

General Purchasing Conditions

1. Scope of these General Purchasing Conditions

This document sets forth the general issues of the business relationships that exist between IBV Hungária Kft (Buyer) and its Suppliers. The General Purchasing Conditions are an integral part of each contract that is signed between the Buyer and its Suppliers. It is possible to deviate from the General Purchasing Conditions only if Parties agree accordingly in the given contract.

2. Confirmation of the orders

A contract is concluded between the Parties, when the addressee of the order confirms in writing the contents of the order (including these General Purchasing Conditions as well) without any differences and changes.

By signing the contract Supplier declares the following:

- It is a lawfully registered and operating company;
- It has the authorisation of its company required for signing the contract;
- It is entitled to carry out the tasks that it has undertaken in the contract;
- Its obligations undertaken in the contract are valid obligations;
- There is no bankruptcy, liquidation or winding up procedure in process against it;
- There is no such procedure in process concerning it, which would threaten the performance of its obligations that are undertaken in the contract;
- Its obligations undertaken in the contract are valid, they have a binding effect, and they may be enforced against it in line with the conditions of this contract.

3. Performance and delivery deadline

The place of performance of the delivery of goods ordered by Buyer (place of handing over the possession) is the registered seat of Buyer, except if Parties agree differently. Delivering the goods defined in the contract shall be deemed performed, if in line with the previous requirement Supplier handed over the goods ordered, in the quantity and quality and by the deadline ordered, at the place of performance, and it was taken over, accepted by Buyer in writing without any complaints. Supplier shall notify Buyer in writing and without delay about the expectable delay or obstacles of performance.

Supplier is entitled to perform before the deadline that is defined in the contract, or to perform partial performance only if Parties agreed accordingly in the contract.

The costs of forwarding and the related other costs are included in each case in the price that is defined in the contract.

Buyer is entitled to select the method of forwarding unilaterally, and Supplier is not entitled for any separate remuneration in connection with this.

Buyer, in respect of the goods and services taken over based on the contract shall bear the risk of dangers starting with taking them into its possession and Buyer gets the ownership right of the delivered goods at this same time.

Supplier shall be obliged to pay penalty in the case of late performance. In the lack of a different agreement, the extent of the penalty is 0.2 % of the gross price defined in the contract for each started day (however, it is at most 10 %).

In the case of defective performance Supplier shall be liable to pay a penalty. In the lack of a different agreement, the extent of the penalty is 20 % of the gross price defined in the contract for the defective performance.

If the performance fails due to a reason that is attributable to Supplier, Supplier shall be liable to pay a failure penalty, the extent of which is 20 % of the gross price/fee defined in the Specific Contract.

Buyer is entitled to take into account its penalty demand in the purchase price that is payable by it based on the contract.

4. Acceptance

Supplier shall attach to each consignment a delivery note, a package list, moreover in the case of a domestic purchase the statement of the supplier (long term supplier declaration), and in the case of an import purchase an EUR1 document (invoice declaration or approved exporter declaration).

If Buyer requests in the order or in the related separate agreement a Quality Certificate concerning the goods delivered, Supplier shall attach it to the forwarding documents. The goods delivered must fulfil the prevailing Hungarian and European Union legislation. If a factory certificate is required by Buyer and it is not provided by Supplier, Supplier does not fulfil its obligations undertaken in the contract, and it shall bear all the consequences of this. Supplier shall indicate the identification number and the name of Buyer on the documents and on the packing of the goods.

The goods will be accepted only if the appropriate documents are available at the time of acceptance. Buyer at the time of accepting the goods from quantity aspect only checks the existence and the damage free conditions of the goods and accepts them. In the course of this acceptance, in the case of non-compliance (that is if there is a quantity deficiency or damaged goods), Buyer is entitled to send back the consignment partially or fully, and to refuse quantity acceptance. Buyer shall implement quality acceptance in the shortest time possible from the professional aspect. In the case of a quality defect, Buyer has the right to send a quality complaint, and provided it is justified to refuse acceptance. Supplier shall transport away and replace without any delay the refused goods at its own costs.

Buyer undertakes to store the goods waiting to be transported back for 2 weeks free of charge for the liability of Supplier. Supplier acknowledges that Buyer will take over the goods exclusively on working days between 07.00 – 15.30 hours. In the case of delivering at a time other than this, the additional costs that will arise from the failure of taking over the goods will burden the Supplier. Buyer does not store any packing and transportation auxiliary materials, it will not send them back, except if Parties agree otherwise in the related Specific Contract.

By handing over the possession of the goods, Supplier warrants that Buyer will get an ownership right of the goods free of any restrictions (among other including also the restrictions that are connected to intellectual property restrictions) and it declares and warrants that in respect of the goods manufactured by it based on the contract nobody has any right that would exclude or hinder Buyer in acquiring their ownership.

5. Financial conditions

Supplier shall send the invoice and the delivery note certifying acceptance by post to IBV Hungária Kft. Buyer will pay the price of the goods exclusively by bank transfer. The invoice shall fulfil the provisions of the Accounting Act effective at the time, when the invoice is issued.

Moreover, the invoice shall contain the Buyer's purchase number as well as the position number. If there is any discrepancy in this regard, Buyer will be entitled to return the invoice and to refuse payment without the legal consequences of late payment. In the lack of a different agreement, Buyer will pay by bank transfer the purchase price within 60 working days after receiving the invoice that is properly issued following faultless performance.

If the deadline is a non-working day, payment will be due on the subsequent bank working day. In the case of late payment, provided the currency of payment is HUF, Buyer may be obliged to pay the lawful late payment interest rate. If the currency of payment is a foreign exchange, the extent of the late performance interest is 5 % of the extent of the reference interest that refers to the given foreign exchange (Euribor, Eurolibor etc.). Supplier acknowledges that Buyer may subtract from the payable amount those additional expenditures that appear in a non-planned manner, and the occurrence of which is attributable to Supplier.

If Supplier does not hand over its invoice concerning the goods and/or services within six month after handing over the goods, Buyer will be entitled to late performance penalty. The extent of the late performance penalty is daily 3 thousandth of the contractual value of the goods and/or services.

In addition to the above, Buyer after the expiry of the above deadline is entitled to pay the price based on the contract, even in the lack of an invoice.

In this case Buyer is entitled to take into consideration its late payment penalty claim in its payment obligation, that is, it will reduce the price that is to be paid for the goods with the amount of the penalty.

6. Warranty

Supplier shall provide a warranty valid for 36 months after contractual performance. Supplier has a financial liability during this period for the compliance of the products, and for all the consequences that will arise from the possible non-compliances. The defects or deficiencies that occur during the period of warranty, Supplier – depending on the choice of Buyer – shall repair, replace or supply the products/services again faultlessly, at its own expense, without any delay. If Supplier does not perform the elimination of the defect or deficiency, or the new delivery within the appropriate deadline set by Buyer, then Buyer is entitled to select from among the following:

- to cancel the contract partially or fully, or
- to demand a price reduction, or
- at the cost and risk of Supplier to do the repair or to have the repair done, or to purchase the goods from a third person.

Buyer is entitled to claim the refunding of its damages from Supplier in each case. The above have to be applied even if Supplier declares that it is unable to carry out the elimination of the defect, the repeated delivery or service within the appropriate deadline. If Supplier performs with delay and subsequently Buyer establishes that the performance is defective or deficient, Buyer is entitled to do the repair or to have the repair done at the cost of Supplier immediately, if this is necessary in order to prevent its own late performance or due to some other urgent circumstance. In the case of a claim or demand raised by a third party connected to the goods that were delivered by Supplier, Buyer shall notify Supplier without any delay about the demand presented by the third party. Supplier in this case shall exempt Buyer at its own cost in respect of demands of this kind.

7. Engaging subcontractors and/or contributors

Supplier may engage a contributor only with the preliminary written consent of Buyer.

Supplier is liable for the activities of the contributors the same way as for its own activities.

The Buyer may withdraw at any time the consent it has given, however, it shall bear the additional costs it causes with this, except, if the withdrawal of the consent was done because of the imputable behaviour or negligence of the Supplier or the engaged contributor.

8. The termination, cancellation and termination by notice of the Specific Contracts

A contract signed between the Parties will be terminated with its performance, however, the provisions of the contract have to be applied in case there is any legal dispute between the parties.

Buyer is entitled to cancel the contract at any time, however, it must refund the damage caused by this to Supplier, except if Buyer cancelled the contract due to the imputable behaviour, negligence of the Supplier or the engaged contributor (including among others also the breaches of the contracts).

Buyer is entitled to terminate the contract at any time, if Supplier seriously breaches the contract.

It is classified a serious breach of contract, if Supplier breaches any of the provisions of the contract (including also these General Purchasing Conditions).

9. Confidentiality and transfer

Supplier shall manage the fact of signing the contract, its contents, conditions and performance as business secrets.

Supplier may not make accessible to any third person those information that it receives from Buyer or it learns during performing the contract or in any other manner, which were not lawfully published, or which could not have been learnt in any other lawful manner, and it may not use them in a manner that would provide advantage to any person, or that would cause a disadvantage to Buyer. It is not allowed to hand over or assign to any third person the tools, forms, samples, models, drawings, technical and other documentations, the standard sheets, printed papers, templates received from Buyer, and the objects made with their aid, without the written permit of Buyer, or to use them for a purpose other than what is defined in the Specific Contract. Supplier must ensure that unauthorised persons will not be able to access or utilise these materials, documents and information. If Supplier breaches this obligation, Buyer may demand the handing over of the materials and documents, and it may demand the refunding of its material and non-material damages arising from this grievance.

10. Governing law, jurisdiction

The rules of the law of Hungary are applicable for the contracts. Legal disputes connected to the contract will belong under the exclusive jurisdiction of the District Court of Kecskemét, or the Regional Court of Kecskemét, depending on the required authority scope. The provisions of the Civil Code shall be applied in the case of issues that are not regulated in the contract (including also the General Purchasing conditions).

Kiskunfélegyháza, 21 June 2018