

## **GENERAL TERMS AND CONDITIONS OF PURCHASE (Suppliers)**

These Terms and Conditions are to be considered exclusively valid regarding the supply contracts, orders and other agreements for the supply of products, tools, fixtures, raw-materials - hereinafter referred to as "Goods" - concluded by VT Mechatronics Ltd. (H-9027 Gyor Juharfa ut 24. registration no.: 08-09-009730 Tax ID no.: 12687307-2-08) - hereinafter referred to as "VTMT" - and Suppliers, Sub-contractors - hereinafter referred to as "Supplier" -, unless otherwise agreed in any written agreement between the parties.

- 1.1. An order form is enclosed as Attachment Nr. 1. to this General Terms and Conditions of Purchase, whereas the individual orders, call-offs (hereinafter referred to altogether as "Purchase Order") are to be executed by issuing this order form to the Supplier. Purchase Orders of VTMT may, according to special agreement of the parties, also be placed through the SAP System, however, the order still has to contain the provisions of this Article. Supplier agrees to sell and supply/perform - with reasonably expected skill and care - the Goods/Services at the price, in the quantities, of the type and quality set forth on the face of the Purchase Order for a duration, at the location and with the personnel of Supplier as further set forth on the face of the Purchase Order and in accordance with and to be bound by all the other terms and conditions on the face and back of this Purchase Order, including any supplements thereto, and all specifications and other documents referred to in this Purchase Order (hereafter collectively "the Contractual Conditions").
- 1.2. Supplier may accept the Purchase Order and any alterations thereof by returning the Purchase Order duly signed within 2 working days of receipt or in a timeframe otherwise determined by VTMT. Should the Supplier not confirm the Purchase Order within 2 working days, or fulfil any of its obligations under the Purchase Order, it will be automatically considered as acceptance of the Purchase Order.
- 1.3. Where any special terms and conditions of purchase on the face of the Purchase Order are in conflict with the General Terms and Conditions of Purchase on the back of this Purchase Order, the special conditions shall prevail. Any deviation from any of the Contractual Conditions of this Purchase Order shall only be effective with VTMT's written approval. Any modification of any Contractual Conditions may only be made by the parties in writing.
- 1.4. VTMT accepts no liability for any of the Goods unless the Purchase Order has been placed or amended by a duly authorized representative of VTMT.

### **2. DELIVERY AND PERFORMANCE**

- 2.1. Delivery of the Goods/Services shall be performed within the time period, at the location and in the quantity and quality specified in the Purchase Order. The obligation of the Supplier shall only be considered duly fulfilled, if it has been done in full compliance with these requirements. A Purchase Order is exclusively valid for delivery within the timeframe and in the quantity specified therein, any alterations thereof may only be valid with prior express written consent by VTMT.
- 2.2. If no time for delivery or performance is specified in the Purchase Order, the time for delivery or performance shall be at the time(s) and in the amount requested in a delivery or performance schedule issued by VTMT.
- 2.3. VTMT does not accept any premature or early delivery/performance of any Goods or Services ordered or any other time of delivery/performance if it differs from the originally agreed term or schedule if it is not agreed previously in writing.

- 2.4. If Supplier fails to or does not adequately fulfil any of Supplier's obligations pursuant to the Purchase Order, VTMT may at its own discretion decide to set a grace period for the Supplier to fulfill such obligations or to exercise its rights set forth in section 4.3 or 7 herein or cancel the Purchase Order, unless the parties agree otherwise in writing.
- 2.5. Any signature by or on behalf of VTMT on any delivery note of Supplier shall not be deemed as acceptance of the quantity and/or quality of the Goods.
- 2.6. If the Supplier has at any time reason to believe that deliveries of any of the Goods/Services will not be performed as scheduled, it shall immediately give written notice to VTMT indicating the cause or causes of the anticipated delay. Such notice shall not relieve Supplier of its obligations with respect to the agreed term of delivery or performance.

### 3. **TRANSPORTATION**

- 3.1. Unless otherwise stipulated the Supplier shall deliver the Goods to the place of delivery specified on the face of the Purchase Order according to the parity DDP Incoterms 2010.
- 3.2. Except as otherwise stipulated in the Purchase Order, the right of disposal of and title to the Goods shall pass on to VTMT upon completion of the unloading of the Goods at the place of delivery. During the transportation to the place of delivery the Supplier shall bear the risk of loss of the Goods. If Supplier fulfills the Purchase Order in partial deliveries the right of disposal of and title to the Goods shall pass on to VTMT upon receipt of each part delivery according to this present section.
- 3.3. The Goods shall be packed and/or protected in a way being suitable for transportation and safe. The costs for this shall be borne by Supplier or Supplier's contractor. The Goods shall be packed in units/batches in accordance with VTMT's requirements. Each package shall bear VTMT's order number, be accompanied by instructions for use and a readily accessible packing note and a copy of the invoice detailing the content of the batch and conforming to any applicable exportation/importation regulations. Supplier shall be liable for any costs, damages or losses occurred due to defective or otherwise insufficient packing if Supplier fails to comply with the shipping and transportation instructions.
- 3.4. Supplier expressly and fully warrants to have exclusive title to the Goods delivered to VTMT free of any burdens and/or claims, which title shall be fully transferred to VTMT according to the provisions of the Agreement between the Parties without any burden or claim - with special regard to the intellectual property rights.

### 4. **INSPECTION AND REJECTION**

- 4.1. Supplier shall establish, install and maintain an inspection, testing and process control system acceptable to VTMT and capable of controlling the proper fulfillment of the Purchase Orders. Acceptance of such systems by VTMT shall in no way release the Supplier from its obligations and liability under the Purchase Orders. Records of such inspection and testing works done by Supplier shall be kept and copies shall be provided to VTMT upon request free of charge as long as any obligations under the Purchase Order remains unperformed or for such longer period as may be specified by law.
- 4.2. Quality of the Goods shall be verified by official documentation required to be attached thereto forming the basis of the guarantee. Supplier shall fully and directly be liable to VTMT and/or its contractual partners for the quality of the Goods and the compliance with the specifications. Considering the attached documentation verifying the quality of the Goods VTMT is not obliged to perform incoming quality inspection upon receipt of the Goods; however, lack of

such inspection doesn't affect VTMT's contractual rights or those provided by law.

4.3. Notwithstanding provisions in 4.2., VTMT is entitled to inspect quantity and quality of delivered Goods. Inspection and testing of the Goods may occur:

- (a) at Supplier's plant and any other place of manufacture at any reasonable time during production and/or storage; or
- (b) prior to transportation; and/or
- (c) after delivery,

whereby Supplier shall, at its own expense, ensure the safety and undisturbed participation of those attending such inspection and testing for and on behalf of VTMT.

4.4. If any of the Goods/Services are found not to be in compliance with the requirements of the Purchase Order, VTMT may, at its option and after providing notice to Supplier, exercise any of its rights set forth in chapter 7, or, as an alternative to Supplier's correction or replacement action of non-conforming Goods/Services, reject or return any of the non-conforming Goods/Services at Supplier's expense. The return and receipt of the Goods sent back by VTMT on the basis of the present section shall not be rejected by the Supplier.

## 5. COMPLIANCE

5.1. Supplier represents and warrants that the Goods delivered and Services performed in the course of fulfilling its obligations in connection with or arising from the Purchase Order will comply with all applicable laws, regulations and standards - in particular on environmental protection, packaging, labeling, product liability and quality control - as well as with VTMT's quality requirements specified on the face of the Purchase Order and/or annexed hereto.

5.2. Supplier represents and warrants to VTMT that none of the chemicals produced by Supplier or found in Supplier's products are prohibited by law, and the existence of such chemicals is clearly labelled, if needed.

5.3. Supplier represents and warrants to VTMT that the Goods or the normal use of the Goods represent no threat to human health or property.

5.4. Supplier represents and warrants to VTMT that the Goods and any related documentation or specification are in compliance with all applicable laws, standards and commercial practices.

5.5. Unless otherwise agreed to on the face of the Purchase Order, Supplier shall at its own expense obtain and maintain all necessary transport, export and import licenses for the Goods/Services.

5.6. Supplier shall indemnify VTMT and the contractual partners of it directly against any and all damages, claims, liabilities, losses, costs and expenses arising out of or relating to any actual or alleged death of or injury to any person, damage to any property, or any other damage or loss that results or is claimed to result in whole or in part from any actual or alleged defects in the Goods/Services or any breach of any of the terms and conditions of the Purchase Order. Supplier will maintain adequate insurance (including, without limitation product liability insurance) to protect VTMT against such damages, claims, liabilities, losses, costs and expenses and Supplier agrees to provide evidence of such insurance coverage any time by request of VTMT.

5.7. If anyone wishes to enforce any claims against VTMT regarding the Goods delivered or in connection therewith or if anyone starts legal procedure on such grounds, Supplier shall by request of VTMT do everything necessary to avoid such claims or legal procedure. Should negotiations or legal procedure be started, Supplier is obliged to enter into such negotiations or legal procedure for and on the side of VjTMT and do everything possible to have VTMT

dismissed from the negotiations or legal procedure. Failing to reach that or in case Supplier doesn't fulfil this obligation, Supplier shall reimburse VTMT the amount enforced against VTMT (including the amount to be paid by settlement), including all costs and damages occurring directly or indirectly in connection with the negotiations and the legal procedure, also including the costs of legal representation within 8 days from receipt of notice hereof.

## 6. **PRICE, PAYMENT AND PRICE GUARANTEE**

6.1. Prices stated in the Purchase Order are firm and final but do not include value added tax or any equivalent duty or tax, which duty or tax shall be paid by VTMT after receipt of a valid, detailed invoice.

Prices shall be deemed to be inclusive of any other form of purchase tax and/or import duties applicable from time to time, which are paid by the Supplier, unless otherwise expressly stipulated in the Purchase Order. If for any reason VTMT pays for any such purchase tax or import duty, Supplier shall upon first request by VTMT immediately indemnify VTMT for such amounts.

Prices include all expenses incurred by Supplier in the course of fulfilling its obligations under the Purchase Order.

6.2. The invoice shall only be issued following delivery/performance of all of the Goods/Services in accordance with the Purchase Order.

6.3. The invoice has to be in full compliance with the applicable laws and regulations and the agreements of the Parties, VTMT only accepts and pays an invoice meeting these requirements. VTMT is entitled to reject an incomplete or faulty invoice, and VTMT shall not be liable for any consequences of late payment due to prolonged term of payment for such reason.

6.4. In case of late delivery VTMT is entitled to deduct a penalty of 1 (one) per cent per working day from the net amount of the invoice. In the event of defective delivery the penalty amounts 10 (ten) percent of the net amount of the Invoice. VTMT is entitled to enforce its proven damages exceeding the amount of the penalty as well as exercise its rights due to the breach of contract by Supplier. The amount of the penalty may be deducted from the invoice concerned or any other debts to Supplier along with the written notification of the Supplier thereof. Should a deduction be not possible, Supplier will be obliged to pay the amount of the penalty to VTMT within 8 days from first written notice.

6.5. Unless otherwise stated on the face of the Purchase Order, payment shall be effected on the first Thursday banking day after 60 days from receipt of an invoice, suitable for taxation purposes.

6.6. Date of payment shall be the date on which the bank-account of VTMT is credited with the amount of due payment to the Supplier.

6.7. If the performance of the Supplier differs from any provision of the Purchase Order to the detriment of VTMT, VTMT shall be entitled to withhold payment partly or fully - depending on the circumstances - without facing the consequences of late payment.

6.8. Supplier warrants to VTMT at the date and/or execution of the Purchase Order and at the date or date(s) of delivery and performance of the Goods/Service that the prices applied according to section 6.1 for the Goods/Services are not less favorable than those applied with any other customer of Supplier for Goods/Services of similar quantity, quality and type. If Supplier reduces its price for the same or similar Goods/Services or otherwise in case of breach of this present warranty, Supplier shall reduce the price or prices to VTMT in a corresponding manner and amount which VTMT is entitled to assert by the payment of the Goods/Services and/or

return the price difference to VTMT. Supplier shall take such remedial action within 8 (eight) days of notice of breach by VTMT.

- 6.9. Payment for the Goods/Services delivered or performed under the Purchase Order shall not constitute acceptance of the Goods/Services, and all payments of VTMT shall be made with a reservation of rights by VTMT for defects or other breaches of contract, including, without limitation, defects unknown to VTMT but apparent on the face of the Goods.

## 7. REPRESENTATIONS AND WARRANTIES

### 7.1 The Supplier warrants that:

- a. it is a lawfully established and registered company under the laws of the country of its registered seat and as an existing company it operates in compliance with the laws of that country and it is no subject to any bankruptcy, liquidation, voluntary dissolution or any other similar proceedings under its personal law;
- b. it will notify VTMT if any liquidation or bankruptcy or any other similar proceeding affecting its financial situation has been initiated against the Supplier or it has applied for its voluntary dissolution;
- c. it has all necessary authorization for the acceptance of the Purchase Order (conclusion of contract) as well as for the fulfillment hereof and performance of its obligations. All corporate acts and other proceedings required to be taken by the Supplier to authorize the execution and performance of the Purchase Order have been duly and properly executed;
- d. it will declare and pay the amount of the VAT disbursed by VTMT upon settlement of the invoice to the Tax Authorities in the relevant taxation period, or if Supplier for any reason doesn't fulfill this obligation, it notifies VTMT in written form about this circumstance within 24 hours.

If Supplier breached any of its warranty obligations listed in this section, it is obligated to hold VTMT harmless from and against all damages, costs and expenses, penalties, indemnities, liabilities, default interests charged or administrative procedures and judicial proceedings initiated by the Tax Authorities or other authorities.

### 7.2. Supplier expressly warrants to VTMT that the Goods will at the date of this Purchase Order and at the date or dates of delivery or performance:

- (a) conform to any and all requirements, specifications, conditions, drawings, plans, designs, instructions samples of the Purchase Order or other descriptions, or data furnished by or on behalf of VTMT or by or on behalf of Supplier;
- (b) be fit and sufficient for the purpose(s) for which they were manufactured and sold including the particular purpose(s) for which VTMT intends to use such Goods, if Supplier knows or has reason to know of such particular purpose(s);
- (c) be new and merchantable;
- (d) be of first class quality, material and workmanship and free from defects, whether latent or patent;
- (e) be free from any claim or right of any nature by any third person (including, without limitation, any claim or right to a patent or other intellectual property right or any right under the Purchase Order);

### 7.3. The warranties in section 7.1 and 7.2 shall survive VTMT's inspection or failure to inspect, acceptance and use of the Goods and any signature by and on behalf of VTMT on any delivery

note shall not be considered as acceptance of the quality of the Goods nor that there has not been a breach of warranty. The term of Supplier's obligation for warranty is 30 months from the delivery of Goods/Services.

- 7.4. Supplier agrees at its own expense immediately upon first written notice of VTMT:
  - (a) to repair completely the defects in any Goods/Services not conforming to the warranties in section 5 or 7.2 or any other warranties in the Purchase Order; or,
  - (b) to replace the Goods/services at VTMT's option.
- 7.5. If Supplier does not carry out repair or replacement within 3 working days from VTMT's notice, or if safety of persons and/or property so requires, VTMT is entitled to do the repair or replacement by itself or to have it done by a third party without having notified Supplier hereof, and upon first request Supplier shall immediately indemnify VTMT for the costs or expenses occurred.
- 7.6. The warranties and remedies in this section 7 shall be in addition to any other warranties and remedies being part of the Purchase Order or otherwise provided by Supplier to VTMT or provided by law.
- 7.7. Supplier assumes a guarantee regarding the supplied Goods as stipulated in Attachment 2. of this General Terms and Conditions of Purchase. Starting date of such guarantee is the date on which the product containing the Goods first enters into commerce.

## 8. PERSONNEL OF SUPPLIER AND WORK AT VTMT'S PREMISES

- 8.1. Supplier shall supervise all personnel assigned to the performance of Supplier's obligations under the Purchase Order but VTMT will have the right to instruct such personnel when they are working at VTMT's premises.
- 8.2. Supplier shall ensure that its personnel have the training and expertise and expectable behavior, as well as that such personnel has life, health, accident and/or social insurance appropriate and necessary for the performance of the Purchase Order and as required by law.
- 8.3. Supplier shall ensure that its personnel is familiar and comply with the statutory requirements as well as with the health, safety and environmental rules of Supplier and VTMT's attached to the Purchase Order. Supplier shall be directly and fully liable to VTMT or to any third party for any damages suffered as a result of Supplier's failure to comply with such requirements and rules.
- 8.4. In accordance with the rules of the Hungarian Civil Code Supplier shall indemnify VTMT for all damages suffered that were caused by actions or omissions of Supplier's personnel, sub-contractors or other representatives. Supplier shall maintain proper insurance coverage to protect VTMT from said risks arising in connection with Supplier's activities related to performance of the Purchase Order as well as covering Supplier's property, and will provide VTMT with evidence of such insurance at any time upon request.

## 9. VTMT'S PROPERTY

- 9.1. Unless otherwise agreed to in writing, all data, drawings, goods, tools, equipment, materials or any other property or anything affixed or attached thereto or furnished to or for use of Supplier by or on behalf of VTMT or specially paid for by or on behalf of VTMT, shall be the property of VTMT (all such items hereafter collectively "VTMT's Property").
- 9.2. VTMT's Property, and whenever practical each individual item thereof, shall be plainly identified as "property of VT Mechatronics. Kft.". Supplier shall be responsible for the safe

storage of VTMT's Property separately from Supplier's or a third party's property.

- 9.3. Supplier shall not substitute any property for VTMT's Property nor use such property except in fulfilling VTMT's orders.
- 9.4. VTMT's Property, while in Supplier's custody or control, shall be held at Supplier's risk, and shall be kept insured by Supplier at Supplier's expense with an insurance sum equal to the replacement cost of VTMT's Property. VTMT's Property shall be returned upon written request by VTMT at Supplier's expense in the same condition as originally received by Supplier, reasonable wear and tear excepted.
- 9.5. VTMT reserves the right to repossess VTMT's Property and Supplier shall grant an irrevocable right to VTMT, its servants or agents to enter all or any of its area or premises or any area or premises used by Supplier for such purpose. This right shall continue to exist even if the Purchase Order is cancelled or terminated for any reason.

## 10. VTMT'S INFORMATION

10.1. Supplier shall, during performance of the Purchase Order and for a period of ten (10) years following completion or cancellation of the Purchase Order, keep confidential any information furnished by VTMT in connection with the Purchase Order or produced by Supplier for VTMT. Supplier shall not directly or indirectly divulge or use any such information without the prior written authorization of VTMT.

Supplier may only divulge such information to those of its employees on a need-to-know basis and only to the extent required for the sake of performance of Supplier's obligations under the Purchase Order.

- 10.2. Except as required for the efficient performance of the Purchase Order, Supplier shall not make copies nor permit copies to be made of information without the prior written authorization of VTMT, which information shall remain property of VTMT and must be returned to VTMT upon first request free of charge.
- 10.3. For the purpose of treating VTMT's information as confidential Supplier undertakes to acquaint its personnel assigned to perform the Purchase Order with the confidentiality agreement concluded by and between the Supplier and VTMT prior to the commencement of such performance.  
Supplier understands that compliance with this present section does not release Supplier from any of its obligations under the Purchase Order.
- 10.4. Without the prior written authorization of VTMT Supplier shall not publish, advertise or announce the fact of receiving the Purchase Order from VTMT, shall not divulge any information regarding the Purchase order and shall not use or allow to use the name of VTMT or any of its partners in advertisements, publications or announcements for any reason and in any form.

## 11. INTELLECTUAL PROPERTY

- 11.1. Upon request of VTMT Supplier shall at its own cost resolve and eliminate any claim, suit or proceedings made against (or which in the reasonable opinion of VTMT is likely to be made against) VTMT and/or any of its customers that is based on a title that any product, work or any part thereof, included within the Goods, as well as any device or process resulting from the use thereof, or any Services (hereafter collectively "Affected Items"), constitutes an infringement or alleged infringement of any intellectual property right. Whether or not Supplier

does so resolve or eliminate such suit or proceedings, Supplier shall, as the case may be, bear and be responsible for all damages, costs and expenses in respect of such suit or proceedings or which may otherwise be incurred in respect of such infringement or alleged infringement.

11.2. In case use of the Affected Items are prohibited or otherwise prevented, or allegation of infringement is made or threatened, at VTMT' and/or at any of its contractual partner/customer's option Supplier shall:

- (a) procure the right enabling use of the Affected Items by VTMT; or
- (b) replace the Affected Items by other Goods which do not infringe intellectual property rights and the use of which is not prevented; or
- (c) remove the Affected Items and refund to VTMT the full purchase price and other costs which may be incurred in respect thereof.

11.3. Supplier agrees and represents that:

- (a) it shall fully communicate in writing to VTMT all inventions, innovations, programs, knowhow and technology made or invented by Supplier (whether patentable or not and copyrightable or not and whether made solely by Supplier or jointly with others, including improvements or modifications, too) which are developed in connection with the performance of Supplier's obligations under the Purchase Order;
- (b) such inventions, innovations, programs, know-how and technology, whether documented or not, shall be and remain the sole and exclusive property of VTMT; and shall be deemed to be produced by Supplier free of charge for or on behalf of VTMT which shall be the sole owner;
- (c) all rights, title and interest in and to any programs, systems, data, materials, drawings and any other equipment or property furnished or supplied to Supplier by or on behalf of VTMT are and shall remain the property of VTMT and shall be returned to VTMT upon termination of the Purchase Order. Software supplied to or created by Supplier for the performance of the Purchase Order is not to be removed from VTMT's premises without express prior written permission of VTMT;
- (d) it will assist VTMT in every way during and after the term of the Purchase Order (in the latter case at VTMT's expense) to obtain and/or secure patents, copyrights, and/or trade secret protection for such inventions, innovations, programs, know-how and technology for VTMT's own benefit whether documented or not, in any and all countries of the world including, without limitation executing any documents of assignment or registration of copyright or other intellectual property right requested by VTMT;
- (e) it will make and maintain adequate and continuous written records of all such inventions, innovations, programs, know-how and technology in the form of notes, sketches, drawings, flow charts, source codes or reports relating thereto, which records shall be available and forwarded to VTMT at all times upon first request.

11.4. Supplier warrants that it is neither owner of any copyright or trade secret, nor inventor or owner of any patent, nor owner of any copyright or patent application, which would hinder or limit the freedom of VTMT to use the Goods purchased under the Purchase Order. All programs, systems, data, drawings or materials owned by Supplier prior to fulfillment of the Purchase Order and used in the course of the performance of the Purchase Order shall remain the exclusive property of Supplier.



## 12.1 WITHDRAWAL

- 12.1.1 VTMT is entitled to withdraw from the Purchase Order by written notice to Supplier, in any of the following cases:
- a) Supplier's performance does not comply with the requirements of the Purchase Order or the statutory provisions (date, type, quantity, quality);
  - b) Supplier's failure to deliver a performance according to the Purchase Order;
  - c) when permitted by law.
- 12.1.2 In the event of such withdrawal, VTMT, without prejudice to any other legal or other remedies available to it, may elect to do any or some of the following:
- (a) to refuse to accept delivery or performance of any and all of the Goods/Services under the Purchase Order; or
  - (b) to return to Supplier any and all Goods already accepted by VTMT at Supplier's risk and expense and to recover from Supplier all payments made for such Goods (including any related freight, storage, handling and other costs and expenses incurred by VTMT); and
  - (c) to purchase the Goods/Services elsewhere. In this event Supplier is obligated to fully and immediately indemnify VTMT for any resulting losses, including, without limitation, damages and the difference in cost between purchasing elsewhere and purchasing under the Purchase Order and, in case the cause of withdrawal is attributable to Supplier, any proven damage or loss arisen from the later date of covering purchase compared to the date of delivery of the Purchase Order.
- 12.1.3 In case of Section 12.1. the Supplier shall immediately return any and all VTMT's Property at no cost and without specific and requisite written notice / request from VTMT according to the provisions of Section 9.4 above.

## **12.2 TERMINATION**

- 12.2.1 VTMT reserves the right at any time to terminate the Purchase Order in whole or (at VTMT's discretion) in part by providing notice thereof to Supplier. Such termination does not require cause or default on the part of Supplier (termination for convenience).  
Notwithstanding the above, VTMT is entitled to immediately terminate the Purchase Order upon breach of any of the conditions of the present General Terms and Conditions of Purchase or the Purchase Order by the Supplier or upon occurrence of any of the cases stipulated in Section 13.
- 12.2.2 In the event of termination Supplier shall immediately or upon expiry of the notice period specified on the face of the Purchase Order stop performance of its obligations under the Purchase Order and shall immediately cause its suppliers or sub-contractors to cease performance of their obligations, and shall request instructions from VTMT as to work in progress.
- 12.2.3 Upon such termination, VTMT's sole obligation to Supplier shall be to pay:
- a) that part of the price set out in the Purchase Order which relates only to finished Goods or Services which conform to the requirements of the Purchase Order and which Goods or Services have been delivered to or performed for VTMT.
  - b) the difference between the price set out in the Purchase Order and the disposal value of Goods which conform to the requirements of the Purchase Order but have not been delivered to or performed for VTMT. In the course of such disposal, Supplier must still comply with Section 6.5.
  - c) Supplier's actual, direct and proven costs incurred prior to termination in respect of any Goods/Service not yet finished or performed.
- 12.2.4 In no event shall VTMT's obligations resulting from a termination by VTMT according to Section 12.2 exceed the obligations that VTMT would have had to Supplier in the absence of such termination.
- 12.2.5 In case of a termination according to Section 12.2 the Supplier shall immediately return any and all VTMT's Property at no cost and without specific and requisite written notice / request from VTMT according to the provisions of Section 9.4 above.

## **12.3 EFFECT OF WITHDRAWAL AND TERMINATION**

- 12.3.1 Withdrawal or termination of the Purchase Order pursuant to Sections 12.1 and 12.2 shall be without prejudice to any rights or remedies available to VTMT under the Purchase Order or by law, upon or prior to withdrawal or termination.
- 12.3.2 In the event of withdrawal/termination, Supplier shall immediately deliver to VTMT upon VTMT's first request:
- (a) all documents, document drafts, drawings, work papers, notes, source codes and charts of any description, produced by Supplier in the course of work efforts pursuant to the Purchase Order;
  - (b) all equipment, tools, machines, parts, associated components and Goods (even if unfinished) produced or manufactured by Supplier in the course of work efforts pursuant to the Purchase Order.
- 12.3.3 In the event of withdrawal/termination, VTMT shall have no liability for:
- (a) any work efforts made by Supplier after withdrawal/termination;
  - (b) any costs or expenses incurred that Supplier or any supplier or subcontractor reasonably could have avoided.

## INSOLVENCY

In the event of one or more of the following cases occur for the Supplier according to Hungarian laws or the laws of the country where the Supplier is resident, VTMT is entitled to cancel or terminate the Purchase Order, without any liability, according to section 12.2-12.3:

- (a) Supplier ceases or threatens to cease its operations in the normal course of business;
- (b) Supplier is unable to meet its obligations, liabilities or debts as they mature or fall due;
- (c) proceedings are initiated or brought against Supplier for bankruptcy, liquidation or winding up of the Supplier;
- (d) an administrator is appointed to manage the business, assets or undertakings of Supplier or any of Supplier's creditors acquires possession of such assets or undertakings;
- (e) an arrangement or composition is made with and for the benefit of Supplier's creditors;
- (f) any pledging, execution, requisition or distraint is enforced against the property of Supplier.

## 14. NOTIFICATION

All notifications, declarations and communication according to the present General Terms and Conditions of Purchase shall be provided or made in written form, so that Parties accept as written form the registered letter or a fax with a sending/receiving confirmation sent to the official contact addresses, the electronic communication in a form of an e-mail sent to the official contact person, if reading of the e-mail was confirmed.

## 15. ASSIGNMENT/DELEGATION

- 15.1. Supplier shall not assign or delegate its rights or obligations under the Purchase Order or any part of it without the express prior written consent of VTMT; Supplier shall not subcontract its duties to any third party or make a declaration to such effect without the prior written consent of VTMT.
- 15.2. VTMT reserves the right to assign or transfer its rights and/or obligations to any person after providing notice thereof to Supplier.

## 16. LEGAL COMPLIANCE, BUSINESS CONDUCT

- 16.1. Supplier represents and warrants that any of its obligations under these General Terms and Conditions of Purchase (including provisions of its special agreement with VTMT) shall be performed in full compliance with the applicable laws and regulations and the Code of Conduct of EICC (Electronic Industry Citizenship Coalition more under <http://www.eiccoalition.org/standards/code-of-conduct/>), including laws concerning (i) bribery or influence peddling (ii) environmental, health protection and work safety. Supplier represents and warrants that its employees or subcontractors shall not (i) use child or prisoner labour in connection with delivering Goods and Services and (ii) shall not attempt bribery or influence of VTMT's employees (including, but not limited to gifts, commissions, free journeys, any cash or similar incitements).<sup>11</sup>

- 16.2. In case any Goods delivered to VTMT contain any hazardous chemicals, Supplier undertakes to attach applicable data (including but not limited to proper labelling and electronic version of safety datasheet). Goods delivered to VTMT shall not contain arsenic, asbestos, benzene, carbon tetrachloride, mercury, cadmium, or any other chemicals included in the Montreal Treaty of Sept. 16th, 1987 and in the directive of EU no. RoHS 2011/65/EU unless VTMT gives express approval in writing.
- 16.3. Supplier permits VTMT or its representative to inspect the location on which Supplier produces the Goods or delivers Services in order to control observance of (1) quality and warranty and guarantee obligations or (2) specifications provided by VTMT or any of its customer.

## 17. SETOFF

VTMT is entitled to set off any of its due claims, any other claims of damages, liquidated damages, warranties against Supplier against the Purchase Order or upon payment thereof against the invoice issued on the basis of the Purchase Order.

## 18. GOVERNING LAW AND FORUM

- 18.1. The present General Terms and Conditions of Purchase and the Purchase Order shall be interpreted according to the laws of Hungary.
- 18.2. All issues not regulated in the General Terms and Conditions of Purchase and in the Purchase Order shall be governed by the Hungarian Civil Code and the respective statutory provisions.
- 18.3. In the event that Supplier and VTMT are from different national jurisdictions, disputes arising in connection with the Purchase Order shall be settled by the Permanent Arbitration Court of the Hungarian Chamber of Commerce, unless otherwise agreed upon by the Parties.
- 18.4. In the event that Supplier and VTMT are both Hungarian nationals, Supplier accepts, depending on the value of the claim as determined by Act III. Of 1952 the exclusive competence of the District Court of Győr, or the Tribunal of Győr.

## 19. EXCLUSIVITY / SUPPLIER PREFERENCE

VTMT retains the right to purchase or procure similar Goods or Services ordered from Supplier from other suppliers at the same time or at any time without giving notification to Supplier thereof.

## 20. HIERARCHY OF PROVISIONS

- 20.1. These General Terms and Conditions shall fully apply to all contracts, agreements, orders, call-offs and any other conditions between the Parties linked to delivery of Goods/Services for VTMT. In case of discrepancies between these General Terms and Conditions and the special agreements of the Parties, the provisions of these special agreements shall prevail.
- 20.2. Unless otherwise agreed the termination of these General Terms and Conditions automatically

causes termination of the applicable contracts, agreements and conditions indicated in 20.1.

21. TERM OF THE STANDARD TERMS AND CONDITION

- 21.1. The present General Terms and Conditions of Purchase are valid till fulfilling the Purchase Order, whereby obligations which are determined for a specific term shall after performance of the Purchase Order so survive. VTMT is entitled to change the provisions of these General Terms and Condition of Purchase at any time. The changes shall be valid from the date of receipt by the Supplier.
- 21.2. Unless otherwise agreed upon, acknowledgement of these General Terms and Conditions causes all earlier negotiations, agreements and/or contracts by and between the Parties to be invalid to the extent that they contradict the provisions of the present General Terms and Conditions. Regarding the Goods ordered prior to the acceptance of these General Terms and Conditions of Purchase, but not yet delivered, the present Terms and Conditions shall accordingly apply.

Gyor, June 12, 2015



Zsolt Andrasko

Managing Director

I confirm and accept the General Terms and Conditions of Purchase: