

## GENERAL CONDITIONS OF PROCUREMENT

These GENERAL CONDITIONS OF PROCUREMENT (hereinafter referred to as GCP) shall apply to **orders placed by Antenna Hungária Zrt.** (1119 Budapest, Petzvál J. u. 31-33., Mailing address: 1519 Budapest, P.O. Box 447., Company registration number: Cg.: 01-10-042190, Tax number: 10834730-2-44, hereinafter referred to as: AH or Client) **as client.**

### I. Subject of the GCP

(1) Orders submitted by AH shall be satisfied under the terms and conditions included in this GCP that shall form part of the content of all verbal or written agreements made by AH, through their acknowledgement by the contracting partner.

(2) Parties may deviate from the conditions specified in the GCP only with mutual understanding in the form of a written agreement.

### II. Request for offers

(1) AH **requests an offer in writing** from the Supplier for the product it wishes to order, the price thereof, and the terms and conditions of delivery and payment. Concurrently with requesting an offer AH sends this **GCP** to the Supplier, or **makes it available** for him on the official website of Antenna Hungária Zrt.

(2) **Supplier shall submit his offer within 3 working days** of the receipt of the request for offers. In his offer, the **Supplier may specify the validity period of his offer**, however, **it may not be shorter than 30 working days**, unless the nature of the service expressly requires a period shorter than that.

(3) In his offer the Supplier also declares that he accepts and deems applicable the provisions of this GCP in making his offer and during the potential performance of the order later on. If the Supplier fails to declare in his offer the acceptance or non-acceptance of the provisions of the GCP, but makes a binding offer, by making such an offer he shall also accept the application of the GCP and the provisions thereof.

### III. Submission of orders

(1) AH shall send his **written order** supplied with a unique identification number within the validity period of the offer specified by the Supplier to the contact details provided by the Supplier. Orders sent via telefax, or electronic mail shall also be considered a written order. In the latter case AH requests a simultaneous confirmation of reading the order sent electronically. Failure to submit a written order is a clear sign of the fact that AH did not accept the offer and does not wish to submit a relevant order.

(2) Failure to submit a written order does not prevent requesting a new offer later on.

(3) Depending on its subject, the **contract between the Parties** may be established by acceptance of the Supplier's offer by AH in writing (courier or mail, telefax, electronic mail) and through the confirmation of AH's order and through a contract concluded separately by the Parties. The **provisions of this GCP shall form part of the contract**, and shall be applicable during the performance thereof in all those respects on which the Parties did not expressly agreed differently from what is written here.

(4) If the Supplier fails to confirm or reject the order within two (2) working days, AH shall regard the order confirmed by the Supplier without changes to its content.

#### **IV. Delivery, performance - Acceptance**

(1) Unless the written agreement between the Parties explicitly rules otherwise, the **place of performance shall be the AH plant specified in the order.**

(2) Supplier shall deliver/order the delivery of the ordered goods to the specified plant of AH by the deadline specified in his offer or in a separate agreement between the Parties. The **costs of delivery shall be borne by the Supplier.** Two working days prior to the actual date of a single delivery, AH shall be informed that the delivery is due, by sending such information to his contact details specified in the contract. In case of a scheduled delivery, the schedule in all cases is included in the order/contract; any deviation from it shall be indicated to the Supplier in writing or in urgent cases also over the phone by using his contact details specified in the contract.

(3) AH shall accept preliminary performance or performance in parts only in case of a written agreement explicitly to that effect.

(4) Supplier shall transport the products in proper packaging which ensures their integrity and protection from any damage. If required, the Supplier shall prepare an itemised delivery note of the products delivered. The Supplier shall be responsible for all such damages that arise from improper packaging during transportation. The signs on the packaging shall clearly express the name of the product placed inside, as well as its type, quantity, date of manufacturing, expiry, the manufacturer, as well as the order and contract number.

If services are ordered, the Supplier shall render the ordered services pursuant to the terms and conditions specified in the order or the Service provider's offer or the separate agreement between the Parties. In case of services, such services shall be rendered in first-class quality, by the deadline or in the duration and at the place specified in the order, in a documented manner, of which a work log/record should be kept, in which the description of the service, the working days/working hours, as well as the order number and the contract number must be indicated.

(5) Once the delivered goods arrive – if possible - AH immediately shall submit the products to quantity control based on the contract and the delivery note. In case of any deficiency AH shall notify the Supplier in writing without any delay, who shall supplement the shipment at his own costs. AH shall check the integrity and completeness of the product ordered upon acceptance, and, if necessary, shall submit the product/equipment to a test. The quantitative acceptance of the ordered goods shall take place in the presence of the Supplier (his representative, agent). If the quantitative acceptance may not be performed directly after the arrival of the goods, AH shall indicate on the delivery note the fact of "acceptance without checking" upon the acceptance of the product. In this case complaints, if any, may be submitted by AH for 5 working days of acceptance. The quantity acceptance shall not rule out the right of subsequent enforcement of claims arising from the breach of contract.

(6) AH shall check the quality of the delivered goods and the conformity of the technical documentation upon putting into operation (installation for normal operation). AH shall be entitled to return the delivered equipment, if it proves to be deficient upon quality acceptance (e.g.: the equipment is deficient, does not operate in the manner as it is described in the technical description, etc.). The costs of return shall be borne by the Supplier.

(7) If the delivered product or equipment proves to be defective, the Supplier shall replace it free of charge within 5 calendar days of the receipt of the notification on the error.

(8) Supplier, when acting in the plants of AH, shall comply with the relevant internal regulations of AH (e.g.: entry, work safety and security regulations, etc.) that AH shall make available for the Supplier, if necessary.

(9) The risk of damage shall be transferred to AH upon acceptance.

(10) In the course of the hand-over – acceptance procedure for the services reported to be completed, AH shall check the expected quality of the service provided and the conformity of the technical documentation. AH is entitled to reject the performance if such performance proves to be insufficient or defective. The Supplier shall supplement and remedy defects and deficiencies.

## **V. Use of sub-contractors**

(1) The Supplier may use sub-contractors with AH's prior written consent. The Supplier shall be responsible for the conduct of, work performed by and quality of the sub-contractor the same way as for his own.

(2) With an explanation provided, AH is entitled to request the involved sub-contractor to be replaced, which the Supplier may not reject. The Supplier shall perform such replacement within 15 days. If the Supplier does not find a suitable sub-contractor, he shall carry out the work from own resources.

## **VI. Prices**

(1) AH shall regard the price specified in the offer as the contractual price, and in lack of an offer the price stated in his order or in the separate agreement between the Parties.

(2) The contractual amount may be indicated by determining the net final amount – in digits and letters, or by determining the gross final amount – in digits and letters – and the VAT rate must be indicated in both cases.

## **VII. Terms of payment**

(1) The price of performance shall be paid by the Supplier against an invoice issued following the hand-over - acceptance (certificate of performance) after delivery.

(2) **Manner and due date of payment:** by ways of payment transfer against an invoice issued after the verified performance, not later than 60 days. The supplier shall issue his invoice within 15 days following performance – in compliance with section 163 of Act CXXVII of 2007 on value added tax and forward such invoice to the Client within 5 days of the issue thereof. In case of delay of the latter, the payment deadline shall be extended by the delay of sending the invoice.

(3) The Supplier shall show on the invoice the AH contract (order) number, and the reference number; in lack of that AH shall not be in a position to accept the invoice. The document proving the acceptance of performance shall be attached to the invoice. If necessary, AH may submit a complaint in writing against the invoice before the expiry of the payment deadline, which shall be sent shortly – by e-mail, telefax – to the Supplier. The Supplier shall evaluate the submitted complaint without any delay and take the necessary measures. The payment deadline of the invoice disputed by AH and demonstrably made out incorrectly shall be calculated from the date of issue of the corrected invoice.

(4) In case of late financial fulfilment the Supplier shall be entitled to charge a penalty interest whose rate is equivalent to the central bank base rate, valid from time to time. The penalty

interest shall be calculated after the amount(s) unpaid or paid late, from their due dates until the date of payment by the party obliged to pay. If the Client's delay has been caused by the lateness of the Contractor/Supplier in issuing and sending of the invoice to the Client it shall not be regarded as late financial fulfilment.

### **VIII. Delay damages**

(1) Supplier shall be liable to pay delay damages if he performs late, or fails to fulfil his obligations by the set deadline relevant to data provision or other interim actions related to performance, performs deficiently or if performance has become impossible (failed).

#### **(2) Rate and basis of the delay damage:**

- In case of late performance, and failure to fulfil data provision and other interim obligations to act: **one % per day, but maximum 10 %**.
  - In case of defective performance, and failed performance: **20 %**
- The basis of the delay damage is the net contract fee.

AH is entitled to include his claim for delay damages in the amount of the price payable to the Supplier.

(3) Client shall reserve the right to enforce its claim for delay damages within the limitation period even if he accepts performance while being aware of the breach of contract – late or deficient performance – and if fails to report his claim without delay. The Client is entitled to enforce his damages exceeding the delay damages.

### **IX. Warranty**

Regarding warranty the relevant provisions of the Civil Code shall be applicable.

### **X. Guarantee**

(1) From the date of hand-over - acceptance to AH the Supplier shall guarantee the products and equipment for the period indicated in his offer.

(2) During the guarantee period replacements/fixes shall be completed for the Client free of charge not later than maximum 30 (thirty) calendar days of the date of reporting the deficiency. If the deadline is not met, AH shall enforce delay damages. During the guarantee period the deficient goods shall be returned by AH to the address specified by the Supplier. The Supplier shall bear the costs of transporting the faulty goods from the site to the address specified by the Supplier, and of returning them to the plant of AH.

In case of defects occurring during the guarantee period, the guarantee period for the faulty units and/or parts shall be extended from the date of the replacement/fixing by a duration equivalent with the original guarantee period.

(3) Reporting a guarantee claim by AH shall not injure AH's right to enforce his losses and damage arising from the failure of the ordered product against the Supplier.

### **XI. Force majeure**

(1) Parties shall be exempt from their contractual obligations if the complete or partial non performance is the consequence of force majeure.

(2) The following shall be regarded as force majeure in particular:

- war,

- natural disasters,
- other unforeseeable circumstances that are independent from the will of both parties.

(3) Strike and lock-out occurring at the Supplier shall not be regarded as force majeure.

(4) In case of a force majeure the delivery deadlines applicable to single orders shall be extended by the duration of the event and the consequences thereof.

(5) Parties shall inform each other without any delay in writing about the occurrence of the above circumstances and the cessation thereof.

(6) If the performance falls in delay of more than three (3) months due to force majeure, the two Parties within thirty (30) days will examine together the possibility of extending the deadline set for performance and in line with that they will agree on new conditions, taking into account the given circumstances.

(7) If the Parties are unable to come to an agreement within (30) days on the extension of the deadline set for performance, AH shall be entitled to withdrawal/ termination with immediate effect. AH shall return any and all goods delivered and installed by the Supplier until the date of withdrawal at the Supplier's costs, and the Supplier shall reimburse the payments made by AH, and in case of immediate termination Parties make a settlement with each other.

## **XII. Other cases of withdrawal**

(1) In case of the breach of contract by the Supplier, AH, as Client, may rescind the contract or may terminate the contract with immediate effect, in which case AH shall be entitled to enforce against the Supplier all of its costs and damages arising from the contract.

## **XIII. Handling of data**

(1) AH shall handle the data necessary for the identification of the Supplier in compliance with the provisions of legal regulations, within the frames of this GCP for the purpose of maintaining a commercial relation. The provision of data by the Supplier in the interest of contracting is voluntary based on the autonomy of the parties to a contract.

(2) These data include in particular:

- the supplier's name,
- name and contact details of the person authorized to act as representative,
- registered seat/address,
- tax number,
- company registration number,
- name and contact details of the designated contact person.

(3) Supplier shall grant its consent to AH handling the data necessary and sufficient for identification for the purpose of concluding the contract, monitoring his performance, billing the fees arising from it, and enforcing the related claims.

(4) Supplier shall notify AH about any changes in his data within 3 working days of the date of such change. AH shall not be liable for delays arising from failure to do so.

## **XIV. Termination of the contract**

(1) The contract shall cease to exist upon the Parties' mutual performance.

## **XV. Confidentiality**

(1) The Parties shall keep secret all information they obtain during their cooperation that qualify as trade secret, handle confidentially all information concerning the other party and may not use, shall not disclose or make available in any other ways such information to third parties even after the termination of the contract.

## **XVI. Assignment**

(1) Without the Client's preliminary written approval the Supplier may not assign his obligations arising on his part and rights vested into him under the contract to a third party, either partly or fully.

## **XVII. Legal disputes**

(1) In case of legal disputes the Parties shall primarily try to settle their disputes through consultations. If such consultations fail to be successful within thirty days, the competent court having jurisdiction according to the general rules of the Code of Civil Procedure shall act in legal disputes arising between the Parties.

## **XVIII. Other provisions**

(1) If any provisions of the GCP is regarded as invalid it shall not affect the validity of the remaining parts of the GCP.

(2) The provisions of the Civil Code (Act V of 2013) shall be applicable to issues not regulated herein and in any and all separate special agreements between the Parties.

(3) The provisions of this GCP shall remain valid until those are amended or withdrawn or until the issue of a new GCP.

Budapest, 01 December 2016

Effective as of: 01 December 2016