

## General Terms and Conditions of Purchase

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 **VIDEOTON Battery Technologies Kft.** (registered seat: 7400 Kaposvár, Izzó utca 3.; company registration number: 14-09-307673; tax number: 13661722-2-14; hereinafter referred to as: VTBT). Any orders issued by VTBT and any contracts and other agreements concluded by VTBT shall only be valid and effective together with these General Terms and Conditions of Purchase.

VTBT expressly sets forth that any general terms and conditions of the Supplier shall not be valid in respect of VTBT, furthermore the acceptance by VTBT 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 and effective in writing, with the official company signature of both parties.

By confirming the Order, the Supplier expressly acknowledges and accepts the ever actual version of the General Terms and Conditions of Purchase of VTBT.

### 1. ORDERS

- 1.1. For individual and continuous orders, the 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 VTBT. The Supplier shall supply/provide to VTBT the quantity and type of Products/Services specified in the Order for the price specifically determined therein, with the degree of expertise and care that can be expected of it, by the time, for the period, at the place/parity 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 order form applicable to continuous orders includes the price, the type, the quantity of Product/Service as well as the agreed parity, while the call-offs include the quantity for the fixed period and a forecast for the period after. VTBT shall issue an individual order form in case of a new request according to the agreement of the parties, unless price changes occur.
- 1.2. The Supplier may accept the Order and any amendments thereto by returning a signed copy of the Order within 2 working days of receipt thereof or any longer time frame set by VTBT. The Supplier shall be deemed to have accepted the Offer if it does not confirm the Order within 3 working days of receipt thereof or if it performs any of its obligations specified in the Order.
- 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 VTBT. Any modification of any contractual term shall solely be made by the parties in writing.
- 1.4. VTBT issues Orders to the Supplier in each case in accordance with the ever actual delivery lead time prevailing for that Product. The Supplier shall notify VTBT in writing *in advance* of

any change in the delivery lead time of a certain Product. The Supplier is liable for all damages caused to VTBT from the Supplier's failure to comply with this obligation.

- 1.5. VTBT reserves the right to withdraw from the Order without liability in case the Supplier does not confirm VTBT' Order entirely with identical content within 5 days from the receipt of such confirmation.

## **2. PERFORMANCE**

- 2.1. The supply of Products/Services shall be performed at 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. The deadline provided in the Order is a so-called strict (fixed) deadline for performance, that is, supply of the Products/Services included therein can and shall only be performed within the deadline and in the quantity specified therein.
- 2.2. In the absence of a prior written agreement to the contrary, VTBT 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.) VTBT 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 withdraw from or terminate the Order) even in the event that the Supplier originally confirmed the Order as non-cancellable.
- 2.4. The signature of any delivery document by or on behalf of VTBT shall not be deemed to constitute qualitative and/or quantitative acceptance of the Products. 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 VTBT of the reason or reasons for the delay in writing. Such notification shall not release the Supplier from performance of its obligations arising for missing the delivery or performance deadline.

## **3. DELIVERY OF PRODUCTS**

- 3.1. Unless provided otherwise in the Order, Supplier shall deliver the Products under Incoterms 2020 "DDP" shipping terms to the delivery destination 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 VTBT 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. The costs of such packaging and protection shall be borne by the Supplier or its agent. The Supplier shall furnish the Product with packaging in accordance with the request of VTBT. Each package shall include the VTBT order number and the instructions for use (in case VTBT requests those), as well as an easily accessible consignment note and invoice copy which detail the contents of the package and comply with the applicable import/export regulations. If the 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 otherwise 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 VTBT, which it fully and completely transfers to VTBT 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 VTBT' buyer, or the acceptance of such certifications/certificates by VTBT 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 a period defined in accordance with auto industry standards (as a general rule for 11 years and in special cases for 15 years, the latter shall be communicated to the Supplier by VTBT) and the copies thereof are to be provided to VTBT 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 VTBT and any of its contractual partners. In view of the documentation certifying the quality of the Products/Services, VTBT is expressly not required to inspect quality during delivery/acceptance; lack of inspection shall in no way prejudice the contractual and statutory rights of VTBT.
- 4.3. Without prejudice to the provisions of clause 4.2, VTBT 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 VTBT.
- 4.4. If any of the Products/Services do not comply with the requirements of the Order, after notice to Supplier, VTBT 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, 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.
- 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 documentations 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 VTBT exercises its right of withdrawal or termination with immediate effect pursuant to clauses 12.1.1 and 12.2.1, VTBT 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 VTBT. The Supplier shall furthermore hold VTBT 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 VTBT from all damages, 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 upstream from VTBT in the supply chain. The Supplier shall certify the existence of the insurance(s) at VTBT' 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 VTBT, then, at VTBT' 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 VTBT during the negotiations or in the legal action and shall do everything to obtain VTBT' release from the procedure. If this is not achieved or the Supplier fails to meet its above obligations, then the Supplier shall reimburse to VTBT the amount enforced against VTBT (including any amount payable based on an out-of-court settlement), as well as all proven damages and costs arising either directly or indirectly at VTBT in connection with the negotiations or the lawsuit, including the attorney's fees, within 8 days of receipt of VTBT' 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 VTBT 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 VTBT, at VTBT' request the Supplier shall be required to promptly repay such an amount to VTBT.

The prices include all of the Supplier's expenses arising in connection with the performance of the Order.

- 6.2. The invoice shall only be issued if the Supplier has delivered/performed all of the Products/Services in accordance with the Order and VTBT has received them.

- 6.3. The invoice shall fully comply with the applicable laws, as well as the agreement between the parties in each case; and VTBT shall only accept and pay invoices that fully comply with the above. VTBT has the right to return to Supplier any deficient or irregular invoices and VTBT 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 VTBT has the right to enforce its proven damages 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 VTBT' 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 VTBT within 8 days of receipt of notice thereof.

- 6.5. The Supplier shall indicate on the invoice the number of VTBT' Order and the VTBT item number. The invoice 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 VTBT' 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 VTBT' disadvantage, depending on the circumstances of the case, VTBT 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 VTBT and any payment shall take place with the reservation of all of VTBT' rights that are related to the Supplier's deficient performance (including, without limitation, any obvious defects of the Product/Service not known to VTBT) 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, bankruptcy or other similar proceedings are pending against the Supplier;
  - (b) it shall notify VTBT 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 VTBT 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 VTBT 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 VTBT 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 VTBT 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 as specified in the Order).
- 7.3. The warranty obligations specified in clauses 5, 7.1 and 7.2 shall survive notwithstanding any inspection by VTBT or the absence thereof, as well as the acceptance and use of the Product/Service and any signature by or in the name of VTBT on any delivery or 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 Supplier's



warranty obligations pursuant to this agreement shall be (i) 36 months from the first registration of the vehicle containing the Product/Services or 300.000 kilometers, whichever is sooner or (ii) in case of non-automotive Products/Services 30 months from the date of delivery of the Product/Service to VTBT.

- 7.4. The Supplier shall promptly after the receipt of VTBT' written notice, at its own expense
  - (a) 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
  - (b) at VTBT' discretion replace the Product/Service.
- 7.5. If the Supplier fails to start repair or replacement of the defective or inappropriate Product/Service within 3 working days of VTBT' notice or in the event that protection of human health and/or property so demands, VTBT has the right, without prior notice to Supplier, to perform the repair or replacement or have it performed by a third party, in relation to which, at VTBT' request, the Supplier shall immediately reimburse all of VTBT' 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 VTBT 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 VTBT or that are required by law.

## **8. SUPPLIER'S WORKERS AND WORK PERFORMED ON VTBT' 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 VTBT has the right to issue instructions to them until and when they work on VTBT' premises.
- 8.2. During the performance of the Order, the Supplier shall employ workers who have the required qualifications and professional competence and who meet the requirements of expected behavior, 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 VTBT to the Supplier in writing. The Supplier has direct and unlimited liability toward VTBT 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 Hungarian Civil Code, indemnify all of VTBT's damages and costs 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 VTBT' request.

## **9. VTBT 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 VTBT or its agent on its behalf for use by the Supplier, including the case where VTBT or its agent pays for these separately (hereinafter all of this together shall be referred to as "VTBT Property") shall be and remain VTBT' Property.
- 9.2. VTBT Property, and where appropriate each individual piece thereof shall be clearly

designated as “the property of VIDEOTON Battery Technologies Kft.”. The Supplier shall be responsible to maintain VTBT 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 VTBT Property, nor shall it use VTBT Property for any purpose other than fulfillment of the Order.
- 9.4. The Supplier is responsible for VTBT 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 VTBT 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 VTBT Property, save for normal wear and tear.
- 9.5. VTBT reserves the right to take possession of its Property at any time. To this end the Supplier warrants that and grants permission to VTBT 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 VTBT Property, nor shall VTBT Property serve as collateral, be encumbered or alienated or given for use to a third party. Supplier shall promptly notify VTBT in writing if VTBT Property has been seized or if any third party action takes place in respect of VTBT Property. Supplier shall be liable toward VTBT for any damage arising from the breach of and/or failure to meet the above obligations.

## **10. CONFIDENTIAL 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 VTBT in relation to the Order or which the Supplier has created for VTBT. The Supplier shall not disclose such information either directly or indirectly, nor shall it use them without first obtaining VTBT’ 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 VTBT. The information shall remain the property of VTBT and is to be returned to VTBT upon request, free of charge.
- 10.3. In order to ensure that its workers treat VTBT information and proprietary interests confidential, the Supplier agrees to familiarise all of its employees and agents assigned to VTBT with the agreement on confidentiality concluded with VTBT, 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 VTBT, the Supplier shall not advertise, publish or announce the fact for any reason and in any manner that it has obtained the Order from VTBT, nor shall it publish any information on the Order, nor shall it use or permit the use of VTBT’ or its partner’s name in corporate or other presentations, advertisements or other publications and announcements.
- 10.5. Supplier shall be liable toward VTBT for any damage arising from the breach of and/or failure to comply with the above obligations, including the breach and /or failure of its employees and agents as well.

## 11. INTELLECTUAL PROPERTY

- 11.1. At VTBT' request, the Supplier shall at its own expense avert all claims, lawsuits or proceedings commenced against VTBT and/or any of its buyers (or which VTBT 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 proceeding, the Supplier shall bear and be responsible for all proven damage, cost and expense in respect of such lawsuits or proceedings, or which otherwise incur at VTBT 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 VTBT and/or any of its contractual partners/consumers
- (a) obtain the right to enable VTBT to continue using the Asset/performing the Activity, or
  - (b) replace it with another that is suitable for VTBT and does not constitute an infringement or its use is not restricted, or
  - (c) remove the Asset or discontinue the Activity and reimburse to VTBT the full purchase price of the Asset/Activity, as well as its proven costs that arose in this respect.
- 11.3. Supplier represents and warrants that
- (a) it shall communicate with VTBT 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 VTBT and shall be deemed to have been prepared by Supplier for or on behalf of VTBT 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 VTBT shall remain the property of VTBT and immediately revert to VTBT 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 VTBT' premises without VTBT' express prior written consent.
  - (d) during the term of the Order and thereafter (fully at VTBT' expense) it shall assist VTBT in every way to ensure that VTBT obtains patents, copyright or other intellectual property rights and/or commercial trade secret protection 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 copyright or any other rights related to intellectual property, as requested by VTBT.
  - (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 VTBT at all times. Upon request, Supplier shall provide such records to



VTBT.

11.4. The Supplier warrants that it is not the owner of any copyright or any secret, nor is it the inventor or owner of any patent or the owner of any application for a patent or invention that would hinder or restrict VTBT' 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. WITHDRAWAL**

12.1.1. VTBT is entitled to exercise its right of withdrawal 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 2.1 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 VTBT' customer, or
- (e) it is allowed by law.

12.1.2. In the case of withdrawal exercised by VTBT, without prejudice to any other right or remedy VTBT may have by law or otherwise, VTBT 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 return 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 VTBT' 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 withdrawal for a reason attributable to the Supplier, the amount of proven damage arising from the later realisation 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 VTBT all of VTBT' 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. VTBT 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 to the above:

- (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 VTBT; or
- (b) if a deadline is missed, without setting a grace period, based on VTBT' own discretion; or
- (c) if any of the events mentioned in clause 13 occurs, also without setting a deadline/grace period

VTBT 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 call for 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 VTBT 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 VTBT and which is exclusively in respect of finished Products and fully performed Services,
  - (b) in respect of finished Products and rendered Services that are in accordance with the requirements of the Order, but have not been delivered/performed yet to VTBT, the difference between the purchase price stipulated in the Order and the lower sales price for which Supplier sold such Products/Services to a third party.
  - (c) The Supplier's actual, direct and proven costs 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 VTBT arising from the Order exceed those that VTBT 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 VTBT all of VTBT' 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 WITHDRAWAL AND TERMINATION**

- 12.3.1. Termination of the Order or withdrawal, if it takes place in accordance with clauses 12.1 and 12.2 shall not prejudice VTBT' right or possibilities for enforcement of claims that are open based on the Order or under law or are otherwise available to VTBT prior to or upon the termination/withdrawal.
- 12.3.2. In the case of termination/withdrawal, at VTBT' request the Supplier shall immediately send the following to VTBT:
- (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 and 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/withdrawal, VTBT shall not be responsible for either of the following:
- (a) any performance by Supplier after the date of the termination/withdrawal,
  - (b) any costs or expenses 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 the performance of the Order or earlier, or the costs of other commitments made by the Supplier similar hereto,
  - (d) the Supplier's loss of profit.

### **13. INSOLVENCY**

If any of the following events occur in accordance with the law applicable to the Supplier or under Hungarian law, VTBT 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, or Supplier has initiated any of them voluntarily,
- (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, so that the Parties accept as written form any letter with return receipt, fax message with send/receive confirmation sent to the official contacts of the other Party, or notices sent in electronic form by e-mail from the e-mail address of the contact person, provided that receipt at the e-mail address of the other contact person is confirmed or that a response is sent.

### **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 VTBT 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 VTBT has granted its express advance written consent thereto.

15.2. VTBT reserves the right to assign or transfer any of its rights or obligations upon notice sent to Supplier.

### **16. LEGAL COMPLIANCE, BUSINESS CONDUCT**

16.1 Supplier agrees and warrants that when fulfilling its obligations under these General Terms and Conditions of Purchase (including Contractual Terms) 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 VTBT 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 VTBT 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 VTBT 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 Directive 2011/65/EU (RoHS Directive), except for the case where VTBT has granted its express written consent thereto.
- 16.3 The Supplier allows VTBT 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 (i) the quality and warranty obligations included in the Order and (ii) the specifications provided by VTBT or its customer.

## **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 VTBT 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 arbitration shall be Budapest, the number of arbitrators shall be three and the language of the arbitration shall be 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 with regard to the settlement of any disputes between the parties, 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**

VTBT 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. VTBT 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, drawdowns and other conditions between the parties that are related to the delivery of goods or provision of services to VTBT. 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.

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## **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. VTBT 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 VTBT 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.