



General Terms and Conditions of Purchase

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Signature: 	Signature: 
Date: <i>03.06.2021</i>	Date: <i>03.06.2021</i>



These General Terms and Conditions of Purchase shall be exclusively applicable, in the absence of any written agreement to the contrary, to the contracts, orders and other agreements in respect of the procurement of equipment, products, parts or raw materials (hereinafter together the "Products") and Services obtained from subcontractors and vendors (hereinafter referred to as the "Supplier") within the framework of the production activity of **VT ES Kft.** (8000 Székesfehérvár, Berényi út 72-100.; company registration number: 07-09-002774; tax number: 11106667-2-07; hereinafter referred to as "VT ES"). Any orders issued by VT ES and any contracts and other agreements concluded by VT ES shall only be valid and effective together with these General Terms and Conditions of Purchase.

VT ES expressly sets forth that any general terms and conditions of the Supplier shall not be valid in respect of VT ES, furthermore the acceptance by VT ES of the quote of the Supplier and/or issuance of an Order shall in no way be deemed to constitute acceptance of the Supplier's general terms and conditions. Any divergence from these General Terms and Conditions of Purchase shall only be valid in writing, with the official company signature of both parties.

By signing the Order the Supplier expressly acknowledges and accepts the ever actual version of the General Terms and Conditions of Purchase of VT ES.

1. ORDERS

- 1.1. For one-off and continuous orders, the frame contracts, specific orders and call offs (hereinafter referred to together as the "Order") shall be carried out through the order forms sent to the Supplier by VT ES. The Supplier shall supply/provide to VT ES the quantity and type of Products/Services specified in the Order for the price determined therein, with the degree of expertise and care that can be expected of it, by the time, for the period, at the place and under the terms specified in the Order and in accordance with these General Terms and Conditions of Purchase, including any other documentation referenced in the Order (hereinafter together the "Contractual Terms"). The frame contract includes the price and the type of Product/Service, the quantity and the call-off periods relating to the quantities, while the exact delivery schedule shall be specified in the Orders issued by VT ES. VT ES shall only change or issue new frame contract if there is any change in the conditions set forth above based on the agreement between the parties.
- 1.2. The Supplier shall accept the Order and any amendments thereto via e-mail within 5 working days of receipt. The Supplier shall be deemed to have accepted the Offer if it does not confirm the Order within 5 working days of receipt thereof or if it performs any of its obligations specified in the Order within 5 working days.
- 1.3. If the special conditions specified in the Order are not in accordance with the terms of these General Terms and Conditions of Purchase, the special conditions shall prevail. Any terms that differ from the Contractual Terms shall be valid solely with the written approval of VT ES. Modification of any contractual term shall solely be made by the parties in writing.
- 1.4. VT ES issues Orders to the Supplier in each case in accordance with the delivery time stipulated in the quotation offer related to the given Product. The Supplier shall notify VT ES in writing *in advance* of any change in the delivery time of a certain Product. The Supplier is liable for any damage caused to VT ES from the Supplier's failure to comply with this obligation.
- 1.5. VT ES reserves the right to rescind the Order via e-mail without liability in case the Supplier does not confirm VT ES' Order entirely with identical content.
- 1.6. Procurement is partly evaluated on the basis of energy performance when procuring Services / Products that have an impact on significant energy use of VT ES.

2. PERFORMANCE

- 2.1. Products/Services shall be delivered by the time, at the place, in the quantity and quality specified in the Order and any order will only be considered as performed if the above requirements are fully met. If VT ES provided specification related to a Product/Service, the Supplier is obliged to review it immediately after receipt, and report to VT ES the defective, deficient and unclear parts of it without delay. VT ES is obliged to react immediately to such report of the Supplier; until the parties have cleared these issues, the performance of the Order cannot be started. If VT ES did not provide any specification for a Product/Service, the standards specified in the Order shall govern.
- 2.2. The deadline specified in the Order is a so-called strict (fix) deadline for performance, that is, delivery of Products/the Services can and shall only be performed within the deadline and in the quantity specified therein. In the absence of a prior written agreement to the contrary, VT ES does not accept either early or premature delivery of either Products or Services, or delivery that differs from the original agreed deadline or schedule.
- 2.3. If the Supplier fails to perform or to properly perform any of its obligations undertaken in the Order and the acceptance thereof pursuant to clause 1.2 above (e.g. delay in delivery or defective performance, etc.) VT ES shall, at its discretion, have the right to set a new deadline for the performance, or to exercise its rights specified in clause 4.4 and/or chapter 7 of these General Terms and Conditions of Purchase or to cancel the Order (to fully or partially rescind or cancel the Order) even in the event that the Supplier originally confirmed the Order as non-cancellable.
- 2.4. If the Supplier has legitimate grounds to presume at any time that it will be unable to deliver/perform the Product/Service by the agreed deadline, it shall promptly notify VT ES of the reason or reasons for the delay. Such notification shall not release the Supplier from performance of its obligations arising for missing the delivery or performance deadline.
- 2.5. The signature of any delivery document by and on behalf of VT ES does not mean the quantitative and/or qualitative acceptance of the Products/Services.

3. DELIVERY OF PRODUCTS

- 3.1. Supplier shall deliver the Products under the Incoterms parity specified in the Order.
- 3.2. Unless provided otherwise in the Order, the right of disposal over, and title to the Product shall pass to VT ES after full unloading (delivery) of the Product at the delivery destination designated as the place of performance. The risk associated with the loss/forfeit of the Products during delivery to the place of performance shall be borne by the Supplier. Where the Products are delivered in instalments, the right of disposal over, and title to the Products shall be transferred with each instalment in accordance with the provisions of this clause.
- 3.3. The Products must be packaged and/or protected in a manner that ensures that they are in a condition suitable for transport and protected. Furthermore Supplier is obliged to comply with the instruction and requests of VT ES related to packaging. The costs of such packaging and protection shall be borne by the Supplier or its agent. Each package shall include the VT ES order number and serial number of the Product, and the instructions for use (in case VT ES requests those), as well as an easily accessible consignment note which detail the contents of the package and comply with the applicable import/export regulations. If Supplier fails to meet the requirements in respect of transport and packaging, the Supplier shall be liable for all proven damage and expenses arising from defective or inappropriate packaging.
- 3.4. The Supplier expressly and fully warrants that it holds exclusive title, free and clear of all claims and encumbrances, in and to the product it supplies to VT ES, which it fully and completely transfers to VT ES in accordance with these General Terms and Conditions of

Purchase, free and clear of all claims and encumbrances, in particular the rights associated with the protection of intellectual property.

4. INSPECTION AND REJECTION

- 4.1. Any certification of the Supplier's processes or the Products pursuant to any standard or by VT ES' buyer, or the acceptance of such certifications/certificates by VT ES shall in no way release the Supplier from its obligations arising from the Order and/or specified in these General Terms and Conditions of Purchase. The protocols prepared of the inspections and/or tests shall be kept for 15 years in accordance with auto industry standards and the copies thereof are to be provided to VT ES free of charge upon its request.
- 4.2. The quality of the Products/Services is certified by official documentation required to be issued by the Supplier, which shall form the basis of the warranty. Supplier shall be fully and directly responsible for the quality and compliance with the specifications of the Products/Services both vis-a-vis VT ES and any of its contractual partners. In view of the documentation certifying the quality of the Products/Services, VT ES is expressly not required to inspect quality during delivery/acceptance; lack of inspection shall in no way prejudice the contractual and statutory rights.
- 4.3. Without prejudice to the provisions of clause 4.2, VT ES has the right to inspect the quality and quantity of Products or Services delivered. Inspection and testing may take place
 - (a) at the Supplier's factory or at any production area, at any reasonable time, at the time of production and/or storage; or
 - (b) prior to delivery and/or
 - (c) following handover;provided that the Supplier shall ensure at its own expense the safety and undisturbed participation of the persons performing the inspection/testing on behalf of VT ES.
- 4.4. If any of the Products/Services do not comply with the requirements of the Order, after notice to Supplier, VT ES shall have the option to exercise any of its rights established in Chapter 7 or, instead of repair or replacement, reject and/or return the Products/Services at the Supplier's expense. The Supplier shall not refuse return shipment or acceptance of Products returned based on the provisions of this clause.

5. CONFORMITY

- 5.1. The Supplier agrees that the Products/Services supplied by it during the performance of its obligations arising from or related to the Order conform to all effective laws and standards, in particular with regard to the environment, energy efficiency, packaging, product designation, product liability and quality, as well as the quality requirements specified in the Order and/or the annexes of the Order.
- 5.2. The Supplier warrants that the chemical materials manufactured by it or used in any Product are not prohibited by law and their presence (where required) is clearly indicated. The Supplier warrants separately that the Products/Services comply with the ever actual provisions of the RoHS and REACH European Community regulations, furthermore Supplier is, at the request of VT ES, obliged to issue a declaration conforming to the ever actual regulation of the USA about conflict minerals.
- 5.3. The Supplier warrants furthermore that the Products or use thereof in accordance with the regulations do/does not pose any hazard to human health or property.
- 5.4. The Supplier warrants furthermore that the Products and the related descriptions and documentation conform to all applicable laws, standards and commercial customs.
- 5.5. Unless otherwise agreed by the parties in the Order, the Supplier shall ensure and warrant at its own expense the existence of all permits and licenses required for the transport and export/import of the Product/Service.

- 5.6. In the case of breach of contract by the Supplier or if VT ES exercises its right of rescission or termination with immediate effect pursuant to clauses 12.1.1 and 12.2.1, VT ES shall be entitled to demand indemnification of all of its proven damage arising in connection with such breach. The Supplier acknowledges that the breach of contract may cause damage arising from loss of production at VT ES. The Supplier shall furthermore hold VT ES harmless from all claims raised by third parties as a result of Supplier's breach of contract. The Supplier shall procure all insurance (including product liability insurance) that adequately protects VT ES from all damage, claims, losses and costs caused by Supplier's breach of this chapter and which extends in particular but not exclusively to product recalls by any customer next to VT ES in the supply chain. The Supplier shall certify the existence of the insurance(s) at VT ES' request at any time.
- 5.7. If, due to or resulting from a breach of the Supplier's warranties included in this chapter, any third party wishes to enforce a claim or starts legal action against VT ES, then, at VT ES' request, the Supplier undertakes to provide all assistance necessary to avoid this. Insofar as the negotiation for the enforcement of the claim or the legal action is started, then Supplier shall act on the side of VT ES during the negotiations or in the legal action and shall do everything to obtain VT ES' release from the procedure. If this is not achieved or the Supplier fails to meet its above obligations, then the Supplier shall reimburse to VT ES the amount enforced against VT ES (including any amount payable based on an out-of-court settlement), as well as all proven damages and expenses arising either directly or indirectly at VT ES in connection with the negotiations or the lawsuit, including the cost of attorney's fees, within 8 days of receipt of VT ES' notice.

6. PRICE, PAYMENT AND PRICE GUARANTEE

- 6.1. The prices specified in the Order are fixed and final, but are exclusive of value-added tax or any other equivalent tax or customs duty which is payable by VT ES following receipt of the valid invoice indicating the detailed amount thereof.
The prices are required to include all other forms of consumption tax and/or import duties, which are payable directly by Supplier, unless expressly otherwise provided in the Order. If for any reason any of these were paid by VT ES, at VT ES' request the Supplier shall be required to promptly repay such an amount to VT ES.
The prices include all of the Supplier's expenses arising in connection with the performance of the Order.
- 6.2. The invoice (or the partial invoice based on the agreement of the parties) shall only be issued if the Supplier has delivered/performed all (or the mutually agreed part) of the Products/Services in accordance with the Order.
- 6.3. The invoice shall fully comply with the applicable laws, as well as the agreement between the parties in each case; and VT ES shall only accept and pay invoices that fully comply with the above. VT ES has the right to return to Supplier any deficient or irregular invoices and VT ES shall not be subject to the legal consequence of late payment due to the extended payment deadline arising from the such returned invoice.
- 6.4. In the case of late delivery or defective performance VT ES has the right to enforce its proven damage and other rights arising from the breach of contract. Any overdue payments or claims for damages or warranties against the Supplier existing based on any of VT ES' orders may be offset against the amount of either the specific invoice or any other outstanding debt owing to the Supplier, upon notice thereof to the Supplier. In the absence of an offset, the Supplier shall pay the amount of the damages to VT ES within 8 days of receipt of notice thereof.
- 6.5. The Supplier shall indicate on the invoice the number of VT ES' Order and the VT ES item number. The Order shall include the Parties' agreement regarding the payment deadline. The deadline for payment starts on the date of receipt of the properly issued invoice

suitable for financial performance and compliant for tax purposes.

- 6.6. The time of payment of the invoice is the time when VT ES' bank account is debited with the invoice amount to be transferred to the Supplier.
- 6.7. Where the Supplier unilaterally diverges from any specification of the Order to VT ES' disadvantage, depending on the circumstances of the case, VT ES has the right to either wholly or partially refuse payment without being deemed to be in default as a consequence thereof.
- 6.8. Payment of the price of a Product/Service delivered/provided in accordance with the Order shall not be deemed to constitute acceptance of such Product/Service by VT ES and any payment shall take place with the reservation of all of VT ES' rights that are related to the Supplier's deficient performance (including, without limitation, any obvious or hidden defects of the Product/Service whether known or not known to VT ES) or other breaches of contract.

7. WARRANTY

- 7.1. Supplier warrants that
 - (a) it operates as a lawfully registered and existing company in accordance with the law of its country of registration and pursuant to its personal law no liquidation, winding-up or bankruptcy proceedings are pending against the Supplier;
 - (b) it shall notify VT ES if it becomes the subject of any liquidation, winding-up, bankruptcy or other similar proceedings or if it has initiated a voluntary winding up process;
 - (c) it has all the necessary authorisations for acceptance of the Offer (conclusion of the contract), performance of its obligations and it shall promptly perform all required internal procedures and other authorisations for the complete and immediate performance of the above;
 - (d) it shall declare and pay the VAT content paid by VT ES upon payment of the Supplier's invoice to the state tax authority within the respective tax return period, or if it fails to do so for any reason, it shall notify VT ES of this circumstance within 24 hours.
- 7.2. Supplier expressly warrants that at the time of the Order and delivery/performance, all Products/Services
 - (a) conform to all the requirements stipulated in the Order and all other requirements, specifications, conditions, drawings, designs, external formats, regulations, samples or other descriptions and data that are provided by either VT ES or another entity on its behalf or the Supplier or its representative acting on its behalf,
 - (b) conform to and are suitable for the purpose(s) for which they were produced and sold, for which VT ES will use the Product/Service, including those special purposes of which Supplier is or should be aware,
 - (c) are new and marketable,
 - (d) will be of first class materials, design and free of any (obvious and hidden) defects,
 - (e) will be free and clear of all third party claims or rights (including, without limitation, all patents or other rights related to intellectual property or otherwise).
- 7.3. The warranty obligations specified in clauses 5, 7.1 and 7.2 shall survive notwithstanding any inspection by VT ES or the absence thereof, as well as the acceptance and use of the Product/Service and any signature by or in the name of VT ES on any consignment note shall not be deemed to constitute either acceptance of the quality of Products/Services or a certificate that such warranty obligations were not violated. The term of the Supplier's warranty obligations pursuant to this agreement shall be 36 months from the date of delivery/performance of the Product/Service.
- 7.4. At VT ES' option the Supplier shall promptly, within receipt of VT ES' written notice, at its

own expense

- (a) replace the Product/Service, or
- (b) fully repair all defects in any Product/Service that does not conform to the requirements included in clauses 5 and 7.2 or the warranty included anywhere in the Order, or
- (c) credit the price of the defective Product/Service to VT ES.

7.5. If the Supplier fails to start replacement or repair of the defective or inappropriate Product/Service within 3 working days of VT ES' notice or in the event that protection of human health and/or property so demands, VT ES has the right, without prior notice to Supplier, to perform the replacement or repair or have it performed by a third party, in relation to which, at VT ES' request, the Supplier shall immediately reimburse all of VT ES' proven costs.

7.6. In the event of a breach by the Supplier of any of its warranty obligations included in Chapter 5 or this Chapter 7, it shall promptly indemnify and hold VT ES harmless from all lawsuits, encumbrances and claims at first written notice in respect of all damage, costs, expenses, expenditures, as well as penalties, fines, supplements and default interest imposed by the tax or other authorities or administrative or court procedures arising from such breach.

The warranty rights and possibilities for enforcement of claims defined in this Chapter 7 supplement those that form part of the Order or that the Supplier otherwise provides to VT ES or that are required by law.

8. SUPPLIERS WORKERS AND WORK PERFORMED ON VT ES' PREMISES

8.1. All workers who have been designated to perform the obligations of the Supplier arising from the Order shall be directed by the Supplier, but VT ES has the right to issue instructions to them until and when they work on VT ES' premises.

8.2. During the performance of the Order, the Supplier shall employ workers who have the required qualifications and professional competence and who exhibit the expected conduct, furthermore who have adequate life, health and accident insurance and/or social security and who comply with all statutory requirements.

8.3. The Supplier shall ensure that its workers comply with the health, safety and environmental regulations set forth in statutory provisions or stipulated by the Supplier internally, as well as the ones provided by VT ES to the Supplier in writing. The Supplier has direct and unlimited liability toward VT ES and third parties for any damage arising from its failure to do so.

8.4. The Supplier shall, in accordance with the rules of the Civil Code, indemnify all of VT ES's damage and expenses that arise from the acts or omissions of the Supplier's workers, subcontractors or other representatives. To cover this, the Supplier shall take out adequate insurance for the activities related to the performance of the Order and for its own property, which insurance policy it shall present at any time upon VT ES' request.

9. VT ES PROPERTY

9.1. Unless otherwise agreed by the parties in writing, all data, drawings, products, equipment, tools, materials or any other property items and any replacements thereof or anything linked or connected to these provided by VT ES or its agent on its behalf for use by the Supplier, including the case where VT ES or its agent pays for these separately (hereinafter all of this together shall be referred to as "VT ES Property") shall be and remain VT ES' Property.

9.2. VT ES Property, and where appropriate each individual piece thereof shall be clearly

designated as "the property of VT ES Kft.". The Supplier shall be responsible to maintain VT ES Property in a functional state (including in particular daily maintenance operations, where necessary), securely stored and separated from the property of the Supplier or third parties.

- 9.3. The Supplier shall not replace any property with VT ES Property, nor shall it use VT ES Property for any purpose other than fulfillment of the Order.
- 9.4. The Supplier is responsible for VT ES Property until such property is safeguarded or controlled by it and shall obtain property insurance coverage at its own expense in an amount that conforms with the costs of replacement. Upon written request VT ES Property shall be returned, in which case the Supplier shall take care of transport at its own expense, in an identical condition as when it had received the VT ES Property, save for normal wear and tear.
- 9.5. VT ES reserves the right to take possession of its Property at any time. To this end the Supplier warrants that and grants permission to VT ES or its agents to enter the Supplier's premises or rooms, or any area or rooms that the Supplier uses for such purpose. This right shall survive the termination of the Order for any reason.
- 9.6. Supplier shall not mortgage VT ES Property, nor shall VT ES Property serve as collateral, be encumbered or alienated or given for use to a third party. Supplier shall promptly notify VT ES if VT ES Property has been seized or if any third party action takes place in respect of VT ES Property. Supplier shall be liable toward VT ES for any damage arising from the breach and/or failure to meet the above obligations.

10. VT ES INFORMATION

- 10.1. During the performance of the Order and for a period of 10 years after the fulfillment or termination of the Order the Supplier shall keep confidential all information provided to it by VT ES in relation to the Order or which the Supplier has created for VT ES. The Supplier shall not disclose such information either directly or indirectly, nor shall it use them without first obtaining VT ES' prior written consent.
Supplier may only disclose such information to those of its workers/to the extent who/that is required for the performance of the Supplier's obligations under the Order.
- 10.2. In addition to what is required for the effective fulfillment of the Order, the Supplier shall not prepare copies, nor shall it allow the preparation of copies of the information without the prior written consent of VT ES. The information shall remain the property of VT ES and is to be returned to VT ES upon request, free of charge.
- 10.3. In order to ensure that its workers treat VT ES information and ownership interests confidential, the Supplier agrees to familiarise all of its employees and agents assigned to VT ES with the agreement on confidentiality concluded with VT ES, prior to starting fulfillment of the Order. Supplier acknowledges that none of the above release it from the obligations of confidentiality hereunder.
- 10.4. Without the prior written consent of VT ES, the Supplier shall not advertise, publish or announce the fact for any reason and in any manner that it has obtained the Order from VT ES, nor shall it publish any information on the Order or permit the use of VT ES' or its partner's name in corporate or other presentations, advertisements or other publications and announcements.
- 10.5. Supplier shall be liable toward VT ES for any damage arising from the breach and/or failure to comply with the above obligations, including the breach and /or failure of its employees and agents as well.
- 10.6. If the Supplier and VT ES had signed a separate confidentiality agreement, the special provisions of the latter shall prevail.

11. INTELLECTUAL PROPERTY

- 11.1. At VT ES' request, the Supplier shall at its own expense avert all claims, lawsuits or proceedings commenced against VT ES and/or any of its buyers (or which VT ES has reason to believe will be started), that are based on the claim that the products, raw materials or components supplied by the Supplier or a part thereof, or any means or processes that are prepared or occur with the use thereof or any Service (together the "Asset/Activity") realise or appear to realise the violation of any rights attached to intellectual property. Irrespective of whether the Supplier averts the lawsuit or procedure, the Supplier shall bear and be responsible for all proven damage, cost and expense in respect of such lawsuits or proceedings, or which otherwise occur at VT ES in the case of such actual or alleged infringements.
- 11.2. In the event where use of the Asset and/or the Activity is prohibited or otherwise restricted for a reason attributable to the Supplier, or if the Supplier's infringement is being claimed or such claim is being threatened, the Supplier shall at its own expense and at the option of VT ES and/or any of its contractual partners/consumers
- (a) obtain the right to enable VT ES to continue using the Asset/performing the Activity, or
 - (b) replace it with another that is suitable for VT ES and does not constitute an infringement or its use is not restricted, or
 - (c) remove the Asset or discontinue the Activity and reimburse to VT ES the full purchase price of the Asset/Activity, as well as its proven expenses that arose in this respect.
- 11.3. Supplier represents and warrants that
- (a) it shall communicate with VT ES in writing and to the fullest extent in respect of all inventions, innovations, programs, know-how and technology that it has created or invented (regardless of whether it is patentable or not, protected by copyright or not, whether Supplier has prepared it alone or with others, including quality improvements and modifications) and which were created or developed in connection with the fulfillment of the Order.
 - (b) title to such inventions, innovations, programs, know-how and technology, notwithstanding whether they are documented or not, shall vest solely and exclusively with VT ES and shall be deemed to have been prepared by Supplier for or on behalf of VT ES as the sole owner without any consideration.
 - (c) any right, title and interest that arise in the programs, systems, information, materials and any other equipment, property or in connection therewith and which has been provided to Supplier by or on behalf of VT ES shall remain the property of VT ES and immediately revert to VT ES upon termination of the Order. Any software prepared in connection with the performance of the Order for or by the Supplier shall not be taken out of VT ES' premises without VT ES' express prior written consent.
 - (d) during the term of the Order and thereafter (fully at VT ES' expense) it shall assist VT ES in every way to ensure that VT ES obtains patents, intellectual property rights and/or commercial trade secrets during the performance of this agreement or in connection therewith for its own benefit in respect of all inventions, innovations, programs, know-how and technologies, regardless of whether they are documented or not, in all countries worldwide, including without limitation, the enforcement of transfer documents or registration of intellectual property or any rights related to intellectual property, as requested by VT ES.
 - (e) it maintains adequate and continuous records of all inventions, innovations, programs, know-how and technology developed under or in connection with this agreement in the form of notes, sketches, drawings, figures, source codes or reports, which shall be available to VT ES at all times. Upon request, Supplier shall provide

such records to VT ES.

- 11.4. The Supplier warrants that it is not the owner of any copyright or any secret, nor is it the inventor of any patent or the owner of any application for a patent or invention that would hinder or restrict VT ES' freedom in respect of using the Products/Services purchased based on the Order. Any programs, systems, data, drawings or anything that relates to these and which the Supplier uses for the fulfillment of the Order and which were the property of the Supplier prior to fulfillment of the Order, shall remain the exclusive property of Supplier.

12.1. RESCISSION

- 12.1.1. VT ES is entitled to exercise its right of rescission by addressing a written notice to the Supplier if any of the following events occurs:
- (a) Supplier fails to meet the deadline set in the confirmed Order (see clause 2.2 above)
 - (b) Supplier fails to perform the Order repeatedly in accordance with the requirements (type, quantity, quality) specified in the Order or by law, or
 - (c) Supplier fails to perform the Order, or
 - (d) there is a change in demand of VT ES' customer, or
 - (e) it is allowed by law.
- 12.1.2. In the case of rescission by VT ES, without prejudice to any other right or remedy VT ES may have by law or otherwise, VT ES may exercise the following rights:
- (a) it has the right to refuse to take delivery or performance of the Product/Service prepared based on the Order, or
 - (b) at Supplier's risk and expense, it has the right to restore any Product already received and it has the right to demand immediate reimbursement from Supplier in respect of all payments that it has spent on such Products (including transport, storage, loading and other costs that arise on VT ES' side in this respect); and
 - (c) it has the right to purchase the Product/Service from another source. In such case Supplier shall be obligated to pay immediate and full indemnification, which shall include the difference between the Supplier' sales price and the price of the cover purchase and in the case of rescission by the Supplier, the amount of certified damage arising from the later realization of the cover purchase compared with the original delivery deadline.
- 12.1.3. In the case of termination for a reason included in this clause 12.1, the Supplier shall return to VT ES all of VT ES' property with immediate effect free of charge, without any separate notice and request, in accordance with the provisions of clause 9.4.

12.2. TERMINATION OF ORDER

- 12.2.1. VT ES reserves the right to terminate the Order at any time either wholly or partly by a written notice to the Supplier, with a 30-day notice period, without a reason or defect arising on the Supplier' side (termination for convenience).
In addition:
- (a) in the case of a breach of any of the Supplier's obligations undertaken in these General Terms and Conditions of Purchase and the Order, if it fails to remedy such breach of contract within the reasonable deadline provided by VT ES; and
 - (b) if a deadline is missed, without setting a grace period, based on VT ES' own discretion; and
 - (c) if any of the events mentioned in clause 13 occurs, also without setting a deadline/grace period
- VT ES shall have the right to immediate termination without liability.
- 12.2.2. In the case of termination, the Supplier shall immediately – or after the notice period passes – end all performance to which it is subject based on the Order, it shall notify its

suppliers or subcontractors to end their performance and request instructions in respect of fulfillment of Orders that are pending.

- 12.2.3. In the event of termination for convenience VT ES shall be required to pay to Supplier:
- (a) the part of the purchase price stipulated in the Order that is in accordance with the requirements of the Order, has been delivered/performed to or for VT ES and which is exclusively in respect of finished Products and fully performed Services,
 - (b) in respect of finished Products that are in accordance with the requirements of the Order, but have not been delivered yet to VT ES, the difference between the purchase price stipulated in the Order and the lower sales price for which Supplier sold such Products to a third party.
 - (c) The Supplier's actual, direct and certified expenses that arose prior to the termination in respect of any unfinished Product/Service. Where the subject of the Order is a unique Product, unless otherwise agreed in writing, the Supplier is not entitled to purchase raw materials or otherwise commit itself in a quantity larger than required for performance of the Order and/or earlier than required. The Supplier's exposure from this shall be at its own liability and expense.
- 12.2.4. Exercise of the right to termination defined in this clause 12.2 shall in no event have as a consequence that the obligations of VT ES arising from the Order exceed those that VT ES would have been subject to vis-a-vis the Supplier in the absence of the termination.
- 12.2.5. In the case of termination for a reason included in this clause 12.2, the Supplier shall return to VT ES all of VT ES' property with immediate effect, free of charge, without any separate notice and request, in accordance with the provisions of clause 9.4.

12.3. EFFECT OF RESCISSION AND TERMINATION

- 12.3.1. Termination of the Order or rescission, if it takes place in accordance with clauses 12.1 and 12.2 shall not prejudice VT ES' right or possibilities for enforcement of claims that are open based on the Order or under law or are otherwise available to VT ES prior to or upon the termination/rescission.
- 12.3.2. In the case of termination/rescission, at VT ES' request the Supplier shall immediately send the following to VT ES:
- (a) all documents, draft documents, drawings, working papers, notes, source works and any other descriptions that the Supplier prepared during the performance of work pursuant to the Order,
 - (b) all equipment, means, machines and spare parts or accessories, including raw materials, pre-products and packaging materials being the property of VT ES, as well as Products (even if they are only partially complete) which are included in clause 12.2.3, if these were prepared or produced by the Supplier in accordance with or for the purposes of the Order.
- 12.3.3. In the case of termination/rescission VT ES shall not be responsible for either of the following:
- (a) any performance by Supplier after the date of the termination/rescission,
 - (b) any expense that the Supplier or any of its suppliers or subcontractors could reasonably have avoided,
 - (c) the costs of the procurement of raw materials ordered/purchased in a quantity larger than that required for performance of the Order or earlier, or the costs of other commitments made by the Supplier similar hereto,
 - (d) the Supplier's unrealised profit.

13. INSOLVENCY

If any of the following events occur in accordance with the law applicable to the Supplier or

under Hungarian law, VT ES may terminate the Order without liability, under the terms specified in clause 12.2.1 (c):

- (a) Supplier ends, or, based on the circumstances, appears to end its normal business operations,
- (b) Supplier fails to meet its obligations or pay its debts at the time of their expiry or when they become due,
- (c) bankruptcy, insolvency or winding-up proceedings have been started or initiated against the Supplier,
- (d) where an administrator has been named or employed at the Supplier or any of its assets or undertakings or if any of its creditors comes into possession of such assets or the undertaking,
- (e) division of assets for the benefit of creditors has taken place or the Supplier has concluded any settlement with the creditors or their committee,
- (f) any mortgage, execution, seizure or any other attachment of the Supplier's assets that are enforced against the Supplier's assets in a lawsuit or otherwise.

14. NOTICES

All notices, statements and other communication pursuant to these General Terms and Conditions of Purchase shall be in writing, provided that the Parties accept as written form any letter with return receipt, or notices sent in electronic form by e-mail from the e-mail address of the contact person.

15. ASSIGNMENT/ASSUMPTION OF DEBT

15.1. The Supplier is not entitled to assign or transfer the Order or any part thereof or any rights or claims to which it is entitled pursuant to the Order, except where VT ES has granted its express advance written consent thereto.

The Supplier is not entitled to transfer any obligation to which it is subject based on the Order or any part thereof by way of contract with a third party or to make any legal statements to such effect, except where VT ES has granted its express advance written consent thereto.

15.2. VT ES reserves the right to transfer or pass on any of its rights or obligations upon notice sent to Supplier.

16. STATUTORY COMPLIANCE, BUSINESS CONDUCT

16.1 Supplier agrees and warrants that when fulfilling its obligations under these General Terms and Conditions of Purchase it shall fully comply with the provisions of the applicable laws and the RBA (RESPONSIBLE BUSINESS ALLIANCE) Code of Conduct (which is available at the following website:<http://www.responsiblebusiness.org/code-of-conduct>), including the laws that apply to (i) bribery and corruption; and (ii) the environment, health and occupational safety. The Supplier further agrees that its employees and subcontractors will not engage child or prison labour during the delivery or provision of the Products and Services, nor will they attempt to bribe or influence VT ES employees (including but not limited to providing gifts, commission, free travel or other cash or cash equivalents as incentives).

16.2 In the event that the Product sold or delivered to VT ES contains hazardous chemical materials, the Supplier undertakes to attach to the Product the relevant data (including but not limited to appropriate labelling and the electronic version of the security data form). The Product sold or delivered to VT ES shall not include arsenic, asbestos, benzene, carbon-tetrachloride, mercury, cadmium and any other chemicals that are listed in the

Montreal Protocol (dated 16 September 1987), and in the ever actual provisions of the RoHS and REACH Directive.

- 16.3 The Supplier allows VT ES or its representative to view the location where the Supplier manufactures the Product or provides the Service in order to enable them to inspect compliance with the (i) quality and warranty obligations included in the Order and (ii) specifications provided by VT ES or its client.

17. GOVERNING LAW, COURT WITH JURISDICTION

- 17.1. The General Terms and Conditions of Purchase and the Order and all matters not regulated therein shall be governed by the provisions of the Hungarian Civil Code and the applicable Hungarian laws.
- 17.2. Where the operations of the Supplier and VT ES fall under the jurisdictions of two different countries and the parties do not agree otherwise, all legal disputes arising from the Order shall be resolved by the Permanent Court of Arbitration attached to the Hungarian Chamber of Commerce and Industry, which shall act in accordance with its own Rules of Proceeding. The place of the procedure shall be Budapest, the number of arbitrators shall be three and the language of the procedure shall be Hungarian or English.
- 17.3. Where the operations of the parties fall under Hungarian jurisdiction, by acknowledging the provisions of these General Terms and Conditions of Purchase the Supplier accepts that depending on the value of the dispute, the Székesfehérvár District Court or the Tribunal of Székesfehérvár shall have exclusive jurisdiction.

18. EXCLUSIVITY / PREFERENTIAL TREATMENT OF SUPPLIER

VT ES reserves the right to purchase or obtain, simultaneously or at any time, any Product or Service similar to the Product or Service ordered from the Supplier from other suppliers. VT ES shall not be subject to any notification obligation toward Supplier in this respect.

19. HIERARCHY OF CONTRACTING TERMS

- 19.1. These General Terms and Conditions of Purchase fully apply to all contracts, agreements, orders, call-offs and other conditions between the parties that are related to the delivery of goods or provision of services to VT ES. In the case of any discrepancy between the General Terms and Conditions of Purchase and the separate agreements concluded between the parties in writing and officially signed, then the terms specified in the separate agreement shall prevail.
- 19.2. In the absence of an agreement to the contrary, the termination of these General Terms and Conditions of Purchase by notice shall automatically result in the termination of the other contracts, agreements and conditions listed in clause 19.1.

20. TERM OF THE GENERAL TERMS AND CONDITION OF PURCHASE

- 20.1. These General Terms and Conditions of Purchase shall be valid until the performance of the Order provided that those obligations for which these General Terms and Conditions of Purchase designate a specific fixed term shall remain in force after the Order has been completed, until the expiry of such fixed term. VT ES has the right to change or amend these General Terms and Conditions of Purchase at any time. The changed or amended conditions shall be effective in respect of the Supplier from the time when such conditions are sent to the Supplier or when VT ES has otherwise made such conditions available to the Supplier.
- 20.2. Unless otherwise agreed, sending or otherwise making available the General Terms and Conditions of Purchase to the Supplier shall render any parts or provisions of any earlier

negotiations, agreements or contracts between the parties that are contrary to these General Terms and Conditions of Purchase ineffective. The General Terms and Conditions of Purchase shall also be applicable to those products that were ordered prior to the sending or otherwise making available of these General Terms and Conditions of Purchase to the Supplier and not yet delivered.