

General Terms and Conditions: INDEPENDENT CONTRACTOR AGREEMENT

I. CHAPTER I. - DEFINITIONS, SUBJECT, AND INTERPRETATION OF THE AGREEMENT

Concept of an Independent Contractor Agreement:

Under an independent contractor agreement, the contractor shall create a result (hereinafter "work") by performing certain activities, and the client shall accept it and pay the contractor's fee.

1. Client

- 1.1 For the purposes of this Agreement, the Client shall be deemed to be any member or members of the Hungarian-based subsidiaries of Veolia Environment (hereinafter "**Veolia**") which are directly or indirectly majority owned or controlled by Veolia Environment (hereinafter "**Veolia Hungary Group**") as defined in point 1.2, or its successor or successors, which are in a legal relationship with the Contractor
- 1.2 A list of the companies belonging to the Veolia Hungary group of companies to which these General Terms and Conditions apply is available at <https://www.veolia.hu/hu/beszallitoinknak>.

2. Contractor

- 2.1 Contractor means any economic operator mentioned in the Specific Terms and Conditions and its successor which enters into an Agreement with the Client for the performance of the Work specified in the Specific Conditions.
- 2.2 In the case of a subcontract, the Contractor shall be understood to be the subcontractor, in the case of a service Agreement, the service provider, the operator, and in the case of a design Agreement, the designer. The Client and the Contractor are hereinafter collectively referred to as the "**Parties**".

3. Work

The result to be achieved by the Contractor through the activity as defined in the Agreement, i.e. the work to be carried out (maintenance, repair, design, construction, creation of intellectual property, etc.) or the service to be provided (e.g. operation). The **Work** resulted from the performance of a task may also be referred to as 'Product'.

4. The Subject of the Agreement

- 4.1 The basis for the creation of a contractual obligation is the unanimous expression of the will of two or more legal entities, contracting parties, which produces legal effects, obligations and rights. The General Terms and Conditions and the Specific Terms and Conditions together constitute the entire Agreement between the Parties (hereinafter referred to as the "**Agreement**") and define the content of the contractual relationship.
- 4.2 The subject of the Agreement shall be the Work specified in the Specific Terms and Conditions, which the Client orders and which the Contractor undertakes to perform in accordance with the terms of the Agreement.

5. General Terms and Conditions

- 5.1 The present General Terms and Conditions (hereinafter referred to as "**GTC**") contain the general rules governing the contractual relationship between the Contractor and the Client.
- 5.2 The Parties may only deviate from the GTC in the Specific Terms and Conditions, and in the event of such deviation or contradiction, the provisions set out in the Specific Conditions shall prevail and govern the legal relationship between the Parties in accordance with the will of the Parties.
- 5.3 These General Terms and Conditions shall apply together with the Appendices thereto relating to the relationship in question, which Appendices shall contain additional provisions for certain specific subject matters (subcontracting, design, procurement, machinery hire, operation). If any of the relevant appendices contains provisions which differ from the other points of the GTC, the provisions of the appendices shall prevail.

6. Specific Terms and Conditions

- 6.1 The exact description and technical content of the Work shall be set out in the Specific Terms and Conditions (hereinafter referred to as "**STC**"). The STC shall contain specific provisions, in relation to the GTC, relating to the subject of the Agreement, which are set out in the following documents:
 - (i) an Individual Agreement or
 - (ii) a Framework Agreement, a Call-off order under the Framework Agreement or
 - (iii) an Order and the signed Confirmation thereof.
- 6.2 The STC shall also include all agreement specifications, design documentation, technical specifications, etc. relating to points (i) to (iii), the Contractor's final offer, if applicable, and, in the case of contracts awarded through a tendering procedure, the invitation to tender and its documentation.

7. Individual Agreement

- 7.1 The Parties may enter into an Individual Agreement for the performance of a specific, defined Work, in which they shall specify all specific, special contractual terms and conditions other than the GTC (e.g. details of the contracting Parties, subject of the Agreement, time limit for performance, subject-specific provisions).

8. Framework Agreement

- 8.1 The Parties may enter into a Framework Agreement for the continuous or regular performance of certain Works, on the basis of which the Client shall be entitled:
 - (i) to call-off for individual Works of a recurring nature up to a specified amount and/or quantity,
 - (ii) or to call-off for Works/Services on a regular basis during the term of the Framework Agreement on the basis of a specific task list.
- 8.2 The Parties shall enter into the Framework Agreements with a view to the needs of the entire Veolia Hungary Group, where possible, in which case any member company of the Veolia Hungary Group that is a signatory to the Framework Agreement shall be entitled to a Call-off Order. The Contractor undertakes and agrees that during the term of the Framework Agreement, any member company included in the list set out in point 1.2 shall become a party to the Framework Agreement by signing an amendment to the Framework Agreement to this effect.

9. Order

- 9.1 The Parties may also enter into a contractual relationship by the Client ordering certain Work from the Contractor by means of an order form generated or otherwise issued by the Client in its IT system (hereinafter referred to as "**Order**" or "**Order Form**") and the Contractor confirming the order.
- 9.2 A legal relationship under this point shall only be established between the Parties if the Contractor has accepted these GTC at the time of the Order Confirmation. The procedure for the Confirmation of the Order is set out in point 14 of these GTC.

10. Contractor's Fee

The amount to be paid to the Contractor for the full performance of the Work covered by the Work agreement, as set out in the STC.

11. Additional Work

Work included in the documents defining the subject matter of the Agreement (including, for example, technical specifications, plans, sectoral standards) but not or not sufficiently included in the budget. The contractor shall also perform tasks that are determined in the Agreement but were not taken into account when the Contractor's fee was set, and also those without which the creation of the Work suitable for its designated purpose cannot occur. The Contractor shall not be entitled to compensation for any additional work over and above the flat rate.

12. Supplementary Work

Tasks that were ordered subsequently and which are not included in the contract documents, and for the performance of which the Contractor shall be remunerated in accordance with the provisions of the STC. Supplementary work shall be invoiced on the basis of the Agreement. If items in a tender with a comparative unit price are not available, the Contractor shall submit a supplementary offer and obtain approval from the Client. The calculation basis for the supplementary offer shall be the calculation basis for the unit prices in the Agreement. The relevant provisions of the invitation to tender and the provisions of the Agreement shall apply to supplementary orders.

13. Interpretation and Scope of the Agreement

- 13.1 The Parties expressly stipulate that any different standard terms and conditions or other such documents otherwise used by the Contractor shall not apply to the Agreement unless expressly accepted by the Client in writing by its authorised representative. Acceptance, reception of the Works or performance of payment shall not constitute acceptance of the Contractor's general terms and conditions.
- 13.2 The Agreement contains in its entirety the agreement of the Parties and, accordingly, unless otherwise agreed by the Parties in the STC, the signing of the Agreement (without prejudice to point 6.2) shall cancel and supersede any prior written or oral commitment or other contract between the Parties relating to the subject matter of the Agreement. The Parties shall exclude the application of Article 6:63(5) of Act V of 2013 on the Civil Code (hereinafter referred to as "**Civil Code**") in the contractual relationship between them.
- 13.3 In the event that any provision of the Agreement between the Parties would be invalid, the entire Agreement shall not become invalid, but shall be construed as if the Agreement did not contain the invalid provision, unless the Parties would not have entered into the Agreement without the invalid provision.
- 13.4 The failure of either Party to exercise any right under the Agreement shall not be construed as a waiver.

- 13.5 The headings of chapters and subchapters shall have no effect on the interpretation of the Agreement. Terms used in the singular shall be understood as plural when the context so requires.

II. CHAPTER II. - PROVISIONS CONCERNING FULFILMENT

14. Order, Confirmation Procedure and Call-off Order

- 14.1 In the absence of a Framework Agreement or an Individual Agreement, the Client shall order the Contractor to perform the Works according to its requirements on the Order Form specified in point 9.1. The Client shall send the Order to the Contractor by fax or electronically or, in the case of immediate performance, by means of personal delivery by means of a receipt, in which case the Client shall provide proof of receipt.
- 14.2 In the event of a breakdown or malfunction, the Order and its confirmation may be made orally or by telephone, but must be confirmed in writing, signed in the form of an authorised company signature, immediately after the breakdown or malfunction has been rectified.
- 14.3 Within 5 working days of receipt of the Order, the Contractor shall confirm acceptance of the Order to the Client in writing with an authorised signature (hereinafter referred to as "**Confirmation**"). In the case of immediate performance/work, the Confirmation shall be made by the immediate signature and return of the Order delivered in person by the authorized representative. If the Confirmation is not signed by a person authorized to represent the Contractor in a legal capacity, the Contractor warrants that the signatory is acting as an authorized representative on behalf of the Contractor and the Contractor shall subsequently confirm the signatory's authority to represent the Contractor by signing the Confirmation with an authorised company signature.
- 14.4 If the Client does not receive the Confirmation within the above period and the Contractor performs, the Parties shall be deemed to have accepted the Order and these GTC in an unchanged form by the Contractor by way of implied conduct. The Client shall remain bound by the offer until the confirmation deadlines, but may decide to maintain or accept performance in the event of a Confirmation received thereafter.
- 14.5 The Confirmation shall clearly state that the Contractor accepts the Order and the GTC referred to therein without any changes. If the Contractor's Acknowledgement contains a difference of opinion, the Order shall only enter into force if the Client accepts the difference of opinion and confirms it in writing to the Contractor.
- 14.6 If the Contractor is unable to fulfil the Order in accordance with the requirements set out therein (e.g. quantity, time limit for performance), the Contractor shall notify the Client within 5 working days of receipt of the Order, indicating these deficiencies, by fax or e-mail, duly signed with an authorised company signature.
- 14.7 If the Client maintains its Order as set out in the preceding paragraph despite the deficiencies reported by the Contractor, the Client shall amend the Order on the basis of the Contractor's confirmation and shall send it again to the Contractor by fax or e-mail.
- 14.8 The Contractor shall perform the Order in accordance with the terms and conditions set out in the Order Form.
- 14.9 In the case of a **Framework Agreement**, the call-off order and ordering of specific Works shall be affected by sending a call-off order (hereinafter referred to as "**Call-off Order**") generated or otherwise issued by the Client in the IT system operated by the Client, with the exact specification of the time and place of performance. Unless otherwise provided in the Framework Agreement, the provisions of these GTC relating to Ordering and Confirmation shall apply to the Call-off Orders, provided that the Contractor shall have 2 working days to confirm a Call-off Order.

- 14.10 In the case of **Individual Agreement** entered into by the Parties, the place of performance, time limit and specific terms and conditions shall be set out in the text of the Individual Agreement.

15. Handover of the Worksite

- 15.1 If the Work is carried out on the Client's worksite, the Contractor may commence the Work after the handover of the worksite, the official entry and the safety training. The handover of the worksite shall take place on the basis of a report and other documents and forms set out in the STC.
- 15.2 The Client shall hand over the worksite in a condition suitable for the commencement of the Work, but the Contractor shall acknowledge by signing the handover report that he has familiarised himself with the worksite, has inspected it to the extent necessary to undertake the Work in a timely and safe manner without endangering human health, and has examined any circumstances that may interfere with the performance of the Work with due care.
- 15.3 If necessary, the Contractor shall ascertain the existence and location of existing public utility lines on the worksite in advance and shall consult the owner and/or operator of the public utility line in question.

16. Slippage from Schedule, Early performance

- 16.1 If the actual performance of the Contractor does not correspond to the preliminary schedule, or if the coordination of other contractors working on the worksite makes it necessary, the Contractor shall, at the request of the Client, take measures to accelerate the performance, which may include increasing the number of employees, overtime, working Saturdays and Sundays, and the use of other resources. If the measures to accelerate performance are taken because the Contractor's performance does not comply with the timetable due to reasons attributable to the Contractor or for reasons within the Contractor's own control, the Contractor shall not be entitled to an increase in the Contractor's fee. If the measures taken by the Contractor to make up the shortfall do not produce the expected result, the Client shall be entitled to engage another contractor and to pass on the costs incurred in this connection to the Contractor. This shall be without prejudice to the other rights of the Client as set out in these GTC. The provisions of this point shall also apply in the event that the Contractor's performance does not comply with the quality parameters agreed in the Agreement.
- 16.2 Unless otherwise provided for in the STC, the execution of the Works faster than the time limit for completion set out in the STC is possible with the Client's prior notice and written approval, but shall not give rise to an increase in the Contractor's remuneration.

17. Suspension of Works

- 17.1 The Client may at any time, by notice in writing to the Contractor, order the suspension of the performance of any of the Contractor's obligations under the Agreement or otherwise. Such direction shall state precisely the obligations the performance of which is to be suspended and the date on which the suspension is to take effect. The Contractor shall thereafter suspend the performance of its obligations so specified (except those obligations necessary for the supervision of the Works) until the Client has given a written order for the resumption or continuation of performance of the obligation. The Contractor shall continue that part of the Works which has not been suspended by the Client. During the period of suspension, the Contractor shall not remove from the worksite handed over by the Client any tools or equipment which have been delivered in the course of the performance of the Agreement, for the purpose of the performance of the Agreement or which are the property of the Client.

- 17.2 The Contractor shall, upon receipt of the Client's instruction to resume or continue the performance of its obligations, resume or continue the performance of its obligations at the time specified in the instruction and shall be entitled to claim reimbursement of its reasonable, justified and justified costs incurred as a direct consequence of the suspension within 15 days of receipt of the instruction. The Client shall not be liable for any other damage incurred by the Contractor as a result of the suspension and shall not be obliged to compensate the Contractor for such damage.
- 17.3 If the period of suspension exceeds six (6) months, the Contractor may send a notice to the Client requesting the Client to order the performance of the Work. If the Client does not order the suspended Works to be carried out within 15 days of receipt of the Contractor's notice, the Contractor may terminate the Agreement.

18. General Rules for the Handover and Acceptance

- 18.1 The date of signing of the report and/or the certificate of completion of the Works, as referred to in point 18.4 of these GTC, shall be the actual date of completion.
- 18.2 The Parties shall provide each other with the documents necessary for the assessment of the contractual performance and other documents specified in the STC (handover design documentation, construction/installation logbook and its appendices, results of control measurements and other quality tests, certificates of materials installed/used, waste statement, certification data sheet, maintenance manual, report, etc.) at the time of the start of the handover and acceptance.
- 18.3 Upon completion of the Works, the Contractor shall clean up the worksite taken over from the Client, remove its tools, equipment and any remaining materials and waste and return the worksite in a condition suitable for its intended use. Failing this, the Client shall be entitled to refuse to issue a certificate of completion or to take the necessary measures at the expense of the Contractor.
- 18.4 Completion of the Work shall only be declared when the necessary tests (operational test, trial run) as stipulated in the STC have been carried out and the defects have been corrected to the satisfaction of the Client. handover and acceptance may not be refused in the case of minor defects or deficiencies which, either in themselves or during the work to repair them, do not prevent proper use without endangering human health and safety. In the case of such defects, the procedure shall be terminated, with the Contractor being obliged to remedy the defects within the time limit specified in the report. Until the repair/replacement has been carried out, the Client may retain the amount required to correct the defects. The amount required shall be recorded by the Parties in the handover and acceptance report, failing which the Client shall be entitled to withhold the certificate of completion.
- 18.5 In the event of correctable defects that prevent the intended use, the handover and acceptance procedure shall be suspended and the Contractor shall be given a grace period in the report for the correction of the defect.
- 18.6 The Client's representative authorised to issue a certificate of completion shall, after the above, issue a certificate of completion of the Work, its scope, quantity and quality, and on this basis shall propose the content of the Contractor's invoice.
- 18.7 The Contractor shall bear the full cost of the procedure for determining the completion of the Works if the procedure does not result in the signing of the handover and acceptance report due to the fault of the Contractor. The Contractor shall be solely responsible for the worksite taken over from the Client until the completion of the handover, including the maintenance of the works of art, materials and equipment, and the correction of any defects or deficiencies.
- 18.8 In the event of defects which do not prevent proper use and cannot be repaired, the handover may only be completed if the Contractor and the Client have agreed on a quality price reduction

- or other compensation. Failing this, the legal consequences of defective performance shall apply to the Contractor.
- 18.9 In the event of defects that prevent the proper functioning of the Works and cannot be corrected, the handover and acceptance shall not be concluded and the Contractor shall be subject to the legal consequences of late performance or frustration of the performance, at the discretion of the Client.
- 18.10 The handover and acceptance procedure shall be concluded by the closure of the report after the expiry of the deadline for the correction of defects or the correction of deficiencies. The report shall state the beginning and end of the guarantee period and the claims asserted by the Client in the case of defects that have not been corrected or cannot be corrected (e.g. lower quality class, price reduction, retention of repair costs, etc.).
- 18.11 The Contractor shall be liable for damages during the handover and acceptance procedure. The risk of damage shall pass to the Client after the successful handover and acceptance in accordance with point 18.10.
- 18.12 The rules for any operational test or trial run (bearing of costs, duration, transfer of risk) shall be laid down in the STC. Safe and healthy working conditions shall be ensured on the worksite during the operational test and trial run, as well.

III. CHAPTER III. - OTHER OBLIGATIONS OF THE CLIENT AND OF THE CONTRACTOR

19. Regulatory Compliance, Declarations

- 19.1 The Contractor shall comply with the technical specifications, statutory provisions and regulations, the applicable standards, the provisions of the Agreement and all that follows therefrom.
- 19.2 The Contractor warrants that it holds the licences, permits and documents specified in the STC and that it will maintain them in force for the duration of the Agreement.
- 19.3 The Contractor declares and undertakes fully that all its data stated in the Agreement are true and correct.
- 19.4 The Contractor declares that it is not subject to any bankruptcy, liquidation, winding-up, compulsory liquidation, enforcement procedures or criminal proceedings.
- 19.5 The Contractor declares that it has the necessary personnel, material and financial resources to carry out the Work constituting the subject matter of the Agreement, and, if the subject matter of the Agreement so warrants, that it is a registered contractor with the Hungarian Chamber of Commerce and Industry, covering the scope of its activities, of its employees, and that the technical manager assigned to the work in question has the appropriate qualifications and registration, generally the necessary experience and any necessary authorisations (licences) for the performance of the Agreement, and declares that, where required by law or the STC, it has and applies the quality plan with the content required by the Client.
- 19.6 If it is discovered during the performance of the Agreement that the Contractor is not on the required list of names, does not dispose of qualified professionals or is not licensed for the nature of the Work, this shall constitute a serious breach of agreements by the Contractor and the Client shall be entitled to rescind or terminate the Agreement with immediate effect and the Contractor shall be liable to pay a contractual penalty of 20% of the net contractor's fee in addition to the Client's damages.
- 19.7 If a subcontractor is used, the Contractor shall be obliged to select a subcontractor who fully complies with the aforementioned requirements.

20. Contractor's Obligation of Prior Inspection

- 20.1 The Contractor, as a specialised company, shall, prior to the conclusion of the agreement, examine with the utmost care and thoroughness
- 20.1.1.1 the detailed terms of reference and the technical content,
 - 20.1.1.2 other documents provided by the Client (e.g. deployment plan, calculations),
 - 20.1.1.3 in the case of the worksite provided by the Client - the worksite
- in order to enable the subject of the Agreement to be carried out in accordance with the Agreement, in a manner which does not endanger safety and human health and in accordance with quality class I.
- 20.2 The Contractor shall immediately draw the Client's attention in writing to any shortcomings, discrepancies or inconsistencies in the above, or if the work performed under the above would not be of class I quality. The Agreement shall bear the consequences and costs arising from any shortcomings or discrepancies which it should have discovered with due diligence but did not report prior to the conclusion of the Agreement.
- 20.3 If the Parties have so agreed, any corrections or clarifications shall be made by the Contractor and the corrected documentation shall be submitted by the Contractor to the Client for approval.

21. Documenting Quality

- 21.1 The Contractor shall document the quality of the Work performed in accordance with the applicable quality assurance requirements.
- 21.2 The Contractor shall bear the costs of the tests and permits related to quality certification. If the Contractor is unable to prove the quality of the given part of the agreement work as specified in the STC, the Client shall be entitled to replace the omitted tests or to obtain an expert opinion from an accredited quality control institute at the Contractor's expense.
- 21.3 The Contractor shall ensure the calibration of the measuring instruments or devices used for the inspection and shall provide the relevant documents to the Client before the commencement of the Works and, in case of keeping a construction/installation logbook, record their identification therein.

22. Special Provisions for Work, Fire and Environmental Protection

- 22.1 In addition to the provisions of Chapter VI. of the GTC, the Contractor undertakes to comply strictly with the applicable labour, fire and environmental legislation, the relevant provisions in force at the place of work and the **Workplace safety, fire safety, and environmental protection provisions** appended to these GTC during the performance of the Works.
- 22.2 The Contractor is obliged to keep the worksite provided by the Client and the public area used - pavement, roadway - clean at all times. If the Contractor fails to fulfil this obligation, the Client shall be entitled to take the necessary measures at the Contractor's expense.
- 22.3 The Contractor shall be liable to pay damages for any loss or damage caused to the Client or to any third party by the Contractor's breach of any of its obligations under this point. In addition, the Contractor shall be liable for any fines, penalties and measures imposed by the authorities in connection with the breach of its obligations, irrespective of the actual addressee of such fines, penalties and measures.
- 22.4 The Contractor shall present and hand over documents relating to quality and environmental performance, health and safety at work, fire and environmental protection to the Client's representative upon request. He shall be obliged to remedy any deficiencies found in this area within the time limit specified and to correct any errors. In the event of a breach of the provisions of this point, the Client may enforce the legal consequences laid down in the applicable sanctioning system for the worksite, may also stop the Work and shall pass all moral and financial consequences thereof on to the Contractor.

23. Public Utilities Concerned

- 23.1 The Client specifically draws the Contractor's attention to the fact that if the Works covered by the Agreement directly or indirectly involve public utilities (and in particular in this context telecommunications, electricity, water, sewerage, natural gas, petroleum, petroleum products, other gas and gas products for pipeline transport, distribution, storage or the necessary safety installations serving these, hereinafter referred to as: "**Facilities**"), the Contractor shall be under an increased obligation to observe and comply with the provisions of the applicable legislation in force at the time relating to the safety zone, and the Contractor shall be liable for any failure to comply with such provisions.
- 23.2 The Contractor acknowledges that if the Client provides public utility plans, they are for information purposes only, unless otherwise stated, and the Contractor shall check the location of public utilities in the area at the Contractor's own expense, unless otherwise provided for in the STC.
- 23.3 Prior to the commencement of the Works, the Contractor shall designate the safety zone of the Facilities - under the professional supervision of the Facilities operator - and shall ensure its maintenance during the Works, and the exploration of the crossed Facilities. In doing so, the Contractor shall be obliged to commission and bear the costs of the professional supervision of the operator of the Facilities.

24. Related Services

- 24.1 The Contractor undertakes to provide the Client's employees and specialists (hereinafter referred to as "**Specialists**") – if necessary, after prior consultation – with technical descriptions, specifications, user guides, application or other documentation relating to the subject of the Agreement, if possible, in Hungarian.
- 24.2 The Contractor shall undertake to provide the necessary wear parts, – in the event that the Works completed under the Agreement include such parts – from the date of completion of the successful handover and acceptance for the duration of the guarantee period, but for a minimum period of 24 months.
- 24.3 The Client may oblige the Contractor to keep at the Client's disposal, in addition to the parts specified in the above point, the special parts and materials specified in the GTC for the period specified in the GTC, even after the expiry of the guarantee period.
- 24.4 The services specified in this point shall be provided by the Contractor to the Client without any extra charge.

25. Using a Vicarious Agent

- 25.1 Unless otherwise provided for in the STC, the Contractor shall be entitled, subject to the written consent of the Client, to use for the performance of the Agreement any vicarious agent (e.g. subcontractor, carrier) of its choice (hereinafter referred to as "**Vicarious agent**"), provided that the Contractor shall impose, require and enforce the obligations of the Contractor under the Agreement in respect of all its Vicarious agents, at its own risk.
- 25.2 The prior written consent of the Client is also required for the Contractor's Vicarious agent to engage an additional Vicarious agent, subject to the above conditions.
- 25.3 The Contractor shall be obliged to stipulate and enforce the provisions of the Agreement, in particular the labour, fire and environmental protection rules and the requirements for compliance with the Basic Standards set out in Chapter VI., in the agreements to be concluded with its subcontractors, and the Contractor shall provide evidence of this at the request of the Client.

- 25.4 If the Contractor uses a Vicarious agent without the consent of the Client, or if the requirements of the Agreement are not stipulated in the agreements concluded with the Vicarious agents, this shall be considered as a serious breach of contract, in which case the Contractor shall pay the Client 10% of the net Contractor's fee as a contractual penalty within 5 working days of the Client's notice and shall also compensate the Client for any damage exceeding the contractual penalty. If the Contractor fails to comply with the above obligation, the Client may, in addition to the Contractor's obligation to pay contractual penalty as set out in this point, demand that the Contractor perform the Work in its entirety, and may terminate the Agreement if the Contractor fails to perform the Work.
- 25.5 The Contractor shall be liable to the Client for the performance of the Vicarious agent as if it had performed the work itself. The use of a Vicarious agent shall in no way relieve the Contractor from the obligations and liabilities imposed on it by the Agreement, and the Contractor shall remain liable to the Client for any errors, omissions, negligence, defects, whether committed by its contractor/subcontractor or by its employees or agents, as if the Contractor itself had acted as such.
- 25.6 In the event of unauthorised use of a Vicarious agent, the Contractor shall also be liable for any damage that would not have occurred without the use of the Vicarious agent.

26. Provisions Relating to the Workforce Used in the Performance of the Agreement

- 26.1 The Contractor shall employ, for the performance of the Works covered by the Agreement, a workforce with the necessary qualifications, appropriate professional experience and health status, registered and employed in accordance with the law, in the number of workers required for the performance of the Works, and shall require the same of any eventual subcontractors.
- 26.2 The Contractor shall provide a responsible local work supervisor at the worksite provided by the Client, who shall be present at the worksite at all times during the performance of the work, organise the work and exercise the right to give instructions to the personnel (this person may also be an employee of the Contractor working on the work).
- 26.3 The Client shall be entitled, in the case provided for in the STC, to request that the Contractor only involve in the performance of the Agreement a natural person who, on the basis of the content of a submitted valid official certificate of good conduct, is not registered as a criminal offender and is not subject to a prohibition or measure prohibiting him from engaging in the profession covered by the Agreement.
- 26.4 The Contractor shall provide all information about the workforce used for the performance of this Agreement. At the request of the Client, the Contractor shall, during the term of the Agreement, provide evidence of the professional qualifications and other qualifications and aptitude of its employees or agents in relation to the subject of the Agreement.
- 26.5 The Contractor shall replace any subcontractor or on-site employee who is objected to in writing by the Client with due reason.

27. Prohibition of Enticement

- 27.1 The Contractor shall not, without the prior written consent of the Client, employ any of the Client's employees who assist the Client in the performance of the Agreement under an employment contract or any other type of working relationship, or anyone who work for the Client under any other type of working relationship for a period of one year from the termination of the employment relationship of the persons concerned with the Client.
- 27.2 In the event of a breach by the Contractor of the prohibition set out in this point, the Client shall be entitled to flat rate liquidated damages equal to twelve times the last full month's wages or remuneration spent at the Client of the person affected by the enticement.
- 27.3 This point shall remain in force for one year from the termination of the Agreement.

28. The Tools and Machinery Used in the Course of Performance of the Works at the Worksite Handed over by the Client

- 28.1 The Contractor shall, at the Client's request, provide all information about the tools and machinery used for the performance of the Agreement at the worksite handed over by the Client. The Contractor warrants that the technical condition of the work equipment used by it in the course of its contractual tasks is appropriate, that it is suitable for safe work without endangering human health, that the employment of the machine operators provided by it is lawful and that they have a valid operator's licence for the type of machine concerned. The Contractor shall check the technical condition of the machinery at least once a month.
- 28.2 The Contractor shall replace the technology, equipment and materials that is the subject of complaint by the Client or applied differently from the Contractor's offer.
- 28.3 The Contractor undertakes not to work with machinery in a defective technical condition and to repair, have repaired or replace any of its machinery within 24 hours if any of its machinery fails.
- 28.4 If this does not take place, the Client may, at its option, provide a replacement machine for the rental fee specified in the STC. If the Client offers to provide the machinery, the Contractor shall use it on the terms and conditions set out in the STC and in the Appendix on the hire of machinery to these General Terms and Conditions. In addition to the payment of the rental fee, the Contractor shall bear the full operating costs of the machinery, including the fuel used. The Client shall be entitled to set off the amount of the rental fee against the Contractor's fee payable to the Contractor.

29. Materials and Equipment Provided by the Client

- 29.1 In the event that under the provisions of the STC, the Client provides, in whole or in part, the necessary materials or equipment for the individual work processes, the Contractor shall be liable for the materials or equipment received.
- 29.2 The Contractor shall must use the equipment as intended and keep it in the condition in which it was handed over.
- 29.3 The Contractor shall inspect the above materials and equipment before installation or use and shall only use them if it has found them suitable for the performance of its obligations, otherwise it shall notify the Client in writing. In the event of failure to comply with this obligation, the Contractor shall not be entitled to raise any objection in respect of the material or equipment provided by the Client and shall be liable for any damage resulting therefrom.
- 29.4 The Contractor shall be responsible for moving the materials provided by the Client and for delivering, guarding and storing them on the worksite. The Contractor shall account for the materials and equipment supplied and used. The Client shall be entitled to invoice the Contractor for the cost of materials and equipment not accounted for and to settle any invoices due from the Contractor by way of compensation.
- 29.5 The Contractor shall accept the materials ordered by the Client at the worksite even in the absence of the Client's representative, provided that the Contractor has received prior authorisation to do so. The Contractor shall check the quality and quantity of the products delivered before taking delivery, certify receipt by the signature and stamp of the authorised representative on the delivery note and hand them over to the Client.
- 29.6 Material may only be removed from the Client's warehouse in the presence of the Client's representative, by signing and stamping the delivery note/material release document.

30. Other Obligations of the Contractor

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- 30.1 The Contractor shall, in the performance of the Works undertaken under the Agreement, observe and adapt to the technologies used by the Client in the course of the Client's activities and shall not impede or restrict the continuous operation of the plants/sites.
- 30.2 The Contractor may not modify the technical documentation, the instructions issued, the materials to be used or the works of art completed during the performance of the Agreement without the written consent of the Client.
- 30.3 The Contractor shall send a representative to the coordination meeting with the entrepreneurs concerned and to the meeting between the Client or its representative and the Contractor, with authority to be able to take decisions concerning the Works.
- 30.4 The Contractor's personnel shall not be allowed to enter the Client's worksites and premises without justification, to inspect its information carriers, or to use its office equipment without permission, in a manner incompatible with the performance of the Agreement.
- 30.5 The Contractor is prohibited from making public announcements or displaying advertisements in connection with the conclusion and performance of the Agreement without the prior written consent of the Client.
- 30.6 The Contractor undertakes to act in compliance with the provisions of Act CL of 2017 ("**Art.**") and PM Decree 13/2020 (XII. 23.), to record the data referred to in Article 113 of the Art. in the EKAER system, and not to delegate it to the recipient referred to as "Recipient" in the above legislation.
- 30.7 The Contractor shall notify the Client of the arrival of any eventual deliveries to the Client at least two days in advance to enable the Client to ensure entry and reception.

31. The Client's Right of Inspection and Instruction

- 31.1 The Contractor shall perform the Work ordered independently, at its own risk, but shall – in accordance with the provisions of the Civil Code relating to the legal relationship of contractors – comply with the instructions of the Client's representative.
- 31.2 If the Client considers the Contractor's on-site representative to be unfit to perform his duties, the Contractor shall, upon receipt of written notice of the Client's objection, including the grounds for the objection, immediately recall the on-site representative and at the same time appoint a new representative approved by the Client to manage and supervise the Work covered by the Agreement. If the Contractor fails to provide a professionally competent representative approved by the Client and, if necessary, a responsible technical manager, it shall be in serious breach of contract and shall be liable to pay the Client a contractual penalty of 0.5% of the Net Contractor's Fee for the days of the breach or the Client shall be entitled to terminate the Agreement with immediate effect.
- 31.3 The Client reserves the right to inspect in person at any time, through its representatives, the services in progress and the services already performed, together with the related documentation. The Contractor shall not be exempt from liability if the Client has failed to carry out the inspection or has carried it out inadequately.

32. Obligations of the Client

- 32.1 The Client shall facilitate the Contractor's performance of the Agreement in accordance with the Agreement in the manner it could be reasonably expected from it and shall pay the Contractor's fee upon acceptance of the performance.
- 32.2 The Client shall ensure the coordination and management of the work between all its contractors working on its worksite;
- 32.3 make the worksite available in a condition suitable for work in accordance with the subject of the Agreement;

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- 32.4 allow and ensure the access of the Contractor's employees and intermediaries involved in the performance of the Agreement to the given building or site;
- 32.5 provide the Contractor with the plans and documentation, information and materials necessary for the performance of the Agreement and specified in the STC before the commencement of the Works;
- 32.6 ensure that a person authorised to receive and certify the Work is available at the end of the Contractor's Work;
- 32.7 carry out other specific tasks set out in the STC.

IV. CHAPTER IV. - CONDITIONS OF INVOICING AND PAYMENT

33. Contractor's Fee

- 33.1 The fee fixed in the STC covers the contractual, faultless and complete performance of the Work in accordance with the applicable legislation, official regulations, standards and technological specifications, in quality class I, in accordance with the method of settlement set out in the STC.
- 33.2 The Contractor's Fee shall include, but not be limited to:
 - 33.2.1.1 the remuneration for the Contractor's activities and work,
 - 33.2.1.2 the value of the materials and components used in the work and the cost of their supply,
 - 33.2.1.3 the costs of maintaining, preserving and guarding the Works of Art which are the subject of the Agreement,
 - 33.2.1.4 recruiting staff, paying wages, contributions and other charges,
 - 33.2.1.5 the payment of taxes and duties,
 - 33.2.1.6 the payment of insurance premiums, statutory fees during the performance of the work, etc,
 - 33.2.1.7 and, in general, all costs related to an obligation of the Contractor under the Agreement, unless the Parties have expressly included them in the STC as payment obligations of the Client.
- 33.3 The Contractor shall calculate and determine at its own risk and expense the costs necessary to complete the Work in full. The Contractor declares that it has taken into account any market changes that may occur during the term of the Agreement, such as foreign and domestic market changes affecting the Contractor, the expected rate of inflation, impediments and other factors due to the COVID virus epidemic known at the time of the conclusion of the Agreement, and the risks arising from changes in the conditions necessary for the Contractor to perform the Agreement. In view of the above, it accepts the terms of the Agreement as adequate and satisfactory in all respects and treats as normal market risks any conditions not included in the Agreement. The Contractor acknowledges that any additional and unforeseeable costs which may arise shall be reimbursed only by special agreement between the Parties.
- 33.4 Any services and material insurance that may be charged to the Client are included in the STC.
- 33.5 If more than one contractor is working on the worksite provided by the Client, the STC may provide for the possible common expenses and their allocation.
- 33.6 The Client shall be entitled to pass on to the Contractor the costs incurred by the Contractor within the scope of its responsibilities and paid by the Client instead of the Contractor. The Client shall be entitled to invoice these costs to the Contractor and to offset the amount thereof against the Contractor's invoice or performance/guarantee security by way of compensation.

34. Flat-rate Agreement

- 34.1 In the case of fixed lump sum flat rate contracts, the Contractor's fee for the Works under the Contract shall be the lump sum fee forecast for the completion date, which shall remain unchanged until performance under the Agreement. The Contractor's Fee shall be the full cost of the Works contained in the Agreement (technical content, design documentation, etc.), and the price and unit price and time-limit shall not be subject to change by reference to subsequent technical, quantity and technical comments.
- 34.2 In the case of a flat-rate settlement, the STC shall include those items (services provided by the Client, materials provided, etc.) which are not included in the Contractor's Fee.
- 34.3 The Contractor may only claim the Contractor's Fee after the work has been carried out and confirmed by the Client. The Client shall be entitled to deduct from the Contractor's Fee the amount of the Contractor's Fee for work not performed on the basis of the unit prices set out in the STC, to which the Contractor agrees by accepting these GTC. In the absence of unit prices, the price approved by the Client's representative (e.g. technical inspector) authorised to certify performance shall be used for deduction.
- 34.4 The Contractor acknowledges that the prices quoted in his quotation include a 5% reserve for technical uncertainties that may arise during the execution of the works. The 5% reserve shall not affect the flat rate nature of the Contractor's fee.

35. Itemized Settlement of Accounts

- 35.1 In the case of itemised budgeted, invoiced works, the Contractor's fee shall be determined on the basis of a subsequent itemised estimate of the work carried out, based on the net prices of the pre-agreed unit price table and the actual quantity of work estimated and accepted. The unit prices shall remain unchanged until completion of the Agreement and shall not be altered by additional orders or omitted parts of the work.
- 35.2 The Contractor may only claim the Contractor's fee for the work carried out and certified by the Client.

36. Invoicing, Payment Conditions

- 36.1 The Contractor shall issue a separate invoice to the Client for each Order, Call-off Order, performance under an Individual Agreement. The Parties may also agree in the STC to issue a monthly summary invoice and to settle the accounts on a periodic basis pursuant to paragraph (1) of Article 58 of Act CXXVII of 2007 on Value Added Tax (hereinafter referred to as the "**VAT Act**").
- 36.2 When invoicing, the date of performance shall be the date indicated in the certificate of performance. The Contractor shall issue the invoice within 8 days of the date of performance.
- 36.3 The invoice and the supporting documents proving the performance of the Agreement (handover and acceptance report, certificate of performance approved in accordance with the Agreement, and other documents specified in the STC, e.g. copy of the Delivery note, Worksheet, attendance sheet, works certificate, etc.), which are mandatory appendices to the invoice, must be sent to the postal address specified in the STC.
- 36.4 In all cases, the invoices must indicate the number and date of the Order, the Individual Agreement, the Framework Agreement and the Call-off Order, as well as the order details that allow the identification of the work items. The content and number of copies of the invoice must comply with the accounting laws in force and the relevant provisions of the VAT Act. **The Client shall be entitled to return any invoice sent in deviation from the provisions of this point.** In the event of an invoicing error, the Client's delay shall be excluded. The time limit for payment laid down in the Agreement shall be calculated from the date of receipt of the corrected invoice, duly completed with the appropriate appendices and free of errors.

- 36.5 The Parties stipulate that in the case of a Framework Agreement, the delay of any Client shall not affect the other Clients, and the Contractor shall assert its claim separately against the Client who is in default.
- 36.6 The Parties agree that the payment obligations under the Agreement shall be made in Hungarian Forint (HUF), unless otherwise provided for in the STC. The prices set out in the Agreement shall be net prices, to which shall be added the value added tax in force at the time of invoicing.
- 36.7 In the case of contractual performance, the Client shall pay the invoiced and undisputed amount within 30 days of receipt of the correctly issued invoice by transfer to the bank account of the Contractor indicated on the invoice.
- 36.8 The Parties stipulate that receipt of the invoice is deemed to have been received when the Client's registrar/time stamp or, in case of an electronic filing system, electronic time stamp is affixed to the invoice.
- 36.9 The payment date is the date on which the amount of the invoice is debited to the Client's bank account.
- 36.10 In the event of late payment, the Contractor shall send a registered letter with acknowledgement of receipt to the Client requesting payment. In the event that the demand for payment is ineffective, even in part, the Contractor shall be entitled to terminate the Agreement, – in the case of a Framework Agreement, against the Client who fails to pay – as of the 30th day following receipt of the demand for payment.
- 36.11 The Contractor shall be entitled to charge default interest for the period of delay at the rate provided for by the legislation in force at the time, even if it already terminated the Agreement. The Client shall not pay interest on invoices which are incorrect, incomplete, disputed or not received.

37. Advance Payment, Partial Invoice, Set-off

- 37.1 The Parties stipulate that the Client shall not provide any **advance payment**, unless otherwise provided for in the STC.
- 37.2 If the Parties so agree in the STC, the Contractor shall be entitled to **invoice by instalments** at the frequency or in accordance with the schedules set out in the STC.
- 37.2.1 Acceptance and completion of partial invoices does not constitute handover and acceptance of the relevant part of the work, the Contractor shall bear the risk of damage for all parts of the work until the successful completion of the technical handover and acceptance.
- 37.2.2 The amount of the partial invoice shall be determined on the basis of the degree of completion as recorded by the Parties in the completion report/certificate accepted by the Client's representative, which report/certificate shall be attached to the partial invoice by the Contractor.
- 37.2.3 If the Parties agree in the STC to provide the performance security specified in point 47 of these GTC, the Contractor shall indicate on the progress invoice the performance retention specified in the Contract or the Client shall be entitled to financially retain the same amount.
- 37.3 The Client shall be entitled to compensate any overdue claims it has against the Contractor by **offsetting them against the Contractor's accounts receivable** at the time of settlement of accounts, but shall notify the Contractor of the fact of such set-off.
- 37.4 If the Contractor has caused damage to a third party in the course of performance and has failed to repair and/or compensate for the damage, the Client may, on the basis of a valid and justified complaint by the third party, suspend payments to the Contractor until the amount of compensation has been paid.

38. Reverse Taxation, Tax Certificate Exempt from Public Debt

- 38.1 If the subject matter of the Agreement is subject to reverse taxation under the VAT Act, the Contractor shall indicate on the invoice the Client's tax number and the note "*REVERSE TAXATION - VAT payable by the Client.*" At the same time, both the Client and the Contractor declare that they are subject to the conditions of paragraph (3) of Article 142 of the VAT Act, i.e. that they are registered taxable persons in the country and that they do not have any legal status under which they are not liable to pay taxes.
- 38.2 The Parties agree that, if required by any applicable legislation, the Contractor shall submit to the Client a tax certificate exempt from public debt.
- 38.2.1 The Parties agree that the Contractor shall provide a negative tax certificate not older than 30 days in such a way that the tax certificate shall be valid for the date of payment of the invoice due, and therefore the Contractor shall provide the Client with a tax certificate not older than 23 days 7 days before the due date of payment. The Contractor shall send the original of the paper tax certificate to the Client 7 days before the payment deadline. In both cases the tax certificate shall be deemed to have been received by the Client when it has been received by the Client in a verifiable manner.
- 38.2.2 If the Contractor is included in the database of taxpayers exempt from public debt, the Contractor shall inform the Client in writing solely of this fact 7 days before the payment deadline instead of the above tax certificate.
- 38.2.3 As long as the Contractor fails to provide the Client with the above tax certificate in the manner and within the time limit described above, or the Contractor is not registered in the database of taxpayers exempt from public debt and does not notify the Client in writing of its registration in the database of taxpayers exempt from public debt, as described above, the Client shall not be in default of payment.

V. CHAPTER V. - LIABILITY PROVISIONS, SECURITIES

39. Liability for Damages

- 39.1 The Contractor shall be responsible for the contractual performance of the Work undertaken by it during the period of performance and within the warranty/guarantee period.
- 39.2 The **Contractor shall be fully liable for damages caused by the breach of contract, subject to the provisions of the Civil Code.** It shall be exempt from liability only if it proves that the breach of contract was caused by circumstances beyond its control, unforeseeable at the time of the conclusion of the Agreement and which it could not reasonably have been expected to avoid or to prevent.
- 39.3 The Parties agree that it is the Contractor's duty and responsibility to fully inform itself prior to the conclusion of the Agreement about possible damages that may arise in connection with its defective or delayed performance. If the Contractor fails to do so, even though the damage (its occurrence or extent) could have been foreseen if he had requested the appropriate information, he may not claim the contrary later.
- 39.4 Until the successful handover and acceptance of the subject of the Agreement, the Contractor shall be solely responsible for its own machines, equipment, materials, employees, etc. and those of the Client used during or in connection with the Agreement. In the event of damage or theft, it shall provide replacement or repair, regardless of what insurance it has.
- 39.5 The Contractor shall also be liable for any non-contractual damage caused to the Client, the General Contractor/general manufacturer or any third party (hereinafter collectively referred to as "**third party**"). The Contractor shall be liable in the event of objections raised and proceedings instituted against the Client by a third party in connection with the Contractor's damage for as long as the Client is liable.

39.6 **The Client's liability for damages shall be limited to direct damage and to the net contract value**, except in the case of intentional breach of contract causing death, injury or damage to health.

40. General Rules on Contractual Penalties

40.1 The Contractor shall be obliged to pay contractual penalty in the amount specified in the STC in the event of failure to perform its obligations under the Agreement within the time limit agreed in the Agreement, defective performance, failure to perform, or in any other case specified in the Agreement. If no contractual penalty has been agreed by the Parties in the STC, the following provisions shall be observed.

40.2 The Client shall notify the Contractor in writing of its claim for contractual penalty, stating the legal basis and the amount thereof.

40.3 The Contractor shall be exempted from the payment of contractual penalty only if and to the extent that the Contractor proves that it is not liable for the breach of contract.

40.4 The contractual penalty that becomes due shall be deemed to be an overdue financial claim, which the Client may set off against any claim it has against the Contractor or shall be entitled to set off against the performance/ good performance security. The Contractor shall pay the contractual penalty within 5 working days of the Client's written demand if the amount of the claim for contractual penalty exceeds the value of the unpaid invoices.

40.5 The enforcement of the contractual penalty shall not affect the Client's other claims against the Contractor. In addition to the contractual penalty, the Client may claim damages in excess of the contractual penalty (e.g. for the engagement of a new Contractor, acceleration of the work, additional costs, loss of revenue, etc.) and other rights arising from the breach of Agreement. The Client may claim damages even if it has not asserted a claim for contractual penalty.

40.6 The Client may claim contractual penalty against the Contractor on several legal grounds. However, in the case of a claim for a contractual penalty for frustration of the performance, no claim for a contractual penalty for delay or for defective performance may be made.

40.7 The Contractor shall immediately inform the Client in writing of the initiation of liquidation, bankruptcy, winding-up, compulsory liquidation, enforcement procedures, criminal proceedings. The claims for contractual penalty shall become due on the day on which the proceedings are initiated.

40.8 Acceptance of the Work by the Client shall not be construed as a waiver of any of the Client's rights, including the right to claim contractual penalty.

41. Contractual Penalty for Late Payment

41.1 The Contractor shall pay to the Client a contractual penalty for late payment in case of failure to meet the final deadline or the partial deadlines set out in the STC.

41.2 The contractual penalty for late payment shall be based on the total net Contractor's fee in the case of failure to meet the deadline, or on the net amount of the part of the invoice for the part of the deadline that has been met late.

41.3 The contractual penalty rate shall be 1% of the contractual penalty base for each calendar day of delay commenced, but not less than HUF 10,000 (ten thousand Hungarian Forints) and not more than 20% of the net Contractor's fee under the Agreement.

41.4 The contractual penalty for late payment becomes due on the day of default.

41.5 The enforcement of a contractual penalty for late payment does not release the Contractor from the obligation to meet the deadlines set out in the STC, to correct errors and to perform.

41.6 If the delay is such that the maximum contractual penalty provided for in the Agreement is reached, or if the Client has set a grace period for performance and the Contractor has failed to comply with the grace period, the Client shall be entitled to withdraw from the Agreement without

the obligation to prove loss of interest or, at its option, to terminate the Agreement and claim contractual penalty for frustration of the performance in accordance with point 43 of these GTC. This point shall also apply in the event that the delay is such that the Client no longer has an interest in performance.

42. Contractual Penalty for Defective Performance

- 42.1 The Contractor shall ensure performance in accordance with the parameters set out in the STC and accepted by the Client, any performance deviating from these parameters shall be considered as defective performance. In this sense, defective performance shall be deemed to include, inter alia, failure to comply with the technical parameters set out in the STC and/or partial or total unsuitability of the Product for its intended use.
- 42.2 The contractual penalty for defective performance shall be based on the total net Contractor's Fee in the case of a defect that prevents the normal use of the Work, and on the net Contractor's Fee corresponding to the defective part concerned of the Work in the case of a defect that does not prevent the normal use of the Work, at a rate of 20% of the contractual penalty base. The Contractor's obligation to pay contractual penalty for defective performance shall not be affected by whether or not the defect can be repaired. **The Client may also enforce its warranty rights in addition to the contractual penalty for defective performance.**
- 42.3 The contractual penalty for defective performance becomes due when the defective performance is established.

43. Contractual Penalty for Frustration of the Performance

- 43.1 In the event of failure to perform in accordance with point 69 of the GTC, the Contractor shall pay to the Client a contractual penalty equal to 30% of the contractual penalty base. The contractual penalty for frustration of the performance shall be based on the total net Contractor's fee. The contractual penalty for frustration of the performance shall become due on the date of termination or withdrawal.

44. Other Contractual Penalty

- 44.1 If, during the guarantee period from the completion of the handover and acceptance procedure of the Works, the Contractor is subject to liquidation procedures, or the Contractor itself commences bankruptcy proceedings or other proceedings for its termination without succession are in place, and the Parties have not agreed on a guarantee security in the Agreement, the Client shall be entitled to other contractual penalty without a separate juridical act, upon the occurrence of the events specified in this paragraph (ipso facto). The other contractual penalty shall amount to 5 % of the net Contractor's fee.
- 44.2 The other contractual penalty shall be due on the day before the day on which the liquidation procedure or the bankruptcy procedure initiated by the Contractor or the proceeding for its termination without succession is initiated.

45. Guarantee

- 45.1 The Contractor shall be subject to a mandatory guarantee for faultless performance for a **period of 12 months** from the date of issue of the certificate of completion.
- 45.2 If a longer mandatory guarantee/performance period is provided for by a law in respect of the Work or a part of the Work or in respect of a specific product supplied/installed by the Contractor, the mandatory guarantee/performance period provided for by the law shall apply.

- 45.3 In the case of parts installed by the Contractor, the guarantee provided shall not be less than the factory guarantee.
- 45.4 The Parties stipulate that in the event of termination or cancellation of the Agreement for any reason, the Contractor shall, unless otherwise expressly agreed by the Parties, be subject to a guarantee obligation in respect of the Work performed until the expiry of the guarantee period specified in the Agreement.
- 45.5 The place of enforcement of guarantee and warranty is the same as the place of performance and installation.
- 45.6 On the basis of a defect report during the performance or guarantee period, the Contractor shall carry out an on-site inspection of the defect within 24 hours of receipt of the defect report and shall provide a documented statement of its position within 24 hours thereafter. In this statement, the Contractor shall describe the measures taken to remedy the defect without delay, including the date and time limit for remedying the defect. The Contractor shall, except in the case of measures requiring immediate intervention, commence the repair work within 3 days of the notification of the defect and complete it by the date set by the Client, provided that the Client is able to provide the conditions for the work (e.g. worksite).
- 45.7 The Contractor shall inform the Client of the repair works carried out.
- 45.8 The Contractor shall bear all costs (e.g. costs of return, replacement) and risks incurred in connection with the guarantee or warranty repair work carried out, and shall not be entitled to claim reimbursement of costs, fees, etc., under any legal title in whole or in part, even if the repair work falls on a weekend or public holiday.
- 45.9 If the Contractor fails to remedy the notified defect within the agreed time limit - either during the period of performance or during the guarantee period - or, in the absence of agreement, within 5 days of notification at the latest, the Client shall be entitled to choose one of the following:
- (i) at the expense and risk of the Contractor, to make or have made the repair or to obtain the defective part from another source, or
 - (ii) ask for a discount, or
 - (iii) withdraw from the Agreement in whole or in part and claim contractual penalty for frustration of the performance, or
 - (iv) claim contractual penalty for defective performance from the Contractor.
- 45.10 In the case of point 45.9 (i), the Contractor may not subsequently dispute the existence of the defect or deficiency, the necessity and method of repair or replacement, or the amount of the repair or replacement, and the Client shall be entitled to set off the amount of the defect or deficiency against any claim of the Contractor against the Client (e.g. performance/guarantee security) or to demand payment by setting a payment deadline of 5 working days from receipt.
- 45.11 The above shall also apply in the event that the Contractor declares that it is unable to remedy the defect or to resupply the goods or services within the appropriate time limit.
- 45.12 If the Contractor is late in performing and the Client subsequently finds that the performance is defective or incomplete, the Client shall be entitled, without setting a time limit, to repair the deficiency or to have it made promptly or to replace the defective part at the expense of the Contractor, if this is necessary to avoid the Client's own delay or for other urgent reasons.
- 45.13 In the event of an eventual repair or replacement, the guarantee and warranty period for the repaired or replaced part shall start again in accordance with the legislation in force.
- 45.14 **If the Contractor - despite the Client's request - fails to fulfil its guarantee or warranty obligations within the deadline and the Client or its intermediary remedies the problem, the Contractor may not later claim that the Client has lost its right to guarantee or warranty, either in respect of the repaired or replaced part or the entire performance.**
- 45.15 If the Contractor is subject to winding-up proceedings or other proceedings for its termination without legal succession, or it has initiated its own liquidation, and is thus unable to enforce the guarantee and warranty obligations of its subcontractor/contractor in the interest of the Client, the Contractor – by accepting the present GTC – assigns to the Client the right to enforce its

guarantee and warranty claims from the date of the initiation of the winding-up or liquidation of the Contractor or the other proceedings for its termination without legal succession.

45.16 In matters not covered by the Agreement, the statutory guarantee and warranty rules shall apply.

46. Performance Guarantee

46.1 The Contractor warrants that it will perform its obligations under the Agreement in accordance with the Agreement and, where provided for in the STC, provides security (*financial retention or bank guarantee*) in the event that it fails to perform its contractual obligations or does not perform them in accordance with the Agreement.

46.2 The performance guarantee shall be valid for the duration of the work/execution, for a period of 5 (five) working days from the date of the completion of the handover and acceptance procedure for the entire Work.

47. Performance Security - Financial Retention

47.1 If the Parties have agreed on a financial retention in the STC, 10% of the net amount of the partial invoices shall be retained as a performance security, unless otherwise provided. Payment shall be made on the due date of the final invoice issued after the handover and acceptance, upon the Contractor's express written request, taking into account the provisions on the good performance security set out below.

47.2 In the event of a deduction from the amount of the performance security by the Client due to the Contractor's default or breach of contract, the Contractor shall, within 5 working days of the deduction, replenish the amount of the performance security to the original 10% for the duration of the period of validity of the performance security. If this is not done despite a request to do so, the Client shall be entitled to supplement the amount of the performance security by means of a financial retention from the Contractor's partial invoices.

48. Performance Bank Guarantee

48.1 If the STC allows it, the Performance Security may be replaced by a Performance Bank Guarantee of 10% of the total net contract amount, provided within 15 days of the signing of the Agreement. The bank guarantee shall expire on the 10th working day following the scheduled completion of the Work. In the event of failure to meet the above deadline, the Performance Security shall not be replaced by a bank guarantee. If a bank guarantee is provided, the Contractor shall in all cases consult the Client's Finance Department on the wording and conditions.

48.2 In the event of a delay in performance of the Agreement or a change in the time limit for performance, the Contractor shall provide a performance bank guarantee for an extended period based on the new time limit for performance or the new expected time of performance, until no later than 10 working days before the expiry of the validity of the original bank guarantee. In the event of failure to do so, the Client shall be entitled, at its option, to withhold the amount of the Performance Security from the Contractor's partial invoices or to call off the Performance Bank Guarantee provided by the Contractor and treat the amount called off as a financial retention in accordance with the provisions of these GTC.

49. Good Performance/guarantee security

49.1 In the case provided for in the STC, the Contractor shall provide a good performance security (*financial retention or bank guarantee*) for the duration of the guarantee obligation, amounting

to a % rate of the net amount of the total Contractor's fee defined in the STC, but to 5% unless otherwise specified.

50. Guarantee security - Financial Retention

- 50.1 If the Parties have agreed to provide a good performance/guarantee security in the STC, it will be financially retained from the net amount of the final invoice, however, if a performance security has been provided, 50% of the performance security, but at least 5% of the net Contractor's fee, will automatically be converted into a performance security for the guarantee period. The amount of the good performance/guarantee security may be differently provided for by the Parties in the STC.
- 50.2 Payment of the unused part of the good performance/guarantee security shall be made by the Client after the date of the report of the follow-up inspection at the end of the guarantee period, upon the express written request of the Contractor. The Contractor shall initiate the follow-up inspection two weeks before the expiry of the guarantee period. The follow-up inspection may be carried out at a time when circumstances (e.g. weather conditions) allow any defects to be fully discovered. The Contractor shall rectify any defects discovered during the follow-up inspection within the scope of its guarantee obligations.
- 50.3 In the event that the Client deducts the amount of the good performance/guarantee security from the amount of the security for the reason specified in the Agreement, the Contractor shall, within 5 working days of the deduction, replenish the amount of the security to the original amount for the duration of the period of validity of the security.

51. Guarantee Bond

- 51.1 If so provided for by the STC, the financial retention under the good performance/guarantee security may be replaced by a good performance/guarantee bond provided at the same time as the final invoice. The bond corresponding to the amount of the good performance/guarantee retention must be valid until the 5th working day after the expiry of the guarantee period.
- 51.2 If the Client draws on the guarantee bond in accordance with the provisions of the Agreement, the Contractor shall, within 5 days of the drawdown, supplement the guarantee bond to the amount of the original bank guarantee or provide a new bank guarantee accordingly, so that the Client has the original amount of the bank guarantee. Failing this, the Client shall be entitled to draw on the Contractor's bank guarantee in its possession and to treat the amount so drawn as a financial retention.
- 51.3 In the case of the provision of a bank guarantee, the Contractor shall in all cases consult the Client on the wording and conditions.
- 51.4 If the Contractor is subject to liquidation procedures or other proceedings for its termination without legal succession, or it has initiated its own bankruptcy during the guarantee period, the Client shall automatically be entitled for the guarantee security from the day before the institution of the liquidation procedure or other proceedings for the termination of the Contractor without legal succession, or the day of the bankruptcy.
- 51.5 The performance/good performance security provided by the Contractor may also be used to cover contractual penalties and legitimate claims for damages against the Contractor.

52. Insurance

- 52.1 The Contractor undertakes to take out insurance with an insurance company known to be solvent, supplemented by liability insurance covering damage caused to the Client or third parties, in accordance with the subject of the service (e.g. construction-installation, design,

operation), to cover the risks arising from its professional activity, its contractual obligations and its liability.

- 52.2 After the Agreement has been signed, the Contractor shall provide the Client with a copy of its insurance policy and shall at any time, at the Client's request, provide proof of the maintenance of the insurance and of the regular payment of the premiums. If the Contractor does not have adequate insurance, if the insurance cover provided is insufficient or if any insurance is under cancellation, the Client reserves the right to require the Contractor to take out additional or new insurance or to take out insurance in its own name and to deduct the premiums from the amounts due to the Contractor.

53. Force Majeure

- 53.1 An event of force majeure is any external event which is unforeseeable, unavoidable and makes it impossible to perform the obligations laid down in the Agreement, in particular, but not limited to, war, riots, popular movements, floods, other natural disasters, strikes.
- 53.2 A force majeure event shall relieve the Parties from their contractual obligations.
- 53.3 The Party prevented by force majeure shall immediately notify the other Party of the occurrence of the force majeure event, its nature and expected duration by any possible means. Oral notification shall be confirmed in writing within 5 days of the occurrence at the latest. If the prevented Party fails to do so, it shall not be exempt from liability in the event of delay.
- 53.4 The Parties shall, as soon as they become aware of the force majeure event, determine the actions to be taken to mitigate the consequences of the force majeure event. The duration of the impediment recognised by one Party shall extend the other Party's time limit for performance.
- 53.5 The prevented Party shall inform the other Party of the development of the event at least once a week and shall immediately notify the other Party of the termination of the event.
- 53.6 In the event that the force majeure event would persist for more than 180 days, either Party shall be entitled to terminate or withdraw from the relevant Call-off Order and/or the Agreement.

VI. CHAPTER- BASIC STANDARDS

54. Sustainable Development Clause

- 54.1 The Parties agree that the values set out in this Chapter VI, and also those described in the document to be found at <https://www.veolia.hu/hu/beszallitoinknak>, titled General principles applicable to relationships with suppliers, form an important part of the business policy of the Veolia Hungary group of companies, and they expect the same from their approved contractual partners. **The Contractor shall obey the provisions of this chapter, and, within the framework of its existing legal relationship with the Client, shall not to deal with any suppliers or subcontractors who do not comply with the requirements set out below.**
- 54.2 The Veolia Hungary group of companies pursues a sustainable development policy which aims to promote human rights, improve social welfare, and protect the environment. In connection with this, Contractor shall also undertake to pursue the appropriate sustainable development policies and shall strictly adhere both to the applicable laws in this area and to the standards of the Veolia Hungary group of companies as described below.

55. Human Rights and Basic Labour Rights

- 55.1 The Parties undertake to respect the Universal Declaration of Human Rights, the UN Convention on the Rights of the Child, and the standards of the International Labour Organisation. The Parties

agree that their operations are in compliance with guidelines on human rights, and that they will under all circumstances observe prohibitions of child labour and forced labour.

- 55.2 The Parties agree that they comply with and obey labour rights and social security laws regarding, among other things, unreported labour and the rights of trade unions. The Parties declare that their employees receive respectable and fair treatment and wages, that their practices comply with laws prohibiting unlawful discrimination, and that they ensure that their employees recognize and apply fair and unprejudiced principles of treatment.
- 55.3 The Parties declare that their practices comply with the law prohibiting unlawful discrimination in all areas.

56. Environmental Protection, Health and Safety Requirements

- 56.1 The Parties shall do all in their power to ensure that their activities are conducted as efficiently, as economically, and as safely as possible in flexible fulfilment of the needs of both Parties, and that they fully observe the health, social, work safety, environmental protection, security, and energy conservation regulations and laws, as well as the international standards applicable to their activities.
- 56.2 The Parties shall take all necessary measures to safeguard the health and safety of their employees, to respect the aims of the Veolia Hungary group of companies' health and safety protection policies, with particular attention to the safety protection regulations that apply to production worksites and the delivery of Goods for Resale and fulfilment and services under conditions which minimise hazards to the health and safety of the Parties' employees. They also undertake to ensure that the working and social conditions are safe and such that do not endanger health and to improve them continuously.
- 56.3 The Parties agree that they shall take the necessary measures to reduce adverse environmental effects, with particular attention to conservation of energy and reduction of primary source consumption, to the reduction of polluting waste materials finding their way into the water, air, or soil, to the elimination of accidental pollution, to reduction or elimination of waste produced by their activities, and to limitation of the release of materials which are damaging to health or the environment.

57. Ethical Codex

- 57.1 The essential values of Veolia Hungary are responsibility, solidarity, respect, innovation, and a client-oriented perspective, and many economic, social, and environmental-protection achievements are also built on these values. These values are reflected in the company's standards of conduct and behaviour, and they are also reflected in measures that aim to create everyday ethical standards that can guide corporate decision makers.
- 57.2 The Veolia Hungary group of companies wishes to share these values with its valued external partners also by way of the Ethical Codex and its appendix, the Anti-Corruption Code of Conduct. For this reason, these are available on the internet at <https://www.veolia.hu/hu/rolunk/rolunk/tarsadalmi-felelossegvallalas>.

58. Anti-corruption Clause

- 58.1 The Parties hereby undertake to strictly comply with any applicable regulations regarding business ethics, including regulations prohibiting the bribery of public or private officials, influence peddling, money laundering, including the French Anti-corruption law known as "Sapin II" of 9 December 2016.
- 58.2 The Parties undertake to put in place and implement all necessary and reasonable policies and measures to prevent corruption.

- 58.3 The Co-contractor undertakes that the amounts paid in execution of this Agreement shall be for the sole purpose of compensating the Co-contractor for the supplies and services stipulated. He declares that, to its knowledge, none of its representatives or persons performing services on its behalf under this Agreement shall offer, give, solicit or receive any benefit whatsoever to/from a public or private legal person, natural person (including public official) with the intention of committing any of the infringements mentioned in the first paragraph above.
- 58.4 If Veolia has reasonable grounds to consider that this clause has been breached, Veolia may suspend, upon simple notification, without notice, performance of this Agreement, for the time necessary to verify the situation, without incurring its own liability or incurring an obligation towards the Co-contractor. The Parties mutually undertake to carry out the necessary verifications by cooperating in good faith.
- 58.5 In case of a proven breach, Veolia may terminate the Agreement without notice and without liability. Compliance with this clause is one of the essential obligations of the Agreement.

59. Competition Law, Taxation, Data Protection

- 59.1 The Parties shall be obligated to obey the applicable provisions of competition law.
- 59.2 The Parties shall focus heightened attention on maintaining honest business practices, on screening of suppliers and subcontractors, and on complying with standards of conduct and with regulations for the prevention and avoidance of conflicts of interest.
- 59.3 The Parties declare that they submit tax declarations in keeping with applicable laws, and that they pay their taxes.
- 59.4 The Parties shall respect the protection of the data of natural persons as an essential right. The Parties shall comply with the data protection requirements set forth in the effective legal regulations, with special regard to the provisions of the Data Protection Regulation EU 2016/679 (hereinafter: "GDPR"), and the up-to-date version of the Act on Information Self-determination and Freedom of Information.

60. Selection and Evaluation of Contractual Partners

- 60.1 The Client hereby notifies the Contractor that, in addition to following the applicable laws, Client also maintains objective criteria in the selection of its contractual partners.
- 60.2 These criteria
- 60.2.1 are partly based on the performance of suppliers (observance of deadlines, number of claims arising in connection with the fulfilment, etc.),
 - 60.2.2 and partly on their ability to identify with the rules on ethical and sustainable development represented by the Veolia Hungary group, as defined in this chapter.
- 60.3 After selection, Client will evaluate its contractual partners annually on the basis of the above criteria, and shall inform each Contractor of their results in writing.
- 60.4 Contractor shall assist in this evaluation by notifying Client of the actions it has taken (updated annually) in the interests of sustainable development, and shall make available to Client all information and sources of information necessary for this evaluation. Contractor shall also take into consideration the recommendations of such evaluations and shall take the necessary steps for compliance and/or correction.

VII. CHAPTER - MISCELLANEOUS PROVISIONS

61. Confidentiality

- 61.1 In the course of the performance of the Agreement, the Parties acquire knowledge and information which constitutes confidential information (hereinafter "**Confidential Information**").

- Confidential Information shall mean, in particular, any facts, information, whether oral or not, any solution or data relating to the activities of the Parties, the confidentiality of which is in the reasonable interest of the Party concerned, any information the disclosure of which might affect the general perception or market position of the Parties, whether or not such confidentiality is stated or disclosed. In any event, information in writing or otherwise recorded (e.g. digitally) shall be considered Confidential Information.
- 61.2 The Parties undertake to treat all Confidential Information as strictly confidential, to use it only to the extent necessary for the performance of the Agreement, to maintain the strictest full confidentiality in relation to it in accordance with the applicable law and to undertake not to disclose any information, or to make it available to third parties, to allow its use by third parties, or to make any reference to it or to provide any information, directly or indirectly, without the express prior written consent of the other Party, clearly indicating the information concerned.
- 61.3 Confidentiality covers
- 61.3.1 the provisions of the Agreement;
 - 61.3.2 negotiations on the Agreement;
 - 61.3.3 the performance of the Agreement.
- 61.4 Confidentiality does not apply in the following cases:
- 61.4.1 Confidential Information must be disclosed pursuant to a legal, regulatory or judicial requirement, provided that the Party disclosing the information has taken all possible legal steps to prevent this and promptly notifies the other Party of this obligation and makes every effort to minimise the amount of information disclosed;
 - 61.4.2 the information becomes public knowledge without any Party being at fault;
 - 61.4.3 the other Party has given its prior consent with an authorised company signature to the release of the information (such consent shall not be withheld or delayed without reasonable grounds).
 - 61.4.4 The Client's obligation of confidentiality shall not extend to the disclosure of Confidential Information to the Veolia Group.
 - 61.4.5 The Client may lawfully disclose the documents and the information contained therein to lawyers and auditors in connection with the conclusion of the Agreement, provided that they undertake to maintain confidentiality in accordance with this point.
- 61.5 The Parties may only refer to the fact of the conclusion of the Agreement, with the designation of the Parties, as a reference in tendering procedures with the prior written consent of the other Party.
- 61.6 The validity of the confidentiality undertaking shall not be affected by the termination of the Agreement for any reason, and the Parties shall remain bound by the confidentiality obligation after the termination of the Agreement for any reason.
- 61.7 This obligation of confidentiality shall also apply to persons acting on behalf of or in consideration of the Parties who have in any way assisted in the preparation of or in the performance of the Agreement, provided that the Parties shall be solely responsible to each other for the conduct of such persons. The Parties undertake to enter into a contract with the persons referred to in this point which obliges such persons to keep the Confidential Information after the termination of the employment or any other type of working relationship.
- 61.8 If either Party obtains Confidential Information unlawfully or treats Confidential Information lawfully disclosed to it in a manner inconsistent with the foregoing, it shall compensate the other Party for any resulting damage.
- 61.9 The Parties stipulate that if the Agreement breaches its obligation of confidentiality under this point, the Contractor shall pay a contractual penalty of HUF 1,000,000 (i.e. 1 million Hungarian Forints) to the Client within 5 working days of receipt of the letter demanding payment of the contractual penalty. The Client shall be entitled to claim any damages in excess thereof from the Contractor.

- 61.10 The provisions of this point shall be without prejudice to the enforcement of sanctions for breach of the right to a trade secret provided for in the legislation on the protection of trade secrets in force at the time.

62. Communication and Notices

- 62.1 All notices set forth in and required to be given under the Agreement (the "**Notices**") shall be in writing and shall be given to the other Party in the manner provided for in this point. Except as otherwise provided in the STC, only a Notice given in the manner provided in this point shall have legal effect. Notices shall be deemed to have been given in the following cases and at the following times:
- 62.1.1 In the case of personal delivery, promptly on the day indicated on the acknowledgement of receipt, which may be a copy of the document delivered, on which the receiving Party acknowledges receipt by signing it, or
 - 62.1.2 if delivered by courier service, on the form provided by the courier service on the day indicated for delivery, or
 - 62.1.3 in the case of delivery by registered letter with acknowledgement of receipt, on the date indicated as the date of delivery on the acknowledgement of receipt returned to the sender or, if the date of delivery cannot be clearly established on the basis of the returned acknowledgement of receipt, on the date of the acknowledgement of receipt returned to the sender.
 - 62.1.4 If a notice sent by registered letter with acknowledgement of receipt is returned to the sender as "unclaimed" or "addressee has moved to an unknown destination", the relevant legal provisions in force at the time of signature of the Contract shall apply.
 - 62.1.5 A Notification sent by e-mail shall be deemed to have been communicated when the recipient has acknowledged delivery in a reply e-mail message or, failing that, when the e-mail message is verifiably received in the recipient's mailbox.
 - 62.1.6 If the receiving Party refuses to accept a Notification sent pursuant to any of points 62.1.1 to 62.1.4, the Notification shall be deemed to have been communicated on the date of refusal.
 - 62.1.7 Notification through the construction/installation logbook is deemed to have been communicated when the other Party has confirmed the entry by signing it or recording the next logbook entry.
- 62.2 The Contractor shall notify the Client without delay of all material circumstances relating to the performance of the Agreement. Verbal notification (e.g. by telephone) must be confirmed in writing within 12 hours. The Contractor shall be liable for any damage resulting from failure to give notice.
- 62.3 The Client may, in justified cases, give the Contractor verbal instructions, which the Contractor shall also comply with. In such a case, the Contractor may request written confirmation of the verbal instruction or send a written confirmation to the Client within 5 working days. If the Client does not object to this written confirmation within 5 working days, it shall be deemed to be an instruction given by the Client.
- 62.4 The Parties are obliged to notify each other in writing without delay of any changes in the contact persons or their company details recorded in the company register relevant to the performance of the Agreement (in particular, changes in the seat, the person authorised to represent the company, the opening of liquidation, winding-up proceedings, bankruptcy, compulsory liquidation, enforcement procedures, criminal proceedings, decrease of capital, etc.).
- 62.5 The Parties are also obliged to notify each other if there is any other change in their own company or their intermediary that may affect the performance of the Agreement (e.g. transfer of rights and obligations, division, consolidation or merger by absorption), or, in the case of Contracts concluded in connection with a public procurement procedure, if the public

procurement law in force at the time imposes a notification obligation. The Party failing to give Notice shall be liable for any damage resulting from such failure.

62.6 **The Parties agree by mutual consent that if the Client gives the Contractor written notice to perform any of its obligations, the limitation period shall be interrupted upon receipt of the written notice.**

62.7 The names and contact details of the contact persons who will act in the performance of the Agreement are set out in the Appendix to the Agreement. The names, e-mail addresses and telephone numbers of the designated contact persons shall be processed by the Parties on the basis of the legal basis set out in point f) of paragraph (1) of Article 6 of the GDPR Regulation solely for the purpose of maintaining contact in connection with the performance of the Agreement, for the purpose of the performance of the Agreement. Each Party shall have an appropriate legal basis for the transfer of contact details, which each Party shall provide in relation to its contact person. The Parties' ability to keep in contact with each other is essential to ensure the performance of the Agreement, and the Parties have a legitimate interest in the processing of contact details as data controllers. Each Party shall provide the other Party with information on the processing of the personal data of its contact persons. The Veolia Hungary Group's data protection guide on the processing of personal data of contact persons is available at the following link: <https://www.veolia.hu/hu/adatszolgaltatas>.

63. Transfer of Rights and Obligations

63.1 Neither Party may transfer its rights and obligations under this Agreement to any other person without the other Party's written consent.

63.2 Such permission is not required in a case where such a transfer is made to a company within the Veolia Hungary family of companies as long as the Client guarantees the suitable ongoing fulfilment of the Agreement to the other Party, regardless of the form or nature of the transfer.

63.3 The Parties expressly stipulate that the Client shall in all cases be entitled to set off any counterclaims it may have against the Contractor.

64. Usage Rights and Copyright

64.1 The Parties hereby agree that any methods or intellectual property of any kind that are provided in connection with the Agreement and that may benefit from or in fact receive legal protection (e.g., tools, forms, samples, models, drawings, standard sheets, forms, templates), and other objects produced using these, may not be given or handed over to third parties or used for the purposes of other Agreements without Client's written consent. Contractor shall ensure that unauthorised persons do not access or use such materials.

64.2 The Contractor warrants that the fulfilment of the Agreement and the use of intellectual property provided in the course of the fulfilment of the Agreement do not infringe the rights of any third party. Contractor shall therefore hold harmless and indemnify Client in perpetuity from all legal actions or damages arising from claims due to violations of intellectual property rights or any other protected rights (for example, patent, registered trademark, and/or industrial design protection rights or protection rights relating to the use of any plan, process, material, equipment, software, or any parts thereof).

64.3 The Contractor expressly declares that, pursuant to the Copyright Act, the Client acquires an indefinite, unlimited and exclusive right of use in respect of all transferable copyrights in all works and solutions (e.g. individual designs for production) created during the performance of the Agreement and protected by copyright. The Contractor expressly declares that the licence shall also cover further design, adaptation, individual use other than for original purposes, and reproduction. The Contractor expressly authorises the Client not only to use the intellectual property for its own internal activities, but also to disclose it to the public (for example, for the purpose of providing data

to the party financing the Agreement) and to grant further authorisation to third parties (e.g. companies of the Veolia Hungary Group, the owner or operator of a power plant, equipment, device, etc. owned by the Client, etc.) to use it without further written authorisation by the Contractor.

- 64.4 If the Contractor's performance includes specific software development and/or design activities, the intellectual product created shall in all cases be considered to be the joint intellectual product of the Contractor and the Client, all rights to which are waived by the Contractor to the Client at the time of the handover and acceptance procedure. In all such cases, the Client shall be the exclusive owner of all rights concerning the intellectual property created from the date of the abovementioned handover and acceptance procedure and any subsequent use, modification or sale to third parties shall be prohibited without the Client's authorisation. The Contractor shall provide the Client with all source codes and relevant files of the jointly created intellectual property, and in the case of drawings, with the original file format copies of the drawings in electronic form.
- 64.5 The contracting Parties declare that the value of the copyrights referred to in this point is included in the contractual purchase price.
- 64.6 If the Agreement is terminated due to the Contractor's breach of the Agreement, the Contractor agrees in advance that the procedures registered in his name, patented or not, and necessary for the completion of the subject matter of the Works, may be applied immediately by the Client without any further request to the Contractor.

65. Law Enforcement and Security Rules

The Contractor shall comply with the following law enforcement and security regulations in force in the Client's territory (premises, branch, etc.) and shall enforce them with its subcontractors:

- (i) The Contractor's employees may enter the Client's territory with a valid entry permit. In the case of employment for a period of less than one month, a list of employees must be submitted to the Client's security service. The list shall also include the information listed in point (iii). In this case, no entry permit shall be issued and proof of identity shall be provided by means of an identity card.
- (ii) The Client shall provide the Contractor's employees with a gate pass for the duration of employment.
- (iii) The Contractor shall inform the Client's security service in writing of the names, ID card numbers, addresses, job titles, expected duration of employment and the subject of the contract on which the employment is based, of the employees to be employed before the commencement of employment.
- (iv) Employees must present their access card or identity card when called by the reception service. Upon termination of the employment relationship or employment, the Contractor shall hand in the entry permits to the Client's security service.
- (v) In the case of work on weekly rest days, days off and public holidays, the Contractor shall submit two copies of the list of the persons performing the work to the Client's security service. In addition to the list of names, the place and expected duration of the work and the name of the person in charge of the work shall be indicated.
- (vi) The Contractor shall prepare a list of the equipment, instruments, tools, materials delivered to the Client's premises at the time of delivery, which shall be handed over to the reception service. The list shall contain the name, quantity, serial number, date of delivery and the company's name of the goods. The transfer of materials and equipment may be effected using a delivery note, a copy of which must be handed in at the reception.
- (vii) The Contractor shall be responsible for the protection of its own property, the Client shall not be under any obligation to guard it.

VIII. CHAPTER VIII. – AMENDMENT, TERMINATION OF THE CONTRACT, DISPUTE RESOLUTION

66. Amendment, Termination of the Contract

66.1 **The Contractor acknowledges that the Client is entitled to unilaterally amend the GTCs by giving the Contractor due written notice prior to the entry into force of the proposed amendment. If the Contractor fails to notify the Client in writing within 15 days of any objection to the amendment, the Contractor shall be deemed to have accepted the amendment and it shall become part of the Agreement.**

66.2 Otherwise, the Agreement may only be amended or supplemented by an amendment to the contract signed with an authorised company signature by both Parties.

66.3 Changes in the Parties' details registered in the commercial register, in particular changes in the name, seat, representatives, account-holding bank, bank account number, as well as changes in the details of the organisation and contact persons acting in the conclusion and performance of the contract, shall not be deemed to be amendments to the contract. The Party concerned shall notify the other Party of such changes either in advance in writing with a deadline of 10 days or within 10 days of the change occurring (registration), as the case may be.

66.4 The Agreement shall be terminated:

- (i) upon expiry of the time period defined in the Agreement;
- (ii) by ordinary termination by the Client, with a termination deadline of thirty (30) days;
- (iii) by ordinary termination by the Contractor, with a termination deadline of thirty (30) days, except for fixed-term agreements;
- (iv) by an extraordinary termination by the Client or the Contractor;
- (v) by mutual agreement.

66.5 If either Party to the Agreement fails in any obligation, the other Party shall notify the violating Party of its position in writing and shall propose a consultation to clarify the situation.

67. Extraordinary Termination

67.1 The Agreement may be terminated by the Client with immediate effect if the Contractor:

- (vi) violates any of the provisions of the Agreement and does not remedy the violation within fifteen (15) days of written notice, or if, given its nature, the violation cannot be remedied;
- (vii) repeatedly or seriously breaches its obligations under the Agreement;
- (viii) becomes insolvent or is the subject of a final liquidation, winding-up, compulsory strike off or bankruptcy order;
- (ix) makes a false declaration;
- (x) harms the reputation of the Client by its statements or conduct/behaviour;
- (xi) seriously or repeatedly violates social standards of work and human conduct, i.e. commits an infraction and/or a criminal offence;
- (xii) is unable to perform the Agreement in whole or in part;
- (xiii) or any other event or circumstance specified in the Agreement as giving rise to such legal effect occurs.

68. Serious Breach of Contract

68.1 A serious breach of contract by the Contractor shall be deemed to have occurred in particular if:

- 68.1.1 is more than 20 days late in the fulfilment of any milestone or final deadline, due to causes attributable to itself;

68.1.2 the Contractor refuses to replace the defective parts, to correct the work that has not been completed or fails to start the work within 3 days despite promising to do so;

68.1.3 fails in its obligation to confidentiality;

68.1.4 violates the provisions of the chapter on Basic Standards;

68.1.5 transfers rights or obligations without the consent of the the Client;

68.1.6 a circumstance giving rise to the frustration of the Agreement occurs, if the Contractor is responsible for the occurrence of the cause.

69. Frustration

69.1 If the Contractor fails to commence the Works on time, suspends the performance of the Works without the prior consent of the Client or fails to comply with the partial deadlines (or schedule) set out in the STC to such an extent that, in the Client's opinion, the Contractor's performance of the Works is already jeopardising the final deadline of the Agreement, and no extension period is nevertheless set or the extension period set for performance expires without result, the Agreement shall be deemed not to have been performed (frustrated or failed) and the Client shall be entitled, at its option, to terminate or withdraw from the Agreement with immediate effect and to assert its claim for contractual penalty for frustration of the performance in accordance with point 43 of the GTC.

69.2 Delays are particularly obvious if the delay is expected to exceed 10% of the quantity or net value of the work under the Agreement.

69.3 The Parties stipulate that if the Contractor is in serious breach of contract and therefore the Client terminates the Agreement with immediate effect, this shall be deemed to be a cause of default for which the Contractor shall be liable.

69.4 If bankruptcy, liquidation or other proceedings for the termination of the Contractor without legal succession are instituted against the Contractor during the term of the Agreement, the Parties shall consider the Agreement to be in default under this point for reasons attributable to the Contractor on the day before the institution of bankruptcy, liquidation or other proceedings for the termination of the Contractor without legal succession, and the Contractor shall pay to the Client a contractual penalty for frustration of the performance in accordance with point 43 of these GTC.

69.5 In the event of frustration of the Agreement in the manner provided for in this point, the Contractor shall remain liable for any damages suffered by the Client as a result of non-contractual performance.

70. Financial Settlement

70.1 In the event of unilateral termination of the Agreement or termination by mutual agreement, the Parties shall settle their accounts with each other within 15 days of receipt of the notice of termination or signing of the termination agreement in respect of the services provided as follows:

70.1.1 The Parties shall assess the Work performed by the Contractor up to the date of receipt of the notification or the date of signing of the Agreement, determine the stage of completion of the Work and the value of the Work, taking into account the unit prices set out in the Agreement and the technical characteristics of the remaining and completed parts of the Work.

70.1.2 Any instalments already paid by the Client to the Contractor, any advances and payments, and any contractual penalties incurred shall be deducted.

70.2 The Parties shall record the result of the settlement in a report, and the debtor Party shall settle the difference with the other Party within 5 calendar days of the signing of the report.

- 70.3 However, in the event that the Agreement is terminated for reasons at the Contractor's fault, the Contractor shall not be entitled to claim, in addition to any other sanctions for breach of contract, the proportionate value of the Work performed by it until the Client has completed the entire Work specified in the Agreement by engaging a new contractor. Any additional fee paid to the new contractor as compensation shall be set off by the Client against the Contractor's outstanding Contractor's fee.
- 70.4 If the Contractor does not appear or otherwise does not take part in the settlement, the Client shall be entitled to determine the stage of completion of the Works and the value thereof, which it shall notify to the Contractor in writing. If the Contractor does not respond to the Client's findings within a further five working days, they shall be deemed to have been accepted by the Contractor.

71. Dispute Resolution, Applicable Law

- 71.1 If any dispute arises in connection with the Agreement, the Parties shall first attempt to resolve it through negotiation. The Parties undertake that disputes arising during fulfilment (technical interpretation, etc.) shall not delay the completion of the work undertaken according to the Agreement and shall not give cause for Contractor to modify the deadline for completion.
- 71.2 If the negotiations do not resolve the dispute within forty-five (45) days after written notice from one of the Parties to the other, then the Parties stipulate that only the courts named below shall have competence to resolve their disputes:
- (i) if the fulfilment of the Agreement occurred in Baranya County, then, depending on the amount in dispute, the District Court of Pécs or the Pécs General Court,
 - (ii) if the fulfilment of the Agreement occurred in Csongrád County, then the District Court of Szeged or the Szeged General Court,
 - (iii) if the fulfilment of the Agreement occurred outside Baranya and Csongrád counties, then the District Court of Budaörs or the Tatabánya General Court.
- 71.3 Otherwise, the relevant provisions of applicable law on civil procedures shall prevail.
- 71.4 Hungarian law shall apply to this Agreement, and in all questions not dealt with (or not adequately dealt with) in this Agreement, the applicable provisions of the Civil Code shall prevail.

APPENDICES:

- ***Workplace Safety, Fire and Environmental Protection Provisions***
- ***Additional provisions applicable to subcontracts***
- ***Additional provisions applicable in the case of a contract awarded in a public procurement procedure***
- ***Additional provisions applicable to designing tasks***
- ***Additional provisions applicable to the hire of machinery with a view to the performance of the Agreement***
- ***Additional provisions applicable to operating contracts***

Pursuant to paragraph (2) of Section 6:78 of the Hungarian Civil Code, the Contractor expressly draws the Contractor's attention to the fact that any points of the General Terms and Conditions that deviate from normal contractual practice or that are otherwise needed to be highlighted are indicated in italics and underlined in the text of these General Terms and Conditions.