

## **GENERAL TERMS AND CONDITIONS OF PROCUREMENT FOR ORDERING CONTRACTED SERVICES**

These General Terms and Conditions of Procurement (hereinafter referred to as "GTC") govern the content of service contracts concluded by the Customer, the rights and obligations of the parties arising from such contracts, and the rules of performance of the contracts, provided that the parties conclude the contracts with reference to these GTC. The parties may deviate from the General Terms and Conditions provided they do so in writing.

The service contract is created by an offer and acceptance thereof (hereinafter referred to as the "Contract") and the Contract is constituted by the Purchase Order containing the specific business conditions (hereinafter referred to as the "Order"), its annexes and these GTC, which shall in any case be treated and interpreted together.

In the event of any inconsistency between the provisions of this GTC and its annexes and the provisions of the Purchase Order, the provisions of the Purchase Order prevail in the legal relationship of the Parties.

In the performance of the Contract, the Parties expressly exclude the application of the Contractor's general terms and conditions or any of its clauses.

### **1. INTERPRETATIVE PROVISIONS**

- 1.1. **Customer:** the party that orders the activities and services under the contract.
- 1.2. **Contractor:** the natural or legal person with whom/which the Customer concludes a contract.
- 1.3. **Parties:** Customer and Contractor collectively
- 1.4. **Purchase Order:** a declaration by the Customer of its intention to purchase the services specified in the Purchase Order, the acceptance of which by the Contractor without changes or confirmation of which by the Contractor with changes adopted by the Customer constitute a Contract between the Parties. If the Contractor performs without having accepted the Purchase Order and without having returned it signed, no Contract is concluded between the parties despite such performance and the Customer is under no obligation to accept such performance.
- 1.5. **Contract:** the Purchase Order, with the contents agreed by both parties, and these General Terms and Conditions together.
- 1.6. **Certificate of Technical Performance:** a certificate of performance, delivery/acceptance document or equivalent certificate issued by the Contractor and signed by the Customer's representative, which must in any case include:
  - the names of the parties involved in the performance (Contractor and Customer);
  - a detailed description and the quantity of the activities/services and/or goods supplied as part of the performance;
  - the exact time of performance;
  - the consideration for the activity or part of the work performed.
- 1.7. **Financial Certificate of Performance:** a document generated in the SAP system operated by the Customer and signed by the Customer's representatives after the issuance of the Technical Certificate of Performance for the activity or service, in possession of the Contractor's invoice, which is sent by the Customer to the Contractor, who shall treat it as an attachment to the invoice to be issued.
- 1.8. **Contractor Activity / Activity:** the activity covered by the Contract and specified in the Purchase Order, which the Contractor agrees to perform subject to the terms and conditions set out in the Contract and/or the Purchase Order and the price of which, as set out in the Purchase Order, is payable by the Customer upon proper performance of the Contract.

- 1.9. **Intellectual Property Rights:** all exclusive rights associated with intellectual works, including industrial property rights (inventions, (patents), trademarks, designs and designations of origin); and copyrights, whether or not registered in a national or international database for the registration of intellectual property rights.
- 1.10. **Contributors:** the Parties' natural-person employees, company representatives, authorised employees and subcontractors acting in connection with the Contract during the conclusion and performance thereof.
- 1.11. **Subcontractor:** a third party that has a direct contractual relationship with the Contractor or its Subcontractor for the provision of a specified part of the supply of works / services / goods under the contract.

## 2. RIGHTS AND OBLIGATIONS OF THE PARTIES

- 2.1. The scope of the Activities to be carried out in the performance of the Contract is set out in the Purchase Order.
- 2.2. Customer shall have the right to control the performance of the Contractor's obligations under the contract at any time, including inspection of the documents relating to the transaction, and requesting clarification or original documents from the Contractor. The Contractor shall at all times comply fully with the Customer's request and is responsible for providing the Customer with correct and complete information.
- 2.3. The Customer undertakes to provide the Contractor with the information necessary for the performance of the Contract within the time limits. Should the Contractor request additional information necessary for the performance of the Contract, the Customer shall provide the requested information within 5 (five) working days of the Contractor's request. If a longer period is required to provide the data, the Parties agree in writing on a different deadline.
- 2.4. The Contractor may only accept instructions from the Customer. The Contractor must warn the Customer in writing of any instructions that are impractical or unprofessional. If the Customer insists on the instructions despite the Contractor's warning, the Contractor may withdraw from or terminate the Contract or perform the Activity at the Customer's risk. The Partner must refuse to comply with the instruction if its execution would lead to a breach of the law or of an official decision or would jeopardise the health or property of others. Liability for any damage resulting from an impractical or unprofessional instruction is to be borne by the Customer, provided that the Contractor warned the Client in writing of the consequences thereof. If the Contractor fails to comply with this obligation, it is fully liable to indemnify the Customer for any resulting damage suffered by it.
- 2.5. The Customer has the right to inspect the Activities performed by the Contractor and the materials and equipment to be used and installed both before and after their use. The Customer may also involve a third party in the inspection of the Contractor's performance. The Customer shall notify the Contractor in writing of the names of the persons acting on behalf of such third party, the measures which they may take on behalf of the Customer and their powers. Until such notice has been provided, no third party may act on behalf of the Customer. Failure on the part of the Customer to carry out any inspection in no case exonerates the Contractor from any liability for defective performance or defects in the materials installed or used.

The Customer has the right to refuse acceptance of any Activity or any part thereof if it finds it defective or of unsatisfactory quality, provided that such refusal is subject to written reasoning given to the Contractor. The Contractor shall remedy any defects found. If the Contractor fails to comply with its obligation to remedy the defects within a reasonable time, the Customer has the right to have the defects remedied by another party and to recover all related costs incurred from the Contractor.

- 2.6. **The Customer may, giving its reasons in writing, request that a specific employee of the Contractor or any other person assisting the Contractor in performance not participate in the further performance of the Contract. The Contractor shall comply with the request within**

**a period mutually agreed by the Parties in a documented manner, but no later than within 3 (three) working days, and, if necessary, shall provide another suitable person or Contributor.**

- 2.7. If the subject matter of the Purchase Order is building and installation or other installation work for the construction, extension, conversion or other alteration of immovable property, including demolition of the property, provided that the construction, extension, conversion or other alteration of the property is subject to a building authority approval, building authority notification or simple notification procedure, the Customer shall notify the Contractor of this fact in writing and in advance prior to start of the Activity. If the Customer fails to notify the Contractor that an Activity is subject to a permit or approval, the Contractor shall notify the Customer thereof without undue delay, but no later than at the time of signing the Purchase Order, as fulfilment of its obligation to cooperate.
- 2.8. The Contractor shall assist in obtaining any permits and approvals from the authorities that may be required for the performance of the Contract, in organising consultations with the authorities and in preparing memoranda thereof.
- 2.9. The Purchase Order must specify if the Contractor qualifies as a low tax-bracket enterprise under Act CXLVII of 2012 on the Fixed-Rate Tax of Low Tax-Bracket Enterprises and on Small Business Tax (KATA).
- 2.9.1. If the Customer pays a fee exceeding HUF 3 M in a calendar year to such Contractor, the Customer shall pay the tax on the amount exceeding this amount.
- 2.9.2. If there is a change in the way of doing business or in the Contractor's tax status, the Contractor shall notify the Customer in writing within 5 working days of the date of the change.

### **3. CONDITIONS OF PERFORMANCE**

- 3.1. Performance schedules, performance deadlines and final performance deadlines are set out in the Purchase Order, while the model Technical Certificate of Performance and the model Financial Certificate of Performance are set out in the Annexes to these GTC.

### **4. REMUNERATION AND TERMS OF PAYMENT**

- 4.1. The amount of the remuneration payable under the Contract is set out in the Purchase Order.
- 4.2. The Parties expressly set forth that the Contractor may not claim any advance payment of its costs.
- 4.3. The Parties further agree that the remuneration under Clause 4.1 of this GTC includes all costs incurred by the Contractor in the performance of the Contract (including but not limited to postage, photocopying expenses, travel expenses) and any royalties payable for the use of any intellectual property created in the performance of the Contract, and that the Contractor is not entitled to any additional compensation or remuneration in any way whatsoever beyond the remuneration defined in Clause 4.1 of this GTC.
- 4.4. A Technical Certificate of Performance must be issued for any completed works (Annex 1). The certificate of performance must state that performance has been completed, as well as the time of performance and the price payable.
- 4.5. After the Parties have signed the Technical Certificate of Performance for the activities covered by the Contract, the Customer must issue a Financial Certificate of Performance in possession of which the Contractor has the right to submit the invoice.

The Purchase Order must specify the VAT rules applicable to invoicing.

Invoices issued to the name and address of the Customer must be submitted taking into account the following:

4.5.1. Pursuant to Sections 55-56 of Act CXXVII of 2007 on Value Added Tax, the date of performance on the invoice submitted shall be the date of actual performance.

4.5.2. In the case of partial performance, pursuant to Section 57 of Act CXXVII of 2007 on Value Added Tax, the date of performance on the invoice submitted shall be the date of signature of the certificate of partial performance by the Customer.

4.5.3. In the case of periodic invoicing or payment, invoices shall be issued in accordance with the provisions of Section 58 of Act CXXVII of 2007 on Value Added Tax.

If the Contractor sends the invoice thus issued to MVM Services Zrt., which manages the Customer's invoices, within more than 5 days from the date of issue of the invoice, the Contractor is entitled to charge default interest as specified in Clause 4.11 in the event of a late payment only for the delay beyond the payment deadline stipulated in the Purchase Order, to be calculated from the date of receipt of the invoice.

4.5.4. If the Parties are both resident taxable persons and the contracted supply of goods/services is subject to the reverse charge procedure pursuant to Section 142 of Act CXXVII of 2007 (hereinafter referred to as the "VAT Act"), the Parties shall mutually inform each other of this fact. In such case, the invoice does not include any output tax or tax rate. In such case, the invoice must indicate that the Customer is liable to pay the valued added tax.

4.5.5. If the Contractor is a non-resident taxable person in Hungary, the Purchase Order must specify the transaction, the place of performance and the manner in which the invoice is to be issued on this basis.

4.5.6. If the Contractor has opted for VAT exemption or carries out an activity exempt from VAT, this must be stated in the Purchase Order and the invoice must be submitted accordingly, without VAT being charged.

4.6. The invoice must be issued within 8 (eight) calendar days of the issue date of the certificate of performance.

In the case of invoices sent by post, the letter must be addressed to MVM Services Zrt., which is the Customer's invoice manager: 7031 Paks, Pf. [PO box]: 152.

In the case of electronically issued invoices, the invoice must be sent to the e-mail address of MVM Services Zrt [konto-eszamlafogadas@mvm.hu](mailto:konto-eszamlafogadas@mvm.hu). The Customer must accept and process electronic invoices that comply with the European Standard EN 16931-1:2017 and the syntax list published by the European Commission in the Official Journal of the European Union for this standard.

4.7. The condition for the payment of the invoice by the deadline is that the invoice:

- complies with the latest applicable statutory provisions,
- includes the order (PO) number or contract identification number,
- indicates the TESZOR or VTSZ number corresponding to the content of the contract;
- contains the number of the Financial Certificate of Performance generated in SAP,
- has as an attachment an original/duplicate copy of the Financial Certificate of Performance generated in SAP signed by the Customer's representatives as well as detailed accounts of the contractual performance.

4.8. The MVM Services Zrt. shall be entitled to return an invoice not submitted in accordance with the Agreement without any legal consequences of late payment, in which case the Contractor shall reissue the invoice in accordance with the Agreement within 5 (five) working days.

4.9. The date of receipt of the invoice shall be the date on which MVM Services Zrt. registers the invoice as having been received.

- 4.10. The invoice is paid by bank transfer in accordance with the payment terms set out in the Purchase Order. The invoice amount shall be transferred to the bank account indicated in the Purchase Order or to the bank account specified on the invoice, which should be verifiable in the valid company information database. In all other cases, payment of the invoice may be suspended until the Contractor returns a bank confirmation regarding the bank account number concerned.
- 4.11. If the due date falls on a non-working day, a bank holiday or a public holiday, payment is due on the following working day thereafter.
- 4.12. If the Customer fails to meet its payment obligations, it is liable to pay default interest from the first day of default. The rate of the default interest is the central bank's base interest rate. If the Party provides good reason for the delay, no default interest shall be payable. The parties have taken account of the default interest rate when determining the amount of the consideration in Clause 4.1 of these GTC.

## **5. WARRANTY, GUARANTEE**

5.1. The Contractor represents and warrants that:

- it complies with the laws, official regulations and European and Hungarian standards, technological specifications and quality specifications stipulated in the Contract that are applicable to the Activity (or Activities) covered by the Contract;
- there are no reasons relating to its person that would prevent the Partner from performing the Contract.
- the works and services performed are not subject to any restrictions or third-party rights and/or claims;
- it will supply the works and services specified in the Contract with the expertise, professionalism, and diligence expected of it, at all times complying with the provisions of the Contract;
- In the performance of its obligations under the contract, it shall not involve, either in the context of an employment relationship or any other work-related relationship, the Customer's employee or any member of his/her family or any business entity in which such person has an ownership share;
- it will provide sufficient time, manpower and resources for the performance of its obligations under the contract and meet the deadlines set by the Customer;
- the activities to be carried out and the services to be provided to the Customer under the contract, including any equipment, goods or materials to be delivered, are free from defects, deficiencies and damage and shall comply with the requirements of the Contract for at least twelve (12) months from the date of issue of the Certificate of Technical Performance. In the event that the applicable law provides for a longer warranty period for the services, then such longer warranty period shall apply.

5.2. The Contractor carries out its Activities in accordance with the applicable laws, standards and the quality specifications of the Contract and provides a guarantee for the result and the proper performance of the Works in accordance with the Contract for a period of 3 (three) years from the date of performance. The Contractor is responsible for the correction of any defects arising during the guarantee period. The Contractor must also remedy or reimburse any damage caused to the environment during the repair work.

5.3. If, during the guarantee period, after proven receipt of the Customer's notification, the Contractor fails to remedy any defect within the time limit specified by the Customer, or within the shortest possible time or within the time limit expressly specified by the Customer, the Customer may take the necessary measures (in particular, but not limited to, repair, rectification, recourse to another Contractor) to remedy the defect at the Contractor's risk and full expense without prejudice to any other rights of the Customer against the Contractor under the Contract.

5.4. The Contractor bears all costs incurred by the Customer in connection with the enforcement of the guarantee claim and notified in writing by the Customer.

5.5. The Contractor is liable for any damages resulting from any failure to meet or from the non-performance of the guarantee obligation.

## 6. DELAY

6.1. If at any time during the performance of the Contract the Contractor finds itself in a situation that prevents the timely performance of the Contract, it shall immediately notify the Customer in writing of this fact, as well as the expected duration of and reasons for the delay and shall at the same time undertake an extended deadline.

6.2. In the event of delayed performance by the Contractor, the Customer may also claim damages in excess of the default penalty and proven penalty pursuant to Clause 8.1 of these GTC. Payment of the penalty for delay does not release the Contractor from its obligation to perform.

6.3. If it becomes apparent before the expiry of the time limit for performance under the Contract that the Contractor can only perform the Contract with a significant delay, which is no longer in the interest of the Customer, the Customer has the right to purchase the services from another source or to have the Activity performed by another party. The Customer may claim any resulting price difference from the Contractor as compensation for the damage suffered or terminate the Contract with immediate effect or rescind the Contract with immediate effect, with the right to claim penalty and damages.

6.4. Acceptance of defective or late performance does not constitute a waiver of the right to enforce the claim.

6.5. If the Contractor's delay exceeds 10 (ten) days from the expiry of the deadline for performance set out in the Purchase Order, the Customer may withdraw from or cancel the Order and, in addition to the penalty for default, may claim compensation for proven damages, including direct and consequential damages, in excess of the penalty.

## 7. DEFECTIVE PERFORMANCE

7.1. The Customer shall immediately notify the Contractor in writing of any defective performance, specifying the defects. In the event of defective performance, according to the statement of the Customer, the Contractor shall, at its own cost (including repair and other costs), start to remedy the defect as soon as possible, but not later than within 2 (two) working days, and complete the repair within a technically reasonable time. In the event of the Contractor's defective performance, the Customer may claim penalty for defective performance pursuant to Clause 8.2 of these GTC and damages in excess of the proven penalty. **The Customer has the right to assert its warranty claims, including in particular its claim for repair, even if it enforces a penalty for defective performance.**

7.2. If, during the performance of the Activity, circumstances indicate that the performance will be defective, the Customer may exercise its rights arising from the defective performance and may also claim penalty for defective performance and compensation for proven damages pursuant to Clause 8.2 of these GTC.

7.3. In the case of defective performance, the Customer may, at its discretion, choose between repair or replacement.

7.4. The repair or replacement must be carried out within a reasonable period of time and without prejudice to the interests of the Customer, taking into account the characteristics of the goods and the intended use expected by the Customer.

7.5. The Customer may withhold a proportionate part of the consideration until completion of the repair or replacement.

7.6. If the Contractor does not undertake to repair or replace the item within a reasonable time or fails to do so as described above, or if the Customer's interest in the repair or replacement ceases to exist, the Customer has the right to have the defect repaired or replaced at the Contractor's expense without further notice or demand a proportionate reduction in the price or to terminate the Contract.

## **8. DAMAGES AND PENALTIES**

### **8.1. Penalty for delay**

8.1.1. In the case of any delay caused by a breach of contract by the Contractor or the Contractor's Contributor, which is related to the performance of the Contractor's obligations under the Contract, the Customer has the right to claim:

- a penalty and
- damages from the Partner.

8.1.2. The Contractor shall pay a default penalty in the event of late performance of the Contract. The penalty is based on the total net price as defined in Clause 4.1 of these GTC. If the fee under Clause 4.1 of these GTC is payable to the Contractor in several instalments, the penalty is based on the net fee for the instalment payable for the delayed partial performance. The penalty rate is 1% of the basis of the penalty for late payment for each day of delay commenced, up to a maximum of 20%.

8.1.3. The Customer may also assert a proven claim for damages against the Contractor in excess of the penalty and assert other claims arising from the breach of contract. Payment of the penalty does not release the Contractor from its obligation to perform.

### **8.2. Penalty for defective performance**

**8.2.1. In the case of defective performance, in addition to its warranty and guarantee rights, the Customer has the right to claim the following from the Contractor:**

- a penalty and
- damages from the Partner.

8.2.2. In the event of defective performance, the penalty is based on the total net fee as set out in Clause 4.1 of these GTC. If the fee under Clause 4.1 of these GTC is payable to the Contractor in several instalments, the penalty is based on the net fee for the instalment payable for the delayed partial performance. The penalty rate is 1% of the basis of the penalty for late payment for each day of delay commenced, up to a maximum of 20%.

8.2.3. The Customer is entitled to compensation for damages in excess of the penalty for proven losses caused by the defective performance and may enforce other rights against the Contractor arising from breach of contract. The Customer has the right to enforce its guarantee claims even if it enforces a penalty for defective performance.

### **8.3. Penalty for impossibility of performance<sup>1</sup>**

8.3.1. The Contractor is liable to pay a penalty in the event of the Customer's lawful exercise of its right of withdrawal or termination (frustration) due to impossibility of performance caused by the Contractor's breach of contract, the Contractor's refusal to perform without legitimate reason and/or the Contractor's other breach of contract. The penalty for impossibility of performance is based on the total net price as defined in Clause 4.1 of this GTC; its rate is 20% of the base of the penalty.

8.3.2. The Customer may also assert a claim for damages in excess of the penalty and other rights against the Contractor arising from the breach of contract, but the penalty for impossibility of performance excludes any claim for performance.

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<sup>1</sup> "Lehetetlenülési kötbér" in Hungarian

8.3.3. If the Contractor causes damage to a third party not party to the Contract by violating statutory provisions or by breaching its obligations under the Contract, and the injured third party asserts a claim for damages against the Customer, the Contractor shall fully indemnify and hold harmless the Customer against liability for damages by compensating the injured third party for any damages directly and without limitation. In such case, the damages paid by the Contractor must also cover the costs incurred by the Customer in connection with the claim for damages. The Contractor undertakes to join the Customer as an intervener, if invited by the Customer, in any action brought by a third party against the Customer as referred to above.

8.4. The Customer has the right to offset the amount of the penalty against any fee not yet paid in accordance with the Purchase Order. The invoice must be issued for the full amount. If offsetting is not possible, the Contractor shall pay the penalty to the Customer within 10 (ten) days of receipt of the letter of demand to that effect.

8.5. If the Parties agree in the Purchase Order to apply a performance bond, 10 (ten) % of the gross amount of the total net fee according to Clause 4.1 of this GTC is retained by the Customer as a performance bond. If the conditions set out in the Purchase Order are fulfilled, the Customer shall pay the amount withheld as performance bond to the Contractor.

## **9. COOPERATION AND OTHER OBLIGATIONS**

9.1. Parties agree to fully cooperate with each other in order to perform the Contract, and to inform each other of any circumstances that may jeopardise or hinder the performance at a satisfactory level of quality and by deadline. The defaulting Party shall be liable for any damage resulting from a failure to comply with the above.

9.2. Contractor shall inform the Customer about its Activity, either upon request, or, if necessary, even without a specific request. Contractor shall inform the Customer if the involvement of a Contributor has become necessary, or in the event of any circumstances giving grounds for a modification of the instructions.

9.3. Parties shall exercise their rights and obligations under the contract in good faith. The Parties shall endeavour to establish the closest and most flexible form of cooperation possible.

## **10. LIABILITY**

10.1. The Contractor has unlimited liability for any damage caused to the Customer by defective or delayed performance or otherwise. The Contractor's liability covers both direct and consequential damage.

10.2. By signing the Purchase Order, the Contractor represents that it has been made aware of and acknowledges the consequences of any breach of contract and the damages and the extent of any damages resulting from such breach.

## **11. CONSTRUCTION LOG**

11.1. This Clause 11 and its sub-clauses become part of the Contract only where, during the performance of the Contract, the Parties are required to keep an e-construction log ("e-épitési napló") as provided in Government Decree No. 191/2009 (IX.15).

11.2. According to the rules of Government Decree No.191/2009 (IX.15.), the Contractor is required to open and maintain an e-construction log (hereinafter referred to as the "Construction Log") in which it records the daily progress of each work phase. The Construction Log is also where the workspace is handed over in each phase. The Construction Log must be made available at the construction site.



- 11.3. In the Construction Log, the Contractor designates a person responsible for direct contact with the Customer on site and for coordination tasks.
- 11.4. The Contractor also keeps a survey log, where required under Government Decree No. 191/2009 (IX.15).
- 11.5. The Contractor shall immediately eliminate or correct any deficiencies or defects objected to by the Customer during the technical inspection and recorded in the Construction Log or in the record drawn up.
- 11.6. All consequences and damages attributable to the Contractor's failure to keep a Construction Log, or to keeping an incomplete or inadequate Construction Log is borne solely and entirely by the Contractor.
- 11.7. The Contractor shall respond to any entries made in the Construction Log within 3 (three) days in the Construction Log.

## **12. OCCUPATIONAL SAFETY**

- 12.1. The Contractor shall comply and enforce compliance with the applicable occupational safety, fire prevention, environmental protection and accident prevention regulations at the entire place of performance and at all times during the performance of the Contract. The Customer may not be held liable for any failure to comply with the above regulations. The Contractor is liable for any damage, penalties, fines, etc. imposed as a result of the breach of the above regulations, and the Customer has the right to offset these sums against the fee due to the Contractor and the securities provided for in the Contract.
- 12.2. The Contractor shall ensure that the necessary personnel conditions are in place, i.e. the presence of suitably qualified personnel required for the Work, the statutory training, health and fitness of the employees, their appropriate professional qualifications, and knowledge of and compliance with the applicable laws, regulations, standards and technology required for the activity.
- 12.3. The Contractor shall also ensure the necessary material conditions: the availability of working equipment, appliances, machinery, tools and other equipment of adequate quality, the safekeeping of which shall be ensured at its own risk and expense. The Contractor shall ensure that protective and safety equipment of adequate quality and the means of communication necessary for the performance of the Contract are available.
- 12.4. The Contractor shall indemnify all direct and indirect damage resulting from improper performance of the work or from non-compliance with the health and safety regulations and bear all legal consequences of any accident.
- 12.5. The Contractor is fully liable for any injuries or accidents to the Contractor's employees (contributors), and investigate, report and record any injuries or accidents. The Contractor shall immediately notify the Customer of any accident at work. The Customer's representative participates in the investigation of any accident at work. The content of the accident report must be approved by the Customer's representative.
- 12.6. The Customer provides the Contractor's local representative with the on-site occupation safety, accident and fire prevention training required for the safe execution of the work, who shall in turn train the Contractor's team.
- 12.7. The Contractor shall prepare the products, carry out the activities and provide the services with the expertise reasonable expected of it and shall supervise and control the resources used, the methods and technologies employed, the procedures chosen and the execution and coordination of all the details of the work.

### **13. LIABILITY INSURANCE, RISK OF DAMAGE, ENVIRONMENTAL PROTECTION**

- 13.1. Where the Contractor does not have adequate liability insurance and the Customer notifies Contractor in writing that it requires such insurance, the Contractor shall take out general liability insurance for its activities under the Contract with an insurer accepted by the Customer and shall not cancel such insurance during the term of the Contract.
- 13.2. The insurance must cover any damage caused to the Customer and/or to any third party by any product supplied or manufactured by the Contractor and by any activity of the Contractor.
- 13.3. The Contract stipulates the minimum value of the liability insurance and the minimum value of the payment for any environmental damage.
- 13.4. The Contractor is in any case liable for any pollution or damage to the environment arising or likely to arise from the Activities, for the compensation of any resulting costs incurred and for the restoration of the environmental status prior to the performance of the Activities.
- 13.5. Until the delivery of the results of the proper performance to the Customer, the Contractor bears the risk of and is fully liable for any damage to the materials, equipment, tools, and supplies used in the performance, regardless of whether the Customer has a title thereto under the terms of the Contract, unless such damage or loss is caused by the Customer, its employees or agents.
- 13.6. Following delivery of the result of the proper performance to the Customer, the Customer bears the risk of damage to the result of the performance, unless the damage or loss was caused by the Contractor, its contributor or any of its employees.
- 13.7. Unless otherwise provided in writing by the Customer, the Contractor is responsible for taking care of the waste generated during the performance of the work. The Contractor shall collect any waste generated during the performance of the work separately and in selective collection containers at the place of work. The waste must be handed over to a waste transport/recycling operator with a valid waste management licence and the documents certifying the handover must be kept on site.

### **14. INTELLECTUAL PROPERTY RIGHTS**

- 14.1. The Contractor shall indemnify the Customer in respect of any legal claim and any claim for pecuniary or non-pecuniary damages by a third party arising from the infringement of any intellectual property rights (copyright, industrial property rights, patents, trademarks, designations of origin, indications of origin, design protection and know-how) necessary for the performance of the contract. The Contractor shall defend the Customer and, where applicable, bring an action for or on behalf of the Customer, if a claim is asserted against the Customer for infringement of an intellectual property right as a result of the Contractor's activities.
- 14.2. The Contractor assumes liability for the use of the licence rights or patents necessary for the performance of the Contract, with an obligation to pay full compensation for damages or compensation for grievance ("sérelemdíj").
- 14.3. The Parties agree that the Customer is free to dispose of any intellectual property made available to the Customer in connection with the Contract which may be protected by copyright.
- 14.4. The Contractor expressly agrees that the Customer may use the intellectual property not only for its own internal activities or not only in the context of its own operations, but may also disclose it to the public, communicate it to third parties, transfer it or pass it on to third parties, and may freely use the work (or a part of the work) as an antecedent in the future.
- 14.5. The Contractor expressly represents that, pursuant to Section 9(6) and Chapter V of Act LXXVI of 1999 on Copyright, the Customer acquires an indefinite, unlimited and exclusive right of use in respect of all works protected by copyright created in the performance of the Contract for all

transferable copyrights, and Contractor grants express permission to the user to grant further permission to third parties to use the work.

14.6. The Contractor expressly represents that the licence covers in particular:

- the adaptation of the work and the transferability of the right to adapt the work to a third party (adaptation),
- the reproduction of the work, which includes making video or audio recordings of the work, or copying it on a computer or electronic storage medium, as well as the assignment to a third party of the right of reproduction including any of the foregoing rights.

14.7. The Contractor expressly represents that the right of adaptation includes in particular any modification, alteration, re-design or further design, incorporation into new design documentation, insertion, planning of the work (or a part of the work).

14.8. The Contractor may only transmit any part of the documentation to a third party or make a statement about the services provided under the contract with the prior written consent of the Customer.

14.9. The Parties represent that the consideration for the copyright, including the royalty for the rights of use, is included in the fee specified in Clause 4.1 of this GTC.

## **15. THE RIGHT TO DISPOSE OF DESIGN MATERIAL**

15.1. This Clause 15 and its sub-clauses become part of the Contract only if the execution of the Contract results in the generation of designs which need to be delivered to the Customer.

15.2. In order to ensure the full transfer of copyright, the Contractor shall provide the Customer with the requested number of copies of the designs prepared or caused to be prepared by it or modified by it, both on paper and digitally, in editable format.

15.3. Unless otherwise agreed by the Parties, the Customer has unlimited right to use the building permit drawings, design concept or technical plan for the preparation of the final construction drawings necessary for the realisation of the facility or part of the facility covered by the Contract and may reproduce it without the Contractor's consent, may provide it to a contractor interested in the realisation for the purpose of inviting the contractor to tender, and may make it available to the winner of the tender procedure for further use limited to the realisation of the facility or part of the facility in question.

## **16. COMMUNICATION BETWEEN THE PARTIES**

16.1. The names and contact details of the Parties' personnel designated to cooperate and keep contact are set out in the Purchase Order.

16.2. The designated contact persons may proceed in all matters related to the performance of this Contract, although this shall not constitute an amendment or termination of the Agreement.

16.3. Any change in the identity or other details of the designated contact persons or in the notification address of either Party specified in the Order must be notified in writing to the other Party within five (5) working days and takes effect when confirmed in writing by the other Party. The defaulting Party shall be liable for any damage resulting from a failure to comply with the above.

16.4. Any and all measures and declarations that include a commitment and are made during the collaboration shall be made by the Parties in writing.

16.5. The Purchase Order and the Contract are deemed to have been signed by the Customer if the Customer has affixed a qualified eSignature or an advanced eSignature or seal based on a qualified certificate.

16.6. The declarations and notices delivered to the delivery address(es) specified in this Order shall be deemed to have been delivered even if returned to sender by the Post Office marked "unknown recipient" or "unclaimed". In such cases, the postal item shall be deemed to have been delivered on the fifth business day following the day of the second attempt at postal delivery.

## **17. CONTRIBUTORS, SUBCONTRACTORS**

17.1. **Contractor shall primarily perform the work itself; any use of a Contributor and/or Subcontractor during the course of performance shall be subject to the prior written approval of the Customer, and shall be paid for out of the Contractor's fee.**

17.2. Contractor shall be responsible for the conduct of the Contributor and/or Subcontractor as if it had itself performed the task, and shall be liable for any damage that would not have occurred without the use of the Contributor and/or Subcontractor.

17.3. **Customer shall be entitled to withdraw its consent to the involvement of a Contributor and/or Subcontractor in justified cases. In such cases, Contractor shall ensure that the Contributor and/or Subcontractor concerned ceases its Activities within a short period of time, but certainly no later than 8 (eight) calendar days following the withdrawal of consent, and shall immediately ensure that another Contributor and/or Subcontractor with the required, certified qualifications and approved by the Customer in writing in advance continues the work. This shall not entitle Contractor to delay the performance of the work beyond the performance deadline determined in the contract or to modify the Fee fixed in the Order.**

## **18. RIGHT TO CONTROL**

18.1. Customer shall have the right to control the performance of the Contractor's obligations under the contract at any time, including inspection of the documents relating to the transaction, and requesting clarification or original documents from the Contractor.

18.2. The control carried out by the Customer shall in no way and to no extent relieve the Contractor of its legal, financial and other obligations or responsibilities under the Contract or applicable law.

## **19. TERMINATION OF THE CONTRACT**

19.1. The Customer has the right to rescind the Contract at any time before the start of performance thereof as well as to terminate the Contract at any time after the start of performance. In the case of both rescission and termination, the Customer is liable to reimburse the Contractor for its justified and accepted costs (damage), which, however, together with the Contractor's fee instalments already paid by the Customer under the Contract, shall not exceed the Contractor's fee specified in the Contract in proportion to the degree of completion at the time of receipt of the notice of rescission or termination. If the Customer rescinds or terminates the Contract, the Contractor does not have the right to claim damages in excess of this amount. (Section 6:249. of the Civil Code)

19.2. If the Contractor fails to perform the Activities under the Contract or performs them not in accordance with the Contract (i.e., defectively), or violates other provisions of the Contract, the Contractor is liable for the breach of contract as provided in the Hungarian Civil Code and the Contract. The Contractor further acknowledges that if it fails to perform the Contractual Activities in whole or in part or fails to perform them as per the Contract, it is not entitled to the part of the Contractor's fee proportional to the non-performance or defective performance.

19.3. In the case of breach of contract, the Customer may

- terminate the contract with immediate effect/rescind the contract in accordance with the

rules laid down therein;

- may claim penalty against the Contractor;
- may claim damages from the Contractor.

19.4. Without prejudice to any other rights, the Customer has the right to rescind the Contract or part of it, or to terminate it with immediate effect, by written notice to the Contractor stating the reasons for rescission or termination, if:

- the Contractor is in default of its obligations under the Contract for more than 20 (twenty) calendar days;
- the Contractor is subject to winding-up, bankruptcy (not including the moratorium period) or liquidation proceedings;
- where the Contractor performs defectively, it fails to start correction of the defect within the time limit set out in the notice to correct the defect, or starts the correction of the defect but fails to complete it within a reasonable period;
- in the event of the Contractor's non-performance of the contract or a part thereof, the Contractor fails to start the Activity within the time limit set out in the notice to proceed given by the Customer, or starts the Activity but fails to complete it within a reasonable time;
- the Contractor breaches its obligation of confidentiality under the Contract;
- the Contractor engages an unauthorised contributor;
- a third party or the Contractor acts as rightholder in respect of intellectual works or rights transferred to the Customer under the Contract,
- the Contractor commits any other material breach of contract;

19.5. If the Contractor causes damage to the Customer by the breach of contract, the Contractor shall indemnify the Customer under the civil law rules on compensation for damages as set out in the Contract.

## 20. CONFIDENTIALITY

20.1. The following constitute trade secrets without any time limitation: the Contract and its annexes, the parties' communications relating to the Contract, all facts, information, data and protected know-how obtained by the Parties in the course of, and in connection with, the performance of the Contract.

20.2. The parties agree to treat in confidence any information that they become aware of in connection with the Contract that constitutes a trade secret as well as the documentation prepared in the course of the performance of the delivery, and they commit not to disclose any trade secret to third parties.

20.3. The parties confirm that MVM Energetika Zártkörűen Működő Részvénytársaság [MVM Energy Limited] (registered office: 1031 Budapest, Szentendrei út 207-209.; company registration number: 01-10-041828; abbreviated name: MVM Energetika Zrt.) and its single-member and majority-owned subsidiaries shall not be considered third parties for the purpose of obtaining trade secrets, that is, the Customer is authorised to disclose to MVM Energetika Zrt. and its subsidiaries any trade secret related to the Contract, and the Customer and its subsidiaries shall be authorised to utilise any trade secret thus acquired, even without any additional separate consent by the Contractor.

20.4. The Contractor expressly agrees that MVM Energetika Zártkörűen Működő Részvénytársaság [MVM Energy Private Limited Company] (registered office: 1031 Budapest, Szentendrei út 207-209; company registration number: 01-10-041828; short name: MVM Zrt.), for the purpose of the governance of the MVM Group and the implementation of a unified business concept, as well as MVM Services Zártkörűen Működő Részvénytársaság [MVM Services Limited] (registered office: 1081 Budapest, II. János Pál pápa tér 20; company registration number: 01-10-048351, short name: MVM Services Zrt.) as the entity proceeding in respect of the performance of the contract, the entity managing the Customer's invoices, as well as the duly authorised employees of the above companies may have access to the contract and become familiar with its contents. MVM Zrt., MVM Services Zrt. shall be bound by the same obligation of confidentiality as the Customer in respect of data obtained and provided, and the Customer shall be liable towards the Contractor in the event of a breach of this obligation.

- 20.5. Contractor may use the information obtained in the course of the performance of the contract only for the purpose of the performance of the contract, and may disclose it only to persons and entities involved in the performance of the contract and only to the extent necessary for the performance of the Contract.
- 20.6. Contractor may publish items (articles, lectures, etc.) on the subject of any Contract only with the Customer's prior written consent. Contractor may use the Customer's name as a reference only with Customer's prior written consent.
- 20.7. Contractor understands that any failure on its part to obtain the data and information serving as the basis for concluding the Contract, or any incorrect assessment of these on its part, shall not relieve it of its obligation to correctly appraise the terms at which it can perform the contract and estimate the costs thereof.
- 20.8. Contractor shall carry out its Activities in such a way as to put the Customer in an appropriately prepared decision-making position, ensuring that the Customer has sufficient information and time to make a decision. Contractor shall, in cases requiring a decision by the Customer, shall provide it with a written preparatory document explaining the circumstances of the decision, the alternatives, if any, the advantages and disadvantages of each decision and its possible consequences.
- 20.9. The Contractor shall maintain documentation on the costs, fees and other expenses charged to the Customer in connection with the Activities performed under the Contract, and shall retain all certificates related to these, in such a manner that the costs that have arisen may be substantiated through them. The Contractor must retain the records for the period prescribed by law, but for at least eight (8) years. The Contractor agrees to cooperate with the Customer to the extent necessary during such control, and to remedy any deficiencies found in connection with the performance within a period of time to be determined by the Parties.
- 20.10. Contractor understands that if does not comply with, or only partially complies with, this obligation to retain documents, and if the incompleteness of the documentation makes it necessary to involve an independent expert or to conduct an audit in order to meet the above objectives, the Contractor shall reimburse the Customer for all the costs related to this.
- 20.11. Trade secrets shall in all other respects be governed by the provisions of Act LIV of 2018 on the Protection of Trade Secrets (Trade Secrets Protection Act).
- 20.12. The Contractor consents to the Customer's publishing, or, if both contracting parties are publicly owned companies, the Parties mutually consent to the other Party's publishing, its data included in this Contract and that are specified in Section 2(3) of Act CXXII of 2009 on the more economical operation of publicly owned companies (hereinafter: Economical Operation Act), where the value of the Contract, or the combined value of all contracts on the same matter entered into with a specific contractual partner in a fiscal year, reaches the threshold value referred to in Section 2(3) of the Economical Operation Act.

## **21. PROCESSING**

The Customer informs the Contractor and the natural persons designated as contact persons/contributors of the Parties in the Contract that detailed information on the processing of personal data of the natural persons designated as contact persons/contributors in the Contract and other documents\* are available for consultation by the Contractor and the natural persons designated as contact persons/contributors of the Parties in the Contract at <https://www.mvmnext.hu/Adatvedelem/adatvedelmi-tajekoztatok/adatvedelmi-tajekoztatasok>.

Parties are obliged to inform the natural-person contact persons/contributors named in the Contract about this fact, and to ascertain in a verifiable manner that these natural persons have read the above documents.

Contractor represents that they shall be liable for the consequences of any breach of their obligations under this section and agree to hold the Customer harmless for any claim or demand

against the Customer arising out of their breach of obligations and to assume full liability for any such claim or demand vis-à-vis third parties.

\*Privacy Notice on the processing of personal data of natural persons designated as contact persons in contracts or other documents concluded by the member companies of the MVM Group of Companies as set out in Annex 1, and of natural persons acting as contact persons on behalf of other partners of the member companies.

## **22. FORCE MAJEURE**

22.1. Force majeure shall mean any extraordinary event unforeseeable at the time of the conclusion of the contract, which cannot be avoided by the parties, is not attributable to the conduct or omission of the parties and makes impossible, or delays, the performance of the contract.

Subject to the foregoing, force majeure includes, but is not limited to:

- natural disasters;
- fire, explosion, mass disease (epidemic);
- war, acts of war (whether or not a state of war exists);
- revolution, insurrection, riot, civil war or acts of terrorism;
- strike;

22.2. It does not mean a breach of contract if the contractual performance of the obligations is directly and demonstrably prevented or limited by force majeure. In the event of force majeure, the contractual performance deadlines shall be extended by the period of time during which the parties are unable to perform due to the event constituting force majeure. A contracting party may not invoke force majeure if it is able to perform its contractual obligations despite the force majeure event.

22.3. In the event of force majeure, the party who becomes aware of it must immediately notify the other party in writing. Such written notice must include the characteristics of the event and its effect on the performance of the Contract, as well as the expected date of performance due to the delay. If the expected date of performance cannot be determined, or if the force majeure persists beyond the date fixed in advance, the parties shall consult each other as soon as possible to agree on the continuation of performance of the contract. In the course of this, the Parties shall agree on the date of completion of the performance and on any other matters deemed essential by either Party. The Party that becomes aware of a case of force majeure shall be liable vis-à-vis the other Party for any damage resulting from its failure to provide the above information.

22.4. If the Parties fail to reach an agreement within 10 days of the start of the consultation, either party shall be entitled to terminate the contract by giving 30 days' notice in writing to the other party. The contract shall be terminated if performance of the contract has become impossible as a result of force majeure.

22.5. In the event of a dispute between the Parties as to whether force majeure has occurred in a particular situation or whether a specific Party has failed to comply with the contract due to force majeure or for some other reason, the Parties shall in the first instance consult an independent expert to resolve the dispute. If this is unsuccessful, the Parties shall proceed in accordance with section 23 of this GTC.

22.6. After the force majeure, the party in default shall resume performance without delay.

## **23. DISPUTE RESOLUTION**

23.1. The Parties agree to attempt to resolve any disputes that may arise between them in connection with the Contract amicably, through negotiation. If this does not lead to a result within 30 calendar days of the start of the negotiations, they shall proceed as follows.

23.2. In the event of any disputes arising from or in relation to the Contract, primarily in connection with its breach, termination, validity or interpretation, the Parties exclude the recourse to state courts, and agree to submit the matter to the exclusive and final decision of the Permanent Arbitration Court (Commercial Arbitration Court of Budapest) attached to the Hungarian Chamber of Commerce and Industry, with the proviso that the Arbitration Court shall proceed in accordance

with its own Procedural Regulations (as supplemented by the provisions of the Sub-regulation on Expedited Procedures), the number of arbitrators shall be three and the Hungarian language shall be used in the proceedings. The parties exclude the possibility of procedure renewal as regulated in Chapter IX of Act LX of 2017 on Arbitration. The substantive law applicable to the resolution of the dispute shall be Hungarian law, excluding its rules of private international law.

## **24. MISCELLANEOUS PROVISIONS**

- 24.1. This contract may only be amended in writing. The annexes attached hereto shall constitute an integral part of the contract.
- 24.2. The Parties represent that they are legal entities registered in Hungary that are not subject to bankruptcy, liquidation or winding-up proceedings or other kind of dissolution / compulsory strike-off.
- 24.3. Parties represent that the Contract comprehensively addresses the agreement entered into between the Parties, contains all the terms and conditions of the agreement between the Parties, and supersedes any prior oral negotiations or written agreements or declarations made between them on the subject. Parties confirm that the Contract does not include any custom or practice which the parties may have agreed to apply in any previous business relationship of theirs, or any practice which they may have established between themselves. Parties confirm further that this contract shall not include any custom widely known and regularly used by the parties to a similar contract in the business sector concerned.
- 24.4. Under Section 6:209 (1) of the Civil Code, the Contractor already consents, by signing the Contract, to the Customer assigning its rights and obligations under this Contract to MVM Zrt. or to its wholly-owned or majority-owned subsidiary (or subsidiaries), at its sole discretion, either in whole or in part, in accordance with the provisions Section 6:208 of the Civil Code. In the event of a written request to this effect by the Customer, notwithstanding the foregoing, the Contractor undertakes that it shall immediately, but no later than 5 (five) days from the request, make all necessary declarations and measures to ensure that the change of legal entity can take place without any disruption or unnecessary delay.
- 24.5. The provisions of the Contract shall not restrict the Customer from using services or procure products from any third party which are identical or similar to the services and products provided by the Contractor under the Contract.
- 24.6. The Contractor shall cooperate in all respects with other Contributors/Subcontractors and service providers designated by the Customer.
- 24.7. Unless otherwise specified, the term "day" or "days" in the contract shall in all cases mean a calendar day.
- 24.8. The invalidity of any provision of the Contract shall not affect the validity of the other provisions of the Contract, which shall remain in full force and effect.
- 24.9. In matters not regulated by the Contract, the laws of Hungary in force at any given time, in particular the provisions of the Civil Code, shall prevail.
- 24.10. The provisions of the contract, which are substantially different from those of the Civil Code, are printed in bold.
- 24.11. These General Terms and Conditions enter into force on and apply from 15.07.2021. If, after the delivery of the amended General Terms and Conditions, the Customer orders further contracting works from the Contractor, which the Contractor accepts, the Contractor will be deemed to have automatically accepted the amended General Terms and Conditions.

Annexes:

Annex 1 Technical Certificate of Performance: a technical delivery and acceptance report





**TECHNICAL DELIVERY AND ACCEPTANCE REPORT**

\*Made: .....day ..... month 2021

Contract number at the Contractor:

\*Subject-matter of the contract:

Name and address of Customer: .....

.....

\*Name and address of Contractor:

\*Description of performance:

\*Date of performance: .....day ..... month 2021 – .....day ..... month 2021

Contractor's representative, phone number:

\*Contractor's email address where the SAP TIG form is to be sent:

\*Customer's representative, phone number:

**\*Order number:**

**\*Framework Contract No.:**

\*Invoice amount /net, expressed in HUF+VAT/:

HUF + VAT

that is: .....HUF + VAT

The Contractor has fully completed the works covered by the Contract.

Performance can be demonstrated by attaching the SAP TIG form to the invoice, failing which the invoice will not be accepted.

Name:.....

----- *Customer	----- *Contractor
Budapest, 2021	

**\* mandatory to fill in and sign**

**CERTIFICATE OF PERFORMANCE****Certificate of Performance****Customer:**

.....  
 .... Budapest  
 .....

**Contractor:**

.....

Date of performance: Number: Accounting date: R/3 Certificate: Order: Framework Contract: Your supplier number with us:
---

**Period/Performance date:**

.....2021 – .....2021

**Subject-matter of the Certificate of Performance:**

By issuing this certificate of performance, the representatives of the Customer declare that the following items of the referenced contract have been performed in accordance with the professional requirements set out in the contract and accept performance thereof.

Item/K.	Description	Quantity	Quantitative unit	Unit price	Net value
10/00					
Total value excluding VAT (HUF):					

On the basis of the above, the Contractor has the right to submit an invoice in the amount of

..... HUF + VAT

that is ..... HUF + VAT

(VAT is to be charged in accordance with the VAT Act currently in force).

The above statement by the Customer's representatives shall not be construed as a waiver by the Customer of any of its rights under the referenced contract, in particular the right to claim penalty and damages.

Budapest,

.....  
 Customer's representative and registration number

.....  
 Customer's representative and registration number