

Agreement number:

**AGREEMENT
ON THE
ASSUMPTION OF OBLIGATIONS RELATING TO THE
COLLECTION AND INCINERATION OF PHARMACEUTICAL
WASTE**

Agreement concluded by and between **RECYCLOMED Pharmaceutical Packaging Waste Recovery Coordinating Non-profit Ltd.**

Head office: 1134 Budapest Lehel u. 11
Company Number: 01-09-899363
VAT Number: 21887079-2-41
KSH Number: 21887079-9002-571-01
GLN Number: 5990084482005
Bank Account Number: 10201006-50227901
Executive in Charge: Miklósi András, Managing Director
Telephone: 288-1417, 288-1488, 288-1489
Facsimile: 350-6560
E-mail: a.miklosi@recyclomed.hu

as service provider (hereinafter: the Service Provider)

and

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Head Office:
Company Number:
VAT Number:
KSH Number:
GLN Number:
Bank Account Number:
Executive in Charge:
Telephone:
Facsimile:
E-mail:

as the party obliged to establish and operate a system suitable for the collection and incineration of household pharmaceutical waste (hereinafter: the Obligor)

subject to the following terms and conditions:

Preamble

As provided by Act XLIII of 2000 on Waste Management (hereinafter: AWM.) and Ministry of Health Decree 20/2005 (10/06) on the Management of Human Pharmaceuticals and Their Packaging (hereinafter: the Decree.) the holder of a permit for the sale of pharmaceuticals – regardless of whether it manufactured or imported the products itself – has the obligation to collect and incinerate the pharmaceutical waste originating from the products sold by it and accumulating in households and pharmacies that supply those pharmaceutical products to the final consumers.

1. Subject of the Agreement

The Service Provider assumes the obligations of the Obligor – as provided by legislation effective on (and as amended following) the date of the signing of this Agreement – in connection with the collection and incineration of pharmaceutical waste and pharmaceutical packaging waste as well as the disclosure obligations relating thereto.

2. Obligations of the Service Provider

- 2.1. The Service Provider has obtained the permits necessary for the completion of its tasks under this Agreement by the starting date of the completion period, and concluded agreements with the entitled bodies and organisations for the carrying out of activities necessary for the collection and incineration of waste.
- 2.2. The Service Provider shall complete the tasks set out in Paragraph 1 of this Agreement in compliance with the relevant legal provisions and the provisions of this Agreement, and ensure that unauthorised persons do not have access to the waste collected by it.
- 2.3. The Service Provider shall fulfil the assumed disclosure obligations subject to the terms and conditions of this Agreement on the basis of the data *de facto* recorded.
- 2.4. The Service Provider is entitled to use the contributions paid by the Obligors to buy the waste management services and to cover the costs of the operation of the Service Provider and the costs of the maintenance of continuous waste collection. The Service Provider shall keep detailed accounts of the use of the contributions paid by the Obligors, and it shall send those accounts to the Obligors within 30 days of the end of the material accounting year.
- 2.5. In order to fulfil its disclosure obligations the Service Provider shall keep records – in particular but not exclusively – of the following:
 - the information of its contracted Obligors as laid down by law,
 - the quantity of pharmaceuticals sold by its contracted Obligors based on IMS (with regard to 4.3)
 - the data relating to the completion of the contracts concluded with waste management companies as well as the quantity of waste *de facto* collected and incinerated, and the costs of the waste management.

- 2.6. The Service Provider – within 8 days of receipt of written request by the Obligor – shall issue a document certifying the participation of the Obligor in the collection and incineration system operated by the Service Provider.

3. The Obligations of the Obligor

- 3.1 The Obligor shall – within 15 days of the signing of this agreement for the first time and later on 31st January each year – provide the Service Provider with a list of the products it sells and which, therefore, impose on it an obligation of waste collection.

Such information shall be sent to the Service Provider by registered mail.

- 3.2 The Obligor shall fulfil its payment obligations under this Agreement before or on the due date.

4. Service fee

- 4.1. The parties hereby agree to rely, in calculating the service fee, on the IMS data (MAT for 12 months) for pharmacies for the previous year.

In consideration for the services provided by the Service Provider under this Agreement the Obligor shall pay a service fee of HUF 0.74 per box sold by the Obligor on the domestic market – that figure being determined according to the first sentence of 4.1.

- 4.2. The Service Provider is entitled to issue an invoice before the 15th day of the material quarter of the quarterly service fee calculated in accordance with Paragraph

If the records of the Obligor indicate that the cumulated sales data of a one year period differ from the IMS statistics by over 5 %, the Obligor may initiate an adjustment of the quantity on which the fee is calculated. In such circumstances the parties shall – in cooperation with the IMS staff if necessary – compare the relevant documentation and adjust the invoices if the existence of a difference is proven.

5. Payment of the service fee

- 5.1. The Obligor shall – within 30 days of the receipt of the invoice – remit the amount indicated in the invoice to the Service Provider's bank account: K&H Bank, 10201006-50227901.
- 5.2. The payment obligation is fulfilled when the amount indicated in the invoice correctly issued for the material period and received by the Obligor is credited to the Service Provider's bank account by the bank managing that account.
- 5.3. In case of a delay in payment the Obligor shall pay the current statutory interest. The due date of the payment of the interest is the due date of the settlement of the invoice issued following the unpaid invoice.

6. Effective date and effective period of the Agreement

- 6.1. This Agreement will become effective on the date of signing and remain in effect for an undetermined period.
- 6.2. The Obligor may terminate this Agreement in writing as of the last day of any calendar year without giving grounds. Such termination is subject to a 3-month term of notice.
- 6.3. The Service Provider may terminate this Agreement – subject to a 3-month term of notice – if the Obligor fails to fulfil its payment or other contractual obligations even by a second due date on written notice
- 6.4. If the Service Provider loses its right under 2.1 of this Agreement, the Agreement is automatically terminated.

7. Other provisions

- 7.1. Each contracting party shall notify the other in writing of any change to the data set out in this Agreement within 8 days of the change.
- 7.2. If the Obligor fails to fulfil its obligations as laid down by this Agreement or terminates the Agreement without sufficient legal grounds on a date not allowed by 6.3. of this Agreement, it is obliged to compensate the Service Provider or any third party for the loss thereby caused.
- 7.3. The Service Provider shall notify of the termination of this Agreement the environmental authorities and the National Medical Officer Service of NPHMOS.
- 7.4. The contracting parties hereby agree that any claim by the Obligor against the Service Provider resulting from another legal relationship – either controversial, or decided by a court in a final judgement – shall not be included in the payments to be made under this Agreement.
- 7.5. The contracting parties wish to settle any disputes between them by negotiation and start legal action only if the negotiations fail. In case legal action is inevitable the parties hereby agree on the jurisdiction of either the Fővárosi Bíróság (Metropolitan Court of Budapest) or the Pesti Központi Kerületi Bíróság (Central District Court of Pest).
- 7.6. If the Service provider fails to fulfil its obligations as laid down by this Agreement, it shall pay a penalty, the amount of which shall be 20 per cent of the consideration affected by the breach of Agreement. That amount shall be deducted from the consideration to be paid by the Obligor on settlement of the first invoice issued after the breach of Agreement.

7.7. The legal relationship between the contracting parties will be construed in accordance with the laws of Hungary. Points not covered by this Agreement will be construed, in particular, in accordance with the Civil Code, Act XLIII of 2000 on Waste Management, Ministry of Health Decree 20/2005 (10/06) on the Management of Human Pharmaceuticals and Their Packaging, Government Decree 164/2003 (18/10) on Record Keeping and Disclosure Obligations Relating to Waste, and the provisions of the relevant effective laws.

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RECYCLOMED
Non-profit Ltd.
Service Provider

Obligor