GENERAL CONDITIONS OF PURCHASE
of the Hungarian affiliates of Siemens
May 2020

1. Application of these General Conditions of Purchase
(1) These General Conditions of Purchase (hereinafter referred to as "these GCP") shall be applicable for contractual relationships between Siemens Zrt. (hereinafter "the Buyer") and the Supplier on the purchase or supply of goods and/or services.
(2) These GCP shall form an inseparable part of the framework contracts and/or the individual contracts concluded by and between the Buyer and the Supplier on the purchase or supply of goods or on the consumption of services, respectively (hereinafter "the Contract"). Any provision deviating from these GCP shall be stated in such individual Contracts.

2. Conclusion of the Contract
(1) The Contract will be concluded by and between the Supplier and the Buyer provided that the Supplier confirms the order of the 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 a manner that such confirmation must be delivered to the Buyer by such deadline. In case the Parties establish a Contract the detailed contents thereof regulate their legal relationship, the date of establishing such Contract will be the date when it is signed.
(2) The general terms of business of the Supplier shall not apply to the Buyer. Acceptance, receipt of shipments or services or effecting payment shall not mean that the general terms of business of the Supplier have been accepted.

3. Delivery Date, Liquidated Damages
(1) Deliveries will be deemed as fulfilled in a timely manner in the event the goods or services supplied have been received by the Buyer according to the terms and conditions contained in the relevant Contract, at the place of performance and by the date or during the period specified therein.
(2) The Supplier shall inform the Buyer of its foreseeable delay immediately by stating the expected period of such delay even if the deadline set for performance has not yet expired.
(3) In case of delayed performance, the Supplier shall pay liquidated damages. Unless otherwise agreed, the amount of liquidated damages shall be 0.5% for each day affected by such delay whether fractional or full but not more than 10%. Liquidated damages shall be based on the total gross value of the order for indivisible services or supplies and on the part of divisible services performed with a delay.
(4) In the event that the Supplier’s performance is delayed for more than 10 days, the Buyer shall have the right to rescind from the Contract. The Supplier shall be liable to compensate the Buyer for all its losses caused by the breach of Contract.

4. Transfer of Risk, Delivery
(1) The risk and the ownership title shall be transferred from the Supplier to the Buyer upon receipt by the Buyer of such goods or services at the place of performance specified in the Contract, or, in the case of indivisible services to be commissioned, ownership title and risk shall be transferred to the Buyer upon delivery to the place of performance specified by the Buyer, and upon the handing and taking over process that follows commissioning, respectively.
(2) Unless otherwise agreed, the 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 the Supplier. For transport to the place of destination specified by the Buyer, the right to determine the mode of transport belongs with the Buyer. The Supplier shall bear any excess costs arising out of non-compliance with the Buyer’s instructions for transport. For expedited transport required to meet the delivery deadline the excess costs incurred shall be borne by the 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 indicate the contract number and/or contract number and the contract number (in the following format: 999999999). Advice on (the dispatch of) shipment shall contain the same data.
(4) If the transport is performed by a carrier commissioned by the Buyer, the Supplier shall bear the carrier of the necessary data concerning dangerous goods in accordance with the legal requirements.
(5) If the Buyer informs the Supplier that another transport with a different mode of transport is scheduled following the initial transport, the Supplier shall also follow the relevant legal requirements concerning dangerous goods with regard to such on-going transport.
(6) Payment shall not constitute an acknowledgment that the corresponding delivery or services were provided in accordance with the Contract.

5. Invoicing
(1) The original invoice and the documentary proof of receipt by the Buyer (protocol on handing and taking over, certificate of performance, etc.) shall be sent directly to the address indicated in the purchase order or in the Contract. In order for the invoices to be paid, they shall show the order number, the contract number and the number of each position.

6. Payment
(1) Unless otherwise agreed, payment shall be effected subject to the following conditions:
    a. The deadline for paying the gross final amount of the invoice shall be 60 calendar days from the date of issue.
    b. Issuance of invoices shall be conditional upon deliveries or services that have been performed completely, free from defects and deficiencies, that is, according to the Contract. If the 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 delivery, completion of delivery or performance of services will be considered as having been accepted upon delivery to the 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 the Buyer. In case the Supplier charges additional costs or performs defectively or incompletely, the deadline for payment shall be determined on the basis of the date the deficiencies mentioned in the foregoing are eliminated, i.e. when the performance is faultless and any price differences have been clarified.
    c. Payment shall not constitute acceptance of supplies or services as performance according to the Contract.

7. Guarantee, Warranty
(1) Unless otherwise provided by law or the Parties, the Supplier shall be under a guarantee obligation (in Hungarian: "határidő") of one year. The guarantee period shall commence upon receipt of the Buyer of such goods or services at the place of performance specified by the Buyer as comply with the Contract, or, in case of supplies to be commissioned it shall be transferred on to the Buyer upon the handing and taking over process that follows commissioning.
(2) Defects or deficiencies occurred during the guarantee period shall be remedied or the supplies or services shall be repeatedly delivered without fault (replacement to be provided) by the Supplier at its own expense, subject to the choice of the Buyer. This shall also govern deliveries that have been subjected to random checks only.
(3) Insofar as the 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 the Buyer, then the Buyer — at its own discretion — shall be entitled to:
    a. request price reduction;
    b. to carry out such repairs or new deliveries or to have them carried out by others at the cost and risk of the Supplier;
    c. rescind from the Contract or the purchase order in question in whole or in part.

8. Transfer of Contractual Rights and Obligations to Third Persons
(1) Without the prior written consent of the Buyer, the Supplier shall not have the right to transfer the contract to third persons, if such transfer is not permitted by the Contract. In the event that the Supplier transfers its contractual rights and obligations to third persons without the Buyer’s prior written consent and fails to comply with this obligation, the Buyer shall have the right to rescind from the Contract in whole or in part and to claim damages.
(2.1) The Supplier unconditionally and irrevocably acknowledges that Siemens may assign or transfer the contract, in whole or in part, and all rights and obligations hereunder, to its Affiliates and Carved-out Companies without the consent of the Supplier. Upon such assignment, Siemens shall be released from all assigned obligations.
(2.2) “Affiliate” of a party shall mean a corporation, company or other entity which is now or hereafter, directly or indirectly:
    a. controlled by such party,
    b. controlled by the same legal entity as such party,
    c. owned or controlled by such party or by the same legal entity as such party,
    d. owned or controlled by such party or by the same legal entity as such party,
    e. in which such party has the right to elect or appoint, directly or indirectly, the majority of the board of directors, or a similar managing authority, (ii) by contract or (iii) otherwise.
(2.3) “Carved-out Company” shall mean
    a. any Affiliate which formerly was an Affiliate of Siemens or operates a business which was formerly operated by Siemens or an Affiliate of Siemens, if Siemens or an Affiliate of Siemens holds a minority interest of at least 10 percent in such company, and if such company is listed on the internet page: https://www.siemens.com/global/en/company/about/corporate-functions/supply-chain-management/collaborating-with-siemens.html;
    b. any Affiliate of a company as specified in (i) above, if and as long as Siemens has not informed the Supplier that such company shall not be deemed a Carved-out Unit for the purpose of the Contract.

9. Materials Provided
(1) Any material provided to the Supplier shall remain the property of the Buyer and the Supplier shall store such material separately, mark and handle them under their own responsibility, free of charge. Such charges shall be used but subject to the prior consent of the Buyer for the purposes of the order placed by the Buyer. The Supplier shall be liable to indemnify the Buyer for any amortization, depreciation or the loss of material. The foregoing provision shall be applicable to accounting for materials linked with the order.
(2) Materials shall be processed or transformed for the Buyer. Materials processed or transformed on the basis of the Buyer’s order shall be the property of the Buyer. The Supplier shall safeguard the completed item free of charge.
10. Termination
(1) The Contract shall be terminated in case of the Buyer's rescission.
(2) The Contract may also be terminated by the Supplier with a 30 days' written notice.
(3) The Buyer may terminate the Contract with immediate effect or rescind from it in case of serious breach thereof by the Supplier.
(4) The Buyer may rescind from the Contract at any time without cause. In this case, the Supplier shall be entitled to the purchase price of delivered goods or performed services if delivery of created facilities, supplies or services is taken over by the Buyer; provided that any damages claims by the Supplier (be they any type of damages claims (either consequential loss or damages to the subject matter of the service to be provided), including loss of profit, loss of income, loss of production, damages to be paid to third Parties, liquidated damages, reimbursement, indemnification, etc.) are excluded.

(1) The Supplier shall acknowledge that Siemens has entered in this Contract with the Supplier solely on condition that the Supplier undertakes the execution of the below provisions and confirms this by signing this Contract. The Supplier shall comply with the applicable Hungarian laws in the course of the execution of the Contract, and they shall not engage, actively or passively, directly or indirectly in any form of bribery, any violation of fundamental human rights of employees or any child labour. Moreover, the Supplier shall take responsibility for the occupational health and safety of its Employees. The Supplier shall act in accordance with the applicable environmental laws and use best efforts to promote the provisions of this Section among its suppliers and other contractual partners.
(2) The Buyer may terminate or rescind from the Contract without incurring any further liabilities in case of breach of these obligations by the Supplier. Provided that the Supplier's breach of contract is capable of remedy, the Buyer's right to terminate or rescind shall be subject to the proviso that the negotiations of the Parties fail to bring any result within an equitable grace period.
(3) The Supplier shall provide the necessary organizational instructions and take measures, particularly with regard to the security of the following: premises security, packaging, transport, business partners, 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 Buyer or to third Parties designated by the latter against unauthorized access and handling. The Supplier shall only deploy reliable personnel for those goods and services and shall have all sub-suppliers to take equivalent security measures.

12. Tools, Moulds, Patterns, Confidentiality, etc.
Without the prior written permission of the Buyer, the tools, moulds, patterns, models, profiles, drawings, standard sheets, printouts and face-moulds handed over by the Buyer, as well as the objects manufactured with these shall not be assigned to third persons or used for other contractual purpose. The Supplier shall make sure that no unauthorized persons shall have access to these items. In the event the Supplier violates this obligation, the Buyer may claim that the rights are released without any effect on its other rights.

(1) The Supplier shall conduct its activities in accordance with the quality, environmental and occupational health and safety management system of the Buyer.
(2) The Supplier shall familiarize itself with the environmental effects and the work safety risks of its activities and comply with the applicable laws on environmental protection and on ensuring healthy and safe working conditions, in particular:
   Act CLXXXV of 2012 on waste;
   Act LIII of 1995 on the general rules of environmental protection;
   Act LIII of 1996 on the general rules of environmental protection and on ensuring healthy and safe working conditions, in particular:
   Act XXV of 2000 on chemical safety;
   Act XCIII of 1993 on labour safety ("the LSA")
   and the implementing regulations and procedures thereof.
(3) If the product constituting the subject matter of the Contract falls under the Government Decree No. 197/2014 (VIII.1.) and/or Government Decree No. 374/2012. (XII.18.) the Supplier shall be liable for ensuring that the product is in compliance with the provisions of these 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 waste material (collection, registration, transportation) in accordance with the applicable laws in force from time to time.
(5) The Supplier shall comply with the environment protection, work safety and fire prevention rules in the course of carrying out its activities. It shall ensure proper headcount with the required (professional, work or fire safety) qualification and valid medical examination in, as well as proper personal safety devices required for working processes, furthermore, it shall use work equipment complying with work safety rules (Section 23(3) of the LSA) during implementation.
(6) The Supplier shall make sure that the information required for complying with these requirements are provided to its employees.
(7) The Buyer shall be entitled to inspect the Supplier at any time without the environmental, work safety and fire protection requirements above are complied with. In case of any grave non-compliance (endangerment of people or the environment, work at height without protection, unsuitable cranes, alcohol consumption) is observed, the Buyer may hold up the work activities until such non-compliance is eliminated. Any disadvantages caused by holding up work activities (delays of performance) shall not be transferred to the Buyer.
(8) In the event of delivery containing goods which — according to international regulations — are classified as dangerous goods, the Supplier shall inform the Buyer thereof in a form agreed upon between the Supplier and the Buyer, but in any case not later than the date of order confirmation.
(9) Should the Supplier deliver products the components whereof are included on the Lists of declarable substances (www.BOMcheck.net/suppliers/restricted-