

# General Purchasing Conditions

## **1. The effect of the General Purchasing Conditions**

This document lays down the general conditions of the business relationship between the IBV Hungária Kft (Customer) and its Suppliers. This General Purchasing Conditions are an inseparable part of all orders and contracts from the Customer and valid without a signature. A depart from the General Purchasing Conditions is possible only in case, if the Parties fix in a given order or contract a specific, different agreement.

## **2. Acknowledgement of orders**

The Customer maintains his offer considering the orders for 3 days after they were sent. An Individual Agreement will be concluded between the parties, if the addressee of the orders has confirmed the orders in a written form without any divergence or change.

## **3. Performance and time of delivery**

The place of delivery for the goods and services ordered by the Customer is the company seat of the Customer, except there is a different agreement between the Parties. The delivery of goods or performance of services, appointed in the Individual Agreement, is considered as completed, if according to the requirement above the Supplier/Contractor has handed over the goods ordered at the place of performance in the right quantity, quality and in due time, and he has performed the services at the place of performance in the right quantity, quality and in due time, and the Customer has accepted them in a written form and taken over them without any complaints. The Supplier/Entrepreneur is obliged to inform the Customer immediately about an expected delay or hindrance of the deliveries in a written form. For a performance before the deadline in the contract is the Supplier/Entrepreneur only entitled, if the Parties has agreed upon it in the Individual Agreement.

Transport and any other costs in connection with it are included in any case in the price/fee set in the Individual Agreement.

The Customer is entitled to choose the way of transportation unilaterally, the Supplier/Entrepreneur is not entitled to any extra charge in connection with it.

The risk of the goods taken over and the services performed according to the Individual Agreement is on the Customer from their taking over, and from the same time the Customer acquires the ownership of the goods delivered and the goods taken over at the performance of the services.

In case of a delayed performance the Supplier/Entrepreneur is obliged to pay a penalty. In lack of any other agreement the extent of the penalty is for each started day 0,2% of the gross price/fee set in the Individual Agreement (but at most 10%).

In case of a defective performance the Supplier/Entrepreneur is obliged to pay a penalty. In lack of any other agreement the extent of the penalty is proportional to the defective performance, and 20% of the gross price/fee set in the Individual Agreement.

If the performance fails because of a reason, which is attributable to the Supplier/Entrepreneur, the Supplier/Entrepreneur is obliged to pay a penalty, which extent is 20% of the gross price/charges set in the Individual Agreement.

The Customer is entitled to consider his claim for penalty in the purchase price, entrepreneurial charges, he has to pay according to the Individual Agreement.

## **4. Taking over**

To each consignment the Supplier has to attach a delivery note, a package note, and in case of an inland purchase a suppliers# declaration (a long run suppliers# declaration), in case of an import purchase an EUR1 document (account declaration or accepted exporter declaration). If the Customer requires in the order, or in the related special agreement a Quality Certificate for the delivered goods, then the Supplier has to include this in the transport documents. The goods delivered and the services have to meet the current, valid regulations of Hungary and the European Union. In case, if the Customer required, but the Supplier has not delivered a quality certificate, the Supplier has not fulfilled its obligations from the agreement, and has to face all the consequences. Supplier is obliged to indicate the identification number and the name of the Customer on the documents and on the package of the goods. Receipt of goods will occur only, if the required documents are available at the taking over. Customer will control at the quantitative taking over of the goods only the existence of the goods, and their undamaged condition. During this taking over the Customer has the right in case of inconformity (that is quantitative shortage or damaged goods) to send back the consignment partly or completely, and to refuse taking over of the delivery. The Customer will carry out the qualitative taking over within the shortest technical possible time. In case of a qualitative shortage the Customer has the right to send a quality complaint, and if it is justified to refuse the taking over. The Supplier is obliged to carry away the refused goods on its own costs and replace them immediately. Customer undertakes that it will store the goods, which have to be carried back, for 2 weeks for free at the risk of the Supplier. Supplier takes notice of the fact that Customer carries out the receipt of goods exclusively on working days between 7.00-15.30 hours. Additional costs, resulting from failing of the receipt of goods, because of different delivery time are born by the Supplier. Auxiliary materials for packaging and delivery are not stored by the Customer and will not be sent back, except the Parties have a different agreement about this in the Individual Agreement.

## **5. Financial conditions**

The Supplier has to send the invoice and the delivery note confirming the acceptance for the IBV Hungária Kft by post. Customer will not apply a cash payment, even if it was asked for it. The invoice has to meet the regulations of the Accountancy Act being in force at the time the invoice was made up. The invoice has to include furthermore the purchase order number and the position number of the Customer. In case of a deviation from this the Customer has the right to send back the invoice and to refuse payment without the legal consequences of a default in payment. In lack of a different specific agreement the Customer will settle the entrepreneurial fee within 60 working days after receiving the invoice, made up according to the rules, with bank transfer. If the deadline is on a holiday, the payment is valid on the following bank working day. In case of a delayed payment, if the currency of the payment is forint, the Customer can be obliged to pay the interest for default regulated in the relevant laws. If the currency of the payment is a foreign currency, the extent of the interest for default is -5% of the reference interest rate (Euribor, Eurolibor, etc.) of this foreign currency. takes notice of the fact that Customer can deduct from the amount to be paid those additional expenditures, which appeared unplanned and were caused by the Supplier. If the Supplier will not hand over its invoice about the goods and services within six months after delivering the goods or carrying out of the services, the Purchaser is entitled to a contractual penalty. The extent of the contractual penalty is 3 thousandth of the contractual value of the goods or services for each day of delay. Beyond of the above mentioned is the Purchaser entitled after expiration of the deadline above to pay the equivalent of the contract even without an invoice.

In this case the Purchaser is entitled to include its claim for the contractual penalty in its payment obligation, that is he can reduce its payment obligation for the goods delivered or the services carried out with the amount of the contractual penalty.

## **6. Guarantee**

The Supplier/Entrepreneur is obliged to a guarantee of 24 months from the performance according to the contract. The Supplier/Entrepreneur has within this time period a complete financial responsibility for the conformity of the product and for all the consequences of a possible inconformity. During the warranty period the Supplier/Entrepreneur is obliged, depending on the choice of the Customer, to repair any failure or deficiency or to replace the goods on his own costs, or to carry out the delivery of the goods or the service correctly again. If the Supplier/Entrepreneur will not carry out the elimination of the fault or of the deficiency within an appropriate deadline appointed by the Customer, the Customer has the right to choose among the followings:

- wholly or partly cancels the Individual Agreement, or
- demands for a price reduction, or
- carry out repair or instruct others to carry out repair at costs and risks of the Supplier/Entrepreneur, or to acquire the goods from third parties.

The Customer has in each case the right to demand a compensation for its damages from the Supplier/Entrepreneur. Above mentioned are valid even in cases, if the Supplier/Entrepreneur declares that it cannot perform the elimination of the failure, the new delivery or the service within the appropriate deadline. If the Supplier/Entrepreneur performs delayed, and thereafter the Customer recognizes that the performance is faulty or incomplete, the Customer has the right to carry out or to instruct others to carry out repair on the costs of the Supplier/Entrepreneur without setting a deadline, if the Customer considers it as necessary for avoidance of its own delay, or it is necessary, because of any other urgent circumstances.

## **7. Materials and tools, made available by the Customer**

Materials, instruments and other tools, which were made available for the Supplier/Entrepreneur are the property of the Customer. The Supplier/Entrepreneur is obliged to separate, store, mark and handle them, in a way specified by the Customer, free of charge. These materials, instruments and other tools can be used for the purpose of the Individual Agreement between the Supplier/Entrepreneur and the Customer only. In case of depreciation, shortage, destruction or loss of the materials, instruments and other tools is the Supplier/Entrepreneur liable for damages. In case of shortage, destruction or loss the Supplier/Entrepreneur is obliged to reimburse the complete new value (replace value). If the processing or transformation of the material handed over was for the fulfilment of the Individual Agreement, the material, which was processed or transformed is the property of the Customer. The Supplier/Entrepreneur is obliged to keep and handle the finished products, goods and services with reasonable and customary care as a specialist company.

## **8. Involving subcontractors or contributors**

The Supplier/Entrepreneur is allowed to involve subcontractors or other contributors with the previous written consent of the Customer only.

The Supplier/Entrepreneur is liable for the activity of the involved subcontractors and of the other contributors as for its own activity.

The Customer can withdraw his consent any time, but he is obliged to defray the additional costs, caused by his withdrawal, except that the withdrawal followed as a consequence of a behaviour or default contributable to the Supplier/Entrepreneur or to the involved subcontractor, contributor.

## **9. Expiration, withdrawal, termination of the Individual Agreement**

The Individual Agreement between the Parties will be terminated after the fulfilment of the contract, but the regulations of the Individual Agreement are binding in case of a legal dispute between the Parties.

The Customer is entitled to withdraw from the Individual Agreement any time, but he is obliged to compensate the Supplier/Entrepreneur for the damages, except the withdrawal followed as a consequence of a behaviour or default contributable to the Supplier/Entrepreneur or to the involved subcontractor (including, but not exclusively the violation of the contract).

The Customer is entitled to terminate the Individual Agreement with immediate effect, in case of a serious violation of the contract by the Supplier/Entrepreneur.

It is considered as a serious violation of the contract, if the Supplier/Entrepreneur has violated any of the regulations of the Individual Agreement (including these General Purchasing Conditions).

The Supplier/Entrepreneur is not entitled to devolve the order to third party without the previous written consent of the Customer. If he will not keep this stipulation, the Customer is entitled to terminate the order or the contract partly or wholly and to demand a compensation.

## **10. Discretion and assignment**

The Supplier/Entrepreneur is obliged to treat the fact of signing of the Individual Agreement, its content, conditions and performance as a business secret. The Supplier/Entrepreneur is not allowed to use those information obtained from the Customer or has come to his knowledge during fulfilment of the Individual Agreement, which information were not become public legally,

or are not allowed to be published in other legal ways, in a way that any person will get the advantage of it, or the Customer will be affected by it adversely. Tools forms, samples, drawings, technical and other documentations, standardizing sheets, prints, models handed over by the Customer and objects, which were made by these are not allowed to be handed over or to assign to a third party without the written permission of the Customer, or to use them for another purpose, different from the purposes set in the Individual Agreement. The Supplier/Entrepreneur is obliged to make sure, that no unauthorized person should have access and can use these materials, documents and information. If the Supplier/Entrepreneur breaks these obligations, the Customer can afford the handing out of materials, documents and a compensation for its material and immaterial damages, related to this injury.

## **11. Authoritative law**

For the Individual Agreements are the regulations of the Hungarian law binding. In case of any legal dispute regarding the contract is the exclusive jurisdiction the Municipal Court Kecskemét or in case of its competence the Court of Justice Kecskemét. In matters, which are not regulated in the Individual Agreement (including these General Purchasing Conditions) are the provisions of the Civil Code to be applied.