

GENERAL SALES CONDITIONS (GSC)

1.) Definitions

1. In the articles of these General Sales Conditions (GSC) the “Supplier” means the company Magyar Cukor Zrt.(7400 Kaposvár, Pécsi utca 10-14, company reg. no.: 14-10-300319, tax ID no.: 11194044-2-14, statistical number: 11194044-1081-114-01).

Condition list: Frame contract defining the basic conditions of *the ad hoc sales contract* between the parties *related to forward sale of item specified according to type and quantity in accordance with § 6:231 of the Hungarian Civil Code (hereinafter referred as Delivery Contracts)*, which contains the following: product, product specification, net price, contractual quantity defined by the parties, price parity, place of goods receipt, date of receipt/acceptance, released quantity, payment method, payment term, current credit line, order due date, transport documents, order of payment issue, type of empties, price of empties, contact.

2.) Acceptance

1. For the Condition list the rules of this GSC shall apply, unless the application of any conditions of this GSC is explicitly excluded by the parties in the Condition list *or the parties apply an explicitly other provision than contained in this GSC.*

3.) Term of Condition list and GSC

1. The Condition list and the GSC shall be valid for defined term indicated in the Condition list or for indefinite period. The last day of the temporal validity of the Condition list of definite period shall be the date indicated according the calendar day in the Condition list. The last day of the temporal validity of the Condition list for indefinite period shall be the last day of the term of notice according to the proper notice of termination regulated by the art. 3/4. Upon expiration of the temporal validity of the Condition list valid for indefinite period the Supplier shall be entitled to offer the Purchaser a new Condition list and to modify the GSC.
2. The definite Condition list terminates on the last day of the definite period defined therein without any declaration of the parties.
3. Any of the parties shall be entitled to terminate the definite Condition list with proper notice of termination. Upon coarse breach of contract the injured party shall be entitled to terminate the Condition list with extraordinary dismissal in writing, indicating the reasons, with immediate effect. Vis major shall not be considered as coarse breach of contract.
4. Any of the parties shall be entitled to terminate the indefinite Condition list with one-sided written declaration to the other party (via e-mail or fax) with a term of notice of 15 days.
5. The Supplier informs the Purchaser about the modification of the conditions of the Condition list for indefinite period in writing (via e-mail or fax).
6. In case of a Condition list valid for indefinite period the Purchaser shall be entitled (but not obliged) to issue forward orders to the Supplier under the conditions of the Condition list valid on the date of order. In this case the Purchaser shall be obliged to take over the goods in the quantity as indicated in the Condition list and to pay the Supplier the counter-value of the goods in due time. In case of order confirmation by the Supplier the Supplier shall be obliged to hand over the Purchaser the goods ordered on the basis of the Condition list with the parity according to the Condition list.
7. The parties conclude the definite Condition list for products in the quantity defined therein. In this case the Purchaser shall be obliged to order, hand over the product in the quantity as indicated in the Condition list during the definite period indicated in the Condition list and to pay the Supplier the counter-value of the goods in due time. The Supplier shall be obliged to deliver the goods in the quantity indicated in the Condition list to the Purchaser during the period defined therein, unless the delivery of the goods can be refused according to the rules of GSC. In case the Purchaser does not order or does not take over the contractual product

quantity indicated in the Condition list during the temporal validity of the definite Condition list from the Supplier in whole or the Supplier allowably refuses the performance of a partial delivery based on GSC, the Purchaser shall be obliged to pay the Supplier a frustration penalty corresponding with 30 (thirty) percent of the difference between the goods in the quantity indicated in the Condition list and the counter-value of the goods actually taken over. The penalty payment obligation shall be due on the working day following the last day of the temporal validity of the definite Condition list.

8. For the net price indicated in the Condition list the Purchaser shall be obliged to pay the Supplier the VAT to the extent as defined in the currently valid legal rules.

4.) Payment conditions, credit line

1. The Purchaser shall be obliged to pay the amount indicated in the invoice issued by the Supplier or in case of prepayment the amount indicated in the order confirmation by transfer to the bank account indicated.
2. The precondition of delayed payment is the statement of credit line by the Supplier, the basis of which is public company information and/or provision of coverage.
3. The Supplier can state a purchaser credit line for the Purchaser complying with the extent defined in the Condition list. The gross counter-value of the goods handed over by the Supplier to the Purchaser, but still not paid by the Purchaser to the Supplier shall not exceed the amount of the credit line.
4. The Supplier fulfils purchase orders maximum up to the unused portion of the purchaser credit line, namely in case the gross total amount of the goods handed over by the Supplier to the Purchaser, but still not paid by the Purchaser reaches the amount of the credit line stated, the Supplier shall not deliver to Purchaser until the debt of Purchaser reduces under the amount of the credit line.
5. The Supplier shall be entitled to terminate the Condition list with immediate effect, if the Purchaser falls behind with any of his payment obligations more than 15 days from the due date.
6. The Supplier shall be obliged to refuse the fulfilment of the orders already confirmed, until the debt of the Purchaser reduces under the amount of the credit line indicated in the Condition list. In case the credit line does not allow the serving of the quantity ordered, the Supplier delivers the Purchaser only in the event, if the Purchaser prepays the counter-value of the goods to the Supplier.
7. Based on the negative market and financial information become known the Supplier shall be entitled to immediately reduce the amount of the credit line contained in the Condition list, with which simultaneously he shall inform the Purchaser in writing (via e-mail or fax) that his credit line was modified. In case the Purchaser shall not agree with the amount of the credit line, he shall be entitled to offer coverage. Until the date of the involvement of this coverage the modified credit line shall apply.
8. The date of the credit note on the bank account of the Supplier by the bank shall be considered as financial performance.

5.) Default interest

1. The Parties agree that in case of delayed settlement of the purchase-price the Purchaser shall be obliged to pay the Supplier a default interest from the first day of the delay to the extent as defined in the § 6:155 art. (1) of the Hungarian Civil Code.

6.) Purchase order

1. Based on the currently valid Condition list the Purchaser informs the Supplier about his written purchase order within the working days prior to the requested date of acceptance of the goods defined in the Condition list in writing (via e-mail, fax or the EDI-system). The order confirmed by the Supplier in writing shall be considered as order accepted. In case the Purchaser does not send a dissent to the Supplier within 24 hours after the order confirmation, it shall become accepted by the Purchaser and the purchase order shall be fulfilled according to the order confirmation.
2. The contact channels are contained in the Condition list.

7.) Quantity and quality acceptance

1. The Supplier shall hand over the Products contained in the Condition list to the Purchaser in the quality according to the Product specifications referred therein.
2. The Purchaser shall be obliged to take over the goods on the day of performance on the site of the Purchaser within maximum 120 minutes after the receipt thereof and to release the transport vehicle. The date shall be considered as arrival to the site, when the vehicle checks in at the reception desk of the Purchaser. The date of check-in shall be recorded by the Purchaser on the bill of delivery. In case of disputes the GPS data of the transport vehicle shall govern. The costs of the stand times resulting from the delay shall be borne by the Purchaser. The amount of the costs of the stand times shall be 5000 HUF+VAT/every hour begun. The standing times shall be invoiced by the Supplier once a month to the Purchaser. The due date shall be the fifth calendar day following the end of the current month.
3. In case of bulk transport the Purchaser shall provide the compressor required for the taking over of the goods on site. In case a compressor is not available on the site of the Purchaser, he shall previously inform the Supplier. In case of bulk transport the goods shall be taken over by the Purchaser according to quantity (weight).
4. The Supplier shall deliver the product in packaging suitable for the preservation of the goods to the site of the Purchaser. The Purchaser shall take over the goods according to number of pieces and shall simultaneously check the integrity of the packaging of the units.
5. In case the Purchaser detects deficiency, damage either in the goods or in the empties during the receipt of the goods from the Supplier, he shall prepare a protocol or record this fact in the bill of delivery and to let it confirm by the truck driver then he shall submit it immediately to the Supplier in writing. The basis of the complaint shall be exclusively the protocol and bill of delivery signed and sealed respectively. The damage resulting from the failure of inspection and/or preparation of an incomplete protocol or bill of delivery shall be borne by the Purchaser.
6. The Purchaser shall be obliged to perform the quality acceptance immediately upon receipt of the goods and to communicate the quality defect detected within 3 days to the Supplier in writing and to indicate the warranty demand according to the § 6:159 art. (2) of the Hungarian Civil Code.
7. The Purchaser shall be obliged to immediately inform the Supplier about the quality remarks resulting from hidden flaws not detected during the quality inspection (e.g. contamination found during processing) and to indicate his warranty demand at the same time. In this case the Purchaser shall be obliged to prove that the flaw has not occurred after the acceptance and to allow the Supplier to perform a local survey.
8. In case of disputes (if the Supplier does not accept the written complaint) the Supplier decides the righteousness of the complaint based on the inspection result performed by an independent, accredited laboratory who is accepted by the Parties (according to the method indicated in this GSC). The Supplier shall pay for the inspection costs, if it proves true that a product not according to the Product specification was handed over to the Purchaser.

8.) Inspection methods

1. In case of products of in-house production the inspection shall be performed as follows.

Sampling:

In case of packed products: The Purchaser takes a sample from a consignment according to each production date. He shall open 2 packaging units from an optionally selected pallet and removes 1 kg sugar each, mix and halve them. From the sample of 1 kg extracted in this manner he shall perform the analysis and put the other kg aside as control sample. If the Purchaser states non-conformity, he shall provide the Supplier with the control sample. The Supplier can request the opening of new bags during the local survey and ask for a collective sampling and collective inspection.

In case of bulk sugar: During the filling of the silo truck the sampling shall be performed on the site of the Supplier. From the sugar continuously flowing periodically defined quantity of granulated sugar shall be automatically sampled. This sample characterizes the quality of the granulated sugar filled into the silo truck. The sample shall be divided: one half remains on site, the other half can be forwarded together with the consignment to the Purchaser for further inspection. The silo truck always leaves the sites in a manner that the filling opening and the dome cover is sealed and the seal numbers are recorded on the bill of delivery. In case of complaints above described sampling is accepted.

Definition of other parameters:

Polarization	(°Z)	ICUMSA GS2/3-1
Invert sugar content	(%m/m)	ICUMSA GS 2-4
Colour	(EU point)	ICUMSA GS 2-13
Conductimetric ash content	(EU point)	ICUMSA GS 2/3/9-17
Colour measured in solution	(EU point)	ICUMSA GS 2/3-10
Moisture content (drying loss)	(%m/m)	ICUMSA GS 2/1/3/9-15
Sulphur dioxide	(mg/kg)	MSZ 4793-12:2002
Grain size		ICUMSA GS2/9-37

2. In case of products distributed:

The assessment of the quality complaint related to the product shall be performed at the manufacturer of the product purchased according to the inspection methods defined by the manufacturer and in the handling of the complaint we shall proceed according to the stand of the manufacturer.

9.) Weighing

1. In case of bulk transport the basis of the invoice shall be the net weight measured on a calibrated (by MKEH) bridge scale on the site of the Supplier. In case the difference between the weights measured by the Purchaser and the Supplier – on a bridge scale with valid calibration – is more than 100 kg, the Purchaser shall be entitled in this case to initiate an inspection, in case he submits the valid calibration documents of his own bridge scale in advance to Supplier.

10.) Pallet handling

1. The Supplier shall be obliged to hand over the product to Purchaser on replaceable EUR-pallet appropriate from food safety aspects. The Supplier agrees if the Purchaser immediately exchanges the EUR-pallet upon receipt of the product to a qualitatively appropriate pallet. In this case the pallets are not invoiced to the Purchaser.
2. In lack of spare pallet the Supplier shall invoice the pallets to Purchaser to the price defined in the Condition list.

11.) Applicable law

1. For the matters not regulated by these GSC and the Condition list and in the casual transport contracts concluded on the basis thereof the rules of the Hungarian civil material law (especially the decree no. 5 of the year 2013 about the Civil Code) and the adjective law shall govern.

12.) Competence of the proceeding court

1. In case a dispute should arise between the Parties, the Parties shall be obliged to settle the dispute directly with each other at first.
2. For the settlement of any disputes arising from these GSC and the Condition list and the casual transport contracts not settled on amicable way the Parties stipulate the exclusive competence of the Central District Court of Buda. In case of any legal dispute between the Parties subject to the competence of the court of judicature the court of judicature having general competence indicated in the Code of Civil Procedure shall proceed.

13.) Miscellaneous

1. The Contracting Parties shall be mutually obliged to handle all information, data, in which any of the parties are legally interested and which become known for the party during the cooperation regulated here as business secrets, both during the existence of the casual contract and afterwards.

14.) Data Protection

The Seller informs you about the data management system regarding the sale activity as follows:

The Seller treats the buyers' contact data with aspect to the performance of the contract.

The seller has a legitimate interest to contact the buyer's authorized person for contract processing.

The contact details are available to the agencies, which delivers system administrator activities to the seller and to the parent company, which ensures the IT system for the seller.

The seller will delete the contact details after elapsing 2 years from the last contact.

The Seller treats the name and the e-mail address of buyers for purpose of sending a professional newsletter.

The seller has a legitimate interest in providing information on professional news and actualities regarding the legal relationship to the buyers. Buyer's interest is that it will be informed on the above mentioned as soon as possible.

Personal data are available to the agencies, which delivers system administrator activities to the seller and to the parent company, which ensures the IT system for the seller.

The seller orders the personal data, which are treated in the interest of the above data management upon request to be immediately deleted.

The seller manages the personal data contained in the accounting documents in accordance with the with the book-keeping connected legal rules. The personal data will be supplied to those agencies, which gives digitalizing and book-keeping services for the seller.

If legally prescribed, these data will be delivered to the National Tax and Customs Office. They are available to those agencies, which supplies data management administration services for the seller, as well as to the parent company, which ensures the IT system for the seller.

The seller handles the personal data until the latest date of first month's end after elapsing 8 years after the issuing of the regarding document.

As regards the above management of personal data the person whose personal data are managed by the seller is entitled to request access to his/her personal data, so as would be delete, corrected or limited and/or to exercise his/her data-storage right.

In connection with exercise of certain rights you can contact the seller using the following e-mail: adatvedelem@agrana.com.

You may file a complaint – connected with violation of your personal data right – with the competent supervisory authority.