

GENERAL PURCHASING TERMS AND CONDITIONS

I. DEFINITIONS AND INTERPRETATION

1.1 In the present Terms and Conditions (or 'Purchase Agreement'): 'Sub-Supplier' means any person, firm, corporation or company supplying the Supplier with materials, machinery, tools, equipment, articles, items or other work or services to the Supplier for the completion of the Goods.

'Goods' mean the goods and/or any related services to be supplied by the Supplier to the Buyer as described in the Purchase Order.

'Price' means the price of the Goods as specified in the Purchase Order.

'Purchase Order (or "PO")' means the purchase order issued by the Buyer (or Purchaser) to the Supplier in respect of the Goods and to which these Terms and Conditions apply.

'Specification' means all technical specifications, descriptions, drawings or other technical documents referred to in the Purchase Order and any such specifications and/or other technical documents, as may otherwise be agreed upon between the Supplier and the Buyer as applicable to the Goods.

'Representative' means any director, officer, employee, contractor, subcontractor or agent of a party.

1.2 In the present Terms and Conditions: (a) clause headings and words in bold are for convenience only and shall not affect interpretation thereof; (b) words importing the singular include the plural and vice versa; and (c) words importing a gender include any gender.

II. PURCHASE ORDER AND ORDER CONFIRMATION

1./ The Supplier shall confirm the order in 3 calendar days from receipt of Purchase Order and can be in the form of signed PO or other written format. If no order confirmation is sent to the Buyer during this period of time, then the order and the general conditions of purchase shall be considered as implicitly accepted by the Supplier.

2./ The order confirmation shall clearly include that the Supplier accepts the order and the general conditions of purchase without changes. If the confirmation of the Supplier includes any differences of opinion, the contract shall take effect only if the Buyer explicitly makes a written declaration of acceptance.

3./ The general terms of business of the Supplier shall not apply to the Buyer, except if the Buyer explicitly accepts them in writing. Acceptance, receipt of shipments or services or effecting payment shall not mean that the general terms of business of the Supplier have been accepted.

4./ Changes or addenda to the order shall take effect supplements only with the written consent of the Buyer.

III. DELIVERY DATE

1./ Deliveries shall be deemed as fulfilled on the date when the Supplier delivers them to the Buyer, as specified in the contract, at the place of performance defined by the Buyer, and the Buyer receives them.

2./ The Buyer shall be informed of the obvious delay of deliveries or services even if the performance deadline has not yet expired.

3./ In case of delayed performance the Supplier shall pay penalty unless it is not liable for the delay. Unless otherwise agreed, the amount of penalty shall be 0.7% of the net contractual value for each day of delay, whether fractional or full, but not more than 15% of the net contractual value. Penalty shall be applicable on both the partial performance and the final performance deadlines.

4./ Preliminary deliveries are only possible based on the authorization of the Buyer.

IV. TRANSFER OF RISK, DELIVERY

1./ In the event of deliveries, risk shall be transferred to the Buyer when Goods are handed over to the carrier, if delivery is effected with the means of transport of the Buyer or by a carrier appointed by the Buyer. In all other cases, risk shall be transferred upon hand-over at the Buyer's site.

2./ Unless otherwise agreed, the Supplier shall bear the transport, packaging and insurance costs up to the place of destination. Excess costs arising out of non-compliance with the mode of transport shall be borne by the Supplier.

For transport to the place of destination specified by the Buyer, the Buyer shall also be entitled to determine the mode of transport. The Supplier shall bear any damages and excess costs arising out of non-compliance with the Buyer's instructions for transport.

Excess costs incurring in the event that express transport is required in order to meet the delivery deadline shall be borne by the Supplier.

3./ Supplier shall deliver the material or equipment described herein in good condition and properly packaged for delivery.

4./ No charge for packing or cartage will be allowed unless authorized in writing by Buyer prior to delivery.

5./ No delivery is deemed completed until Buyer has received the bill of lading or transportation receipt, unless otherwise specified.

V. GOODS RECEIPT

1./ Each shipment shall be accompanied by a delivery note or packing list showing the contents of the shipment, and a certificate of quality.

2./ In possession of the documents listed, the Buyer shall accept the Goods or services in terms of quantity and quality at the place of performance.

Quantitative acceptance is performed at receipt of the shipment, except for packaged mass products. The latter ones are received based only on the number of packages, and in that case, the Buyer is entitled to carry out the quantitative acceptance within 8 days in terms of the quantity within the packages.

The Buyer shall carry out quantitative acceptance within 8 days following the receipt of the shipment.

3./ In the absence of the delivery note and/or invoice, or the document concerning the quality of the Goods, the Buyer shall be entitled to refuse acceptance.

4./ Shipments shall be received between 7 a.m. and 3 p.m. on working days.

5./ Buyer reserves the right to reject nonconforming Goods and require Supplier to promptly remove the rejected Goods at the Supplier's expense. Buyer shall have the option either to require Supplier to replace rejected Goods at Supplier's expense; or to cancel this Purchase Agreement.

VI. INVOICING

The invoice and the documentary proof of performance (copy of delivery note, acceptance protocol, etc.) shall be sent directly to the Financial Department (H-1094 Budapest, Tűzoltó u. 59., EU) unless defined otherwise in the PO. The PO number and version as well as the Buyer's other order details enabling the identification of the items shall in every case be indicated on the invoices. The contents and the number of copies of the invoices shall always comply with the prevailing Accounting Act of the country of the entity billed. In the absence of the aforesaid, the invoice shall not be payable and will be returned to Supplier for correction and/or acceptable support documentation.

VII. PAYMENT

1./ Unless otherwise agreed, the deadline for paying the gross total amount of the invoice shall be 60 calendar days from receipt of the invoice.

2./ In the event of late payment, the Buyer may be obligated to pay default interest at a rate not exceeding the effective base rate of the bank of issue.

VIII. WARRANTY, GUARANTEE

1./ All Goods furnished shall be free from defects in material and workmanship and shall conform to specifications and/or drawings.

2./ Unless otherwise provided by the law or the parties, the Supplier shall provide a guarantee of 18 months from contractual performance and 12 months from the commissioning.

3./ The Supplier shall, at the discretion of the Buyer, remedy the defects or deficiencies occurring during the guarantee period at the expense of the Supplier, without delay, or replace the Goods, or repeatedly provide the services without fault.

4./ In the event that the Supplier fails to remedy the defect or deficiency or repeatedly perform delivery or provide services within the period set by the Buyer, the Buyer shall, at its own discretion, be entitled to the following

- abandon the contract in part or in whole, or
- ask for a price reduction, or
- perform the repair or have it performed at the expense and risk of the Supplier.

In every case the Buyer shall have the right to demand the Supplier to compensate it for its losses.

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The above shall be applicable also in case the Supplier declares that it is unable to remedy the defect, or complete new delivery or repeatedly provide the services by the appropriate deadline.

5./ In the event that the Supplier performs with delay, and the Buyer establishes that the performance is faulty or deficient, the Buyer shall be entitled to make perform repairs or have them performed immediately at the expense of the Supplier, if that is necessary in order to avoid the Buyer's own delay or any other emergency.

6./ The Buyer shall begin the inspection of the delivery completed or the services rendered immediately after their acceptance, but not later than 8 days from their acceptance, and then report its eventual objections in writing. The costs and risk of returning a defective or deficient shipment refused legitimately shall be borne by the Supplier.

7./ The costs and risk of returning a defective or deficient shipment refused legitimately shall be borne by the Supplier.

IX. MATERIALS PROVIDED

1./ Any materials provided to the Supplier shall remain the property of the Buyer, and the Supplier shall assume responsibility for their separate storage, marking, and handling performed free of charge, as specified by the Buyer. Such materials shall only be used for the purposes of the order given by Buyer. The Supplier shall indemnify for any depreciation, deficiency or destruction or loss of the materials. The above rule shall also be applicable when materials linked with the order are transferred.

2./ The materials shall be processed or transformed for the Buyer. Materials processed or transformed pursuant to the Buyer's order shall be the property of Buyer. The Supplier shall keep the finished product with due care.

X. CONFIDENTIALITY, TOOLS, MOULDS, PATTERNS, ETC.

1./ The Supplier shall not disclose to any third party any information obtained from the Buyer, that is not generally known, or that could not be disclosed to it in any other lawful way.

2./ Without the prior written permission of the Buyer, the tools, moulds, patterns, models, drawings, standard sheets, printouts and face-moulds handed over by the Buyer and the objects manufactured with the help of these shall not be handed over or transferred to any third party or be used for other contractual purposes. The Supplier shall make sure that no unauthorized persons may have access to or use these materials. In the event that the Supplier breaches these obligations, the Buyer may claim that the materials be released and indemnification for its damages incurred as a result of this breach.

XI. TRANSFER OF THE CONTRACT TO A THIRD PARTY

Without the written consent of the Buyer, the Supplier shall not have the right to transfer the order to any third party. In the event that the Supplier fails to comply with this provision, the Buyer shall have the right to abandon the contract in part or in whole and to claim damages.

XII. CESSION

The Supplier may cede any receivable from the Buyer, arising from this contract, to a third party, only with the written consent of the Buyer.

XIII. RESPONSIBILITY

Supplier shall defend, save harmless, release and indemnify Buyer and Buyer's customer as well as their agents and employees against any claim, loss, injury, or damage including attorneys' fees and costs arising out of the performance of this Purchase Agreement, or the Goods provided, excluding losses, injuries caused by the sole negligence of the Buyer or Buyer's customer.

XIV. REMEDIES

The Buyer's remedies shall be cumulative and in addition to any further remedies provided in law. No waiver of a breach of any of the provisions of this Purchase Agreement shall constitute a waiver of any other breaches.

XV. NOTICES

Any notice served pursuant to the present Terms and Conditions shall be in writing and shall be given to the other party and may be given by delivering the same by hand or by sending the same by facsimile or telex or sender-paid post, telegram or cable to the other party.

XV. SEVERABILITY

Any provision of the present Terms and Conditions that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

XVI. FORCE MAJEURE

1./ Neither Party shall be liable for a failure to perform arising from any cause or event beyond reasonable control and without the fault or negligence of the Party affected thereby including, without limitation, acts of God or a public enemy, acts of any public authority or governmental agency, acts of any person engaged in subversive activity or sabotage, fires, floods, explosion or other catastrophes, epidemics or quarantine restrictions, strikes, slowdowns, lockouts, or labor stoppages or disputes of any kind, freight embargoes, unusually severe weather or delays due to any of the above causes or events (an "Event of Force Majeure"). The occurrence of an Event of Force Majeure shall not excuse the performance of any payment obligation arising under this Agreement. Each Party shall use commercially reasonable efforts to minimize the duration and consequences of any failure or of delay in performance resulting from an Event of Force Majeure.

2./ In such event of Force Majeure, the affected Party shall give notice to the other Party, and shall be automatically relieved from performance of the Order for the entire duration of such event.

3./ If the said event lasts for more than thirty (30) days, the Buyer shall have the right to terminate the Order with immediate effect by giving written notice to the Supplier; in such termination, the Supplier shall not be entitled to claim any compensation damages or indemnity whatsoever.

XVII. COURT, GOVERNING LAW

1./ Unless otherwise provided for in the contract, the courts of Buyer's country shall have exclusive jurisdiction regarding disputes arising out of the contract or these general conditions of purchase forming a part thereof.

2./ Issues not regulated in these general conditions of purchase shall be governed by the relevant laws and legal regulations of Buyer's country.

3./ In case of any discrepancies between the PO and these general conditions of purchase, the provisions of the PO shall prevail.