



Afford Fordító- és Tolmácsiroda Kft.  
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## GENERAL CONTRACTING TERMS

### 1. Subject of the Retainer

- 1.1. Principal and **Afford Translation and Interpreting Ltd.** (the "Contractor") agree that the Contractor shall, on the basis of the retainer of the Principal, prepare, within a set deadline, the translation and proofreading of the source language text (hereinafter referred to as "**Translation**") provided by the Principal to the Contractor on an electronic data carrier (e.g. magnetic disk, CD, etc.) or sent electronically (via e-mail) or in printed form (the "**Source Material**") into the target language on electronic or paper data carrier, or shall proofread the text already translated into the target language on the basis of the Source Material (hereinafter referred to as "**Proofreading**"), or shall translate and proofread such Source Material (hereinafter referred to as "**Translation and Proofreading**"). These General Contracting Terms set forth the terms and conditions of the retainer agreement between the parties for performance of Translation, Proofreading and any interpretation services (hereinafter referred to as "**Interpretation**") between Principal and Contractor.
- 1.2. The Principal is aware that under the currently effective statutory provisions, unless otherwise provided by law, solely the Hungarian Office for Translation and Attestation is entitled to prepare certified translations, to certify translations and to supply certified foreign language copies. Accordingly, the Contractor shall not provide certified translations. In this contract, the Contractor agrees to perform the Translation with the maximum degree of diligence.

### 2. Orders

- 2.1. The Principal may submit its order to the Principal **by filling in all the items on the order form applied by the Contractor for this purpose (the "Order Form") and officially (by its duly authorized representative) signing the Order Form. The Order Form may be downloaded from the Contractor's home page (www.afford.hu), and is also available in the office of the Contractor. The Principal may also submit online to the Contractor the order form downloaded from the home page of the Contractor and properly filled in. Principal shall make the completed Order Form and the Source Material for translation (or the source and target language texts to be compared in case of Proofreading, as the case may be) to the Contractor in a conventional (offline) mode of its choice, provided that the Principal shall also, when possible, send the texts constituting the subject of the order electronically (online) At the same time, the Principal acknowledges that its order shall only be valid if it provides a fully completed Order Form submitted in traditional way and, in the case of companies, officially signed.**

The Contractor shall confirm the Principal's order by returning to the Principal a copy of the Order Form officially signed by the Contractor. The confirmation shall contain the volume (character number) of the Source Text, and the retainer fee,



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calculated on the basis of the Principal's published price list. The Principal acknowledges that the individual contract for services shall be concluded at the price included in the confirmation.

- 2.2. The Principal shall determine and control the right to submit orders within its own organization and the Contractor shall not inspect the authorization of the person representing the principal. Following the confirmation of the order and then the – even partial – performance of the Translation or Proofreading by the Contractor, the Principal shall not invoke the stepping over or lack of authority of the person signing the Order Form in order to avoid or decrease the retainer fee.
- 2.3. In the case of multiple orders, **the Principal may only submit valid orders if it has fully paid the fees invoiced for previous orders and has no outstanding liabilities of any nature toward the Contractor.**
- 2.4. The Principal acknowledges that the Contractor shall only prepare a professional Translation in accordance with Decree 24/1986.(VI.26.) MT on Professional Translations and Interpretation and shall only provide an interpreter with an interpreter license pursuant to the above-referenced Decree upon special order by the Principal.
- 2.5. The Principal acknowledges that by signing the Order Form, it consents to the Contractor using the work performed on the basis of such Order Form as a reference together with the indication of the Principal and the subject of the work.

### 3. Deadlines

- 3.1. In case of Translations and Proofreading:

The Principal shall perform orders at the following deadlines:

- a) normal: 10,000 characters / business day, or 2000 words / business day;
- b) express: 10,000 – 15,000 characters / business day, or 2000 - 3000 words / business day;
- c) priority: above 15,000 characters, as well as weekends, or above 3000 words / day.

If the Principal supplies the Contractor at the time of submitting its order with an electronic version of the Source Text, then the volume (character number) of the source text shall be used for determining the deadline for the performance, as well as the retainer fee. If the Principal is unable to provide the Contractor with an electronic version of the Source Text, then the deadlines and the retainer fee shall be calculated on the basis of the target language text. In such cases, a difference of +/- 10% in the volume of the target language text shall be deemed by the parties as acceptable, not requiring an automatic modification of the retainer fee.

- 3.2. In the case of Interpretation:

The duration of Interpretation is from the time of the interpreter's arrival on the site of the Interpretation until the interpreter's departure therefrom.

- The Contractor shall charge a half day's fee if the interpreter is required for a duration of less than 4 hours per day;



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- The Contractor shall charge a full day's fee if the interpreter is required for a duration of more than 4 hours per day;
- The Contractor shall charge a supplementary fee for all hours exceeding 8 hours per day, which shall be 1.5 times the hourly rate, calculated on the basis of the daily fee.

In the case of simultaneous Interpretation exceeding thirty minutes per day or consecutive Interpretation exceeding three hours per day, the Interpretation shall be performed by two persons.

In the case of work performed outside of Budapest, the Contractor shall charge on a daily basis.

#### 4. Terms of Payment

**4.1. In the case of an order by the Principal exceeding HUF 500,000 net, the Principal shall pay an advance on the basis of the Contractor's invoice by bank transfer within 2 business days from the reconfirmation of the order to the Contractor's bank account no. 10100792-50461700-01000002 at Budapest Bank Rt. In such case, in difference from the provisions included in Section 2 above, the order shall be considered as accepted by the Contractor after the advance payment has been credited on the Contractor's account or upon receipt by facsimile of the Principal's bank's confirmation on the principal's final transfer order.**

4.2. Unless the Principal is entitled to a discount under a separate agreement, it shall be liable to pay to the Contractor the fee published on the [www.afford.hu](http://www.afford.hu) webpage for the performance of the work. In the case of express or priority orders, the Principal shall be liable to pay to the Contractor the surcharge published on the [www.afford.hu/arak](http://www.afford.hu/arak) webpage. The fee includes the price of Translation, Translation and Proofreading or Proofreading only, the storage of the translated/proofread text for a one (1) year term in electronic form, the price of the data carrier (floppy or CD or print). The Principal shall be liable for the cost of the delivery to the Principal of the translated text, if sent – on special request of the principal – in a non-electronical way.

The Contractor shall determine the fees for Interpretation on the basis of the fee table included on the [www.afford.hu/arak](http://www.afford.hu/arak) webpage. The parties shall conclude a separate agreement in respect of the Interpretation fees for languages not included in the fee table and the provision of conference interpreting equipment.

In the case of Interpretation outside the administrative boundaries of Budapest, the travel expenses shall be borne by the Principal.

4.3. The Principal shall pay the retainer fee within 8 calendar days of receipt of the Contractor's duly issued invoice by bank transfer to the Contractor's bank account no. **10100792-50461700-01000002** at Budapest Bank Rt. The parties may agree on a different deadline for the due date of the invoice. In the case of late payment, the Principal shall be liable to pay to the Contractor default interest in a height, as defined in the Civil Code. The default interest shall be incurred from the due date.



- 4.4. In the case of Translation or Proofreading, if the Principal rescinds the contract following submission of its order and the reason for the rescission is not faulty or late performance, the Principal shall be liable toward the Contractor as follows:
- prior to the commencement of performance the certified costs incurred by the Contractor and 50% of the translation fee calculated on the basis of the Source Material for payment of the costs of preparatory work done in the interest of performance, as penalty;
  - after the commencement of performance, the payment of expenses and penalty as described above as well as the fee of Translation or Proofreading work performed up to the time of rescission.
- 4.5. In the case of Interpretation, if the Principal cancels its order within 24 hours of the scheduled time of Interpretation, it shall pay to the Contractor 100% of the agreed retainer fee, while if it cancels the order within 48 hours but more than 24 hours of the scheduled time of Interpretation, Principal shall pay 50% of the agreed retainer fee. In addition, the Principal shall pay the fee of the work performed until the cancellation.

## 5. Delay in Performance, Default, Liability

- 5.1. The Principal may send the Source Material to the Contractor by e-mail, facsimile, courier or personally. The Principal is aware that during the forwarding of the text, deficiencies in legibility may arise and shall bear the risk thereof. The Principal shall send the Source Material to the Contractor by the means chosen by it, simultaneously with the order, at its own expense. All the risks, such as delayed arrival, loss, damage or destruction, related to sending the Source Material shall be borne by the Principal.
- 5.2. The Contractor shall immediately notify the Principal in writing by facsimile or other certifiable means upon receipt of the Source Material or any material received for the preparation of an interpreter if, due to the delayed delivery of such material, a delay in performance of the translation / proofreading job can be expected or if due to legibility problems, such material needs to be resent.

In the case of legibility problems, the Principal shall immediately ensure that the Source Material or preparation material is provided to the Contractor in legible form. Should this jeopardize compliance with the deadline for performance of the translation / proofreading job, the rules for delayed delivery of the Source Material shall be applicable.

In the case of a delay jeopardizing performance by the agreed deadline, unless the parties agree on a new final deadline on a mutual basis, **the Principal shall be entitled to rescind this contract by sending a written statement by facsimile or other certifiable means to the Contractor within 1 hour of receiving the Contractor's notice of the expected delay. The rescission from the contract is described in sections 4.4 and 4.5 of the General Contracting Terms.**

If the Principal does not rescind this contract, the parties shall determine the new deadline for performance, which the Principal shall confirm to the Contractor (by e-



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mail or facsimile). The order shall be considered accepted upon confirmation by the Contractor.

In the absence of an agreement on a new deadline for performance or delivery of the Source Material or preparation material in a legible form, if the Principal does not make a statement of rescission, the order shall be – in cases described in this section - considered as void.

- 5.3. **The Principal warrants that it is entitled to retain the Contractor to perform the activity hereunder without any limitations. Should a third party raise a claim against the Contractor for the infringement of copyright or for any other reason, the Principal agrees to indemnify and hold the Contractor harmless of all such claims. Should legal action be initiated against the Contractor, the Principal agrees to intervene in the lawsuit at the Contractor's request, on the Contractor's side, and to assist the Contractor in every way possible.**
- 5.4. **The Principal shall examine the work performed by the Contractor immediately. The Principal may submit complaints in relation to the quality of the Translation / Proofreading within 1 calendar day of receipt of the translated text in the case of a normal deadline, within 4 hours in the case of an express deadline, and within 2 hours in the case of a priority deadline. The Principal shall indicate any deficiencies and mistakes in the Translation, as well as the nature of the mistake, as accurately as possible. The Contractor shall correct the mistake within 2 calendar days in the case of normal Translations, within 1 calendar day in the case of express Translations, and within 10 hours in the case of priority Translations. If the above deadlines pass without performance by the Contractor or in the case of repeated default by the Contractor, the Principal may rescind this contract and shall be obligated to pay 50% of the retainer fee. No claim shall be enforced against the Contractor for Translation mistakes arising from the mistakes, deficiencies or unclear wording of the Source Material. The Principal shall only invoke default by the Contractor in the case of obvious language or grammatical mistakes in respect of Translations where it did not request professional Translation / professional Proofreading.**
- If the Principal does not provide preparation material for the Interpretation, or provides such material to the Contractor too late in light of its quantity, the Contractor shall not be liable for any mistakes during the Interpretation caused by the above omission.**
- 5.5. The Principal shall only be entitled to claim damages from Contractor for the insufficient quality of Translation / Proofreading in the case that it requested correction pursuant to Section 5.4, but to no effect. The Contractor agrees to pay damages amounting to 50% of the retainer fee, but not more than HUF 100,000 for damage that is properly evidenced.



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## 6. Performance by the Contractor

- 6.1. In the performance hereunder the Contractor may use the services of third parties. The Contractor shall be liable for the work of such third parties as if it had performed the work itself.
- 6.2. **As a result of the Contractor's Translation activity, either an exact translation, or an independent original translation, that is, in the latter case, if the statutory requirements are met, a work enjoying copyright protection, will be created.** Upon payment of the retainer fee for the Translation, the Contractor grants to the Principal free of charge the right to use the author's work, without a territorial or time limit or a limit as to the mode and extent of such use. The Principal shall be authorized to give the copyrighted work for sub-use and to rework it. The Contractor, if it cannot be considered as the author of the Translation classifying as a copyrighted work, warrants to the Principal that it has the right to transfer the above right of use. The Contractor shall be entitled to claim damages from the Principal for any damage it incurs due to the lack of the Principal's authorization.
- 6.3. The Contractor shall provide the Translation or Proofreading in good quality and, if the Principal has specified the purpose of the retainer, in a form suitable to meet such purpose. **The Contractor is not obligated to translate the unique terminology in the Source Material, except where simultaneously with sending the Source Material, the Principal provides the translation of such terminology.**
- 6.4. **The Principal acknowledges that e-mail delivery of the text to be translated or proofread or the translated or the proofread text, does not guarantee that the material remains confidential, or its integrity is maintained. The Principal performs and requests delivery by e-mail at its own risk and the Contractor shall not be liable for any damages arising therefrom.**
- 6.5. Simultaneously with sending the translated / proofread text to the Principal, the Contractor shall return, destroy, or keep for one (1) year the Source Material, as requested by the Principal.
- 6.6. In the case of a delay in the Contractor's performance, the Principal shall be obliged in the case of (i) a priority deadline, after 12 hours of delay, (ii) an express deadline, a delay of 1 working day, and (iii) a normal deadline, a delay of 1 working day per 50,000 characters in line with the size of the text to pay the fee reduced by 20%.
- 6.7. In the case of a delay by the Contractor, the Principal shall be granted a discount of 20% from the retainer fee.

## 7. Effect, termination

- 7.1 These General Contracting Terms (GCT) shall be applicable to all Translation, Proofreading and Interpretation retainers between the parties. The parties may diverge from its provisions on mutually agreed basis, in which case the agreement of the parties shall replace the affected rules of the GCT.



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## 8. Miscellaneous Provisions

8.1. The Contracting Parties shall treat as a trade secret all facts regarding the existence or contents of all documents provided by the Principal hereunder, the contracting fee, as well as all facts, data, information pertaining to the operation, project management processes of the Principal, and know-how related to the Principal. The Principal and Contractor represent that they shall take the necessary measures within their own organization to ensure that information classifying as trade secrets and relating to them is kept confidential.

The Principal and Contractor shall keep all trade secrets in confidence, and in particular, they shall refrain from any use, disclosure to unauthorised third parties or making available to unauthorised third parties of such trade secrets, for purposes, else than the subject of the contract. Third parties involved in the fulfilment of the contract shall not be regarded as unauthorised.

The Principal and Contractor shall also comply with their confidentiality obligation hereunder after the termination of their contractual relationship.

The parties are aware that a breach of the rules applicable to trade secrets may have consequences under civil, competition, as well as criminal law.

8.2. The Principal may not, by circumventing the Contractor, commission the Contractor's employees or any other partners engaged for the fulfillment of orders (translators, proofreaders, interpreters, DTP operators, Project Managers, etc.) to execute activities being subject of the GCT, so especially interpreting, translating and localisation work, or any other associated, ancillary or mediating activities. The Principal may engage such personnel for the purpose of the execution of any work only as specified for orders regulated in these GCT. Should the Principal violate this obligation, besides the compensation of any other damages, it shall be liable to pay to the Contractor the full amount, which it would have paid to the Contractor, if the services would have been ordered from the Contractor.

8.3. The contracting parties shall endeavor to settle all disputes that may arise between them amicably. Should such efforts fail, they shall submit their dispute – if required - to the Association of Hungarian Translation Companies for mediation and for an evaluation the quality of the service rendered. The costs of the impartial committee appointed by the Association shall be borne by the party whose conduct led to the appointment of the committee.

8.4. If the proceedings carried out in accordance with Section 8.3 for resolving the dispute between the parties was unsuccessful, the parties submit to the exclusive jurisdiction of either the Pest Central District Court or the Metropolitan Court of Budapest, depending on competence.

January 2008