

General Conditions of Contract

1. The scope of the GCC

These general conditions of contract (GCC) cover every form of cooperation between IBV Hungária Kft – hereinafter: "the Supplier" and any Customer in a given time. These conditions form inseparable parts of every contract of delivery. In questions not regulated in individual contracts of delivery the provisions of these General Conditions of Contract are to be applied. In individual contracts of delivery the parties may agree according to conditions which are different from those in these GCC, as well.

An individual contract of delivery becomes valid between the Parties if the Supplier confirms the items of an order without any change or alteration.

The Customer has the right to withdraw from the contract at least 20 days before commencing the making of the products defined in the contract, without any obligation of payment.

After the above time the Customer may only withdraw from the contract by compensating the Supplier for every cost and damage which have arisen or happened.

2. Performance

Date of performance:

The Parties agree that if the Customer defines the quantities of products which He intends to purchase in the given months, for a period of 6 months after the Supplier receives the order, in such a case – provided the Supplier does not receive any written notification about changes – the deadlines of performance are

- 2 weeks for standard products
- for individual products please contact us

from the time when the Supplier gets the order at hand.

The Customer is to check the quantity of the delivered products at the time of delivery, and is to perform the quality inspection on the site of delivery, within 6 days' time. If the Customer does not report any objection within this period, the Parties acknowledge that the Customer has accepted the products without any complaint of quantity or quality, and accordingly, the Supplier has performed all of His contracted obligations.

The Customer – in case of late performance – is obliged to pay penalty for delay; its daily rate is 1% of the net counter-value defined in the individual contracts, but not more than 10% of the net counter-value.

Apart from the penalty for delay the Supplier is also obliged to enforce His claim for damages.

When the penalty for delay reaches its maximum level, on the next day the Supplier is entitled to withdraw from an individual contract, and the Customer is obliged to compensate the Supplier for His damages when getting the Supplier's written demand, before the deadline which is given in the notice of demand.

The Supplier is entitled to advance performance, meaning that He may offer the products to the Customer for acceptance before the end of the deadline of delivery, and in such a case the Customer is obliged to accept them.

Place of performance: The Supplier is to deliver the products defined in the individual contract of delivery at the site defined in the individual contract of delivery – if the site is not defined, at the seat of the Customer.

If the acceptance is at the site of the Supplier, it is the Supplier to provide the necessary real and personal conditions for it at His own costs. If the acceptance is at a different place, it is the Customer to provide for the necessary conditions at His own costs.

Way of performance:

It is the Party defined in the individual contract which is responsible for loading and unloading the products, and covering the costs in connection with these activities. In lack of such provisions in the individual contract the above are the obligations of the Customer.

The Supplier is to deliver the products properly packed. The packaging must be able to protect the intactness of the products during transportation and storage.

Labelling the packages: The Supplier is to put one label of information on every package, with the following dates: the Supplier's code of the product; the Customer's code of the product; name of the product; no. of the order; no. of pieces; date of packaging; identification details of the person who made the packaging.

3. Transfer of risk and the right of ownership

The Customer is to run the risk for products, received according to the conditions of an individual contract, from the time of their acceptance regarding quantity, and obtains their right of ownership when the entire purchase price is paid.

4. Warranty

The Supplier is to give 24 months' warranty for products delivered on the basis of the individual contracts.

The Customer is to report any complaint to the Supplier in writing, with the exact description of the objected faults, according to the following conditions:

- if products are missing or the quantity is not acceptable, within 3 working days after delivery; in case the delivery is on the site of the Supplier, within 6 working days from the time of delivery;
- if there are visible physical faults caused by improper packaging or during transportation, within 1 working day after delivery; in case the delivery is on the site of the Supplier, at the acceptance.

In case the Customer does not inform the Supplier about His complaints in connection with the products within the above deadlines, He is deemed to accept the performance as it is in conformity with the stipulations of the contract, and accordingly, later He is not entitled to submit any complaint of quantity or quality, or present any demand in connection with them.

In case of a faulty performance, if the complaint is accepted by the Supplier, the Customer may ask for replacement or repair – they are to be performed by the Supplier within 15 days after the faulty products are returned to Him. It is at the discretion of the Supplier to choose between replacement and repair.

The Supplier undertakes 3 years warranty for the STANDARD lighting products, and 5 years warranty for the PREMIUM lighting products delivered under individual contract under the following conditions:

The starting date of the warranty period is the date of receipt of the product by the Customer.

The warranty claim is valid only for those products, whose use of duration did not exceed 4000 hours per year at the time of the validity of the warranty claim.

The validation of the warranty claim is subject to the condition that the products have been installed and used in accordance with the specifications and conditions, as specified in the product specification, contract and user manual. (Outside temperature, supply voltage and switching cycles does not exceed the limit)

Additional condition for the warranty claim, that failure of the operation of the product exceeds the rate of failure due to normal abrasion (wear and tear). For the purposes of this contract, the rate of natural wear and tear is 0.2% per 1000 hours of operation.

Customer is required to report the warranty claim in a written form to the Supplier specifying the descriptive and precise description of the default and at the same time, at its own expense, must deliver the goods it considered defective to the Supplier in appropriate packaging.

The Supplier will examine the product which is considered defective by the Customer, and in case it agrees with statement of the Customer then will replace the defective product or offers an appropriate price reduction to the Customer. If, during the investigation, it can be found that the product is not defective, the Customer must reimburse the costs of the inspection to the Supplier within 8 days of receipt of the relevant written notice and invoice of the Supplier.

In addition to the above, the Customer may not demand any other warranty right (including but not limited to the costs of the replacement, installation of the replaced product and/or damage claims). In case of a different warranty claim, an individual agreement is required.

The extended warranty time is valid only for the standard LED products, it is not applicable for such special executions like for example LED products mounted with emergency kit or motion sensor.

For the definition of STANDARD and PREMIUM products the description published on the Supplier's website shall prevail.

5. Delivery of the products, faults of quantity and quality

The Parties stipulate that the loading, unloading and delivery of the products are to be performed in conformity with the provisions of the individual contracts. The inspections of quantity and quality are to be made at the place of delivery. It is the delivery note issued by the Supplier, and signed by the Customer, His agent or transporter which attests the acceptance of the products. The delivery note must state the number of products, their article numbers assigned by the Supplier and Customer, the number of the order, the net weight of the products, and the number of packages.

6. Price, conditions of payment

On the basis of an invoice issued by the Supplier the Customer is to pay the purchase price of the products defined in the individual contract, in the currency defined in the individual contract.

In case the seat of the Customer is in a country of the European Union, the Customer is to attest credibly to the Supplier – within 15 days after receiving the products – that He has moved the products received on the basis of an individual contract from the territory of Hungary. If it is not done, for the request of the Supplier the Customer is obliged to pay the amount of the applicable value added tax.

If an order is placed for an amount of products less than a pallet load, the Supplier reserves the right to charge an extra fee which is applicable for small amounts.

Within 30 days after the invoice of the Supplier is issued, the Customer is to pay the full purchase price of the products, by bank transfer, to the bank account of the Supplier held with the given number at the bank indicated by the Supplier. The date of payment is the day when the amount of the purchase price is credited on the account of the Supplier. In case of late payment the Customer is to pay default interest; its rate – when the demand is in HUF – is twice of the base rate of the central bank on the first day of the default. When the demand is in EUR, the 3 month EURIBOR is twice of the figure for the first day of default.

7. Secrecy

The Parties are to handle this GCC and the individual contracts of delivery as business secrets; they are not entitled to share their contents with others and to make them available to any third party, except when required by the law. In case any of the Parties violates His obligation stipulated in this provision, He is obliged to compensate the other Party for any damage suffered on account of the breach of secrecy.

8. Completeness of the individual contracts of delivery, partial invalidity, using rights to make amendments

The individual contract of delivery and these General Conditions of Contract together form the entire agreement made between the Parties, which agreement makes every other one – made between the Parties earlier – void.

In case any provision of an individual contract of delivery and these General Conditions of Contract are invalid, it does not make the other provisions invalid, and have no effect on their enforceability.

Any amendment to an individual contract of delivery is only valid in writing.

When a right provided by an individual contract of delivery, these General Conditions of Contract or an applicable provision of law is not used, a legal remedy is not applied, or only applied after the elapse of some time it does not mean the surrender of using a right or legal remedy, or using other rights and legal remedies which may be applied in a given situation. When any right or legal remedy provided by a contract or by a provision of law is used once, partially, it does not prevent using the same right or legal remedy, or using other rights and legal remedies in the future.

9. Applicable law, settling disputes, and the applicable language

In questions not regulated in these GCC the provisions of the Hungarian Civil Code are to be applied.

The Parties are obliged to do their best to remedy their disputed questions in an amicable way. Concerning any legal dispute which the Parties may have in connection with an individual contract or these GCC, they are to accept the judgements passed by the Buda Central District Court, or the Kecskemét Court of Justice provided it is competent.