General Contractual Conditions (GCC)

1. Scope of Application

1.1. These General Contractual Conditions (hereinafter: GCC) contain the general terms and conditions of a contract concluded between BUDAPEST AIRPORT BUDAPEST FERENC LISZT INTERNATIONAL AIRPORT OPERATOR PRIVATE LIMITED COMPANY (registered offices: 1185 Budapest, BUD International Airport; corporate registration no.: 01-10-044665; tax no.: 12724163-4-44; group VAT identification no.: 17781145-5-44; company court: the Company Court of the Court of Budapest) (hereinafter: BUD) and a business partner thereof (hereinafter: Partner) (hereinafter jointly referred to as: Parties), when BUD accepts the offer of such Partner in the form of an order form - and not by signing a separate contract -, based on such contract, BUD orders services from the Partner, and BUD’s main obligation is the payment obligation (hereinafter: Contract).

1.2. The GCC shall apply if BUD has made it available to the Partner, and the Partner has explicitly accepted it. Acceptance shall also include cases when, following the request of and information from BUD, the Partner accepts the contents of this GCC in its offer and also acknowledges that in case BUD accepts its offer, this GCC shall become part of the Contract.

1.3. If the Parties agree on the application of this GCC as stipulated above, subsequently they may only exclude the application of the Terms and Conditions by mutual agreement.

1.4. The GCC shall apply in the framework of and in compliance with prevailing and cogent legal provisions (not permitting any deviation), as effective at any time.

1.5. In case of any discrepancy between the provisions of the GCC and those of the Contract, those of the latter shall prevail.

2. The performance of the Contract

2.1. The Partner shall be obliged to provide its services set forth in the Contract at the price(s) and by the deadline(s) specified therein, in first class quality, in accordance with applicable legal provisions, standards and professional regulations. The Partner shall be obliged to coordinate with BUD in advance concerning the exact date and time of service provision.

2.2. The Partner shall be obliged to act with heightened care, as can be expected from a legal entity specializing in the fulfillment of the specific task constituting the subject of the Contract. The Partner shall provide the work tools and the appropriately trained specialists necessary for performance. Any damage to the work tools shall be borne by the Partner.

2.3. The location of performance shall be Budapest Ferenc Liszt International Airport (hereinafter: Airport), except if the nature of the service provided by the Partner does not require performance at the Airport.
2.4. If the procurement of products, base materials or equipment forms part of the subject of the Contract, the Partner shall be obliged to procure the product and to deliver it to the place of performance. Liability for the products, the risk of damage and any delivery costs shall be borne by the Partner. In case the provisions of the Electronic Public Road Trade Control System (EKÁER) apply to the subject or performance of the Contract, all obligations resulting from this shall be borne by the Partner, in view of the fact that it is the procurer and the addressee of the products and the organizer and the implementer of the delivery. BUD is not entitled and obliged to take over any product, material or goods arriving at the Airport in connection with the Contract.

2.5. The Partner (also including its employees and agents) and its vehicles may only enter the area of the Airport in possession of the appropriate permissions. Pursuant to paragraph 228 of act II of 2012, when accessing the Airport, the Partner (also including its employees and agents) shall be obliged to comply with the relevant provisions of the Airport Rules, which means the prevailing regulations issued by BUD and approved by the Aviation Authority pursuant to section 50/A (2) of act XCVII of 1995 on aviation and available at www.bud.hu. The Partner shall be obliged to inform its employees and agents of these regulations, and to ensure that they also comply with them.

2.6. If, in line with the nature of the service provided by the Partner, BUD hands over a work site to the Partner at the Airport, the Partner shall be obliged, in the course of its performance, to undertake value-preserving demolition in the course of its work, during the necessary demolitions. The Partner shall store demolished materials in a systematic manner, and shall transport them to the location designated by BUD.

2.7. BUD shall have the right to check the performance of the Partner from a quantity, quality and technical point of view, both during performance and during the takeover of performance. If performance does not comply with the quality or technical requirements of the Contract, legal provisions or standards, BUD may refuse takeover. In such cases, the Partner shall be obliged to perform properly and to cover any penalty and additional costs.

2.8. The Contract shall be considered performed by the Partner only when the performance certificate for all obligations is issued and signed by both Parties. Prior to signing the performance certificate, BUD shall designate one or more contact persons and persons entitled to sign the performance certificate; in the absence of such, only a corporate signature shall be valid. The date of performance and the date of the transfer of ownership of any materials installed in the course of performance to BUD shall be the date when the Parties sign the performance certificate.

2.9. The risk of damage shall be borne by the Partner from the time when the Contract comes into existence until signing of the performance certificate by both Parties. If, in line with the nature of the service provided by the Partner, BUD hands over a work site to the Partner at the Airport, the risk of damage with regard to the work site shall be borne by the Partner from the takeover of the work site until its handback to BUD.

2.10. If the Partner undertakes a fixed-term guarantee under the Contract, this shall be considered as a warranty for faultless performance of the Contract, from the date of the
issuing of the performance certificate (Warranty Period). If the Partner undertakes a guarantee (warranty) using the wording “for the term specified by legal provisions” or some other wording to the same effect, and legal provision do not stipulate a warranty obligation for the given goods or services, the duration of the forfeiture deadline to enforce claims specified by legal provisions on implied warranty set forth in the Civil Code shall be considered as the warranty period undertaken.

The Partner shall be obliged to remedy, by means of repair or replacement within the shortest time possible based on the circumstances, any and all deficiencies or defects becoming apparent during the Warranty Period on account of defective materials, defective performance of work, defective design or any act or omission of the Partner.

If the Partner fails to repair or does not start to repair the defects or damages within the warranted shortest time, BUD may perform such works itself at the Partner’s cost and risk, or have the works performed by a third party, provided it does so in a manner that is consistent with reason. The Partner shall not be liable for such works; however, it shall be obliged to reimburse any and all costs and damages resulting from its default and incurred by BUD.

2.11. If the subject of the Contract is equipment, the Partner may not limit its warranty obligation, and may not make the performance of its warranty obligation subject to conditions. Not only the person designated by the Partner and the manufacturer, but also the third parties complying with the necessary professional requirements and selected by BUD shall be entitled to maintain and repair the equipment installed. The Partner is not entitled to impose the condition that the warranty undertaken by it is only valid if the maintenance of the equipment installed is performed by the person designated by it or the manufacturer.

2.12. The Partner shall be obliged to provide for any permits, agreements and licenses for the appropriate intellectual property rights relating to materials incorporated during performance and procedures, processes and systems used in the course of the works.

2.13. In the course of its performance, the Partner may not incorporate any materials and may not use any procedures, processes or systems which would entail the use of any confidential information, intellectual property for the utilization of which the Partner or BUD does not have authorization, or which may lead to claims for damages, or litigation against the Partner or BUD based on a claim or legal action related to the infringement of any domestic or foreign patent, copyright or other intellectual property or the application of such rights or use of such confidential information.

2.14. If the Partner agrees to the obligation specified in this section 2.14 in a separate written declaration, by signing the performance certificate, the Partner grants BUD permission for the exclusive use of the designs and works that qualify as intellectual property, created on the basis of the Contract by the Partner or its subcontractor, employee, collaborator, etc. ("Exclusive Use License"). The Exclusive Use License covers the adaptation of the designs, documents and other intellectual property (the Designs) prepared on the basis of the Contract, their multiplication in physical form or electronically, recording as an image and copying of the Designs by computer or on other electronic media. In accordance with the Exclusive Use
License, both BUD and the third party designated by it may use or adapt the Designs. The Partner may not grant any further permission for use to anybody relating to the Designs created within the framework of the Contract. After this Contract has been performed, the Partner will not be entitled to use the Designs. The Partner shall ensure that neither the Partner nor any third party has at present or will have in the future, without any time or territorial or other limitation, any copyright or any other intellectual property right concerning the Designs, that could, in any way or to any extent, restrict BUD in the exclusive use of the intellectual property. The provision in this section does not apply to rights in copyright, the transfer of which is disallowed by virtue of law. Compensation for meeting the obligation described in this section, and the consideration for providing the Exclusive Use License are included in the consideration payable for performance by the Partner, as defined in the Contract.

3. Payment of the consideration

3.1. BUD shall pay the consideration for the Partner’s performance as stipulated in the Contract, in case the Partner’s contractual performance is certified by BUD, by signing the performance certificate. The currency of payment shall be the currency stipulated in the Contract. The consideration defined in the Contract includes all costs relating to performance by the Partner (including material fees, transportation costs, fitting work fees and delivery costs).

3.2. BUD shall pay the consideration based on the Partner’s contractually and properly issued invoice, the payment deadline being thirty (30) days from receipt of the invoice. The Partner shall be obliged to indicate the following invoicing address on the invoices: 1185 Budapest, BUD International Airport. The Partner shall be obliged to indicate on the invoice its tax number (Community tax number) and the purchase order number specified by BUD, as well as BUD’s tax number (12724163-4-44) and group VAT ID number (17781145-5-44). The copies of the performance certificate issued and duly signed in accordance with section 2.8 must be attached to the invoices. If the invoice is not issued contractually or in compliance with effective legal provisions, or if the purchase order number is not indicated on it, BUD shall return the invoice and BUD may not be in default in this case. Payments must be performed by bank transfer to the bank account specified on the invoice from the Partner.

3.3. BUD shall be entitled to offset against the payable amount of the invoice any penalty due from the Partner.

3.4. Should BUD default on its payment obligation, BUD, based on the Partner’s written request, shall perform its default interest payment obligation to the extent specified by the provisions of the Civil Code.

4. Penalty and the liability of the Partner

4.1. If the Partner agrees to the penalty payment obligation specified hereunder in section 4.1 and 4.2 in a separate, written declaration, and it is in delay of performance due to any reason - except for delays caused by force majeure events -, compared to the deadline stipulated in the Contract, it shall be obliged to pay a penalty to BUD (hereinafter: Default Penalty). The amount of the Default Penalty shall be 1% (one percent) of the net consideration defined in the
Contract for performance by the Partner, for each day started in delay, but the maximum amount of the Default Penalty shall be 30% (thirty percent) of the net consideration defined in the Contract for performance by the Partner. If the Default Penalty payable as a consequence of the Partner’s delay reaches the maximum amount stipulated herein, BUD shall be entitled to rescind or terminate the contract, and claim a frustration penalty from the Partner in both cases. If BUD prefers to rescind the Contract, it shall not be obliged to prove the lapsing of interest in respect of performance. In the event of termination, BUD and the Partner shall be obliged to settle their accounts with one another on the basis of the conditions which exist on the day when termination is declared.

4.2. If performance is frustrated [fails] due to the Partner’s actionable conduct, refusal to perform, impossibility of performance or substantial delay as per section 4.1 above, the Partner shall be obliged to pay a frustration penalty to BUD, equivalent to 50% (fifty percent) of its net consideration defined in the Contract for performance, and shall also be obliged to pay BUD’s damages in excess of this, if any, including damages as per paragraph 6:141 of the Civil Code, in accordance with the general rules of civil law. The Default Penalty paid or due shall be included in the frustration penalty.

4.3. The rights of BUD in accordance with the above sections 4.1 and 4.2 shall not be interpreted as a restriction of the rights of BUD based on other legal provisions for cases of breach of contract by the Partner (including, among other things, the submission of damage claims). The acceptance of performance shall not be interpreted as a waiver of BUD’s claim for Default Penalty.

4.4. The Partner shall be fully liable to BUD for ensuring that no third party has rights over the subject of the Contract which would impede or restrict the acquisition of rights by BUD, specifically for ensuring that in relation to intellectual property created under the Contract, neither the Partner, nor any third party has or will have, without limitation in time, space or otherwise, any copyrights or any other rights which would impede or restrict BUD, in any way or to any extent, in the exclusive use of intellectual properties (including the right of duplication, copying onto computers or electronic media, or re-working).

4.5. The Partner shall be liable to BUD for reimbursing any damage incurred by BUD employees, officers and agents and by third parties, inflicted in respect of the performance of the Contract (including breaches of sections 2.12-2.14 of this GCC).

4.6. The assignment of any claim to which the Partner is entitled to (including the factoring thereof), and the establishment of mortgage lien on any claim from BUD, or any encumbrance on such claim shall only be allowed with BUD’s prior written and duly signed approval. The Partner shall be obliged to reimburse the administrative charges and costs incurred by BUD in respect of the approval process, the assignment, the factoring of the claim, the mortgage lien or any other encumbrance established on the claim. The basis for the calculation of the amount to be reimbursed in respect of human resource shall be 100 EUR + VAT / work hour; in case of other costs incurred, the amount of the proven cost + VAT shall be reimbursed. Following BUD’s written approval, the Partner shall be obliged to indicate the assignment / factoring / establishment of the mortgage lien / any other encumbrance on each of its further invoices and other documents which are relevant in respect of the payment terms and the effecting of
payment. The above restriction of assignment shall not apply against third persons. However, if the Partner breaches the restriction, BUD shall be entitled to claim compensation from the Partner for BUD’s damages incurred as a result of the breach by the Partner.

5. Insurance

5.1. The Partner shall be obliged to contract the insurance recorded in the Contract, and to maintain it during the performance of the Contract.

5.2. If the subject of the Contract is construction and assembly works, BUD reserves the right to extend the scope of its C.A.R. insurance policy to the Partner, with the prior notification of the Partner. The conditions of the C.A.R. policy are as follows:

5.2.1. BUD undertakes to take out, for construction-assembly projects, the so-called construction or erection all risks insurance policy (hereinafter: “C.A.R” or “E.A.R.”), which shall also include property damage and liability insurance. The validity of the “C.A.R.” insurance shall solely and exclusively cover the works performed during the Construction/Performance Period, plus a warranty period of 12 months. Since the Partner shall be indicated on the “C.A.R.” insurance policy as an insured party, BUD maintains its right to charge the costs of the “C.A.R.” insurance contract, proportionately and reasonably, to the Partner. The “C.A.R.” insurance contract shall, among other things, also include domestic freight insurance cover.

BUD undertakes to take out two policies, one including the terms and conditions of the property damage insurance for the construction-assembly and the other the liability insurance for claims caused in connection with the projects. The on-charging shall equal the value of the project multiplied by 0.0021, in the case of both policies. In the case of the liability insurance, the on-charging provides coverage for one year. BUD renews the coverage on an annual basis, and determines the amount to on-charge.

The own contribution part of the “C.A.R.” insurance contract is 3000 EUR, both for property and liability damages. In case of damage, the own contribution is borne by the Partner.

5.2.2. BUD is entitled to invoice the “C.A.R.” insurance fees (fee) specified in this contract to the Partner, following the signing of this contract. The Partner shall be obliged to transfer the amount included in the invoice to BUD’s bank account indicated on the invoice, within 30 days as of the issuing date of the invoice.

In case the amount of the insurance fee is not received by the date indicated on the invoice, BUD shall be entitled to charge the default interest specified by the prevailing Civil Code.

Any complaint regarding the invoice issued may only be submitted in writing, within 30 days following the issuance of the invoice. The date of submitting the complaint shall be the date on which the complaint was received by BUD’s OTC Department.
If the complaint is accepted, the necessary correction shall be made by BUD in line with the relevant provisions of the prevailing VAT act.

The complaint shall be detailed, and shall include all data modifications, as well as all relevant evidence. The submission of the complaint shall not exempt the Partner from settling the invoice amount, reduced by the disputed amount, by the payment deadline, and, in case of performance in default, from paying the default interest.

The Partner is entitled to receive a copy of the certificate of insurance coverage (“fedezetigazolás”), and to receive information about the details, endorsements, exclusions in the C.A.R. policy.

Any claim for compensation for damages made by the Partner under the insurance policy shall be immediately filed with BUD. BUD reserves the right to handle and manage the claim procedure with the Insurer. Any correspondence the Partner may have with the Insurer shall be copied to BUD.

5.3. If the subject of the Contract is construction-assembly works at the Airport, the Partner shall be obliged to contract the following insurance policies, under the following conditions:
1. Employer liability insurance for accidents involving its employees, in the minimum amount of 20,000,000 HUF/damage and 100,000,000 HUF/year damage compensation limit.
2. Mandatory vehicle liability insurance for its vehicles entering the area of the Airport for any reason.
3. Property insurance policy for workshop and machine equipment, installations, taken out for the equipment, tools and machines used in the course of the construction activities. The amount of the insurance policy shall be the total replacement value of the equipment.

The Partner shall be obliged to ensure that its subcontractors also conclude the same contracts within the entire subcontractor chain.

6. Confidentiality and data protection

6.1. The Partner shall be obliged to handle the Contract and all information regarding BUD disclosed to it during the performance of or in connection with the Contract as a business secret. The Partner shall not make such information public, and shall not disclose or make available such information to any third party during the term of the Contract or thereafter without the prior written consent of BUD. The Partner shall also be responsible to ensure that its employees or agents shall also become familiar and comply with the contents of this confidentiality obligation, even if they are no longer employed or commissioned by it. This confidentiality obligation shall not apply in cases when relevant cogent legal provisions specify otherwise.

6.2. The personal data of the contact persons communicated to each other during the performance of the contract are processed in the interest of performing the contractual obligations of the Parties. If the Contract ceases for whatever reason, the personal data of the contact persons shall no longer be processed by the Parties, and shall be irreversibly deleted from all systems, with the exception of the Contract.
6.3. The Parties undertake to comply with the provisions of effective data protection regulations (even after their amendment) in the course of processing performed during the term of the Contract, including especially act CXII of 2011 on information self-determination and the freedom of information and regulation 2016/679 of the European Parliament and of the Council (General Data Protection Regulation). The legal basis for processing during the term of the Contract shall be the performance of the Contract, and, unless provided otherwise by law, data shall be processed during the term of the Contract. In regard to the handover of personal data to the other Party, the Partner shall provide for an appropriate legal basis and the adequate notification of the data subjects.

7. The publication and the amendment of the GCC

7.1. This GCC was compiled in Hungarian and English language, and it is published by BUD on its website (www.bud.hu) in both languages. In the event of any discrepancy between the two versions, the Hungarian version shall prevail.

7.2. BUD shall be entitled to unilaterally amend the GCC at any time. Any amendment of the GCC shall enter into force as of the calendar day following the publication of the amended Hungarian language GCC, and shall not affect Contracts concluded prior to its entry into force.

7.3. In the event of an amendment of the GCC, BUD shall publish the texts in force at different times on its website, and indicate the dates of entry into force.

8. Miscellaneous provisions

8.1. The possible designation of the contact persons of the Parties shall serve information purposes only, and shall not - on its own - empower the given person to represent the given party. However, BUD may explicitly declare by email, fax or in writing that the contact person(s) of BUD shall be entitled to accept (certify) the performance of the Partner.

8.2. BUD shall not be liable for cases if, following the conclusion of the Contract, legal provisions are passed, published, revoked or amended which influence the Partner’s expenses and costs as a result.

8.3. Written notices pursuant to the GCC or the Contract shall be sent to the address of the registered offices of the Parties. Notices sent by registered mail with confirmation of receipt to the address specified above shall be considered as delivered on the third working day following attempted delivery, if, according to the confirmation of receipt, delivery was unsuccessful because the addressee was unknown, moved to an unknown location, did not take over the document or refused to accept delivery.

8.4. BUD informs the Partner that, taking into account that BUD operates an international commercial airport, and that the subject of the Contract is linked to the operation of the Airport, a breach of the provisions of the Contract could cause significant damages to BUD and to third parties, including, without limitation, endangering the undisturbed operation of air traffic.
8.5. The Partner shall be obliged to comply with all relevant legal provisions and professional rules during the performance of its obligations undertaken in the Contract and specified by the GCC.

8.6. The Parties shall not be liable for the failure to perform their obligations if such failure is attributable to unforeseeable and unavoidable external circumstances beyond their control (e.g. natural disaster, fire, explosion, war, blockade, terrorist act), i.e. force majeure. However, the Parties shall be obliged to immediately inform each other on such event in writing. In case the execution of the Contract suffers a delay over sixty (60) days due to an unavoidable external cause, either Party shall be entitled to withdraw from the Contract. In this case, the Parties shall cover the damages incurred themselves; otherwise, they should strive for the restoration of the original circumstances.

In order to ensure that the occurrence of the force majeure event can be enforced as a reason preventing the performance of contractual obligations, the Party prevented from performing the Contract should inform the other Party in writing on the occurrence of the above extraordinary circumstances. This information should be submitted without any undue delay, provided the force majeure event does not prevent the Party from doing so. The notification should include the expected delay of performance if it can be estimated at the given moment.

If the force majeure event is over, the other Party should be notified about this in writing, and should also be informed as much as possible on when the actions delayed due to the extraordinary circumstances will be taken.

8.7. The Contract may only be amended in writing, with the mutual agreement of the Parties.

8.8. Relevant Hungarian legal provisions, specifically act V of 2013 on the Civil Code shall be applicable to the interpretation of the Contract and the GCC, as well as to any disputes.