

GENERAL CONDITIONS OF PURCHASE
of the Hungarian affiliates of Siemens
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1. Application of these General Conditions of Purchase

- (1) These General Conditions of Purchase (hereinafter referred to as GCP) shall be applicable for contractual relationship between Buyer and Supplier on purchase or supply of goods and on consumption of services.
- (2) These GCP shall form an inseparable part of the individual contracts concluded by and between Buyer and Supplier on the purchase or supply of goods or on the consumption of services respectively. Any provision deviating from these GCP shall be stated in the individual contract.

2. Conclusion of contract

- (1) The contract will be concluded by and between Supplier and Buyer provided that Supplier confirms the order of Buyer with the same terms within 2 (two) weeks upon receipt thereof or, if it is indicated, by the deadline specified in the order. In case the parties establish a contract the detailed contents whereof regulate their legal relationship, the date of establishing the contract will be the date when the contract is signed.
- (2) The general terms of business of Supplier shall not apply to Buyer. Acceptance, receipt of shipments or services or effecting payment shall not mean that the general terms of business of supplier have been accepted.

3. Delivery date, penalty

- (1) Deliveries will be deemed as fulfilled by date in the event the goods or services supplied have been received by buyer on or prior to the date specified in the contract at the place of performance defined by it according to the terms and conditions contained in the relevant contract.
- (2) Of its foreseeable delay Supplier shall inform Buyer immediately by stating the period of delay even if the performance deadline has not yet expired.
- (3) In case of delayed performance Supplier shall pay penalty. Unless otherwise agreed, the amount of penalty shall be 0.5% a day for every day whether fractional or full but not more than 10%. Penalty shall be based on the total gross value of the order for indivisible services or supplies and on the gross price of the supplies or services performed with a delay.
- (4) In the event Supplier's performance is delayed for more than 10 days, Buyer shall have the right to abandon the contract. Supplier shall be liable to compensate Buyer for all its losses caused by the breach of contract.

4. Transfer of risk, delivery

- (1) The risk shall be transferred from Supplier on to Buyer upon receipt by Buyer of such goods or services at the place of performance specified by Buyer as comply with the contract, or, in case of supplies to be commissioned it shall be transferred on to Buyer upon the handing and taking over process that follows commissioning.
- (2) Unless otherwise agreed, Supplier shall bear the costs of transport and packing up to the place of destination. Excess costs arising out of non-compliance with the mode of transport shall be borne by Supplier. For transport to the place of destination specified by Buyer, the right to determine the mode of transport shall lie with Buyer. Supplier shall bear any excess costs arising out of non-compliance with Buyer's instructions for transport. For express transport required in order to meet the delivery deadline the excess costs incurred shall be borne by Supplier.
- (3) Every shipment shall be accompanied by such a packing list or delivery note as shows the contents of the shipment and they shall also show the contract number (that is, the so-called AKZ number) and the order number (9500xxxxxx). Advice on (the dispatch of) shipment shall contain the same data.
- (4) If the transport is performed by a carrier commissioned by the Customer, the Supplier will inform the carrier of the necessary data concerning dangerous goods in accordance with legal requirements.
- (5) If the Customer informs the Supplier that following the initial transport another transport with a different mode of transport is scheduled, the Supplier will also follow the relevant legal requirements concerning dangerous goods with regard to such on-going transport.
- (6) Payment does not constitute an acknowledgement that the corresponding delivery or services were provided in accordance with the Contract.

5. Invoicing

The original invoice and the documentary proof of receipt by Buyer (protocol on handing and taking over, certificate of performance, etc) shall be sent directly to the current accounts department of Buyer. Invoices shall show the order number; contract number and the number of each position shall be provided. For lack of these the invoice shall not be payable.

6. Payment of price

- (1) Unless otherwise agreed, payment shall be effected subject to the following conditions:
The deadline for paying the gross final amount of the invoice shall be 60 calendar days from the issuing date.
- (2) The precondition of issuing the invoice, is that the deliveries or services have been performed completely, free from defects and deficiencies, according to the contract. If Supplier is to hand over other documents such as protocol on performance, protocol on material analysis and measuring, quality certificate or other document simultaneously with shipping, performance of supply or services will be regarded as being according to the contract upon receipt by Buyer of these documents. Protocol on performance shall at all times form an attachment to the invoice and without it no payment shall be effected by Buyer. In case Supplier charges additional costs or performs defectively, the deadline for payment shall be determined on the basis of the date the deficiencies mentioned in the foregoing are eliminated and the performance is faultless and price differences have been clarified.
- (3) Payment shall not mean the acceptance of supplies or services as performance according to the contract.

7. Guarantee, Warranty

- (1) Unless otherwise provided by law or the parties, Supplier shall be under a guarantee obligation of one year. The guarantee period shall commence upon receipt by Buyer of such goods or services at the place of performance specified by Buyer as comply with the contract, or, in case of supplies to be commissioned it shall be transferred on to Buyer upon the handing and taking over process that follows commissioning.
- (2) Defects or deficiencies occurred during the guarantee period shall be eliminated or the supplies or services shall be delivered without fault by Supplier at its own expense subject to the choice of Buyer. This shall also govern deliveries that have been subjected to random checks only.
- (3) In the event Supplier fails to remedy the defect or deficiency or perform the new delivery or new services within the period set by Buyer, then Buyer shall be entitled to - at its own discretion - request price reduction or - abandon the contract in part or wholly.
Buyer in each case shall have the right to demand Supplier to compensate it for its losses.
In the event Supplier fails or does not undertake to remedy the defect or deficiency or perform the new delivery or new services within the period set by, then Buyer shall be entitled to make repairs or new deliveries or to have repairs or new deliveries made by others to the cost and risk of Supplier.
- (4) The Customer shall immediately upon receipt examine whether a delivery corresponds to the quantity and type of products ordered and whether there are any external recognizable transportation damage or other deficiencies. Should the Customer discover any deficiency in the course of these inspections, it shall inform the Supplier of such deficiency. Should the Customer discover a deficiency at any later stage, it shall also notify the Supplier. Complaints may be raised within one month of delivery of a product or performance, and insofar as deficiencies are not discovered until commissioning, processing or first use, within one month of detection. In this regard the Customer shall have no other duties to the Supplier other than the duties of inspection and notification above.
- (5) Cost and risks of repairing or replacing defective or deficient performance shall be borne by Supplier.
- (6) Performance completed in the course of remedying defects and deficiencies shall be governed by the foregoing provisions as appropriate.
- (7) Warranty shall be governed by the relevant provisions of the Civil Code.

8. Transfer of contractual rights and obligations to third persons

Without the prior written consent of Buyer, Supplier shall not have the right transfer to third persons its rights and obligations arising out of the contract. In the event Supplier fails to comply with this obligation, Buyer shall have the right to abandon the contract in part or wholly and to claim damages.

9. Materials provided

- (1) Any material provided to Supplier shall remain the property of Buyer and Supplier shall store separately, mark and handle them under its own responsibility, free of charge. Such materials shall not be used but subject to the prior consent of Buyer for the purposes of the order given by Buyer. Supplier shall be liable to indemnify any amortization, deficiency or destruction or loss of material. The above provision shall be applicable to accounting for materials linked with the order.
- (2) Materials shall be processed or transformed for Buyer. Materials processed or transformed on the basis of Buyer's order shall be the property of Buyer. Supplier shall keep the completed matter free of charge.

10. Termination of contract

- (1) The contract shall be terminated in case of Buyer's rescission as regulated in these General Conditions of Purchase.

- (2) The contract shall be terminated in the event it is cancelled by Buyer in writing with a notice period of 30 days.
- (3) Buyer may cancel or abandon the contract with immediate effect in case of serious breach of contract committed by Supplier

11. Code of Conduct for Siemens Suppliers, Security in the Supply Chain

- (1) Supplier notes that Siemens has entered in this contract with the Supplier solely on condition that Supplier undertakes the execution of the hereinafter mentioned and confirms this with the signature of this contract. The Supplier is obliged to comply with the applicable Hungarian law in the course of the execution of this contract, Supplier will not engage, actively or passively, nor directly or indirectly in any form of bribery, in any violation of basic human rights of employees or any child labour. Moreover, the Supplier will take responsibility for the health and safety of its employees. The Supplier will act in accordance with the applicable environmental laws and will use best efforts to promote this Code of Conduct among its suppliers.
- (2) In addition to other rights and remedies the Buyer may have, the Buyer may terminate the contract and/or any purchase order issued there under in case of breach of these obligations by the Supplier. However, provided that Supplier's breach of contract is capable of remedy, Buyer's right to terminate is subject to the proviso that such breach has not been remedied by the Supplier within a reasonable grace period set by Buyer.
- (3) The Supplier shall provide the necessary organizational instructions and take measures, particularly with regard to the following security: premises security, packaging and transport, business partner, personnel and information - in order to guarantee the security in the supply chain according to the requirements of respective internationally recognized initiatives based on the WCO SAFE Framework of Standards (e.g. AEO, CTPAT).
- (4) The Supplier shall protect the goods and services provided to the Customer or provided to third parties designated by the Customer against unauthorized access and manipulation. The Supplier shall only deploy reliable personnel for those goods and services and shall obligate any sub suppliers to take equivalent security measures.

12. Tools, moulds, patterns, confidentiality, etc.

Without the prior permission in writing of Buyer, the tools, moulds, patterns, models, profiles, drawings, standard sheets, printouts and face-moulds handed over by Buyer and the objects manufactured with the help of these shall not be assigned to third persons or used for other contractual purpose. Supplier shall make sure that no unauthorized persons may have access to or use these matters. In the event Supplier violates this obligation, Buyer may claim that the matters are released without any effect on its other rights. Without Buyer's prior consent in writing, Supplier shall not make available to third persons any information, data and knowledge obtained from or relating to Buyer.

13. Environment, work and health safety, Dangerous Goods

- (1) The Supplier is obligated to conduct its activities in accordance with the quality, environmental and occupational health and work safety management system of the Buyer.
- (2) The Supplier is obligated to become familiar with the environmental effects, risks of work safety of its activities and to comply with the applicable laws on environmental protection, and ensured healthy and safe work conditions with a special view to the below listed acts:
Act CLXXXV of 2012 on waste management,
Act LIII of 1995 on the general rules of environmental protection,
Act LIII of 1996 on the general rules of natural I protection
Act XXV of 2000 on chemical safety,
ACT XCIII of 1993 on work safety rules
and the implementing regulations and resolutions thereof.
- (3) If the product constituting the subject of the agreement falls under Government Decree No. 443/2012 (XII.29) and/or Government Decree No. 374/2012 (XII.18.), the Supplier shall be liable for insuring that the product is in compliance with the provisions of the decrees.
- (4) The Supplier shall be liable for all environmental damage and waste originated in the course of their activities. The Supplier shall be liable for management of the waste material (collection, registration, transportation) in accordance with the then applicable laws.
- (5) The Supplier is obligated to comply with the environment protection, work safety and fire prevention rules in the course of carrying out its activities. The subcontractor / supplier ensures proper headcount with the required qualification (professionally, relating work or fire safety) and disposes with valid medical examination, submits with proper personal safety devices for working processes, furthermore uses work equipments regarding of work safety rules (ACT XCIII of 1993, §(3)) during constructions.
- (6) The Supplier shall make sure that the information required for complying with the requirements are provided to its employees.
- (7) The Buyer entitled to inspect Supplier at any cases whether the environmental, work safety and fire protection requirements above are complied with. In case of any non-compliance or major irregularity (endanger of people, or environment, of height working without protection, unsuitable craning, influenced by alcohols) is observed Buyer can hold up the work activities until deficiency/non-conformances will be eliminated by taken necessary measures. All disadvantages caused by holding up work activities (delays of performance) cannot be transferred to Buyer.
- (8) Should the delivery contain goods which - according to international regulations - are classified as dangerous goods, the Supplier will inform the Customer hereof in a form agreed upon between Supplier and Customer, but in no case later than the date of order confirmation.
- (9) Should the Supplier deliver legally permissible products, which are, however, subject to statutorily-imposed substance restrictions and/ or information requirements (e. g. REACH, RoHS), Supplier shall declare such substances in the web database BOMcheck (www.BOMcheck.net) or in a reasonable format provided by Customer no later than the date of first delivery of products. The foregoing shall only apply with respect to laws which are applicable at the registered seat of Supplier or Customer or at the designated place of delivery requested by Customer. Furthermore, Supplier shall also declare all substances which are set out in the so-called "Siemens list of declarable Substances" applicable at the time of the order in the manner described above.

14. Reservation Clause

Buyer's obligation to fulfill this agreement is subject to the proviso that the fulfillment is not prevented by any impediments arising out of national and international foreign trade and customs requirements or any embargos or other sanctions.

15. Export Control and Foreign Trade Data Regulations

Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). Supplier shall advise Buyer in writing within two weeks of receipt of the order - and in case of any changes without undue delay - of any information and data required by Buyer to comply with all Foreign Trade Regulations in case of export and import as well as re-export, including without limitation:
- all applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN); and
- the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and
- the country of origin (non-preferential origin); and - upon request of Buyer- Supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

Supplier shall be liable for any expenses and/or damage incurred by Buyer due to any breach of the obligations according to the above, unless Supplier is not responsible for such breach.

16. Inability to Pay / Insolvency of the Supplier

If insolvency-, liquidation- or enforcement proceedings are commenced against the Supplier by legally binding court decision, the Customer may terminate the contract and/or any purchase orders issued there under. In the event of termination the Customer may continue to utilize existing facilities, deliveries or services already performed by the Supplier in exchange for reasonable payment.

17. Court, governing law

- (1) Unless otherwise provided for in the contract, any disputes arising out of the contract or these general conditions of purchase that forms a part thereof shall be subject to the competent Court, depending on the value contested.
- (2) The provisions of the Civil Code shall be applicable to such issues as are not regulated in these general conditions of purchase.