

## **General Terms and Conditions of Delivery and Payment for the Supply of Parts and Systems**

**(As at September 2019)**

All deliveries and services of the VNT Automotive Group (VNT Tool GmbH and VNT Metal Hungary Kft. and/or other group companies) shall be carried out exclusively under the conditions listed below.

All rights and obligations arising from the contracts with our contractual partners as well as from the following Terms and Conditions shall apply equally for both aforementioned companies as follows:

### **1. Conclusion of contract**

1.1. Our offers shall be non-binding. Supply contracts, call-offs and other agreements and also changes and supplements to these shall become valid only by means of our written confirmation. Deviating terms and conditions of purchase of the Customer are hereby rejected. They shall not be accepted even in the case of deliveries or other actions on our part.

### **2. Prices, payment terms**

2.1. Our prices shall apply ex works plus packaging and value added tax at the respective statutory rate.

2.2. Unless expressly agreed otherwise, our invoices shall be payable immediately upon receipt and immediately upon delivery or partial delivery and without deduction.

2.3. The Customer is not entitled to withhold or set off payments unless the counter-claims are undisputed and have been legally established.

2.4. Default in payment or risk to our claims through deterioration of the creditworthiness of the Customer shall entitle us to demand the immediate payment of all our claims—irrespective of the term of any bills of exchange—or to demand securities. In such cases we are further entitled to carry out any outstanding deliveries only against pre-payment or provision of securities. Deemed as proof of a risk to our claim due to a deterioration in the creditworthiness of the Customer, shall be in particular information provided in accordance with the due care of a prudent businessman by a bank, credit agency or a company in business relationship with the Customer.

### **3. Delivery time/Delay in delivery**

3.1. Delivery periods shall not begin until all details of the execution have been clarified and all other conditions to be fulfilled by the Customer have been fulfilled. Compliance with the delivery period shall be subject to correct and punctual self-delivery. Deliveries prior to the expiry of the delivery period and partial deliveries are permissible.

3.2. If in the case of delivery contracts call-offs are not called in time, the Supplier shall be entitled, after setting a grace period to no avail, to categorise the goods and deliver them itself or to withdraw from the part of the delivery contract not yet fulfilled.

3.3. If the Supplier is in default, the Customer may withdraw from the contract after the expiry of a reasonable grace period set for it in writing. The Customer's right of withdrawal shall extend only to that part of the contract which has not yet been fulfilled. The Customer shall only be entitled to withdraw from the entire contract if it cannot use the partial delivery.

3.4. We shall reimburse damages caused by default in accordance with the following provisions: In the event of slight negligence, the damage shall be limited to additional freight costs and retrofitting costs, after the fruitless setting of a grace period or in the event of loss of interest in the delivery, to the additional expenses for covering purchases. The amount of damages shall be appropriately determined in our favour in good faith on the basis of the economic circumstances of the Supplier, the nature, scope and duration of the business relationship and, if applicable, the value of the Supplier part.

3.5 Events of force majeure, which also include strikes, lockouts or unforeseen (including internal) circumstances which make delivery impossible despite reasonable efforts shall entitle us to postpone delivery for the duration of the hindrance and a reasonable start-up period or to withdraw from the contract in whole or in part for the part not yet fulfilled. This shall also apply if the aforementioned hindrances occur during a delay or at a subcontractor's. In the event of considerable delays, the Customer may request us to declare within two (2) weeks whether we wish to withdraw from the contract or deliver within a reasonable period of grace. If we do not make such a declaration, the Customer may withdraw from the unfulfilled part of the contract.

### **4. Shipping and risk transfer**

4.1. Delivery shall always be ex works. Goods notified as ready for dispatch must be accepted immediately; we shall otherwise be entitled to dispatch or store them at our discretion at the expense and risk of the Customer. If placed into storage the goods shall be deemed to have been delivered.

4.2. The risk shall pass to the Customer when the goods are handed over to the railway, the forwarding agent or the carrier, namely even if we have accepted delivery.

### **5. Retention of title**

5.1. All delivered goods shall remain our property until all claims have been satisfied, in particular also the respective balance claims to which we are entitled, irrespective of the legal reason.

This shall also apply if payments are made towards a specially designated claim. In the event of default in payment or if facts become known which give rise to justified doubts as to the creditworthiness of the Customer, the Customer hereby authorises us to enter its premises and collect the delivered goods. Taking back the goods shall only constitute withdrawal from the contract if we expressly declare this in writing. In such cases we shall also be entitled to prohibit the processing or treatment as well as the sale of the reserved goods.

5.2. The Customer is obliged to adequately insure the delivery item against damage at its own expense. By placing an order, the Customer assigns to the Supplier as security any claims to insurance benefits in the amount of the order price. It undertakes to notify the insurer of this and to inform the Supplier thereof. The reassignment shall be deemed tacitly agreed upon complete payment and fulfilment of the other claims arising from the order.

5.3. In the case of processing and treatment of the reserved goods, the provisions of § 5:65 Ptk. (Hungarian Civil Code) shall apply, and if the reserved goods are mixed with other goods, the provisions of § 5:66 Ptk shall apply with the following changes as follows:

5.4. The Customer may sell the reserved goods only in the ordinary course of business and only as long as it is not in default, provided that the claims from the resale are transferred to us in accordance with Sections 5.3 and 5.5. It is not entitled to dispose of the reserved goods in any other way. The Customer shall immediately notify the Supplier of any seizure, confiscation or other endangerment of property by third parties by sending copies of the relevant documents (e.g. seizure report).

5.5. The Customer's claims arising from the resale of the reserved goods are hereby assigned to us. To the same extent, they shall serve to secure the reserved goods.

5.6. If the reserved goods are sold by the Customer together with other goods not supplied by us, the assignment of the claim shall only apply to the amount of our invoice value of the reserved goods sold in each case. In the event of sale of goods in which we have co-ownership shares according to Section 5.1, the assignment of the claim shall apply in the amount of the co-ownership shares.

5.7. The Customer is entitled to collect claims from sales according to Sections 5.3. and 5.4. until revocation by us. We only have the right of revocation if the Customer has not complied with the terms of payment or if facts become known which give rise to justified doubts about the creditworthiness of the Customer. The Customer is not entitled to assign the claims under any circumstances. At our request, it shall be obliged to inform its Customers immediately of the assignment to us and to provide us with the information and documents required for the collection of the claim.

5.8. If the value of the existing securities exceeds the secured claims by more than 10% in total, we shall be obliged to release securities according to our choice.

5.9. The retention of title shall not affect the provisions governing the passing of risk according to Section 4.

5.10. If the law in the jurisdiction of which the delivery item is located does not permit retention of

title, but permits retention of similar rights to the delivery item, these similar rights are deemed agreed between the Customer and the Supplier. The Customer is obliged to cooperate in measures which the Supplier wishes to take to protect its property or similar security interests in the delivery item. The Customer may be ordered to do this and to comply with the obligations set forth in this section without further reminder by way of interim injunction or corresponding court measures.

## **6. Claims for defects**

6.1. The statutory provisions on material defects and defects of title shall apply, unless otherwise regulated below. The time of transfer of risk shall be decisive for the status of contract compliance. In the case of production according to the Customer's drawing, we shall only be liable for the execution in accordance with the drawing, but not for the function. We shall only assume guarantees if these have been expressly given in writing by our legal representative body and have been designated as such. The warranty period shall be twelve (12) months from transfer of risk.

6.2. The Customer is obliged to inspect the goods within five (5) working days and to notify of quantitative or qualitative defects immediately in writing.

6.3. We shall be given the opportunity to determine the defects notified. In the event of a justified notification of defects in due time, we shall, at our discretion, repair or replace the defective goods. If we do not fulfil our warranty obligations or do not fulfil them in accordance with the contract, the Customer may demand a reduction in the price of the defective item after the expiry of a reasonable period of grace. Except for the claims in Section 9, further claims are excluded. Claims of the Customer for expenses incurred for the purpose of subsequent performance, in particular transport, travel, labour and material costs, shall be excluded to the extent that such expenses increase because the delivery item has subsequently been taken to a location other than that contractually agreed.

6.4. Insofar as the parts supplied by us are supplied directly or indirectly unchanged to consumers by the Customer, the statutory provisions shall apply instead of Sections 6.1. and 6.3. Even in such cases, however, we shall only be liable for claims for damages in accordance with Clause 9.

## **7. Order-specific production equipment**

7.1. Order-specific production equipment such as models, templates, tools, fixtures etc. provided by the Customer shall be sent to us free of charge. Only on the basis of an express agreement shall we check the conformity of the production equipment provided by the Customer with the contractual specifications or the drawings or samples provided to us. We may modify production equipment provided by the Customer if this appears necessary to us for technical reasons and the work piece is not modified thereby.

7.2. The costs for the modification, maintenance and replacement of its production equipment shall be borne by the Customer.

7.3. The production facilities shall be treated and kept by us with the care which we apply to our own affairs. We are not obliged to take out insurance. We can return the Customer's production equipment that we no longer require at the Customer's expense and risk or, if the Customer does not

comply with our request for collection within a reasonable period, destroy this.

7.4. Order-specific production equipment manufactured or procured by us on behalf of the Customer shall remain our property even if the Customer assumes all or part of the costs. It shall be kept by us for a period of three (3) years after completion of series production.

7.5. In the event of rejects resulting from the use of production equipment that can only be used once, the Customer shall either provide new production equipment or bear the costs of the replacement equipment.

7.6. Parts to be installed by us must be delivered by the Customer in a dimensionally accurate and perfect condition. For parts which become unusable due to rejects, the Customer shall supply a replacement free of charge.

## **8. Copyright protection**

Documents and drawings made available to the Customer as well as constructive services and proposals for the design and manufacture of the parts provided by us may only be used by the Customer for the intended purpose and may not be made accessible to third parties or the subject of publications without our consent. Drawings and other documents belonging to quotations must be returned to the Supplier immediately upon request if the order is not placed or is terminated.

## **9. Damages, liability**

9.1. The Customer shall bear the responsibility in relation to the intended use, the responsibility for the proper design in compliance with any safety regulations, selection of the material and necessary test procedures, accuracy and completeness of the delivery specifications and the documents and drawings handed over, as well as for the performance of the equipment and parts provided, even if changes are proposed by us and approved by the Customer. Furthermore, the Customer is responsible for ensuring no industrial property rights or other rights of third parties are infringed by its information.

9.2. If a third party makes a claim against us for compensation for damages, the cause of which lies within the sphere of responsibility of the Customer, the Customer shall indemnify us against such claims.

9.3. We shall only be liable for damages due to the violation of contractual, non-contractual or consulting or other ancillary obligations in the event of intent,

- in the case of gross negligence on the part of executive bodies or executive employees and vicarious agents,
- if and to the extent that a guarantee is expressly assumed by a declaration of our executive bodies and
- insofar as a claim exists under the Product Liability Act.
- in the case of culpable breach of essential contractual obligations, limited to the typical contractual damage foreseeable at the time the contract was concluded.
- for damages resulting from injury to life, limb or health which are based on an intentional or grossly negligent breach of duty by executive bodies, executive employees or vicarious agents.

## **10. Project and/or contract billing - Product discontinuation**

If a product or product group expires at the Supplier's or the products are no longer supplied (sleeper parts or passive products), the Customer is obliged to reimburse the Supplier for the following costs and/or to reach agreement on commercial billing issues:

10.1. The Customer is obliged to accept all existing and already ordered raw materials, semi-finished and finished goods at the corresponding procurement (raw material) and/or manufacturing costs (semi-finished goods) and/or selling prices (finished goods).

10.2. For tools/resources which remain at VNT after the end of production, an annual manipulation flat-rate sum (rent, maintenance, manipulation) of at least €500.00 will be charged.

10.3. In the event of a return transfer to the Supplier, the Customer shall reimburse the Supplier for the process expenses (final pressing, work plans, parts lists, tool handover, final samples, etc.) at a lump-sum value of €3,000 per resource.

10.4. For project-related facilities (or 1:1 ratio between facility and equipment), the market value shall be determined by means of an expert opinion and this shall be paid for by the Customer. The minimum value to be settled shall be the current book value at the time of notification of the expiry. If the facilities are no longer required, the Customer shall bear the dismantling and/or disposal costs.

10.5. If additional activities (e.g. project expenses) are required by the Supplier which are not covered by the above-mentioned points, agreement must be reached on these.

10.6. Furthermore, the Customer is obliged to compensate the Supplier for any costs or additional expenses already reported by the Supplier from previous days.

The Supplier shall prepare the necessary documents in detail and make them available to the Customer. Tools, equipment, materials and documents of any kind cannot be surrendered until written agreement has been reached.

## **11. Place of performance and jurisdiction**

The place of performance is 9200 Mosonmagyaróvár, Úttörő u.43. The place of jurisdiction is the

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District Court of Mosonmagyaróvár or the Regional Court of Győr depending on the value of the object. The Supplier is also entitled to sue the Customer at its general place of jurisdiction.

**12. Applicable law**

All legal relations between the Customer and us shall be governed exclusively by the substantive law of the Republic of Hungary - in particular Act No. V on the Civil Code of 2013.

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