supplier is liable, in accordance with the statutory provisions, for any missing parts or legal errors committed in relation thereto, for the absence of any guaranteed properties, and for any breach of the obligation to provide information. The limitation period for claims arising from faulty performance is 36 months after receipt of the consignment.
- 5.4 For goods that are resupplied (replaced) or repaired, the limitation period shall start again from the time of the repeated delivery (replacement). The limitation period shall not, under any circumstances, expire within six months following the remedying of the fault.
- 5.5 The return of goods that are the subject of a complaint shall take place free of charge, with the risk of damage borne by the supplier. The supplier is obliged to pay the costs that are incurred as a result of the retrospective examination and screening of the faulty goods. This shall also apply if a concealed fault comes to light after the goods are taken into use.
- 5.6 In the case of products that are resold without significant modification, the supplier is obliged to hold us harmless from warranty claims arising from any contract forming the basis for the resale – including the rules on the sale and purchase of consumer goods – and from any claims made in accordance with the rules on product liability and the manufacturer's direct liability.
- 5.7 Should anyone assert a claim against us in accordance with the rules on product liability and the manufacturer's direct liability, the supplier is obliged, at the first request, to hold us harmless from such claims, insofar as the damage was caused by the goods supplied by the supplier.

If, in the event of the assertion of a claim by a third party, we pay damage compensation to the third party, then the supplier shall be obliged to reimburse us for all our damages and costs related to this, including the actual legal costs, provided that we have the right to claim relief in accordance with the first sentence of the present subsection.

Should any third party assert a claim against us for indemnification on the basis of a foreign statutory provision that does not permit exceptions, and if on the basis of this liability exists without regard to culpability, then the supplier is obliged to compensate us in the same extent as if it were the liable party. This liability on the part of the supplier shall only apply if the damages were caused by the supplied goods, and it shall also extend to any legal costs. In the cases specified above, we shall also be entitled to assert a claim in the foreign courts before which any third party has asserted a claim against us in accordance with the rules on manufacturer's direct liability, provided that this is permitted under the applicable statutory provisions.

5.8 Should we incur a recall obligation on the basis of a fault that was caused by the goods supplied by the supplier, or if a recall is in the supplier's interest and in accordance with its intent, then the supplier is obliged to pay the costs arising as a result. Should the recall take place due to several responsible parties, their liability shall be joint and several.

5.9 We or our clients, giving advance notice, at reasonable intervals and during regular business hours, are entitled to visit the supplier's factory premises and its manufacturing sites in order to gather information about the manufacturing processes of the products and about compliance with the supplier's contractual obligations. Notice of at least 3 working days shall be given. In the context of these visits we shall respect the supplier's confidentiality requirements. The supplier is obliged to ensure that at our request, or at the request of our customers, we are also able to enforce compliance with the measures regulated in the present subsection 5.9 by the supplier's subcontractors and suppliers.

6. Manufacturing tools and designs

- 6.1 The sale, pledging or the ceding in any other manner, to third parties, of manufacturing tools made available by us, or produced by the supplier on the basis of data provided by us, such as models, samples, tools, instruments, technical drawings/technical specifications and similar items, or the use of such items for the supplier's own purposes, is prohibited without our prior written consent. This also applies to the items produced using such manufacturing tools.
- 6.2 The supplier is obliged to safeguard and insure for us, free of charge and with due care, the dies, tools and similar items made partially or fully at our expense, in the interest of ensuring that they can be used at any time. Should any tools made partly at our expense not be of the necessary quality, then the supplier shall be obliged, at its own expense to repair them or replace them with new ones. Should we establish that there are difficulties of supply, we shall be entitled to demand that the items mentioned in the foregoing be made available free of charge, without the supplier being entitled to withhold them, irrespective of whether or not the said items constitute our property.
- 6.3 After the fulfilment of our order, the supplier is obliged, upon request, to return or release the manufacturing tools that have been made available by us or made at our expense. Insofar as we assume the cost of making the manufacturing tools, joint ownership shall be established proportionately to the extent in which the costs are borne.
- 6.4 The tools necessary for inspections shall only be made available by us for use as control tools. Procurement of the inspection tools necessary for manufacturing is the supplier's responsibility.
- 6.5 Any material made available to the supplier for the purpose of fulfilling the order shall remain our property, and the supplier is obliged to store such material separately, and clearly marked, free of charge; the processing or conversion thereof using items constituting the property of others may only take place for our benefit. The supplier is obliged to safeguard for us, free of charge, any new items produced using material made available by us.
- If the conversion or processing takes place using items that are not the property of the supplier, then the newly produced items shall come under joint ownership, and the extent of the ownership share due to us shall correspond to the proportion, in terms of the value, at the time of processing or conversion, of the materials made available by us and processed or converted, or of the other processed or converted items.
- If the materials made available by us are inseparably combined or unified with other materials that do not constitute our property, then we shall acquire joint ownership of the newly produced item, in a share proportionate to the value of the material made available and the other, combined or unified items, as at the time of their combining or unification.
- If the combining or unification with the item owned by the supplier takes place in such a way that the item constituting the supplier's property must be regarded as the main item, then the parties agree that the supplier is obliged to allow us joint ownership of the new item, in a share proportionate to the value of the material made available and further, combined or unified items, as at the time of their combining or unification. We hereby accept the transfer of the share of ownership.
- The legal transaction does not confer on the supplier a right of disposal over the materials made available to it. The supplier is obliged to inform us immediately, in writing, of the seizure by a third party of the material made available to it by us, or of any detrimental measures implemented in connection therewith by any other third party, in order for us to exercise our rights as owner. The supplier is liable for all detrimental consequences of a failure to make such notification, and of the measures implemented by the third party.
- 6.6 Approval of the technical drawings/technical specifications, calculations and other technical documents does not affect the supplier's sole liability for contractual performance. This also applies to the proposals and recommendations made by us. Amendments discussed between the supplier and us with regard to the object of the delivery must be confirmed in writing; the requirement of written form also applies in respect of agreements to depart from the requirement of written form. If the written confirmation does not take place, the supplier bears exclusive liability for the amendment. With respect to amendments that do not relate to the object of the delivery, the 1st sentence of the present subsection 6.6 is applicable.

7. The supplier's other obligations

- 7.1 The supplier is obliged to comply with the prevailing statutory provisions on regulation of the minimum wage, and other labour-law provisions, and in particular to pay its employees the statutory minimum wage.
- 7.2 The use of a subcontractor or performance assistant is only possible with our prior written consent. If the supplier outsources the fulfilment of the agreement or of parts thereof to a subcontractor or uses a contract staffing agency on the basis of the prior consent granted by us, then the supplier is obliged to ensure that the contractor engaged by it, or the contract staffing agency used by it, makes a contractual commitment to comply with the obligations regulated in the present section 7.
- 7.3 We reserve the right to demand from the supplier the provision of security (e.g. bank suretyship) at any time in order to secure our claims.
- 7.4 With respect to the legal relationships in effect with the supplier, we have rights of extraordinary termination and rescission for the eventuality that the supplier, or any subcontractor or contract staffing agency engaged by the supplier, does not pay to its employees the minimum wage specified in the effective statutory provisions.
8. Severability
- Should any provision of the present general terms of purchase be or become invalid for any reason, this shall not affect the validity of the other provisions.
9. Place of delivery and court jurisdiction, governing law
- 9.1 With respect to all bilateral obligations, the place of performance is Albertirsa, Hungary.
- 9.2 The present contractual relationship shall be governed by Hungarian law, excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).
- 9.3 In the event of any legal dispute arising from the contractual relationship in effect with the suppliers, the parties stipulate exclusive authority of the Cegléd District Court or the Court of Kecskemét, depending on jurisdiction.
10. In the event of contradictory provisions relating to deliveries made in the context of the present agreement, the agreements concluded with the supplier shall apply in the following order of priority: 1. supply agreement; 2. order; 3. quality assurance agreement; 4. confidentiality agreement; 5. tool rental agreement; 6. the present terms of purchase.

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