

Johnson Controls International Kft Terms and Conditions of Supply

1. Definitions

“Applicable Laws” means any law, statute or subordinate legislation of the Republic of Hungary and enforceable law of the European Communities, the U.S. Foreign Corrupt Practises Act (“FCPA”) or other applicable anti-corruption law and any other regulation, decision or authorisation having the force of law of any body having jurisdiction in relation to matters dealt with by the Order.

“Buyer” means Johnson Controls International Kft.

“Order” means the written document issued by Buyer comprising an offer made by the Buyer to the Seller to purchase the Supplies, subject always to the Terms.

“Price” means the price the Buyer shall pay for the Supplies as stated in the Order.

“Seller” means the party who shall provide the Supplies as identified in and pursuant to the Order.

“Supplies” means the goods and/or services to be provided by the Seller.

“Terms” means these Terms And Conditions Of Supply.

2. Offer and Acceptance

- 2.1 Each Order incorporates and is governed by the Terms which supersede all prior agreements, orders, quotations, proposals and other communications between the parties relating to the Supplies.
- 2.2 Any modification of the Terms must be by the written agreement of both parties and expressly stated in the Order.
- 2.3 The Order does not constitute an acceptance of any offer or proposal made by Seller.
- 2.4 Seller accepts these Terms and forms a contract by doing any of the following:
 - (a) Commencing any work under the Order;
 - (b) Accepting the Order in writing; or

- (c) Any other conduct that recognizes the existence of a contract with respect to the subject matter of the Order.

- 2.5 Any additional or different terms proposed by Seller, whether in Seller’s quotation, acknowledgement, invoice or otherwise will not become part of the Order.

3. Duration

Subject to earlier termination by Buyer, the Order is binding on the parties for one year from the date it is transmitted to Seller or, if an expiration date is stated in the Order, until that date. (“Initial Period”).

4. Quantities and Delivery

- 4.1 The Supplier shall supply the quantities of Supplies as listed in each Order.
- 4.2 Unless expressly stated on the face of the Order, Buyer is under no obligation to purchase Supplies exclusively from Seller.
- 4.3 Unless otherwise agreed in writing by Buyer, title in the Supplies passes from Seller to Buyer upon delivery to Buyer’s designated facility as identified in the Order.
- 4.4 Time for delivery of the Supplies is of the essence.
- 4.5 Seller will be responsible for delivery of the Supplies.
- 4.6 Seller must comply with the ICC Incoterms 2000 all relevant laws relating to delivery and warning labels, including without limitation the European Union Directive 2002/96/EC and 2002/95/EC and Regulation 1907/2006/EC regarding restrictions of certain hazardous substances. Seller will reimburse Buyer for any expenses incurred as a result of improper packing, marking, routing, or shipping.

5. Price and Payments

- 5.1 The Price shall be as stated in the Order and, unless stated otherwise, shall include shipping, storage, handling, packaging, insurance to cover all steps in the delivery process and all other expenses and charges of Seller including all duties and taxes,

which must be shown separately on Seller's invoice for each shipment.

- 5.2 Seller shall be entitled to invoice Buyer on or at any time after delivery of the Supplies and each invoice shall quote the Order number, amendment or release number, Buyer's part number, Seller's part number where applicable, quantity of pieces in the shipment, number of cartons or containers in the shipment, bill of lading number, and any other information required by Buyer.
- 5.3 Invoices shall be submitted to the address of Buyer as specified on the Order.
- 5.4 Unless otherwise stated on the Order, Buyer shall pay the Price within 60 days of the later of: (i) the last day of the month during which Buyer receives a proper invoice from Seller for the Supplies and (ii) the last day of the month during which Buyer accepts the Supplies in question.
- 5.5 Buyer shall be entitled to set off against the Price (including any V.A.T. payable) any sums owed to Buyer by Seller under the Order or any other agreement it has with the Supplier.

6. Inspection and Defective Supplies

- 6.1 If Supplies are defective and consequently rejected by Buyer, the quantities under the Order will be reduced unless Buyer otherwise notifies Seller.
- 6.2 In addition to other remedies available to Buyer: (i) Seller agrees to accept return of the Supplies, at Seller's risk and expense, plus transportation charges, and to replace defective Supplies as Buyer deems necessary; (ii) Buyer may have corrected at any time prior to shipment from Buyer's premises Supplies that fail to meet the requirements of the Order; and/or (iii) Seller will reimburse Buyer for all reasonable expenses that result from any rejection or correction of defective Supplies.

7. Changes

Seller will not make any change in the Supplies' design, specifications, processing, packing, marking, shipping, Price or date or place of delivery except at Buyer's written instruction or with Buyer's written approval.

8. Warranties

- 8.1 With reference to Section 248 of the Act IV of 1959 on the Civil Code of the Republic of Hungary Seller expressly warrants that the Supplies will:
- (a) Conform to the specifications, standards, drawings, samples, descriptions and revisions as furnished by Buyer;
 - (b) Conform to all laws, orders, regulations and standards;

- (c) Be of good quality, free of defects and fit for purpose; and
- (d) Any work will be performed in a professional and workmanlike manner, consistent with all standards and specifications agreed on with Buyer and otherwise consistent with industry standards.

- 8.2 The warranty period for the Supplies shall be two years from the date Buyer accepts the Supplies.
- 8.3 Buyer's payment of the price, approval of any design, drawing, material, process or specifications will not relieve Seller of liability under these warranties.

9. Quality

- 9.1 Seller will conform to the quality control standards and inspection system of the Buyer.
- 9.2 At Buyer's request, Seller will make service literature and any other materials relating to the Supplies considered necessary by the Buyer available free of charge.

10. Liability and Remedies

- 10.1 Seller shall indemnify Buyer against personal injury to or the death of any person in so far as such injury or death arises in the course of or by reason of the Seller, carrying out, or failing to carry out, its obligations under the Order provided always and only to the extent that the same is due to negligence or breach of these Terms on the part of the Seller or negligence of the Seller's employees, agents, suppliers and/or sub-contractors,.
- 10.2 Seller shall indemnify Buyer and Buyer's customers and all of their respective agents, successors and assigns, against all damages, losses (including consequential, indirect and economic types of loss), claims, liabilities and expenses (including reasonable legal and other professional fees, settlements and judgments) arising out of or resulting from any defective Supplies, or from any negligent or wrongful act or omission of Seller or Seller's agents, employees or subcontractors, or any breach or failure by Seller to comply with any of Seller's representations or other terms and conditions of the Order (including any part of these Terms).
- 10.3 The rights and remedies reserved to Buyer in the Order will be cumulative with and in addition to all other or legal or equitable remedies.

11. Law and Ethics

- 11.1 Seller, and the Supplies will comply with all Applicable Laws, and standards, relating to the manufacture, labelling, transport, import, export, licensing, approval or certification of the Supplies, including laws relating to anti-corruption,

environmental matters, employment, discrimination, occupational health or safety and motor vehicle safety. The Order incorporates by reference all obligations and conditions thereby required.

- 11.2 Seller shall use only legitimate and ethical business practises in the activities contemplated by the Order and shall not submit inflated or otherwise false invoices to Buyer. No part of the payments received by Seller will be used for any purpose that could constitute a violation of any Applicable Laws, including the FCPA or any other anti-corruption law.
- 11.3 Buyer has established an Ethics Policy available at <http://www.corp.jci.com/ethics/EthicsBrochure.htm>) and expects Seller, and Seller's employees and contractors, to abide by this policy or an equivalent ethics policy of its own.

12. Insurance

- 12.1 Seller will maintain the insurance coverage listed below or in additional amounts as may be reasonably requested by Buyer.

Type of Insurance	Minimum Limits
Commercial General Liability* insurance for bodily injury arising from premises, operations, personal injury, products/completed operations and contractual liability covering the indemnities required pursuant to the Liability and Remedies (Clause 10)	\$5,000,000 Per Occurrence, General Aggregate, Product and Completed Operations Aggregate, Personal & Advertising Injury
Automobile Liability covering all autos used in connection with the work performed	\$2,000,000 combined single limit covering property damage and bodily injury per occurrence or the limit mandated in law
Workers' Compensation/ Employee Injury	As required by local law and/or statute governing such insurance in the jurisdiction where work is to be performed and/or as applicable to the employees conducting the work
Employer's Liability	\$1,000,000 each accident, each employee, each disease – policy limit or as required by local law or statute
Professional Liability (if applicable)	\$1,000,000 each claim
Blanket Fidelity Bond (Crime Insurance)	Where and as applicable

* Commercial General Liability limits may be met with a combination of General Liability and Umbrella/Excess Liability policy limits.

- 12.2 Seller will furnish to Buyer proper evidence of such cover within 10 days of Buyer's written request.
- 12.3 The existence of insurance does not release Seller of its obligations or liabilities under the Order.
- 12.4 Where insurance coverage and/or limits are mandated by local law or statute, local requirements apply subject to the minimum limits stated above.

13. Termination

- 13.1 Buyer may terminate the Order forthwith by written notice to Seller in the following circumstances:-
- Where Seller is in material breach of any of its obligations hereunder and fails to remedy the same within 10 days after receiving written notice thereof;
 - Where Seller ceases to trade or is wound up or enters into liquidation or has a receiver or administrator appointed over all or any of its assets; or
 - Where the circumstances envisaged by Clause 14.2 apply.
- 13.2 Upon termination, Buyer will be obligated to pay only the Price for all finished Supplies in the quantities ordered by Buyer which have been delivered to the Buyer and that conform to the Order
- 13.3 Notwithstanding any other provision contained in these Terms, Buyer will not be liable to Seller for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, tooling, facilities and equipment rearrangement costs or rental, unamortized capital or depreciation costs, finished goods, work-in-process or raw materials that Seller fabricates or procures in amounts exceeding those authorized in the Order, or general administrative burden charges from termination of the Order, except as otherwise expressly agreed.
- 13.4 The obligations contained in this Clause shall continue notwithstanding any termination of the Agreement.

14. Force Majeure

- 14.1 Buyer shall not be responsible for any loss or damage of any kind occurring as a result of a failure of, or delay in, performance under the Order in the event such performance is delayed or prevented by circumstances beyond its reasonable control and which have not been brought about at its insistence.
- 14.2 In the event that either party is unable, delayed or prevented in performing its obligations under the Order by reason or circumstances beyond its

reasonable control and which it has not brought about at its insistence for a period of more than 60 days, the Order shall terminate forthwith.

15. Information Rights

Intellectual property rights in the Supplies and all drawings, documents and other information produced for or on behalf of Buyer and the rights to all know-how developed in connection with the Supplies shall vest in Buyer.

16. Confidentiality

- 16.1 Seller acknowledges that proprietary and confidential information will be received from Buyer or developed for Buyer under the Order, regardless of whether such information is marked or identified as confidential.
- 16.2 Seller agrees to keep all proprietary or confidential information of Buyer in strictest confidence, and further agrees not to disclose or permit disclosure to others, or use for other than the purpose of the Order, any proprietary and confidential information of Buyer.

17. Publicity

Seller will not advertise, publish or disclose to third parties (other than to Seller's professional advisors on a need-to-know basis) in any manner the fact that Seller has contracted to furnish Buyer the Supplies covered by the Order or the terms of the Order, or use any trademarks or trade names of Buyer in any press release, advertising or promotional materials, without first obtaining Buyer's written consent.

18. Relationship of Parties

Seller and Buyer are independent contracting parties and nothing in the Order will make either party the employee, agent or legal representative of the other for any purpose.

19. Assignment

Seller shall not assign or delegate its obligations under the Order without Buyer's prior written consent. In the event of any approved assignment or delegation authorized by Buyer, Seller retains all responsibility for Supplies, including all related warranties and claims, unless otherwise expressly agreed in writing by Buyer.

20. Governing Law

The Order shall be construed and governed in all respects in accordance with the laws of the Republic of Hungary and any disputes or

differences shall be subject to the exclusive jurisdiction of the Hungarian courts.

21. Severability

If any term of the Order is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, the term will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with law. The remaining provisions of the Order will remain in full force and effect.

22. Waiver

The failure of either party at any time to require performance by the other party of any provision of the Order will not affect the right to require performance at any later time, nor will the waiver of either party of a breach of any provision of the Order constitute a waiver of any later breach of the same or other provision of the Order.

23. Survival

The obligations of Seller to Buyer survive termination of the Order, except as otherwise provided in the Order.