

## GENERAL TERMS OF CONTRACT

For the by FÉMALK Fémöntészeti és Alkatrészgyártó Zártkörű Részvénytársaság  
(1211-Budapest, Öntödei u. 2-12.,  
Register court: Fővárosi Törvényszék Cégbírósága,  
Register number: Cg 01-10-044879)  
as Costumer concluded (general) purchase contracts and individual orders

### 1.) Preamble

- 1.1) In accordance with the wording of this General Terms of Contract („GTC”) is the Costumer: the FÉMALK Fémöntészeti és Alkatrészgyártó Zártkörű Részvénytársaság, which is a, in Hungary, at the Municipal Court as Court of Registration registered Company, and the Supplier: his domestic or extraneous contractual partner, which disposes for him - based on the connecting (general) purchase contract, or individual order raw material or other product (in the following: „Goods”) for the purpose of converting in the production process of the Costumer. The wording for these persons in the following: the „Party”, or the “Parties”.
- 1.2) The provisions of this GTC are to apply for the (general) purchase contracts, and for the individual orders, based on the (general) purchase contracts between the Costumer and the Supplier. If the Party does not explicitly depart from the provisions of this GTC in the (general) purchase contract or in the individual orders, shall the provisions of this GTC be applied for the contractual relationship of the Parties. The, from this GTC departing provisions – included the GTC of the Supplier – can be only and inasmuch applied for the contractual relationship of the Parties, if they both that, with the exact denotation of the provision, written explicitly agree.
- 1.3) The Supplier has knowledge, that the purchased Goods are parts of an auto industrial supplying chain. The Supplier has knowledge, that the peculiarity of the Goods have been agreed with the other members of the supplying chain and with the End Costumer, and that the order from the Supplier has been based on this fact.  
The Parties has knowledge, that, by reason of the characteristic of the production, the damaged parts cannot be individually mended, and in the case of the damage of one of the parts, the whole technical unit shall be changed. The Party has knowledge, that due to this reason both the Supplier, and the Costumer shall operate on a high technical level, with a high responsibility.  
Based on the above, the Supplier notes, that the Costumer is authorized to control the production of the Supplier, even in an, with the Supplier agreed appointment (process audit). The Supplier is obliged, to cease the defects and insufficiencies – explored during the process audit – immediately. He is furthermore obliged, to fulfil his developments coordinated with the Costumer. He shall be participated in the supplier improvement process, if the Costumer keeps it proven.
- 1.4) The Supplier shall produce and purchase the Goods properly the, from Costumer specified Quality, properly the, from Costumer specified industrial norm, or properly the documentation, prepared in connection with the technical parameter of the Goods.  
The Supplier declares, that he has knowledge from the technical rules of the End Costumer, and of the over the Costumer placed members of supplying chain. He warrants, that he will fulfil these rules.

- 1.5) If the Parties close a general purchase contract, the in the contract specified quantities are from informative nature, and are based on the preliminary estimation of the Costumer. In that case will be described the delivery quantity in the individual order. The Costumer has not any delivery duty over the, in the individual orders specified quantities.
- 1.6) The Preamble is part of the GTC, and makes a legal obligation.

## **2.) Conclusion and Modification of the Contract**

- 2.1) The (general) purchase contract shall be concluded written. A purchase contract will be concluded based on the individual order, if the individual order will be confirmed written by the Supplier. The modification of the (general) purchase contract and individual orders can be made written and consensual. The technical provisions can be modified as following:  
The Supplier can depart from the technical parameter, specified in the purchase contract, or in the individual order, based on a general purchase contract, including the in that denied industrial norm or documentation, if the Costumer has agreed this explicit and written.  
The Costumer is authorized, to modify the technical parameter himself; it shall happen based on the injunction of the End Costumer, or based on the injunction of a member of the supplying chain over the Costumer. In that case is the Costumer obliged, to refund the economical and technical inevitable cost of the Supplier.
- 2.2) The Supplier is obliged, to take care, that all data and conditions, which are significant from aspect of the Costumers production, or from aspect of the members of the supplying chain over the Costumer or from aspect of the End Costumer will be recognized by the Costumer in time.
- 2.3) The Supplier warrants that the Goods are suitable for the technical and other provisions, for the industrial norms, and for the documentation, and that the Goods are suitable for the elaboration according to the position of the Costumer in the auto industrial supplier chain. The Supplier warrants, that the Goods fulfil the newest stand of science and technique.
- 2.4) For preparing of a bidding offer, for drafts and concepts and for technical helps pays the Costumer a counter value only in the case of a written agreement.

## **3.) Prices**

- 3.1) The prices, specified in the (general) purchase contract, in the individual order include all cost of the Supplier regarding the Goods (including, but not exclusively: the costs of transport, insurance, permits, wrapping, delivery, loading, and the taxes, fees and other duties).
- 3.2) In the case of the community internal product disposal (EU, EEA) happens the payment of the value added tax (VAT) properly the current legal regulation.

#### **4.) Delivery terms, Delay, Force majeure, Section delivery, Penalty**

- 4.1) The delivery terms in the purchase contract and in the individual orders are binding. The delivery term is considered to be observed, if the receipt of the Goods occurs on the, in the purchase contract or in the individual order specified place of destination contractually within the delivery terms.
- 4.2) The Supplier is obliged, to inform the Costumer written and afore regarding the period and reason of the, from him envisaged delay.
- 4.3) The Supplier is entitled, to suspend the delivery term for the period of the following circumstances: circumstances beyond its control, which are unforeseeable and unavoidable in connection with the operation of the Supplier (included strikes and walkouts), if he has informed the Costumer written immediately over this circumstances. In this case shall be the Costumer written and simultaneously informed over the expected delivery date. In that case can the Costumer decide, that he withdraws from the Purchase contract, or from the individual order. The Costumer has no obligation of compensation in this case. The Supplier is obliged, to cooperate in the relocation of the Costumers production based on his written notice: he is obliged, to hand over the Costumer owned assets such way, that he delivers the assets to the, from Supplier specified place, and he cooperates in their start up. He shall simultaneously return to the Costumer the Costumers documentation and processing description. If the above circumstances happen in connection with a general purchase contract, and the delivery period overtakes 60 days, is the Costumer entitled, to terminate the general purchase contract written.  
The Party underline, to effort every reasonable, to attempt the damages, caused by this circumstances.
- 4.4) Shall be the (general) purchase contract terminated from any reason, and the Costumer has handed over - based on the (general) purchase contract - asset before; or shall the Supplier acquire Ownership on its, the Supplier is obliged, to turn back this on his own costs and immediately to the Costumer, even on the, from the Costumer specified place.
- 4.5) Section delivery and premature delivery and **delivery aggregation** are possible only on the basis of the Costumers written approval.
- 4.6) The Costumer is entitled for a penalty for the period of the delay of the Supplier. The amount of the penalty is: 0,3 % of the net amount of the order for each commenced day of the delay. The Costumer is entitled, to enforce his overrunning damages against the Supplier.  
Shall the delay of the Supplier overtake 30 days, is the Costumer entitled, to withdraw from the purchase contract and from the individual order, or to terminate the general purchase contract without termination period.

#### **5.) Delivery place, Transfer of injury risk, Extra supplies, Delivery note**

- 5.1) The Parties agree the place of destination and the parity in the (general) purchase contract, or in the individual order. Shall be the parity specified with the common international remark; it shall be interpreted based on the INCOTERMS 2010, unless other definition expressly agreed.

- 5.2) The injury risk will be transferred from the Supplier to the Costumer at the delivery place with the receipt by the Costumer.
- 5.3) The Supplier is obliged, to inform the Costumer written and in advance regarding the delivery of Goods, at the, in the Purchase contract or in the individual order specified appointment.
- 5.4) Shall be necessary an express delivery or an extra supply, the expenses shall be borne by each Party, in whose sphere the event giving circumstance did happen.
- 5.5) The Supplier is obliged, to attach a delivery note to each delivery. On the delivery note shall be marked the order number of the Costumer and the other data of the order. The delivery note shall be adequate to the legal regulation against the invoice issuer and to the ordinance VDA 4939. Shall change this ordinance a new one, the Supplier shall certify the adequacy of this one.
- 5.6) The Supplier shall attach a separate invoice to each delivery / delivery note. Escrow invoices are not allowed.

**6.) Invoicing, payment of the invoice value, Default in payment**

- 6.1) The payment is specified in the (general) purchase contract. The payment is considered performed, when the Costumers bank burdens the account of the Costumer irrevocably.
- 6.2) The Supplier shall overtake his invoice to the Costumer duplicate.
- 6.3) The Supplier shall attach to the invoice the copy of the delivery note, with the receipt of the Costumer.
- 6.4) The invoice shall include the following:
  - Official name of the Supplier, address, tax number, EU tax number, bank data (foreign bank account: IBAN and swift code),
  - Official name of the Costumer, address, tax number, EU tax number,
  - Number of orders
  - Country of origin,
  - Ordered product,
  - Number of pieces,
  - Price / piece,
  - Any rebate,
  - Invoice value,
  - Declaration regarding the VAT in the case of intra-Community product sale (EU, EEA),
  - All the data, which are prescribed by the legal regulation against the invoice issuer.Shall also other elements be carried on the invoice due to changes in legislation, and if the changes take effect in the Suppliers country; the Supplier will make the supplement automatically. If the Customer is affected by changes in legislation, he shall inform the Supplier immediately and written regarding the new invoice items.

- 6.5) The costumer is in delay in payment, if he does not pay the invoice duly established within the deadline, specified in 6.1 point, provided that, it does not happen a faulty compliance, which has been objected before or after receipt the invoice by the Costumer. The payment period is considered as complied with the deadline, if the Costumers bank burdens his bank account at the latest at the last day of the payment period irrevocably. Falls the last day of the payment period on weekend or on public holiday, or on bank holiday in the country of the Costumer, considered the payment period as complied, if the bank of the Costumer burdens his bank account irrevocably on the next bank working day to the Suppliers benefit.
- In the case of delay in payment is the default interest: in the case of payment in Hungarian forint: the legal default interest regarding Hungarian Civil Law Act (“PTK”), in the case of EUR payment: the refinancing rate of the European Central Bank (“ECB”) + 8 % pro year. In the case of other payment, the default interest is specified in the (general) purchase contract.
- 6.6) The Supplier is not entitled, to assign a claim against the Costumer to third party, or to transfer the validation of that claim to third party.
- 6.7) The Costumer does not recognize with the payment of the invoice the regularity of the delivery, or the soundness of the Goods.

#### **7.) Retention of title regarding the delivered Goods**

- 7.1) The Supplier is reserving the title regarding the Goods till the payment of the invoice.
- 7.2) Notwithstanding the foregoing, the Costumer obtains unrestricted ownership regarding the manufactured, installed, modified Goods. The Supplier is entitled in that case only for the equivalent of the Goods regarding the invoice.
- 7.3) In the case of the risk of seizure or confiscation regarding the Goods, shall the Costumer inform the Supplier immediately and written regarding it. He shall inform the bailiff or the third party at the same time, that the Goods are under retention of title.

#### **8.) Quality examination, Acceptance, Faulty performance**

- 8.1) The Supplier is obliged, to deliver the Goods in perfect condition, regarding the agreed quality, so in suitable quality regarding the rules of the Costumer and of the End Costumer, regarding the technical rules, regarding the contractual orders (included the documentation, and the industry norm, and norms, specified in the (general) purchase contract or in the individual orders). Will be prepared a first sample, is the Supplier obliged, to deliver the Goods according to the first sample, without any difference from that. The Supplier warrants, that he produced the Goods in accordance with the Goods intended purpose, from raw with first quality.

The Supplier warrants in the case of delivery of raw, that the raw is in perfect condition, suitable the specified quality, and it is convenient for a processing regarding the rules of the Costumer and End Costumer and regarding the technical rules.

- 8.2) The Supplier warrants, that the Goods are suitable to the concerted technical parameter.
- 8.3) In the case, if the Goods are faulty, or does not meet the contractual specifications, and the Supplier has warranted in this respect for the Goods; the Supplier has liability for damages regardless of his fault. The Supplier has liability for third party, as if he has been acted himself.
- 8.4) Notwithstanding the regulation in point 8.3) shall the Supplier afford a full compensation for damages or for costs of the Costumer, - independently of his liability – in every case, when the product, produced as an end item of the auto industrial supplying chain will be recalled by the End Costumer, by a member of the supplying chain over the Costumer, or by an authority, or by a representative of an auto industrial brand, or one of this party orders a re-examination, or supplement, and in connection with this measure he enforces any claim (damages, repair, replacement) against the Costumer. The Costumer is entitled, to enforce a claim for reimbursement – after the 36-month warranty period has been elapsed – if the ground of the recall is in connection with the Goods. The Costumer is obliged, to inform the Supplier regarding this issue immediately, if he will be informed regarding a problem, which belongs in this case circuits, by one of the members of the supplying chain, or by a representative of a brand.
- 8.5) In the case of conformity is the Costumer not obliged, to make a deadline for the exercise of their claims.
- 8.6) The Supplier is obliged, to inspect the quality of the Goods continuously, and to certify it to the Costumer whenever he wants it. The Supplier is obliged, and he warrants, that he is complying with the rules of the End Costumer and with the rules of the Members of the supplying chain over the Costumer. He is furthermore obliged, to fallow the rules of quality system ISO 9001, if he is obliged, to carry out such a process, and he is obliged to certify, that the certificate has been issued by a proven certificate authority. The Supplier warrants for it. Is the above quality system from any reason no longer applicable, shall the Parties inform each other written; in that case is the Costumer obliged, to impart the Supplier regarding the new quality system. The Supplier is obliged, to certify regarding each delivered Goods, when, how, and from who the soundness of the Goods has been certified (EC conformity procedure). The Supplier is obliged, to preserve the documentation at least 15 years, and to hand over the Costumer on the basis of his request. The Supplier shall oblige his own supplier in the same way.
- 8.7) The Goods shall fulfil the respective EU technical and security rules. Are this rules missing, shall the Supplier fulfil the German rules.
- 8.8) The EC declaration of conformity shall be attached to the Goods, if the Supplier is obliged, to carry out such a process.
- 8.9) Shall the car safety authorities make an investigation by the Costumer, is the Supplier ready for making a similar insight in his own factory – on the basis of the Costumers request -, which the authorities initiated by the Costumer. He will provide any reasonable support to the Supplier during the investigation.

- 8.10) Shall the End Customer make any change regarding the production, and shall it have any effect to the Goods, is the Supplier obliged, to make all necessary measures immediately after the acknowledgement.
- 8.11) The Customer controls the Goods after the takeover only regarding the following: from outside recognizable, obvious errors, or from outside recognizable obvious discrepancies from the ordered quantity or specification of the Goods. The Customer complains this discrepancy immediately. The Customer reserves his rights regarding a detailed receipt of the Goods. The Customer notifies the Supplier regarding other faults, when this – by a normal operation - will become apparent. The Supplier disclaims regarding it the objection of the late notification of the fault. The Customer is entitled, to send back the whole delivery in the case of fault, or to sort the Goods on the cost of the Supplier. The Customer shall announce the fault written to the Supplier.
- 8.12) In the case of the faulty delivery is the Customer entitled to the legal claims, excepted the case, if the present GTC or other contractual provisions regulate a question differently. The Customer is entitled for mending from himself or for mending by a third party, if it is well-founded by a plant safety reason, or by the prevention of an extremely high damage, or by the continuation of the delivery capacity for the End Customer. The Supplier shall be informed regarding it previously. The Supplier shall carry the connecting expenses.
- 8.13) The Supplier shall compensate the Customer's direct and indirect damages and expenses. The expenses include also the cost of the detailed takeover and of the selection of the Goods, if the delivery was parcel faulty.
- 8.14) The Supplier shall compensate all expenses of the Customer against the End Customer or against the other members of the supplying chain, which has been growing from that, that the Customer shall be liable for problems caused by the faulty delivery of the Supplier, based on a legal order or on a court / magisterial decision.
- 8.15) If a binding legal or contractual provision, included also the previous GTC does not provide differently, shall the Customer warrant for faults, which befalls within 36 month after the first registration of the as the result of the supplying chain produced car. The same deadline is applicable for the mending. In the case of the mending will be the deadline extended with the period, when the Goods were not contractually serviceable. The limitation happens earliest 90 days after the claims of the End Customer have been satisfied. The suspending of the limitation ceases at least 5 years after the take over by the Customer.
- 8.16) Shall the Supplier discredit the quality defects, will the Parties inspect the Goods by the, from Customer recommended and by Supplier accepted expert. The expert's decision will be accepted by the Parties as binding and as definitive. The costs of the inspection will be carried by that Party, which provided the ground for it. This provisions are not applicable for the case, if an inspection has been performed regarding the same topic on the other level of the supplying chain, or if a court / authority decision has been made, respectively the cases, specified in points 8.4) and 8.14).

- 8.17) The Supplier warrants the parts supply for 15 years.
- 8.18) The Supplier warrants, that the, from him imparted technical data are correct and full, and for that, that this are suitable for the parameters of the production.

### **9.) Secrecy**

- 9.1) The Parties hold secret the, from each other received information. The secrecy binds the Parties also after the termination of their legal relationship. The secrecy does not include such information, which has been known for the other Party – without a secrecy and legally - already before the handover of the information. The secrecy does not include the information, which will be known for this party that way. The secrecy does not include the well know information, or the information becoming evident. The secrecy does not include the information transfer among the compliance for the End Costumer, and the information takeover to authorities or courts.
- 9.2) Both Party reserves the ownership and other rights regarding the submitted documentation and media, and its substance. The submitting is allowed only with the holder's contribution, excepting the takeover to authorities or courts.

### **10.) General Provisions**

- 10.1) Under this GTC is considered as a written communication: the letter via mail or courier, if the date of receipt can be identified, as well as the confirmed e-mail and fax, furthermore the personally submitted, and from the other party received document.
- 10.2) Shall the other Party deny the receipt of the mail sent via mail or via courier, or submitted personally, is the mail considered as submitted in the appointment of the refusal. Shall be the mail via mail or via courier undeliverable, because it will be returned to the sender with a remark “not looking”, “addressee unknown”, “addressee has moved”, or it shall be returned from the address, specified in the (general) purchase contract with the remark “not looking” or “unknown addressee”, or with an equivalent remark, is the mail considered as handed over on the 5<sup>th</sup> day after the sending.
- 10.3) The Costumer is entitled, to terminate the (general) purchase contract written, without a termination period, if the Supplier is breaking one of the substantial provisions of the (general) purchase contract (including the provisions of present GTC: particularly the provisions regarding the warranties of the Supplier regarding quality of Goods, the delivery terms, the Costumers rights for control and for request information), or if he seems – based on his behaviour – to break this provisions. The Costumer is also entitled for the termination without a termination period, if the Supplier denies the compliance, or if he seems – based on his behaviour – to make this misbehave. The (general) purchase contract will be terminated for the future. The Costumer can decide, that he will send back the Goods, which has been delivered, but not paid, to the Supplier on the Suppliers cost.
- 10.4) The Costumer is entitled, to terminate the (general) purchase contract written, with a termination period of 2 month. Based on point 1.5 of present GTC, the Supplier is not entitled, to enforce any claim for damages in connection with the termination.



- 10.5) Based on the request of the Costumer, shall the Supplier cooperate regarding the relocation of the acquisition in the case of the termination of the general purchase contract with end of the term or before it, that he secures the supply of Goods for the Costumer for the economical well-founded period of the relocation of the acquisition that way, that he delivers regarding the general purchase contract and he provides that way sufficient stockpile for the production of the Costumer, therefore he prevents the difficulties regarding the supply of Goods.
- 10.6) All assets, which has been provided, produced / fabricated by the Supplier expressly to fulfil the (general) purchase contract or the individual orders, and which counter value will be reimbursed by the Costumer either as expenses or as counter value of the ordered Goods, will be owned by the Costumer at the time of taking possession by the Supplier. The Supplier is obliged, to make for everyone clear (with remarks, in the books), that these assets are owned by the Costumer. The Supplier shall maintain the assets on his own costs; he shall mend them, and conclude and uphold an insurance contract with a full coverage regarding the assets. The Supplier has no warranty claims against the Supplier, he expressly disclaims for this claims. The Supplier can use the assets only for the fulfilment of the (general) purchase contract or of the individual orders. For his own benefit or for the benefit of third party is the using not allowed. The injury risk regarding the assets debits the Supplier till the contractual handover. The Supplier must not mortgage the assets; he must not give the assets in possession of third party. He shall inform the Costumer regarding every relevant circumstance in connection with the assets. Shall third party have any title regarding the assets (including the enforcement or insolvency procedures), shall the Supplier immediately and written inform the Costumer, he is also obliged, to inform the third party, that the assets are owned by the Costumer. The Costumer is entitled to inspect the above. The Supplier shall deliver the assets on his own cost to the, from the Costumer specified place, if the Costumer is entitled for the moving of the production or by the time of the termination of the (general) purchase contract. The Supplier shall participate in the start up. The Supplier disclaims regarding this issue expressly from the claim and right of possession protection. The contravention of present provisions considered as a serious breach of contract, the Supplier is encumbered with a full compensation for damages beside the other consequences.
- 10.7) The Supplier shall conclude and uphold full liability insurance in connection with his activity and with the Goods. He is also obliged to conclude and hold up for the coverage of the contingent recalls a suitable insurance. He shall certify the above insurances to the Costumer. The Supplier shall inform the Costumer regarding every circumstances of the insurance immediately.
- 10.8) Provides the Supplier the usage of an intellectual property or know how to the Costumer in favour of the processing of the Goods, is the counter value included in the price, the Costumer need not pay an equivalent for this. The Costumer shall provide, that third party cannot get acknowledge regarding it. The broadcast of information within the auto industrial supplying chain and the fulfilment of the court- and authority requests are not included, the Costumer shall nevertheless inform the Supplier regarding that.
- 10.9) For the legal relationship of the Parties is the governing law the Hungarian, if the Hungarian is the personal law of both Party. Is the personal law of the Supplier not the Hungarian, is the governing law regarding the relationship of the Parties, included the question of the validity the German material law (excluded the international conventions regarding selling of goods, and excluded the conflict rules).
- 10.10) Shall be any of the provisions of this GTC invalid, or will it getting invalid; it does not cause the invalidity of the whole GTC. In that case shall be applied the provision of the, from this GTC governed law, which nearly closes to the invalid provision

regarding its economical target. The applicable provision shall be interpreted in the spirit of the present GTC and properly the specialities of the auto industrial supplying chain.

- 10.11) For the case, if the personal law of the Supplier is the Hungarian, undertake the Parties the decision of every disputes, which arises from or in connection with the legal relationship of the Parties, included the disputes regarding the breach of the rules of the legal relationship, regarding the termination of the legal relationship, regarding the validity of the legal relationship, regarding the interpretation of the legal relationship for the exclusive decision of the Stationary Court of Arbitration by the Hungarian Commercial und Industrial Chamber, Budapest (“Magyar Kereskedelmi és Iparkamara mellett szervezett Állandó Választottbíróság, Budapest”). The Court of Arbitration is proceeding regarding its own arbitration rules. The number of the arbitrators is 3, in the proceeding shall be used the Hungarian language.

For the case, if the personal law of the Supplier is not the Hungarian, undertake the Parties the decision of every disputes, which arises from or in connection with the legal relationship of the Parties, included the disputes regarding the breach of the rules of the legal relationship, regarding the termination of the legal relationship, regarding the validity of the legal relationship, regarding the interpretation of the legal relationship for the exclusive decision of the International Court of Arbitration of the Austrian Chamber of Commerce, Vienna („Internationales Schiedsgericht der Wirtschaftskammer Österreich”, Wien”). The Court of Arbitration is proceeding regarding its own arbitration rules. The number of the arbitrators is 3, in the proceeding shall be used the German or the English language depending the language of the (general) purchase contract.

GTC\_FA\_Rev\_30.10.2013