



General Terms and Conditions of Purchase of PEX Automotive Systems Korlátolt Felelősségű Társaság

1 Scope

- 1.1 The purchase orders of PEX Automotive Systems Kft. (hereinafter: PEX) are subject only to the following conditions. We will not accept any amendment of these or any further terms and conditions of the Supplier other than the Terms and Conditions of Purchase unless the latter are confirmed in writing as an amendment to our Terms and Conditions of Purchase and we have accepted them. Receipt or unconditional payment of any shipment delivered, or service provided by Supplier shall not constitute acceptance of Supplier's terms, even if they are expressly known to us.
- 1.2 Our Terms and Conditions of Purchase shall also apply to our future transactions with Supplier.

2. Orders

- 2.1 Any contract, order, signature and/or request for delivery and any modification of these may only be made in writing. Shipping requests can be forwarded via email.
- 2.2 Oral agreements made after the signing of the contract, in particular subsequent changes and modifications made to our Terms and Conditions of Purchase, including this requirement that documents be executed in a written form, as well as any other supplementary agreements are only valid if confirmed in writing.
- 2.3 Supplier shall be obliged to accept and confirm the order in writing within five working days. PEX shall have the right to cancel any order until full written confirmation is provided. If no feedback is received within five working days, PEX shall be entitled to consider the order fully accepted and confirmed.
- 2.4 In the case of repeated orders or delivery schedules, these orders/delivery requests shall entitle Supplier only to produce the quantity stipulated for the first 4 (four) weeks (production cycle) and only to order the material required for the next four (4) weeks (material drawdown). If orders / delivery requests do not change, the production cycle period shall be extended based on the last order / delivery request. Material drawdown in addition to that may only be made exclusively with the prior written approval of the competent PEX unit.
- 2.5 Unless otherwise specified by PEX, any and all shipments shall be delivered in accordance with the specifications, in the usual commercial quality, in compliance with applicable standards and/or legislation, and supplied with the agreed test certificates.
- 2.6 PEX may, to the extent expected, request Supplier to modify the design and construction of the subject of the delivery. The effects of this, in particular with respect to any additional or reduced costs and delivery deadlines, shall be regulated in an appropriate manner by common accord.

3. Prices and Terms of Payment

- 3.1 The price indicated in the order is binding. Unless otherwise agreed in writing, the price shall be based on the 2010 Incoterms DDP parity and include the cost of packaging and insurance as well. Otherwise, the agreement concluded between PEX and Supplier shall be followed.
- 3.2 PEX shall pay the purchase within 30 days of receipt of the invoice issued following the complete and timely performance, with a 3% discount deducted from the gross amount according to the invoice, or within 90 days in full.
- 3.3 Should Supplier reduce its prices before the delivery deadline, the price reduction shall be applied to PEX as well, and Supplier shall issue its invoice accordingly.
- 3.4 In the event of a faulty and/or incomplete delivery, PEX shall have the right to withhold payment for the volume

concerned until it has been completed.

- 3.5 Without the prior written consent of PEX, Supplier shall not be entitled to assign its claims or recover them with the involvement of third parties.

4. Delivery Deadlines and Late delivery

- 4.1 The delivery dates and deadlines specified in the order are binding. They shall start with the date of the order. Irrespective of parity, the delivery shall be deemed to have taken place upon full arrival of the goods at the place of destination, or in the case of the service proof of completion.
- 4.2 Supplier shall immediately inform PEX in writing if a circumstance occurs or Supplier becomes aware of a circumstance indicating that the agreed delivery deadline cannot be met.
- 4.3 Occurrence of an elemental disaster, a labour dispute, forced downtime, a riot, government action and/or other unavoidable events shall entitle PEX to withdraw from the contract, in whole or in part, without prejudice to its other rights, if the events in question persist.
- 4.4 PEX is not obliged to take over the shipment before the delivery deadline. In such a case, it reserves the right to return the delivered goods at the expense of Supplier. If the shipment received before the delivery deadline is not returned by PEX, the delivered goods - regardless of parity - will be stored at the Supplier's risk and expense until the agreed delivery deadline. Payment shall be made by PEX in accordance with Section 3.2.
- 4.5 Acceptance of a delayed delivery or service shall not constitute a waiver of a claim for compensation for a delayed delivery or service; the claim in question shall continue until the debt which is due to PEX for the supply or service in question has been paid in full.
- 4.6 Partial deliveries are not permitted unless expressly agreed in writing in advance by PEX.
- 4.7 Quantities, weights, dimensions and other parameters shall be determined by PEX upon receipt of the goods. PEX will only accept ordered quantities and items. Deliveries other than the order are only permitted with prior written agreement.

5. Packaging, Marking the Goods, Transportation and Proof of Origin

- 5.1 The goods to be transported must be packed in accordance with commercial practice and in a professional manner. In case of an agreement, the packaging required or provided by PEX shall be used. Supplier shall be liable for any and all damage caused by improper packaging (general or PEX specific).
- 5.2 Supplier shall not be entitled to change the customs origin of the subject of delivery declared during the selection of supplier. Supplier shall declare in writing the customs origin of the subject of the shipment. (Long-term supplier's declaration) The declaration must be sent to PEX together with the first delivery at the latest.
- 5.3 Supplier shall immediately, without notice, inform PEX of the origin of the delivered goods or a change of the origin. Supplier shall be liable for any and all disadvantages resulting from the improper or late submission of the supplier's declaration. If necessary, Supplier shall, at its own expense, certify the information on the origin of the goods with an information sheet certified by the competent customs authority.
- 5.4 Supplier is obliged to mark the delivered goods in accordance with the requirements set by PEX and the relevant regulations.
- 5.5 Goods bearing the PEX trademark or the intellectual property of PEX or of a PEX business partner, or which are in PEX packaging, may only be delivered by



- Supplier to PEX or to a third party specified by PEX or to an authorized partner of PEX.
- 5.6 In the event of a breach of any of the above obligations, PEX shall have the right to withdraw from the contract and to demand the transfer of the pecuniary advantage obtained by the breach or to compensate PEX for the damage caused.
- 6. Quality and Documentation**
- 6.1 The goods delivered by Supplier must comply with the current state of science and technology, with the safety regulations and the requirements set out in the specification. Any and all changes to the goods delivered by Supplier require the prior written consent of PEX.
- 6.2 In connection with the first sample test, PEX expects to comply with the requirements set out in Volume 2 of the VDA Manual and the requirements of the current Automotive Quality Management System Standard (IATF). Supplier shall be obliged to constantly check the quality of the delivered goods. The Contracting Parties shall inform each other of the possibilities for improving quality.
- 6.3 The Quality Assurance Agreement (QSV/QAA) and the current Delivery and Packaging Regulations of PEX Automotive Systems Kft shall apply to all orders. If the Delivery and Packaging Regulations and the QSV are not yet known, Supplier shall be obliged to obtain these documents from the relevant contact person or from the website www.pex.de.
- 7. Quality Control and Warranty**
- 7.1 PEX is not obliged to inspect the goods upon receipt. The inspection carried out in the normal course of business upon receipt of the goods shall primarily be intended to establish the punctuality of the delivery, the correspondence in quantity and content and the absence of visible damage. Nevertheless, PEX reserves the right to inspect the quality of the goods, either by sampling or in 100%. If it detects a fault or any other defect upon receipt, in its own processes, in the form of feedback from its customers, PEX will immediately notify Supplier. Notification within two months of the discovery of the defect shall be considered as immediate.
- 7.2 PEX makes full use of the warranty claims provided by law. Notwithstanding this right, PEX reserves the right, in its sole discretion, to require Supplier to repair the defects or replace the goods. The costs of such repair or replacement shall be borne by Supplier. PEX reserves the right to claim damages.
- 7.3 If upon PEX's request Supplier fails to commence the repair work immediately, in particular in order to prevent imminent danger or more serious damage, PEX shall be entitled to carry out the repair work, sorting or other necessary activities at the Supplier's expense or with the involvement of a third party.
- 7.4 The warranty period is 24 months, or the applicable period specified by law which shall start from the date of performance.
- 7.5 Supplier shall warrant and assure that the delivery and use of the delivered goods will not infringe the patents, licenses and other industrial property rights of third parties.
- 7.6 Supplier shall bear any and all costs arising from defective delivery of the goods under the contract, in particular the costs of transport, travel, labour, materials, incoming goods and those of inspection in excess of normal. PEX shall be entitled to carry out sampling checks and return the goods if they do not meet the acceptable quality standards, regardless of any claims. Any returned defective goods must be made unusable by Supplier at its own expense. PEX shall also be entitled to carry out a 100% inspection at the expense and risk of Supplier and to claim compensation for defective goods.
- 7.7 If, as a result of a defect in the goods provided by Supplier under the contract, PEX recalls any product manufactured and/or sold by it, or is forced to reduce its sales prices, or any other claim emerges in respect of it, PEX reserves the right of recourse against Supplier.
- 7.8 PEX shall be entitled to claim from Supplier any costs incurred after the performance due to a claim for damages from PEX's customers, in particular the costs of transport, travel, labour, materials, incoming goods and/or sorting.
- 7.9 Notwithstanding the provisions of Section 7.4, in the cases of Sections 7.7 and 7.8, the status of limitation shall expire at the earliest when the claim of PEX's customers towards PEX expires, unless the applicable statutory minimum warranty period is longer than that.
- 8. Product Liability and Exclusion of Liability**
- 8.1 If a claim arises against PEX due to a product defect attributable to Supplier's goods for violation of state safety regulations or a domestic or foreign product liability ordinance or law, PEX shall be entitled to claim compensation from Supplier if such damage was caused by the products it supplied. Compensation shall also include the cost of the necessary recall. If the defect occurs in a part supplied by Supplier, it shall be presumed that the defect occurred only within the responsibility of Supplier.
- 8.2 Supplier shall undertake to take out extended liability insurance that includes product liability.
- 8.3 Product liability shall be valid in accordance with Directive 85/374/EEC of 12.19.1989 and Act X of 1993 on product liability.
- 9. Retention of Ownership**
- 9.1 If PEX makes any components available to Supplier, it retains the ownership to these components. These components may only be used for their intended purpose. Supplier may carry out any processing or conversion only on behalf of PEX. In the event of processing or mixing of the goods subject to retention of ownership with other materials that are not in PEX's possession, PEX reserves the right to retain the ownership of the new goods.
- 10. Withdrawal from the Contract and Termination of the Contract**
- 10.1 In addition to the options provided by law, PEX reserves the right to withdraw from the Agreement or terminate it with immediate effect if:
- Supplier does not deliver to its customers,
 - Supplier breaches any of its obligations under the Supply Contract and fails to remedy the violation within a reasonable time, which shall not exceed 15 days from the notification of the breach of duty;
 - Supplier's financial situation is fundamentally weakened or if there is a threat for this to occur and as a result the fulfilment of the obligation to deliver to PEX is jeopardized;
 - Supplier is considered insolvent or over-indebted;
 - Supplier fails to meet its payment obligations.
- 10.2 PEX has the right to withdraw from the Contract or to terminate it if Supplier initiates bankruptcy, insolvency or similar debt settlement proceedings or becomes subject to liquidation proceedings.
- 10.3 If PEX exercises its right of withdrawal or termination, Supplier shall indemnify PEX for any and all loss or damage incurred as a result, except if the withdrawal or termination is not due to the liability of Supplier.
- 10.4 The provisions of Clause 10 are without prejudice to the statutory rights and claims.
- 11. Documents and Confidentiality**
- 11.1 Any and all business or technical information (including



- also any data extracted from transferred items, documents or software) provided by PEX must be kept strictly confidential vis-à-vis third parties if the information in question is demonstrably unknown to the public, and the information in question may be disclosed at Supplier's premises only to persons to whom it is necessary to disclose for the purpose of delivery to PEX. The persons in question shall also be bound by professional secrecy. The information in question is the exclusive property of PEX or its partners. In the absence of a prior written consent, such information or products manufactured or characterized by such information, means of production, brands and appearance may not be copied or used in a value-added manner and may not be subsequently disclosed to third parties except for the purpose of delivery to PEX. At the request of PEX, all such information (including any copies and recordings to be made) and borrowed items shall be returned or destroyed without delay. PEX reserves all rights vis-à-vis such information (including copyrights and industrial property rights such as patents, usage patterns, etc.). This reservation of rights shall apply to the benefit of third parties where such information has been provided by third parties.
- 11.2 Products manufactured in accordance with the documents provided by PEX or those manufactured with PEX's devices or reverse engineering devices may not be used by Supplier itself and may not be transferred or delivered to third parties.
- 11.3 Subcontractors selected or employed by Supplier shall have the same level of obligations with respect to documents and confidentiality as Supplier.
- 11.4 Supplier may only disclose its business relationship with PEX with the prior written consent of PEX.
- 12. Safety and Environmental Protection**
- 12.1 Deliveries, equipment, machinery, components and services must comply with the relevant legal and other requirements, in particular those related to labour, fire and environmental protection and safety regulations, including, among others:
- the regulations on hazardous substances (Regulation (EC) No 1907/2006 (REACH), Regulation (EC) No 1272/2008 (CLP), relevant Hungarian legislation),
 - waste management requirements for electrical and electronic equipment (Directive 2012/19/EU (WEEE) Directive 2011/65/EU (RoHS) and relevant Hungarian legislation),
 - EU regulations and related standards containing obligations for conformity assessment and declaration of conformity for certain products (e.g., electrical and electronic equipment, machinery, personal protective equipment)
 - waste management related and safety recommendations of the competent bodies or professional associations.
- Any relevant certificates, test certificates, technical documentation and certificates shall be handed over with the shipment free of charge.
- 12.2 Suppliers are required to become acquainted with and comply with the current status of directives and laws on restrictions on substances relevant for their own components. They are obliged to avoid the use of prohibited substances. They must specify the avoidable and hazardous substances in the specifications in accordance with applicable laws and guidelines. The safety data sheet for hazardous substances must be handed over in Hungarian with the offer and with the delivery note at the time of the first delivery, and the registration and proper labelling of hazardous substances must be ensured as well. Any information related to exceeding material restrictions and transporting prohibited substances must be provided to us immediately.
- 12.3 During the performance of deliveries and services, Supplier shall be solely responsible for the compliance with and enforcement of the occupational safety regulations.
- 13. Export Control**
- 13.1 In its offers, order confirmations, invoices and other business-related documents, Supplier must inform PEX of the applicable export authorisation requirements contained in the export control and customs procedures legislation and must designate a contact person within its organisation to provide additional information upon request.
- 14. Place of Performance and Stipulation of Jurisdiction**
- 14.1 Unless otherwise stipulated in the Contract, the place of performance shall be the place to which the goods are to be delivered under the Contract.
- 14.2 In the event of a dispute directly or indirectly affecting the contractual relationship which is based on these Terms and Conditions of Purchase, depending on the value limit, the Buda District Court or the Budapest Environs Regional Court shall have jurisdiction to act. PEX shall have the right to initiate legal proceedings against Supplier in the court which has jurisdiction over Supplier's registered office or branch or the place of performance.
- 15. General Provisions**
- 15.1 In the event of a dispute, the Hungarian language version of these General Terms and Conditions of Purchase shall prevail.
- 15.2 In the event of a dispute arising out of these General Terms and Conditions of Purchase or the contractual relationship with PEX, Hungarian law shall prevail, with the complete exclusion of the United Nations Convention on Contracts for the International Sale of Goods and the conflict rules.
- 15.3 Any possible loophole, or invalidity or becoming invalid of any provision of these General Terms and Conditions of Purchase and of any additional agreements entered into shall not otherwise affect the validity of the Terms and Conditions. The Parties are obliged to agree on a provision that is closest in its economic intent to the invalid provision, and to replace the invalid provision with that provision.