

## **Terms and Conditions for the Acquisition of Capital Goods, Production Equipment, and Tools/Devices (Version 1.1, March 2019) - Kirchhoff Hungária Kft.**

### GENERAL REGULATIONS:

The supplier may be any individual, from whom the purchaser has ordered delivery or service within the frame of a purchasing contract, supply contract, or service agreement.

#### 1. GENERAL CONDITIONS, AWARDING OF THE CONTRACT, QUOTATION

1.1. The following regulations have to be applied as additional to the specific contract and to the confirmation of the order (background regulations).

These conditions are to form an integral part of the contract. The supplier conditions or regulations – with a special regard to the business conditions of the supplier – are not to be considered as intergral part of the contract, and are not to be valid legally, not even in case the purchaser would not make objections to it in specific cases. At the time of the order confirmation the supplier accepts and acknowledges the conditions of the purchaser.

1.2. All agreements made between the two Parties (order and acceptance) are only valid and of legal force if set down in writing (written form); this requirement also applies to modifications, attachments and accessory agreements. If not otherwise stated in agreement, only a paper-based statement signed by the declarant is to be considered as written statement.

1.3. The placed order becomes legally effective for both contracting Parties, as soon as the purchaser handed it in in a written form, and which order has been immediately and without restrictions accepted in a written confirmation by the supplier. Until the supplier confirms the order in a written form, the purchaser has the right to withdraw it. If the supplier fulfils the delivery in a way that the order has not been confirmed yet in writing, furthermore that the purchaser has not withdrawn it or the deadline of offer validity has not expired until the delivery was done, the delivery contract becomes valid according to the conditions determined in the order at the time of the receipt by the purchaser.

1.4. The supplier is obliged to abide by the commands provided by the purchaser in the order; in case of any deviations from those, the supplier is obliged to inform the purchaser in a written form, and ask the purchaser in advance for a written permission regarding the deviations. The purchaser is not obliged to provide this permission.

1.5. In case it does not affect any agreements on a product or a given object category, in terms of the given order, the purchaser may ask the supplier within the bounds of reason to modify the structure/form and specification of the given object.

In such a case the modifications which become necessary related to this – especially regarding the increase or decrease in costs and the delivery deadline – have to be regulated appropriately.

1.6. The quotation made by the supplier is of binding force for his part, in case the purchaser accepts it within a reasonable span of time. The supplier shall not charge the purchaser with any fee related to the quotation, to the preparation of the drawing or to any other preparational tasks; such tasks have to be fulfilled free of charge, and are not to be regarded as any kind of obligation for the purchaser. The quotation has to comply with the requirements prescribed by the purchaser; any changes or alternatives have to be clearly expressed.

1.7. Without the decided written confirmation of the purchaser the supplier shall not transfer the order of the purchaser to a third party. In case the supplier violates this regulation, the purchaser has the right to partly or fully reverse the contract or to ask for compensation.

1.8. In compliance with the relevant EU directives the supplier states that he does not form any business relations with the companies, firms, banks, organisations or people listed in the sanction register of the EU. It also applies to the subsidiaries and branches, as well as to the inland and foreign interests/shares of the supplier. The supplier furthermore takes over the liability to inform the purchaser without delay and in a written form if he breaches any kind of confidential business relations. If the supplier is listed in the sanction list, the purchaser has the right to reverse all contracts and present agreements with the supplier with immediate effect, and to cease all kinds of business relations immediately, in terms of which the supplier has no right to ask for compensation.

#### 2. SELF-ORIENTATION, FACTORY NORMS, DEVIATION IN PERFORMANCE

2.1. By handing in the quotation the supplier acknowledges that he is aware of all facts and preconditions related to the handing in of the quotation, especially the ones concerning the content of the requirements / order of the purchaser, the location of the construction site, the circumstances and road conditions which are present there. In case the supplier is of the opinion that he would need further information, he is obliged to take all necessary steps in order to obtain them. The supplier shall not refer to misunderstandings or unknown facts.

2.2. In case not otherwise stated, the factory norms which are valid at the purchaser are of binding force regarding the supplier as well. The planned deviations have to be indicated in the quotation in advance and in details. The planned

deviations can only be realised, if the purchaser has provided his written consent to them in advance.

2.3. Regarding a performance which deviates from the order in an arbitrary way, and which has not been decidedly approved by the purchaser in a written form, the supplier has no right to ask for payment.

2.4. The written confirmation of the order by the supplier also constitutes the statement of the supplier, according to which the supplier has examined the documentation handed over and has approved it as suitable and appropriate.

2.5. In case there is a need for such performance, which is not prescribed in the contract, the supplier is only entitled for further payment, if he has informed the purchaser about it in a written form and in advance, and if the purchaser has ordered the given work in writing.

### 3. PLACE OF PERFORMANCE, PACKAGING, TRANSFERRING OF RISKS

3.1. If not otherwise stated in writing, the delivery is performed with the risk taking of the supplier and free of charge, including the packaging, insurance and payment of duties according to the address provided by the purchaser (DDP Incoterms 2010), it means that until the delivery to the address provided by the purchaser all risks and costs are to be taken by the supplier.

3.2. In case of an acceptance according to agreement, and according to legal regulations, the risk of damaging or destruction of delivered goods/services is transferred to the purchaser at the time of the acceptance.

3.3.

On the request of the purchaser the supplier is obliged to provide all foreign affair-related data concerning the goods and their components for the purchaser in a written form, and is obliged to inform the purchaser about all changes in data without undue delay and preceding the delivery.

### 4. DELIVERY DEADLINES, DELAYED DELIVERY

4.1. The contracted delivery deadlines are of binding force. If the supplier realizes that he is unable to either partially or fully fulfil the requirements settled in the contract, or that he is unable to fulfil the deliveries due deadline, he is obliged to inform the purchaser about it without delay – detailing the causes as well – and to provide a new delivery deadline. The purchaser is not obliged to accept the new delivery deadline. The liability of the supplier to keep the determined delivery deadlines is not affected by this; it means that the liability for damages of the supplier can be validated from the original fulfilment date, considering here the validation of penalty according to section 4.3.

4.2. Regarding the delivery day or deadline, the acceptance by the purchaser is decisive according to the agreement, and by taking into consideration the installation and assembly of the delivered product, except if the Parties have agreed otherwise on a specific case. If the Parties have agreed, contrary to how it is described in section 3.1, that the transportation of the goods is done at the expense of the

purchaser, the supplier is obliged to inform the purchaser about the availability of the concerned goods by a notification sent to the fax number or e-mail address provided by the purchaser at least 2 days preceding the expiry of the delivery deadline, and is obliged to take the necessary steps in order that the goods, including the packaging become ready for transportation.

4.3. In case the supplier is in delay, the purchaser is entitled to require the payment of a penalty corresponding 0.3 % of the gross delivery and performance value per calendar days, the amount of which, however, shall not exceed 15% of the total gross delivery and performance value. The purchaser holds the right to prove that he experienced a damage at higher value than this. In this case the purchaser is entitled to require the payment of the damages exceeding the value of the penalty.

### 5. FUNCTIONAL INSPECTION, TRIAL OPERATION, ACCEPTANCE

If the Parties have not declared otherwise in a mutual agreement, or the purchaser has not prescribed it differently in the given specification or in the order, the ordered object has to come through a trial operation of eight weeks. If during the test operation no defaults occur, the purchaser prepares a written delivery-acceptance register about the acceptance – on the form used by the purchaser.

### 6. REGULATIONS CONCERNING THE ASSEMBLY AT THE SITE OF THE PURCHASER

In case the purchaser has agreed with the supplier about the installation / assembly as well, or if the installation / assembly forms part of the tasks of the supplier as a usual business practice, the following conditions have to be applied:

6.1. During the preparation and maintenance of the construction area, and in case of evacuation the supplier is obliged to take all efforts not to hinder the activities and works performed at the area, and not to hinder and endanger third parties. In case the hindrance is inevitable, it has to be agreed about with the purchaser in advance.

6.2. The supplier is fully responsible for the performance. The supplier is obliged to provide the purchaser with a responsible as a contact person. The responsible is in charge of the supervision of the works to be fulfilled on behalf of the supplier.

6.3. The responsible of the purchaser is entitled to supervise, that the performance is done from the part of the supplier according to the agreements of the two parties, furthermore is entitled not to accept performances which have been performed not in compliance with the contract. The representative of the purchaser is entitled to require the perfect mechanical fulfillment of the tasks required according to the regulations of the contract.

6.4. If the purchaser has to provide help in working force and equipment, especially with cranes and suitable operating staff, then it takes place exclusively at the liability of the supplier, if the supplier is performing the supervision.

6.5. Without the decided approval of the purchaser the supplier shall not make any modifications to the buildings and steel structures; shall not, with special regard, perform welding and thermic cutting.

6.6. The supplier is obliged to take insurance of appropriate value, which provides liability and covers construction risks, and is obliged to maintain these insurances. The supplier is obliged to verify to the purchaser within 14 days following the contracting of the two parties and in a written form that the above mentioned insurances have been taken.

6.7. Furthermore: during all activities performed by the supplier at the business area and / or building of the purchaser, the supplier has to keep all relevant regulations of the factory (see downloadable documents for Purchasing Department on the website <http://www.kirchhoff-automotive.com/hu/uezlet/beszerzes/letoeltes/europa>).

## 7. PAYMENT, INVOICE, AND WAYBILL

7.1. The purchaser is entitled to choose the way of payment individually – bank transfer, cheque, bill, or any other kind of payment.

7.2. The purchaser is entitled to calculate his claims from the supplier into the claims of the supplier without regard to the justice of claim. The purchaser is entitled to withhold the due payment until he has valid claims against the supplier due to his incomplete implementation or fault in performance.

7.3. The supplier shall not validate his claims against the purchaser on a third party, and shall not transfer the collection of it on a third party without the written consent of the purchaser in advance, which consent shall not be refused by the purchaser without reason.

7.4. The invoices have to be sent to the headquarters of the purchaser in two copies. The invoices shall include the number of the supplier, the number and date of the order, the necessary data of the supplier, and if needed the data of the unloading site, the number and date of the waybill, the quantity of the invoiced goods. The invoice has to refer to the goods represented at the same waybill.

## 8. PROPERTIES, RIGHT OF USE, AND CLAIM FOR RECOVERY REGARDING THE OBJECTS PRODUCED BY THE SUPPLIER UPON THE ORDER OF THE PURCHASER

The Parties agree as follows regarding the capital goods, mechanical drawings, plans, tools and any other documentation (contracted product) which are to be produced based on the order of the purchaser:

8.1. The production tools and components used for the contracted product, as well as plans and mechanical drawings belong to the purchaser in a proportion of the value which has already been paid from the total value of the order. The supplier is obliged to keep these objects safe for the purchaser free of charge, and is obliged to take insurance of appropriate value for them.

8.2. In order to ensure the acquiring of property rights by the purchaser, the contracted products, as well as production tools and parts, furthermore plans and mechanical drawings

belong to the purchaser as an insurance at the time of the launching of the manufacturing of the given objects, and at the time of the starting of preparation of plans and mechanical drawings, with the condition that the supplier manufactures the objects and keeps in safety for the purchaser free of charge.

8.3. The purchaser is entitled to require the handing over of the contracted products, production tools and parts, as well as mechanical drawings and plans before the completion of them, if a process of insolvency or enforcement procedure has been launched against the supplier, and if the production on time and / or the rights of the purchaser would be violated, or if the supplier is not in such a situation or is not willing to complete production according to the specification described in the contract. In such a case the purchaser is obliged to pay an amount corresponding to the value of the ordered products at their level of preparedness, reduced by the excess costs of the purchaser due to the completion of the contracted product.

8.4. The purchaser holds exclusive right of use regarding the drawings, data, tools, and other documentation prepared by the supplier according to the claims of the purchaser. The purchaser shall use these objects anywhere, without restriction; the purchaser is entitled to work on his own based on them or to transfer the work to a third party at any time. The supplier shall not provide accessibility for a third party to the structural drawings, data, tools, and other related documentation, and shall not use them for purpose of his own interest or for the interest of a third party.

## 9. COMPLAINT, MATERIAL DEFECTS AND OTHER INFRINGEMENTS, CONDITIONS OF LIABILITY

9.1. A reclaim can only be considered as handed in on time, if in case of visible (obvious) faults it has been indicated to the supplier at latest 5 working days following the delivery of the products, or the acceptance by the purchaser. In case of detection of hidden faults perceived during the general course of business, the purchaser can hand in the complaint, at latest 5 days following the percept and determination of the fault.

9.2. The supplier is obliged to provide the purchaser with the goods and transfer the propriety rights of the goods to the purchaser free from all encumbrances, taxes and legal procedures.

9.3. The performance is faulty if the goods do not hold the determined properties and / or are not suitable for the usage determined in the agreement made between the two parties, and / or their features and / or usability is not kept during their usual life span.

9.4. The supplier guarantess that all delivered goods and all performed services correspond to the specification prescribed in the order and to the legal regulations of work safety.

9.5. In case of material fault, lack of title or any other kind of breach, the regulations of the Civil Code are to be applied regarding the rights of the purchaser. Besides the rights provided by law, the contracting Parties agree as follows: in case the supplier does not fulfil his tasks even during the grace period provided by the purchaser for the supplier, the

purchaser becomes entitled to fulfil the performance on his own at the expense of the supplier, or to transfer these task to a third party, in case the afterward performance has been illegally rejected by the supplier. There is no need for the determination of a deadline if such an action is unreasonable regarding the purchaser.

9.6. The claims of the purchaser based on material defect or any other breach done by the supplier expire after 5 years.

9.7. In case such a claim from a third party arises against the purchaser, which is due to the material defect of the contracted product or any other breach for which the supplier is responsible, the supplier is obliged to compensate the purchaser for all claims placed against the purchaser by contracted partners of the supplier or any other third party. The compensation claims of the purchaser related to the damages and expenses of the goods provided by the supplier remain valid after the expiry date mentioned in section 9.6. until the responsibility of the purchaser is valid. It also applies to indirect damages and expenses based on the responsibility of the supplier; the expiry date is maximum 10 years from the start of the expiry date according to law.

9.8. The supplier is obliged to keep all relevant Hungarian and EU regulations related to the performance, including the environmental regulations as well. The supplier furthermore undertakes to only deliver such products (materials, mixtures, and articles), which comply with the REACH- and CLP-directives as well as with other relevant directives. The supplier has to provide that all duties regarding the registration, evaluation, classification, and conformity of the materials, as well as all tasks and responsibilities related to the REACH- and CLP- directives as a manufacturer and all tasks and responsibilities as an importer for the purchased goods are fulfilled. The supplier is obliged to inform the purchaser about any significant changes becoming necessary due to regulations; he has to immediately inform the purchaser about changes based on the REACH-directive concerning the goods, delivery ability, usage, and quality, and in each case he has to negotiate separately with the purchaser about the necessary steps to be taken. The same has to be applied as soon as and to the extent the supplier realises that such changes are to be expected.

#### 10. CONFIDENTIALITY, PROTECTION OF RIGHTS FOR PLANS, SAMPLES, MODELS, TOOLS, STRUCTURES, ETC. PROVIDED FOR THE PURCHASER

10.1. The contracting Parties undertake to handle all non-public business and mechanical data, which they become aware of based on the business relationship between them, as confidential.

10.2. In case the supplier has to prepare forms, samples, plans, prints, tools or any such objects for the processing of the order, they are also to be handled as confidential.

10.3. The forms, samples, plans, prints, tools or any similar objects provided to the supplier by the purchaser have to be handled confidentially, and can exclusively be used for the order-related purposes of the purchaser. It is forbidden to copy or transfer or provide these objects to a third party, and they remain the propriety of the purchaser. The products manufactured based on these are not to be granted for a

third party. The same applies to the components, which have been developed by the supplier according to the specification of the purchaser.

10.4. Without the prior written consent of the purchaser the supplier shall not refer to the business relationship, and shall not present the products/results produced for the purchaser.

10.5. The same obligations apply to sub-contractors as well.

#### 11. PATENT RIGHTS

11.1. The supplier is responsible for all claims, which violate the patent rights or the registration of patent rights during the usage of the contracted products according to the contract. The supplier is obliged to compensate the purchaser and his contracted partners for the claims, which have been raised due to the usage of patent rights.

#### 12. PLACE OF PERFORMANCE, COMPETENCES, CHOICE OF LAW

12.1. The place of performance is the headquarters of the purchaser.

12.2. For any issues not regulated by this contract, the Hungarian law, particularly Act V of 2013 on the Hungarian Civil Code (Hungarian abbreviation: "Ptk.") shall prevail. UN Purchase Law (CISG) is excluded.

In case of legal dispute, the Hungarian courts have the right to decide on the dispute. However purchaser is also entitled to file suit at supplier's place of business.

12.3. These purchasing conditions for capital goods, manufacturing equipment and tools have been prepared in English and Hungarian versions. In case of any discrepancy between the two versions, the Hungarian version shall prevail. The English version is intended solely for the purposes of translation.

#### 13. SEVERABILITY

In case any provisions contained in the present conditions and / or any provisions contained in any agreement contracted between the two parties is invalid or becomes invalid, it does not influence the validity of the remaining parts of the contract agreements. The contracting parties undertake to replace the invalid provision by the legally valid provision, which is closest to the economic purposes of the invalid provision concerned.