

General Terms and Conditions: PURCHASING

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

1. **Buyer**

- 1.1 In the legal relationship created by the present agreement, Buyer is understood to be Veolia Environnement (hereinafter: "**Veolia**") or any member or members of those subsidiary companies which are indirectly or directly majority-owned or controlled by Veolia Environnement with Hungarian-registered offices (hereinafter: "**Veolia Hungary group (of companies)**"), as defined in clause 1.2.
- 1.2 A list of the companies belonging to the Veolia Hungary group who are covered by the present General Terms and Conditions can be found on the internet at <https://www.veolia.hu/hu/beszallitoinknak>.

2. **Vendor**

- 2.1 Buyer defines a **Vendor** as any business partner external to the Veolia Hungary group of companies who is bound by a legal relationship for the transfer of ownership rights to Goods for Resale for purposes of purchasing, delivery, or sale of a specific thing, defined according to its type and quantity, within a specified deadline (collectively hereinafter: "**Delivery**").

2.2 **Goods for Resale**

As mentioned in Clause 2.1, these are things or products (e.g., raw materials, spare parts, machinery) whose ownership rights may be transferred, except for energy source materials obtained for the purposes of energy production and—as defined in Law CLXXXV of 2012, § 2, paragraph (1), clause 23—waste. The term "Goods for Resale" may, depending on the context, also be used in the singular form, and the term "Good for Resale" may also refer to a plural number, and either form may also be understood to mean "group of Goods for Resale".

3. **General Terms and Conditions**

- 3.1 These General Terms and Conditions contain the general rules applicable to the legal relationship of Delivery between Buyer and Vendor.
- 3.2 The Parties may establish variances from the General Terms and Conditions only by means of Special Terms and Conditions, and if there is any divergence or contradiction between the two, the provisions of

the Special Terms and Conditions shall have primacy and shall govern the legal relationship between the Parties.

4. Special Terms and Conditions

4.1 These are special provisions concerning the subject of the Agreement, as compared to the General Terms and Conditions, that are contained in the following document(s):

- (i) a Special Agreement, and/or
- (ii) a Framework Agreement, any Call-off Order sent on the basis of the Framework Agreement, and/or
- (iii) a Purchase Order and the signed Confirmation issued in response to it.

4.2 Likewise, other documents associated with clauses (i)-(iii), such as contractual specifications, price lists, technical descriptions in a quotation from Vendor, and, in the case of tender bidding processes, signed agreements as well as the call for proposals and its documentation, shall also be considered part of the Special Terms and Conditions.

5. Agreement

5.1 The basis of the creation of the contractual obligation; the expression by two or more legal parties of their mutual desire to enter into cooperation which takes legal force and which creates both binding requirements and entitlements. Together, the General Terms and Conditions and the Special Terms and Conditions constitute the entire Agreement created between the Parties, and they define the contents of the Delivery legal relationship.

6. Special Agreement

6.1 The Parties may conclude a Special Agreement in relation to specified Goods for Resale, and it shall define any peculiar provisions beyond the General Terms and Conditions (e.g., contact details of the contracting Parties, the subject of the Agreement, deadlines for fulfilment, and terms specific to the subject).

7. Framework Agreement

7.1 The Parties may conclude a Framework Agreement in the matter of the purchase and delivery of certain Goods for Resale, on the basis of which Buyer is entitled to do the following:

- (i) to make one-off orders for Goods for Resale within defined monetary value limits and/or quantity range;
- (ii) to place regular call-off orders for Goods for Resale or groups of Goods for Resale based on a specified price list for the duration of the Framework Agreement.

7.2 Given that the Parties have conceived the Framework Agreement to extend (where possible) to all members of the Veolia Hungary group of companies, any member company of the Veolia Hungary group which is signatory to the present Framework Agreement is entitled to place Call-off Orders. Vendor agrees that, for the duration of the Framework Agreement, any of the member companies falling within the scope of the Framework Agreement as defined in Clause 1.2 may join the Framework Agreement as a Party by signing an amendment for that purpose.

8. Purchase Orders

A legal relationship of Delivery may also be created between the Parties when Buyer orders certain Goods for Resale from Vendor by sending an official document designed for that purpose which is either generated by their information system or properly issued in some other way (hereinafter: “**Order**” or “**Order Form**”) and in response to which Buyer receives Vendor’s formal acknowledgement (hereinafter: “**Confirmation**”). The Parties agree that a legal relationship according to the present clause may only be created between the Parties if Vendor accepts these General Terms and Conditions simultaneously with the Confirmation of the Order. The Order-Confirmation process is defined in Clause 11 of these General Terms and Conditions.

9. Interpretation and Scope of the Agreement

- 9.1 The Parties specifically note that any differing or variant general terms and conditions or other similar documents customarily applied by Vendor shall not be applicable to this Agreement without the express written consent of a representative of Buyer with commensurate signature authority. Acceptance and handover of Deliveries or services and fulfilment of payment shall not imply acceptance of Vendor’s customary general terms and conditions.
- 9.2 The Agreement fully comprises the entirety of the actionable terms agreed between the Parties, and, unless the Parties agree in writing to terms which differ from the General Terms and Conditions, their signing of the Agreement shall nullify any other verbal, written, or other agreements between the Parties in connection with undertakings within the scope of the Agreement and shall take force in their stead.
- 9.3 On the basis of the contractual relationship created between them by the Agreement, the Parties waive the application of Act V of 2013 on the Civil Code (hereinafter: “**Civil Code**”), § 6:63, Paragraph (5).
- 9.4 The invalidity or unenforceability of any one of the terms of the Agreement shall not affect the validity or enforceability of any of the other terms of the Agreement.
- 9.5 The failure of any Party to exercise a right arising from the Agreement shall not be construed as a waiver of any other rights.

10. Subject and Term of the Agreement

- 10.1 Vendor shall transfer its rights of ownership over the ordered Goods for Resale to Buyer in exchange for Buyer’s payment of the purchase price, and shall hand over the Goods for Resale in accordance with the provisions set out in the Agreement.
- 10.2 The Agreement shall be in force from the date of the Parties signing it, until the Parties completely fulfill the Agreement’s provisions, including warranties and guarantees.

II. CHAPTER – PROVISIONS CONCERNING FULFILMENT

11. Purchase Orders, Confirmations, and Call-off Orders

- 11.1 In the absence of a Framework Agreement or Special Agreement, Buyer shall, according to its own needs, order Goods for Resale (and in certain cases delivery) from Vendor using a Purchase Order as defined in Clause 8. Buyer shall send said Purchase Order by fax or other electronic means to Vendor, or, in case of immediate delivery, by a verifiable means, via delivery in person followed by a written acknowledgement of receipt.
- 11.2 Within five (5) working days of Vendor's receipt of the Purchase Order, Vendor shall respond with an authorised acceptance of the Purchase Order (hereinafter: "**Confirmation**") by fax or other electronic means. In the case of personal delivery, Confirmation occurs immediately in the form of the handed-over Purchase Order, its signature by a person authorised by Vendor, and the form's return to Buyer. If Confirmation does not reach Buyer within the time period specified above, but Vendor nonetheless fulfils the Purchase Order, then the Parties shall deem that Vendor's conduct shall constitute implicit acceptance of the Purchase Order and the applicable General Terms and Conditions as written therein. Buyer shall be bound to its bid until the expiration of the deadline, but if Confirmation arrives after said date, then Buyer may decide to uphold the bid anyway, or to accept its fulfilment.
- 11.3 Confirmation must contain clear indication that the Purchase Order and the General Terms and Conditions referred to therein are accepted by Vendor without modification. If Confirmation from Vendor contains any disagreement, the Purchase Order shall come into force only if Buyer accepts the stated difference(s) and confirms such in writing to Vendor.
- 11.4 In the event that Vendor is unable to duly fulfil the particulars of a given Purchase Order (e.g., quantity or delivery deadline), then Vendor is required to notify Buyer thereof via fax or other electronic means within five (5) workdays of receipt of the Purchase Order, with indication of its deficiencies and an authorised signature.
- 11.5 If Buyer wishes to pursue the Purchase Order despite Vendor's notification of deficiencies (as described in the previous paragraph), then Buyer shall modify the Purchase Order on the basis of the response from Vendor, and shall re-submit it to Vendor by fax or other electronic means.
- 11.6 If Vendor confirms the Purchase Order, then Vendor shall be required to fulfil the Purchase Order for the items as defined therein.
- 11.7 If a Framework Agreement is in force, then a call-off order for concrete Goods for Resale—including the requested items, the delivery deadline, and a precisely specified place of fulfilment—shall occur when Buyer sends an order issued by its information system or by another means (hereinafter: "**Call-off Order**"). In the absence of any alternate provisions in the Framework Agreement, the terms relating to Confirmation in these General Terms and Conditions shall also apply to any given Call-off Order, with the exception of Clause 11.3.
- 11.8 If a Special Agreement has been concluded by the Parties, then the place of fulfilment, deadline, and concrete conditions shall be found in the text of the Special Agreement.

12. Fulfilment Deadlines

General Terms and Conditions

PURCHASING

II. Edition

- 12.1 Deliveries shall be deemed as fulfilled when the ordered Goods for Resale have been handed over at the place of fulfilment specified in the Special Terms and Conditions, or when Vendor has handed over the Goods for Resale to Buyer in accordance with the Agreement, and Buyer has accepted them.
- 12.2 Vendor and its associated service providers shall immediately notify Buyer of any evident delays in fulfillment, even if the fulfillment deadline has not yet expired.
- 12.3 If fulfillment is delayed due to causes attributable to Vendor, then Vendor shall pay a penalty fee in accordance with Clause 22 of these General Terms and Conditions.
- 12.4 Early delivery is possible only with Buyer's prior expressed consent.

13. Liabilities

- 13.1 If shipment is made with the resources of Buyer or via a courier service appointed by Buyer, then liability shall fall upon Buyer at the time of handover from Vendor to courier. In all other cases, the hazards borne by Buyer shall include liabilities associated with handover at the place of fulfilment as defined in the General Terms and Conditions (including unloading).
- 13.2 Any liabilities or additional costs arising from failure to follow Buyer's delivery instructions shall be borne by Vendor.
- 13.3 Vendor is also responsible for any additional costs arising from expedited shipment necessary to comply with fulfillment deadlines.

14. Receiving of Goods

- 14.1 Vendor is required to notify Buyer by fax or other electronic means of the precise time of delivery of the ordered Goods for Resale at least three (3) days prior to delivery. Failing this, Buyer cannot guarantee that the place of handover-reception will be in operation, and Vendor shall bear any additional costs that arise therefrom.
- 14.2 Buyer shall accept handover from Vendor of the Goods for Resale in their specified quantity and quality at the place specified as the delivery address in the Special Terms and Conditions.
- 14.3 In the course of said handover, Buyer shall make inspections to ensure that the Purchase Order and the shipping manifest agree (in quantity, unit price) and that any packaging is undamaged. In case of a difference in quantity and/or qualitative fault and/or damaged packaging, Buyer may reject the shipment and ask that the Goods for Resale be returned at Vendor's expense.
- 14.4 Quantitative acceptance shall occur at the time of arrival of the shipment, except in the case of bulk packaged goods. Handover of these goods shall be done merely on the basis of the package count; in such a case, Buyer shall be permitted to complete acceptance of the goods within the given number of packages within eight (8) days. Buyer shall complete its qualitative acceptance of the delivery within eight (8) days of handover.
- 14.5 In cases where the Agreement for delivery of the ordered Goods for Resale also specifies installation, assembly, deployment, etc. (hereinafter: "**Entry into Service**"), then the date of quality acceptance shall be the date of Entry into Service; or, in cases which stipulate a testing period, it shall be understood as the date on which a record of successful operation is entered and signed in the logbook. A worksheet for successful completion of Entry into Service shall be issued by Vendor. The required handover documentation (declarations by vendor, machine documents, etc.) must be attached to the logbook or worksheet as appendices.

- 14.6 **At the time of receiving the Goods for Resale, Vendor shall provide Buyer with an official manifest or similar document that certifies fulfilment (hereinafter: Manifest) which specifies the Purchase Order number, and—where fulfilment is on the basis of a Special or Framework Agreement—the numbers of the Special or Framework Agreement and the Call-off Order and which also describes in detail the contents of the delivery, as well as additional documents specified in the General Terms and Conditions (e.g. packing list, quality certifications, quality control sheet, maintenance instructions). If Goods for Resale require a safety information sheet, then a copy of the most recent version shall be attached. If any of the above documents are missing, then Buyer shall be entitled to refuse delivery.** Fulfilment shall be certified by the seal and signature of Buyer's authorised representative on the Manifest.
- 14.7 Vendor shall be responsible for any liabilities arising from incomplete, insufficient, damaged, or inappropriate packing of the Goods for Resale. The Parties shall make a record on site of any potential (transport) damage, any potential deficiencies, or any unsuitable fulfilment.
- 14.8 In the absence of any provisions diverging from those of the General Terms and Conditions, handover of the Goods for Resale shall be carried out on workdays between 8:00 AM and 2:00 PM.

15. Associated Services

- 15.1 If needed and by prior mutual agreement, Vendor shall undertake to provide Buyer's employees and technicians (hereinafter: "**Technicians**") with technical presentations, written instructions, user's manuals, datasheets, application notes, and other documentation, in Hungarian wherever possible, on Goods for Resale which are listed in the Catalogue or which are ordered specially.
- 15.2 Vendor shall provide Buyer with all technical and/or commercial information that will give Buyer's Technicians the best possible understanding of the Goods for Resale that are sold by Vendor.
- 15.3 Vendor undertakes to hold product presentations if required by Buyer, for Buyer's Technicians at times and places agreed in advance.
- 15.4 Buyer may require Vendor to keep specific Goods for Resale (to be specified in the Special Terms and Conditions) available to Buyer for a period of time (also to be specified in the Special Terms and Conditions) even after the expiry of the warranty period.
- 15.5 Vendor shall undertake, in specific cases and in specific manners as defined in the Special Terms and Conditions, to store Goods for Resale which are the property of Buyer, in separate secure storage, in a manner prescribed by Buyer.
- 15.6 Vendor shall offer the services defined in this section to Buyer at no extra charge.
- 15.7 **Vendor shall, at Buyer's request, buy back delivered but unused bulk goods at a minimum of 80% of their sale price within three (3) months of their handover-acceptance.**

CHAPTER III. - CONDITIONS OF INVOICING AND PAYMENT

16. Determination of Prices

General Terms and Conditions

PURCHASING

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- 16.1 In the case of a Framework Agreement, the prices to be paid for delivery of ordered Goods for Resale shall be based on the prices given in the Catalogue and on the discounts specified therein. In the case of a Special Agreement, said prices shall be specified in the text of the Special Agreement, but in the case of a Purchase Order, they shall appear on the Order Form.
- 16.2 Any additional costs (procurement, manufacture, packaging, insurance, customs fees, other fees, storage, consignment stock outsourcing, etc.) shall be included in said prices.
- 16.3 Vendor shall offer Buyer free delivery within the territory of Hungary.
- 16.4 The Parties agree that required payments under the current Agreement—in the absence of any overriding provisions different from the General Terms and Conditions—shall be made in Hungarian Forint (HUF). The prices defined in the Agreement shall be net prices, to which general sales tax in the amount applicable at the time of invoicing shall be added.

17. Invoicing and Payment Conditions

- 17.1 Vendor shall issue a separate invoice for the fulfilment of each individual purchase order, Call-off Order, or Special Agreement, to the appropriate Buyer as specified in the Special Terms and Conditions. The Parties may also specify monthly invoicing in the Special Terms and Conditions.
- 17.2 The invoice and a copy of the Purchase Order, Call-off Order, Confirmation, and proof of delivery (e.g. a copy of the Manifest, certificate of acceptance, worksheet, packing sheet, inspection sheet, etc.), including the required appendices to the invoice, shall be sent to the postal address specified in the Special Terms and Conditions.
- 17.3 **Furthermore, upon payment of the invoice, Vendor shall be listed as a partner of the Buyer, or else Vendor shall properly complete the supplier form provided by Buyer and shall send it with an authorised company signature to Buyer.**
- 17.4 Each invoice shall include the numbers and dates of every relevant Purchase Order, Special Agreement, Framework Agreement, or Call-off Order, as well as the information sufficient to identify the ordered items. The contents of the invoice and the number of copies submitted shall comply with the applicable laws regarding accounting. **Buyer shall be entitled to return submitted invoices that do not comply with all the provisions of Clause 17.** In such a case of erroneous invoicing, Buyer must act without delay, and the deadline for payment as specified in the Agreement shall be counted from the date of receipt of the corrected, errorless invoice.
- 17.5 The Parties agree that, in the case of delay on the part of any one Buyer, other Buyers shall not be affected, even if companies defined in Clause 1.2 of the General Terms and Conditions are involved. Vendor shall fulfill requests to delinquent Buyers separately.
- 17.6 In case of fulfilment in accordance with the Agreement, Buyer shall pay the accounted and undisputed amount within thirty (30) days of receipt of the invoice by electronic transfer to Vendor's bank account as specified on the invoice.
- 17.7 The Parties agree that the date of receipt of the invoice shall be that of Buyer's registry stamp/filing mark on the invoice, or, in the case of an electronic registry system, its electronic timestamp.
- 17.8 The date of payment shall be that on which the amount of the invoice is debited from Buyer's bank account.
- 17.9 In the case of delayed payment, Vendor shall send a demand for payment to Buyer by registered letter with acknowledgement of receipt. If payment has not been made in response to a request for payment (even for partial payment) more than thirty (30) days following its receipt, then Vendor shall be entitled to

General Terms and Conditions
PURCHASING

II. Edition

terminate the Agreement—or, in the case of a Framework Agreement, the Agreement with that delinquent Buyer.

- 17.10 Vendor shall remain entitled to charge interest on any late payment(s) for the entire period of its delay, as defined in the applicable laws on accounting, even after termination of the Agreement. Buyer shall not be required to pay interest on faulty, incomplete, disputed, or unaccepted invoices.
- 17.11 Buyer shall be entitled to compensate any outstanding, expired demands of Vendor with offsets from accounts payable to Vendor when the accounts are balanced; Buyer shall also be required to notify Vendor of such compensation.
- 17.12 The Parties agree, in the absence of any differing provisions in the Special Terms and Conditions, that Buyer need not pay a deposit.

18. Receivables: Sale, Factoring

- 18.1 Vendor shall give prior written notice to Buyer of any sale or factoring of any receivables arising from the Agreement. The Parties expressly agree that Buyer shall be entitled under all circumstances to offset any outstanding counterclaims against Vendor.
- 18.2 Factoring may take place only if its existence and the identity of the debtor are recorded in the loan collateral registry.

IV. CHAPTER – LIABILITY PROVISIONS

19. Indemnity

- 19.1 Any breach of contract resulting in damages shall be subject to full compensation paid by Vendor under the provisions of the Civil Code. Vendor shall be exempt from this liability only if it can prove that the breach of contract falls outside the scope of its oversight and responsibility, that it was caused by circumstances that were unforeseeable at the time of the breach of contract, and that the circumstance could not have been anticipated or avoided, nor the damage prevented.
- 19.2 **The liability of Buyer for compensation shall be limited to direct damages, and only up to the gross value of the agreement,** except in case of deliberate breach of contract or a breach that results in loss of life, bodily injury, or damage to personal health.

20. Warranties and Guarantees

- 20.1 Vendor warrants that it possesses the personnel, physical means, and financial resources required to fulfil the Agreement.
- 20.2 Vendor further warrants that the Goods for Resale are compliant with applicable regulations, technical specifications, and standards; that they are free from manufacturing defects or damage; and that they bear the special permits and/or documents specified in the Special Terms and Conditions.
- 20.3 **Vendor shall be bound to a warranty of at least twelve (12) months on the Goods for Resale which comprise the subject of the Agreement, counting from the handover of each Good for Resale or**

- its Entry into Service, or from the date of signature of the record of successful test worksheet or logbook.** Vendor may also grant longer warranty period(s) in the Special Terms and Conditions.
- 20.4 If, for any particular Good for Resale, there is a longer warranty period defined by law, then the warranty period required by law shall be applied to the Good for Resale in question.
- 20.5 The place of remedy of the guarantee or warranty shall be the same as the place of fulfilment or installation.
- 20.6 In case of faulty fulfilment, Vendor shall, at Buyer's choice, either immediately repair the Good for Resale at Vendor's sole expense, or exchange the Good for Resale, or, in applicable cases, execute the relevant services again and without error, within ten calendar (10) days from notification of the fault. On the working day following notice, Vendor shall be required to commence such repairs or to perform such an exchange.
- 20.7 If Vendor does not complete the elimination of the fault or deficiency or does not execute the services anew within the agreed time period (in the absence of other agreement, within ten (10) days from the date of notice) then Buyer shall be entitled to choose from the following options:
- (i) require the Vendor, at its own expense and risk, to complete the repair, or to have the repair completed, or to obtain satisfactory Goods for Resale or spare parts from another source; or
 - (ii) request a price reduction; or
 - (iii) withdraw in whole or in part from the Agreement and seek compensation for non-fulfilment; or
 - (iv) seek compensation for non-fulfilment from Vendor.
- 20.8 In the case described in Clause 20.7(i), Vendor may not dispute the existence of the fault or deficiency, the repairs, the need or means of procurement, or the price of the repairs or procurement, and Buyer shall be entitled to offset any of its outstanding claims against Vendor, or demand payment from Vendor, within eight (8) days from receipt.
- 20.9 The above terms shall prevail even if Vendor declares that it is unable to repair the fault, deliver anew, or render the services within the applicable time period.
- 20.10 If Vendor fulfills late, and Buyer subsequently establishes that such fulfilment is faulty or incomplete, then Buyer shall be entitled to require that the Vendor immediately (without any grace period) repair (or have repaired) the fault, or make arrangements for the deficiency to be remedied, at Vendor's own expense, however necessary to prevent delays or due to any other urgent circumstances on the part of Buyer.
- 20.11 The costs and risks associated with return shipping of lawfully refused incomplete or faulty deliveries, as well as the costs of replacement, shall be borne by Vendor.
- 20.12 If such repairs or replacements occur, then the warranty period(s) for the repaired or replaced portion(s) shall begin anew.
- 20.13 **If, despite notice from Buyer, Vendor does not fulfil its duties under a given warranty or guarantee, and Buyer or its contributors consequently resolve the problem, then Vendor may not thereafter claim that Buyer voided its rights under the warranty or guarantee, either with respect to the repaired or replaced part(s) or with respect to the fulfilment as a whole.**
- 20.14 For any issues not addressed in the present Agreement, the provisions of warranty or guarantee law shall apply.

21. Penalties

- 21.1 Vendor, if it does not fulfil the contractual obligations undertaken in the Agreement within the deadlines established therein, or in case of faulty or incomplete fulfilment thereof, shall be required to pay a penalty(-ies) in the amount(s) specified in the Special Terms and Conditions. If the Parties have not defined a

penalty in the Special Terms and Conditions, then the terms defined in these provisions (below) shall apply.

- 21.2 Buyer shall give Vendor written notice of its demand for penalty, indicating therein the legal basis and the amount.
- 21.3 Vendor shall be exempted from payment of the penalty only if, and to the extent that, it can prove by what reason and to what degree it is not liable for the breach of contract.
- 21.4 If an unpaid penalty becomes an overdue financial claim, then Buyer may offset it from any payables outstanding to Vendor. Vendor shall pay such penalties to Buyer within eight (8) working days from written notice, if the amount of the penalty claim exceeds the value of unpaid invoices.
- 21.5 Vendor shall notify Buyer immediately of any liquidation, bankruptcy, forced cancellation, enforcement, or criminal investigation proceedings that involve Vendor. Claims for penalty payments shall be considered to be delinquent from the date on which such proceedings commenced.
- 21.6 The validation of a given penalty claim shall not affect other claims between Buyer and Vendor. Buyer may seek further damages exceeding the amount of the penalty as well as claims arising from breach of contract. Buyer may seek reimbursement for damages even if it has not exercised its right to exact penalties.
- 21.7 Buyer may claim penalties from Vendor on multiple grounds. If a penalty for incomplete fulfilment is sought, then a simultaneous penalty for delayed or faulty fulfilment shall be excluded.

22. Penalties for Delayed Fulfilment

- 22.1 If the final deadline or the milestone deadlines defined in the Special Terms and Conditions are not met, then Vendor shall pay to Buyer a penalty for delayed fulfilment.
- 22.2 If the cause of the penalty for delayed fulfilment is a missed final deadline, then the basis for calculating the penalty shall be the total gross purchase price; in case of a missed milestone deadline, the basis shall be the gross amount of the partial invoice for the portion which was fulfilled late.
- 22.3 **The amount of the penalty shall be 1% of the penalty base for each calendar day of delay, with a minimum of HUF 10,000 (ten thousand Hungarian forint) and a maximum of 20% of the gross purchase price defined in the Agreement.**
- 22.4 In case of delayed fulfilment of a milestone deadline, Buyer shall also be entitled to seek penalties for failure to fulfill the final deadline. The penalty for delayed fulfilment shall become payable on the first day of such delay.
- 22.5 Enforcement of the penalty for delayed fulfilment set out in the Special Terms and Conditions shall not exempt Vendor from its obligation to observe deadlines, repair faults, and complete any required fulfilment.
- 22.6 If the delay becomes so great that the penalty reaches the maximum amount prescribed in the Agreement, then Buyer shall be entitled to withdraw from the Agreement without obligation to provide evidence of a loss of interest, or—at its own discretion—to terminate the Agreement and seek the penalty for incomplete fulfilment set out in Clause 24 of these General Terms and Conditions. This clause shall apply even if the delay becomes so great that fulfilment is no longer in Buyer's interests.

23. Penalties for Faulty Fulfilment

General Terms and Conditions

PURCHASING

II. Edition

- 23.1 In certain cases defined in the Special Terms and Conditions and according to parameters accepted by Buyer, Vendor shall provide proof of fulfilment—or, where appropriate, fulfilment corresponding to supplied samples—where differing fulfilment may be considered faulty fulfilment. In this sense, faulty fulfilment shall be considered to have occurred if Vendor does not deliver a Good for Resale which has identical parameters to the supplied samples, or if the technical parameters of the Good for Resale as defined in the Special Terms and Conditions are not satisfied, and/or if the delivered Good for Resale is not suitable or only partly suitable for the intended purpose.
- 23.2 In the case of faulty fulfilment, Buyer may, at its discretion, either exercise its rights under warranty or guarantee, or claim a penalty for faulty fulfilment from Vendor. In a case where the fault prevents the intended use, the basis to calculate the penalty for faulty fulfilment shall be the total gross purchase price; if the fault does not prevent the intended use, then the basis shall be the gross purchase price of the faulty element. The penalty amount shall be 20% of this basis. Vendor's obligation to pay the penalty for faulty fulfilment is not affected by whether or not the fault can be repaired.
- 23.3 The penalty for faulty fulfilment becomes payable from the time when the fault is determined.

24. Penalties for Incomplete Fulfilment

- 24.1 If Vendor fails to commence a Delivery by the deadline, or if Buyer suspends the Delivery without prior permission, or if the milestone deadlines defined in the Special Terms and Conditions are missed to such an extent that in Buyer's judgment the final deadline for Delivery is in jeopardy, and despite these facts no alternate deadline is set, or the alternate deadline set for fulfilment expires without fulfilment, then the Agreement must be regarded as unfulfilled (incompletely fulfilled), and Buyer shall thereby be entitled, at its discretion, to terminate the Agreement with immediate effect, or to withdraw from it.
- 24.2 The Parties agree that, if Buyer terminates the Agreement with immediate effect due to severe breach of contract by Vendor, then this shall be regarded as incomplete fulfilment due to causes within the scope of Vendor's responsibility.
- 24.3 In such a case of incomplete fulfilment, Vendor shall pay Buyer a penalty in the amount of 30% of the penalty basis. The basis for the penalty for incomplete fulfilment shall be the total gross purchase price. The penalty for incomplete fulfilment shall become payable on the day of such a termination or withdrawal.

25. Force Majeure

- 25.1 A *force majeure* is any event which is unforeseeable, unavoidable, and which renders it impossible to fulfil the provisions of the Agreement, specifically including (but not limited to) war, rioting, national uprising, floods and other natural disasters, and strikes.
- 25.2 In the event of *force majeure*, the Parties shall be exempted from their contractual obligations.
- 25.3 The Party affected by the *force majeure* shall inform the other Party via any available means of the nature and expected duration of such an event. Verbal notice must be followed by written notice within five (5) days of the onset of the event. If the affected Party does not meet this deadline, then it shall not be exempted from liability in case of delinquency.
- 25.4 Upon becoming aware of the event, the Parties shall immediately determine the actions to be taken in order to mitigate the effects of the *force majeure*. The deadline for the affected Party to fulfil its obligations to the other Party shall be extended by the duration of the recognized event.

- 25.5 The affected Party shall notify the other Party of the course of events at least once per week, and it shall also give immediate notice of the cessation of said event.
- 25.6 If the *force majeure* continues for more than 180 days, then either Party shall be entitled to terminate or withdraw from the Agreement and/or from any involved Call-off Order(s).

CHAPTER V – BASIC STANDARDS

26. Sustainable Development Clause

- 26.1 The Parties agree that the values set out in this Chapter V, 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. **Vendor shall obey the provisions of this chapter, and, within the framework of its existing legal relationship with Buyer, shall not to deal with any suppliers or subcontractors who do not comply with the requirements set out below.**
- 26.2 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, Vendor 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.

27. Human Rights and Basic Labour Rights

- 27.1 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.
- 27.2 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.
- 27.3 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.

28. Environmental Protection, Health, and Safety Requirements

- 28.1 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.
- 28.2 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. The Parties shall further undertake to constantly improve the health safeguards and working conditions that they provide to their employees.

- 28.3 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.

29. Ethical Codex

- 29.1 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.
- 29.2 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>.

30. Anti-corruption Clause

- 30.1 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.
- 30.2 The Parties undertake to put in place and implement all necessary and reasonable policies and measures to prevent corruption.
- 30.3 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.
- 30.4 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.
- 30.5 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.

31. Competition Law, Taxation, and Data Protection

- 31.1 The Parties shall be obligated to obey the applicable provisions of competition law.
- 31.2 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.

- 31.3 The Parties declare that they submit tax declarations in keeping with applicable laws, and that they pay their taxes.
- 31.4 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.

32. Selection and Evaluation of Contractual Partners

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

VI. CHAPTER – MISCELLANEOUS PROVISIONS

33. Confidentiality

- 33.1 In the course of fulfilling the Agreement, the Parties may gain access to knowledge or information which is considered proprietary or secret (hereinafter: “**Confidential Information**”). Confidential information shall comprise any fact, information, solution, or data related to the activities of either Party which, in the reasonable interests of the given Party, must be kept secret, as well as any information of such a nature that, if made public, would affect the general assessment or market position of either Party. Information in written form shall in all cases be considered Confidential Information.
- 33.2 The Parties shall keep all Confidential Information strictly secret, shall use it exclusively to the extent necessary for the fulfilment of the Agreement, shall maintain the broadest and most complete security in connection with it in accordance with applicable laws, and shall commit themselves not to allow any information that is clearly so characterised to become public or to enable any third party to access it or use it without the prior express written consent of the other Party.
- 33.3 Such secrecy applies to:
- (i) the provisions of the Agreement;
 - (ii) meetings in connection with the Agreement;
 - (iii) execution of the Agreement.
- 33.4 Secrecy does not apply in the following cases:

General Terms and Conditions

PURCHASING

II. Edition

- (i) Confidential Information must be disclosed when so required by law, legitimate authorities, or courts, provided that the Party required to disclose the information has taken every possible legal measure to prevent such disclosure; furthermore, the disclosing Party shall notify the other Party of such a requirement and shall also do everything possible to reduce the scope of the disclosed information to a minimum.
- (ii) The information becomes public knowledge through no fault of either Party.
- (iii) The other Party gives prior permission, in writing with an authorised signature, to release the information. (Such permission shall not be withheld or delayed without reasonable cause.)
- (iv) The obligation of confidentiality upon Buyer does not extend to disclosure of Confidential Information among the Veolia group of companies. Buyer may disclose documents related to concluding the Agreement or information therein to members of the Veolia group of companies, whereupon those companies shall also fall subject to the obligation of confidentiality under these General Terms and Conditions.

- 33.5 Either of the Parties may, with prior written consent of the other Party, refer to the existence of the Agreement, including the names of the Parties, as a reference in tendering processes.
- 33.6 The obligation to confidentiality shall remain in force beyond the discontinuation of the Agreement for any reason; therefore, all Parties shall remain bound by said obligation even after discontinuation of the Agreement for any reason.
- 33.7 Said obligation to confidentiality shall also extend to persons acting in the name of or on behalf of either Party, and also to anyone who contributes in any manner to the preparation or fulfilment of the Agreement, noting that the Parties shall be liable exclusively to each other for the conduct of such persons.
- 33.8 If either Party illicitly obtains Confidential Information or handles properly-obtained Confidential Information in a manner at variance with the above conditions, it shall be liable to the other Party for damages of any type that may arise therefrom.
- 33.9 The provisions of this clause shall not affect the requirements of applicable law relating to the protection of business secrets, nor shall they affect the enforcement of sanctions due to violations of rights under business secrecy law.

34. Communication and Notices

- 34.1 Any formal communications between the Parties that are defined in the Agreement or which must be made on the basis thereof (hereinafter: "Notices") shall be sent in writing, and the receiving Party shall be notified in a manner defined in this clause. In the absence of differing provisions in the Special Terms and Conditions, only Notices made in the manner defined in this clause shall have legal force. Notices shall be regarded as delivered in the following cases and at the following times:
- (i) In the case of personal hand delivery, immediately on the day indicated on the acknowledgement of receipt (which receipt may be in the form of a copy of the delivered document which the receiving Party acknowledges via a signature thereon); or
 - (ii) In the case of delivery via courier service, on the delivery day indicated on the courier service's standardised form; or
 - (iii) In the case of delivery via registered letter, the delivery date indicated on the receipt of delivery that is returned to the sender, or, if the time of delivery cannot clearly be established by said receipt of delivery, the date on which said receipt of delivery is received by the sender.

- (iv) If the return receipt of a sent registered letter arrives back at the sender marked as "not accepted" or "addressee no longer at this address", then the provisions of applicable law, valid at the time of signature of the Special Terms and Conditions, shall prevail.
 - (v) Notices sent as e-mail messages shall be considered received when a receipt for delivery is received by the sender in a response e-mail message, or, in the absence of this, then when the e-mail message has demonstrably arrived in the recipient's inbox.
 - (vi) If the receiving Party refuses delivery of Notices sent by any of the means described in sub-clauses (i)-(iv), then the Notice shall be considered as delivered on the day of such refusal.
- 34.2 Each Party shall immediately notify the other Party in writing of any changes to their designated contact persons, or to the details concerning the company that are maintained in the company registry and which are relevant to the fulfilment of the Agreement (including particularly the registered office's address, the authorised representative, liquidation proceedings, final liquidation, bankruptcy proceedings, commencement of forced cancellation proceedings, capital reduction, etc.).
- 34.3 Each Party shall also notify the other Party if any other changes affecting the fulfilment of the present Agreement occur within their own company or one of their contributors (e.g., transfer of rights and obligations, spinoff, merger, or acquisition), or, in case of Agreements signed in connection with procurement procedures, if the applicable procurement law so requires. Any Party that fails to issue a proper Notice shall be liable for damages arising from such a failure.
- 34.4 The Appendix to the Special Terms and Conditions shall contain the names and contact details of the designated correspondents who shall act in the course of the fulfilment of the Agreement. The names, e-mail addresses, and telephone numbers of the Parties' designated contact persons shall be handled exclusively for communication purposes with regard to the fulfilment of the Agreement, and for the purpose of fulfilling the Agreement, on the legal basis specified in Article 6, Paragraph (1), Clause f) of the GDPR. The Parties have satisfactory legal grounds to issue to each other their designated correspondents' contact information, as they are obliged to provide this information to each other. To fulfill the Agreement, the Parties have an essential need to maintain communications with each other; therefore, the Parties have a legitimate interest as data controllers to handle the data of the correspondents. Both Parties are required to provide a data privacy notice regarding the handling of the personal data of their designated correspondents. The Veolia Hungary group of companies' data privacy notice regarding the handling of the personal data of correspondents is available at <https://www.veolia.hu/hu/adatszolgaltatas>.

35. Use of Third-Party Contributors

- 35.1 Unless the Special Terms and Conditions specify otherwise, Vendor shall be entitled to engage third parties of its own choice for the fulfilment of the Agreement (e.g. subcontractors for entry into service, couriers—hereinafter: "**Contributors**") with the condition that these Contributors shall accept the provisions of Chapter V of these General Terms and Conditions as binding upon themselves. Buyer shall be entitled to request written confirmation that every Contributor has accepted the provisions of Chapter V. If such verification is not provided, then Buyer shall be entitled to terminate the Agreement with immediate effect, and to claim a compensation penalty from Vendor in the amount of 20% of the value of the Agreement.
- 35.2 Vendor's standing with respect to Buyer shall be that of a Contributor that has already provided such verification.

36. Prohibition on Employee Poaching

- 36.1 Without Buyer's prior written consent, Vendor shall not engage, either as an employee or in any other legal relationship for the execution of work, any of Buyer's employees who contribute to the fulfilment of the Agreement, nor any other person acting on Buyer's behalf in any other legal relationship for the execution of work, for a period of one year following the cessation of the existing legal relationship between the person in question and Buyer.
- 36.2 If Vendor violates the prohibition defined in this clause, then Buyer shall be entitled to a flat-rate penalty of the amount equal to twelve times the full monthly salary or wages earned by the given "poached" person in his or her last complete month with Buyer.
- 36.3 This clause shall remain in effect for a period of one year after the cessation of the Agreement.

37. Transfer of Rights and Obligations

- 37.1 The rights and obligations set out in the Agreement—with the exception of Clause 18 of the General Terms and Conditions—may not be transferred by either Party to any other person without the written consent of the other Party.
- 37.2 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 Buyer guarantees the suitable ongoing fulfilment of the Agreement to the other Party, regardless of the form or nature of the transfer.

38. Usage Rights and Copyright

- 38.1 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 Buyer's written consent. Vendor shall ensure that unauthorised persons do not access or use such materials.
- 38.2 Vendor 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. Vendor shall therefore hold harmless and indemnify Buyer 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).
- 38.3 Vendor expressly declares, on the basis of Paragraph (6) of § 9 and of Chapter V of the Act No. LXXVI of 1999, that Buyer shall be granted an unlimited and exclusive, transferable usage license in perpetuity with respect to the intellectual property rights to all creations or solutions generated in the course of fulfilment of the Agreement (e.g. custom plans needed for manufacture). Vendor expressly declares that such usage license shall also extend to further planning, revision, custom, original divergent uses, and replication. Vendor hereby gives express permission to Buyer to use such intellectual property not only for its own internal activities, but also to make it public (for example, for data reporting to the party financing the

agreement), and that it grants a further license for use by third parties (e.g. to companies of the Veolia Hungary group, permanently to the owner or operator, etc. of power stations, installations, equipment, etc., currently owned by Buyer,) without further written permission from Vendor.

- 38.4 The Contracting Parties declare that the purchase price for the intellectual property rights identified in this clause shall be included in the value of the agreement.

39. Rules Relating to Transport on Public Roads

- 39.1 The Parties declare that, in the course of fulfilment of the Agreement, they shall observe the provisions of Act CL of 2017 and Ministry of Finance decree 5/2015. (II.27.) Buyer declares that it shall accept Goods for Resale delivered in the course of fulfilment of the Agreement, and shall certify fulfilment if delivery on public roads has been carried out in accordance with the aforementioned statutory provisions.

VII. CHAPTER – AMENDMENTS AND TERMINATION OF THE AGREEMENT, DISPUTE RESOLUTION

40. Modification and Termination of the Agreement

- 40.1 The Agreement may be modified only in writing, by mutual consent. It shall be signed by the Parties' authorised representatives who have commensurate signature authority.
- 40.2 The Agreement shall be terminated:—
- (i) upon expiry of the time period defined in the Agreement;
 - (ii) by ordinary termination by Buyer or by Vendor, with a termination deadline of one (1) month, except for fixed-term agreements;
 - (iii) by extraordinary termination by Buyer or by Vendor;
 - (iv) by mutual agreement.
- 40.3 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.
- 40.4 The Agreement may be terminated by either Party with immediate effect if:—
- (i) the other Party 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;
 - (ii) the requirements of the Agreement are repeatedly or severely breached by the other Party;
 - (iii) any incident or circumstance should occur that, according to the specifications of the Agreement, imposes such legal effect;
 - (iv) liquidation proceedings, final liquidation, or bankruptcy proceedings are initiated upon the other Party by judicial ruling;
 - (v) the other Party becomes partially or wholly unable to fulfil the Agreement.
- 40.5 Severe breach of contract is considered to occur, without limitation, if either Party does one of the following:
- (iii) is late by ten (10) days or more in the fulfilment of any milestone or final deadline, due to causes attributable to itself;
 - (iv) fails in its obligation to confidentiality;
 - (v) violates the provisions of Chapter V;
 - (vi) transfers rights or obligations without the consent of the other Party;
 - (vii) makes false declarations;

- (viii) in the case of Agreements signed in connection with procurement procedures, violates the provisions of Procurement law or other applicable law; or
- (ix) a circumstance that causes incomplete fulfilment of the Agreement arises as specified in Clause 24.1 of the General Terms and Conditions.

41. Dispute Resolution, Applicable Law

- 41.1 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 Vendor to modify the deadline for completion.
- 41.2 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.
- 41.3 Otherwise, the relevant provisions of applicable law on civil procedures shall prevail.
- 41.4 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.

Buyer specifically calls the attention of Vendor, in the meaning of Civil Code § 6:78, Paragraph (2), to the General Terms and Conditions' clauses listed below which differ from ordinary contractual practice or which are held to be important for other reasons: 3.3, 14.6, 15.7, 17.3, 17.4, 19.2, 20.3, 20.13, 22.3, 26.1., Chapter V.