



PURCHASING TERMS AND CONDITIONS

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Unless otherwise agreed in writing in framework contracts, orders and individual contracts, the following PURCHASING TERMS AND CONDITIONS apply for the contractual relationship between the Supplier and the ordering company Meleghy Automotive (hereinafter "Client").

The only exception to the above is a simple and extended title retention as well as the reservation of an overdraft loan. The Client hereby accepts delivery under such a title retention and extensions thereof.

Under no circumstances does the unreserved acceptance of goods or services by the Client constitute acceptance of deviating conditions of the Supplier.

Messages issued by the Supplier to the Client, in which the adoption of differing delivery is advised by the Client in the event of non-entered conflicts, are not legally binding.

1. Contract

- 1.1 Generally a supply contract is concluded by a written order from the Client and the matching written order confirmation from the Supplier. The same applies to modifications or extensions to the contract. The delivery of statements by remote data transmission is sufficient for delivery schedules or their amendments.
- 1.2 A contract between the Client and the Supplier also becomes binding, if the Supplier fails to communicate this conflict to the Client within one week after receipt of an order given by the Client.
- 1.3 For gradually consumed products, place of delivery, price and other conditions of purchase (transport, packaging, etc.) shall be established in a general agreement. The Client shall establish delivery dates and quantities at regular intervals by delivery schedules at their reasonable discretion. The Supplier shall thereby take into account the nature and scope of the goods to be delivered, as well as the size and performance of the company. The Supplier is hereby contractually required to comply with the amounts and dates established in the schedules.

- 1.4 The price specified in the contract and/or in the general agreement is binding and includes, unless otherwise agreed, the cost of packaging, insurance, freight and transport to the delivery address and/or place of use according to the specification of the Client.
- 1.5 Delivery, including delivery to the delivery address and/or place of use according to the specification of the customer, takes place at the risk of the Supplier, unless the Client has chosen the carrier.
- 1.6 The Supplier is hereby contractually required to provide at least the following on all shipping bills - and according to the order - the order number, the order date, the quantity or number of items sent, the unloading point (place of delivery in accordance with paragraph 1.3) and, if available, the material number. The absence of this information may result in return delivery, for which the Supplier must pay the costs.
- 1.7 Both parties may, within reasonable limits and in writing, require the other party to make changes to the order as regards construction and implementation. Any consequences arising from the changes, in particular regarding additional or reduced costs as well as delivery dates, shall be settled adequately by mutual agreement.
- 1.8 Subcontracts issued by the Supplier for the performance of duties require the prior written consent of the Client. This does not apply insofar as the Supplier is dependent on the delivery of commercially acceptable goods for the fulfillment of the contract.
- 1.9 If the Supplier suspends his payments or insolvency proceedings have been initiated against his assets, the customer is entitled, without prejudice to any other rights, to withdraw from the non-fulfilled part of the contract. These rules apply unless mandatory national regulations of the country where the Supplier's business is established provide other conditions for withdrawal in terms of the unfulfilled part of the contract in the event of the insolvency or suspension of payment.
- 1.10 Other general terms and conditions are hereby excluded, even if the customer has not expressly opposed them.
- 1.11 These purchasing terms and conditions supplement any existing framework contracts. In case of doubt, contrary provisions in contracts or orders take priority over the provisions in these terms of purchase.

2 Delivery / contractual penalty in case of default

- 2.1 The delivery date specified in the order is binding. Timely delivery is considered to be the receipt of the goods at the agreed place of delivery/fulfillment (place of delivery in accordance with paragraph 1.3) designated by the Client or both

parties in writing.

- 2.2 Provided that nothing else has been agreed upon in writing, upon delay the Supplier shall be obliged to pay a contractual penalty in the amount of 0.25% of the value of the part of the delivery not delivered on time, but not more than 5.00% of the total, to the Client per day of delay. The enforcement of further claims for damages is not excluded.

3. Delivery / transfer of risk / delivery errors

- 3.1 The delivery of the goods is carried out to the place of use or to the delivery address as specified in the order (place of delivery in accordance with paragraph 1.3).
- 3.2 Provided that nothing else is agreed in writing, the risk shall only be transferred with the transfer of the goods to the Client, unless the Client is late in accepting the delivery.
- 3.3 The customer is not obliged to check the goods for quality and quantity deviations, however the delivery papers should be checked to see that the delivery matches the type and quantity ordered. In addition, the customer shall examine the delivery for externally visible transport damage. If the Client recognizes damage or a defect, they shall show this to the Supplier. If the Client discovers damage or a defect at a later date, they shall also show this to the Supplier. The Client is exempt from the duty to inspect and give notice of defects according to § 377 HGB [German commercial code].
- 3.4 Unless otherwise agreed in writing, partial deliveries or - services are not allowed. The Client is therefore entitled to cancel remaining quantities.
- 3.5 Force majeure, industrial disputes, regulatory actions taken (unless caused by the Supplier) or other inevitable incidents shall release the Supplier from his obligation to the timely delivery of the delivery items for the duration of the impairment.
- 3.6 In case of imminent delivery delays, the Supplier shall notify the Client immediately in writing, stating the reasons and the expected duration of the delay.
- 3.7 In the case of backorders and/or repeated delivery problems, for any reason, the Client is entitled to require that a sufficient stock of items ready for delivery is established, regardless of other consequences. The Supplier is responsible for all possible costs incurred.

4. Testing

- 4.1 If the installation, assembly or commissioning of the delivery item is considered

an additional service, a formal testing documented in writing by the Client shall be used. Only after this testing and disclaiming of liability of the delivery as well as installation and assembly, and only in this case shall the risk, subject to contrary provisions in clause 3, be transferred to the Client. In these cases, not detecting defects during such tests is a prerequisite for the claims of the Supplier, and these are only effective after the test.

- 4.2 In the case of required testing the items for delivery by the Supplier shall be delivered within a specified period of time, which allows the Client to perform the inspection of the delivery item prior to the agreed date of delivery. Only after testing has the Supplier met their delivery obligations.
- 4.3 Payment by the Client before the test does not mean that such testing of the delivery item has already occurred.
- 4.4 If a previous test phase for the testing is agreed, 4.2 applies accordingly.

5 Quality / documentation

- 5.1 Upon request by the Client, the Supplier shall make available full information about the composition of the delivery items, if this is necessary to comply with legal requirements or regulatory requirements within the country or abroad.
- 5.2 If the Client requires first or comparison samples, the Supplier may only begin production of the delivery item(s) after receipt of corresponding written consent by the Client.
- 5.3 For their deliveries the Supplier must adhere to the state of technology, the regulations and the agreed specifications, in particular the data that is specified in the order. This applies in particular to all work performed on the premises by the Client. A updated QA and QM system is used by the Supplier. All changes, even minor, to the delivery item and/or the production process shall require prior written consent by the Client. The nature and extent of testing, measuring and testing technology and the procedures used shall be agreed between Supplier and Client.
- 5.4 All parts especially marked in the technical documentation or by additional agreements (e.g. parts requiring documentation) shall be documented by the Supplier, when, how and by whom the goods requiring documentation properties have been tested, and what results are shown by the Supplier's quality tests. These test documents must be kept for 15 years and be submitted to the contracting authority upon request.
- 5.5 For the initial examination and the examination of properties requiring documentation are referenced in the VDA publication "Assuring the quality of deliveries – Supplier selection/production process - and product release/quality performance in the series" in the latest version and/or the QS-9000 publication "production part approval process (PPAP) in the latest version.

Notwithstanding the above, the Supplier must constantly carry out quality checks on delivery items. The parties continually exchange information on ways to improve the quality of the delivery items.

- 5.6 The Client hereby undertakes to provide a free cross-checking of initial samples submitted with the initial sample report. If, due to a faulty initial sample inspection, the Supplier has to substitute the full or partial lot, so the additional costs thereby incurred must be reimbursed by the Supplier to the Client, for which a total of 200,00 euro per event is hereby agreed.
- 5.7 The Supplier guarantees that the delivered goods correspond to the specifications contained in the order. For each objectively justified letter of complaint the customer shall charge 50.00 euros.
- 5.8 With legitimate interest and notice with a notice period corresponding to the legitimate interest, the Supplier must grant the Client and their customers access to all product-related areas used for the production, testing and storage, as well as access to quality-related documents. The same applies to authorities responsible for road safety, exhaust regulations etc. Appropriate restrictions for the protection of trade secrets are hereby provided.

6. Method of payment/transfers

- 6.1 Payment is only made after receipt of the contractual delivery items and a proper and suitable invoice.
- 6.2 Deliveries made before the agreed date of delivery are valid only as delivered from the agreed delivery date.
- 6.3 If no special payment terms have been agreed in writing, payments shall be made by the Client, after receipt of the contractual goods and receipt of a proper and suitable invoice, within 14 days with 3% discount or within 45 days strictly net. Upon acceptance of early deliveries, the period begins on the basis of the agreed delivery date.
- 6.4 Payments are made by bank transfer.
- 6.5 If exceptional down payments have been agreed upon, these shall be made only against a bank guarantee on the terms and conditions of the Client.
- 6.6 The Supplier is not entitled to assign claims against the Client to third parties without prior written consent, which may not be unreasonably withheld. If the Supplier assigns his claims against the Client contrary to section 1 to a third party without their consent, the Supplier shall inform the third party of the content of this provision and the assignment is nevertheless effective. However, the Client may release the Suppliers or third parties at his discretion. If the Supplier fails to inform the third party, he shall be liable against his principal for any resulting damage of any

kind.

- 6.7 In case of incorrect or incomplete delivery the Client shall be entitled to withhold payment until the proper fulfillment of the contract.
- 6.8 The Client's invoice shall be issued in duplicate (with the copy clearly marked). It must be usable as a voucher stating Supplier number, date and number of the order and/or framework contract, quantity and material number, number and date of the delivery note, shipping and price/unit of the goods invoiced as agreed. Invoices which do not meet the above requirements, may be sent back.
- 6.9 In the case of delivery with assembly and installation, when assembly takes priority, payment shall only occur after the Client has disclaimed liability after invoicing.

7 Warranty

- 7.1 The Supplier's warranty period shall begin with the unconditional acceptance of the delivery item by the Client and shall last 36 months. In the case of delivery and installation the warranty period shall begin after examination and acceptance by the Client, in deviation from clause 7.1 sentence 1.
- 7.2 If the customer finds defects within the framework of the production process, the Supplier has the ability to sort out, repair or redeliver the defective delivery items, if this is reasonable for the Client. If the Supplier is unable to do so or he does not immediately comply with such a request, the Client may withdraw from the contract with regard to those goods and return the goods to the Supplier at his own expense and risk. In cases where, because of particular urgency, it is no longer possible for the Client to inform the Supplier of a deficiency and the impending damage and set a deadline for him to remedy it, the Client is entitled to rectify the defect without any grace period themselves or have it rectified by a third party at the expense of the Supplier, or to procure replacement. The Client will inform the Supplier as soon as possible and come to an agreement with him on the way forward. If the next supply of the same goods is defective, the customer may withdraw from the contract with regard to the still remaining unfulfilled part.
- 7.3 The notice of defects by the Client shall have a suspensive effect on the warranty period for the defective delivery item.
- 7.4 The warranty period applies regardless of the length of use of the delivery item.
- 7.5 The warranty of the Supplier shall apply even if they are not the manufacturer of the delivery item or parts thereof.

- 7.6 Upon request by the Supplier, the Client shall first provide all the parts to be exchanged at their own expense. The Client shall keep these parts for a period of 30 days, after which the Client may either return them to the Supplier at their own cost, may charge a fee for their storage, or they may be disposed of without damage to their warranty claims.
- 7.7 The Client retains the right to charge a processing fee of 100.00 euros for repairs or return deliveries. The assertion of claims due to directly incurred costs remains unaffected.
- 7.8 The Client also retains all statutory warranty claims in their entirety. They may require the elimination of the defect or a replacement delivery by the Supplier, the costs of which shall be borne by the Supplier. The assertion of claims for damages by the Client remains unaffected.
- 7.9 The claims arising from the warranty of the Supplier shall expire 24 months after the first registration of the vehicle or installation of the spare part, but not later than 30 months after acceptance of the delivery by the Client in accordance with section 3.3.

8 Rights

- 8.1 The Supplier shall be liable for any claims that arise from the use of the delivery items, which though contractually valid, however, represents a violation of existing and pending intellectual property rights.
- 8.2 The Supplier releases the client from all liability for claims arising from the use of such rights, if the Supplier has not produced the goods in accordance with the specifications of the Client. Further claims of the Client shall remain unaffected.
- 8.3 The Supplier shall inform the Client about the use of published and unpublished, owned and licensed, existing and pending property rights before granting the knowledge, especially if they intend to charge royalties.
- 8.4 The Contracting Parties are hereby contractually committed to inform each other immediately about possible impending violations, as well as alleged cases of violations and give each other the possibility to counter such allegations in mutual agreement.

9 Resources / designs/ etc.

- 9.1 Resources such as form tools, matrices, gauges, templates, patterns, tools, drawings, etc., which the Client has provided to the Supplier, shall be returned upon request.
- 9.2 Without the prior written consent of the Client, the resources made available to

the Supplier or produced according to the specifications of the Client may not be reproduced, sold, pledged, left as collateral, otherwise assigned or used for third parties. The same applies to the goods manufactured with these resources.

- 9.3 Drawings, templates, matrices, samples, tools, other resources and expertise provided to the Supplier by the Client, paid for by the latter or developed during order processing may only be used for deliveries to third parties with the prior written consent of the Client. They may be transferred or made available to unauthorised third parties. Replicas of these items are allowed only in the framework of the economically necessary and the copyright rules.
- 9.4 A corresponding obligation shall be imposed on subcontractors/Suppliers. The Supplier is obliged to submit verifiable proof of the fulfilment of this obligation upon request.

10 Confidentiality/advertising

The Supplier is hereby contractually obliged to treat all unreleased commercial and technical details, which come to their knowledge through the business, as a trade secret.

11 Insurance

The Supplier is hereby contractually required to complete a corresponding insurance contract to protect against all risks arising in connection with the delivery item (especially product liability, recall, etc.) and to submit the appropriate proof of insurance to the Client upon request. The Supplier is also obliged to submit verifiable proof that the insurance premiums were paid, upon request.

12 Environmental protection

The Supplier is hereby contractually obliged to provide his services, taking into account the applicable national and international standards, laws and regulations for safety and environmental protection as well as in accordance with the relevant state of the art. For the supply and installation of equipment, compliance with the laws and regulations of the country concerned is required. In the context of the economically justifiable, the Supplier ensures an eco-friendly contract, including the choice of ecological and recyclable materials, biodegradable constructions, as well as energy and resource-saving solutions. The use of legally prohibited materials and formulations is not permitted. In particular directive 2000/53/EC on end of life vehicles and the VDA list of declarable materials are to be taken into account. The Supplier is hereby contractually required to enter all of the materials used in the manufacture of vehicles in the automotive industry material data system (IMDS).

The Supplier shall ensure that the requirements of the EU chemicals regulation REACH (Regulation (EC) No. 1907/2006, Abl. EU of 30.12.2006) - hereinafter called 'REACH' - are respected, in particular the timely pre-registration and registration. MELEGHY AUTOMOTIVE is not obliged to carry out the (pre-) registration.

The Supplier is aware that the goods can not be used if the requirements of REACH are not completely and correctly fulfilled.

13 Duty to provide information

If items delivered in the context of an order or a delivery schedule, in particular software, are subject to export control regulations or restrictions of any kind or origin, the Supplier shall indicate this to the Client. If the Supplier violates such export control regulations, the Client is entitled to terminate the contract in this respect.

14 Final provisions

- 14.1 The published version of the PURCHASING TERMS AND CONDITIONS which is available at [www. meleghyautomotive.de](http://www.meleghyautomotive.de) at the time of the conclusion of the contract is the version considered valid. The Supplier is obliged to obtain the current version of the PURCHASING TERMS AND CONDITIONS from the website.
- 14.2 The Supplier shall identify the goods in accordance with specifications of the Client.
- 14.3 This contract is subject only to the law of the country in which the Client's business is established, under exclusion of the international private law of the country in which the Client's business is established. The application of the United Nations Convention of 11 April 1980 on contracts for the international sale of goods (CISG) is excluded.
- 14.4 If the Supplier is a merchant, the place of jurisdiction for all disputes arising from the contractual relationship is the headquarters of the Client, unless the national provisions relevant to the contract do not necessarily prescribe otherwise.
- 14.5 If individual provisions in these conditions of purchase or any individual provision in a contract concluded on the basis of these conditions of purchase is invalid or impracticable, the effectiveness of the other provisions shall remain unaffected. The invalid, ineffective or unenforceable regulation shall be replaced by a regulation which, as far as possible, takes into account the intent of both parties and comes as close as possible to the economic purpose of the provision to be replaced.

In case of physical delivery of the PURCHASING TERMS AND CONDITIONS,
the following shall be noted:

Issued on:.....

Date:

Name and signature of the authorised employee of Meleghy Automotive

In Italy always remember:

The undersigned company recognises the above PURCHASING TERMS AND CONDITIONS of
Meleghy Automotive

Date:

Name and legally binding signature of the Supplier

Apart from this the following text must always be printed on purchase orders:

This order is subject to the PURCHASING TERMS AND CONDITIONS of Meleghy Automotive
published at www.meleghyautomotive.de