

**HIDROFILT Water
Treatment Design and
Construction Ltd.
General Terms and Conditions for subcontracts**

Version 1

Effective: from 01.01.2023 until revoked

1. General provisions

- 1.1. The present Subcontracting Terms and Conditions (hereinafter referred to as the "**Terms and Conditions**") contain the detailed terms and conditions of the subcontracting agreement (hereinafter referred to as the "**Contract**") to be concluded by HIDROFILT Water Treatment Design and Construction Ltd. as the Client (hereinafter referred to as the "**Client**") with a subcontractor (hereinafter referred to as the "**Contractor**") for the performance of contracting, construction and installation works within the scope of its activities.
- 1.2. The Contract shall be deemed to have been concluded upon signature of the Contract or upon confirmation by the Contractor of the order sent by the Client to the Contractor. The Contract or order and its acknowledgement shall contain the agreements of the parties on matters not covered by the GTC or which differ from those set out in the GTC.
- 1.3. The GTC, even without a separate signature, form an integral part of the Contract and shall be valid, applicable and interpreted together with it.

2. Content of the Contract

- 2.1. The documents constituting the Contract form an integral part of the Contract and shall be valid and construed together. The documents forming the Contract shall form part of the Annexes to the Contract, which shall be attached to the Contract in written form. In addition to the Annexes to the Contract, the other documents constituting the Contract shall be provided in electronic form or shall be identified by reference to the source or otherwise as appropriate.
- 2.2. The order of precedence of the documents constituting the Contract, including the Annexes, is set out in the Contract. In the event of a conflict between the documents constituting the Treaty, including the Annexes, the provisions of the documents listed first in the order shall take precedence over those of the documents listed later in the order.
- 2.3. The parties exclude the application of § 6:63 (5) of Act V of 2013 on the Civil Code (hereinafter: **Civil Code**). The general terms and conditions of the Contractor shall not form part of the Contract, the parties shall apply the provisions of the Civil Code. 6:81 of the Contract shall not apply.
- 2.4. The Contract has been concluded in connection with the performance of the contract between the Client's customer (hereinafter referred to as the "**Client**") and the Client for the execution of the contract for works and services (hereinafter referred to as the "**General Contract**") specifically indicated in the Contract. The Customer has made available to the Contractor the documentation of the public procurement procedure conducted for the conclusion of the General Contract (hereinafter referred to as the "**Documentation**") and has provided the Contractor with all the information requested by the Contractor in this respect.
- 2.5. Any matter not or not sufficiently covered by the Contract or its Annexes shall be governed by the Documentation, which shall be read and construed in conjunction with the Contract. In the event of any inconsistency between the provisions of the Documentation and the provisions of the Contract, the provisions of the Contract shall prevail. The parties expressly express their intention that the Contractor shall assume at least the same obligations towards the Client as those which the Client has towards the Client in respect of all tasks necessary for the execution of the Works.

3. Subject of the Contract

- 3.1. The Contractor shall carry out the construction, construction installation works and other related tasks (hereinafter referred to as the **Works**) forming the technical content of the Contract in accordance with the Contract, the applicable legislation, official regulations, standards, technological instructions, standards, etc., and the instructions of the Client under the Contract, in accordance with the construction schedule, in accordance with the state of the art at the time of conclusion of the Contract, in Class I quality.
- 3.2. The Contractor declares that its undertaking fully covers the performance of the Works and includes all activities and parts of the Works necessary for the professional performance of the Works in accordance with the Customer's requirements and in compliance with the applicable laws, standards, official and other regulations, etc. and the contractual terms and conditions, and suitable for the intended use and operation.
- 3.3. The Contractor has made its commitment with full knowledge of the Works and by obtaining the necessary information, identified any design flaws or discrepancies. Contractor declares that it is prepared to carry out the Works

has the necessary resources to do so, and its activities include the Works.

- 3.4. The Works shall be delivered to the Contractor. The Developer, the technical inspector and/or engineering organisation acting on behalf of the Developer (hereinafter referred to as the "**Engineer**") and, where applicable, the subsequent operator of the facility resulting from the performance of the General Contract (hereinafter referred to as the "Operator") shall: **Operator** may, in the course of the performance of the Contract, exercise against the Contractor the rights provided for in the Contract, give instructions, control through the Client, or be affected by the claims, declarations and actions of the Contractor, the Engineer and the Operator.
- 3.5. The Contractor declares that, unless otherwise provided for in the Contract, it shall not have any direct contact or agreement with the Owner or the Operator in connection with the Works.

4. The contractor's fee

- 4.1. The Contractor's remuneration shall be due to the Contractor for the full performance of the Contract in a complete, faultless and complete manner, in Class I quality, including the fulfilment of warranty and guarantee obligations.
- 4.2. The Contractor has determined the Contractor's fee in the light of the terms of the Contract, the task, the location and other circumstances, after eliminating discrepancies and any design deficiencies, and may not adjust it by reference to error, deception, change of circumstances, calculation error, etc.
- 4.3. The contractor's fee shall fully cover the costs of the construction works as defined in the Construction Works Act No 191/2009 (IX.15.(hereinafter referred to as "**the Regulation**")) and, unless otherwise provided for in the Contract, shall include all direct and indirect costs (including material and organisational costs), contractor's profit, price and exchange rate fluctuations, inflation, taxes, customs duties and other public charges necessary for the performance of the Contract, even if these are not indicated or detailed in the Contract. The Contractor's Fee shall fully cover any additional costs and burdens incurred by the Contractor as a result of any legislation adopted/published/imposed/re-enacted/amended after the conclusion of the Contract or any conditions/requirements imposed by any public authority after the conclusion of the Contract. The Contractor's fee may be increased only if the Contractor notifies the Client of its claim for such increase within the time and in the manner specified in the Contract and if the Contractor has acknowledged and paid the claim to the Client.
- 4.4. There is no extra compensation for weather-related difficulties. Downtime and downtime costs due to the progress of the construction works are not chargeable. The contractor shall not be entitled to compensation for work not carried out.
- 4.5. The Customer declares that the financial cover for the contractor's fee is available.

5. Flat-rate accounting

- 5.1. In the case of a lump sum settlement, the Contractor's fee shall be the fixed lump sum price forecast at the time of performance of the Contract, based on the budget submitted by the Contractor and accepted by the Client, which shall remain unchanged until the Contract is performed without defects and in full.
- 5.2. The flat rate includes the full cost of the extra work and its costs. The parties accordingly agree that the Contractor shall not be entitled to claim from the Client any costs incurred in connection with the extra work, even if such costs were not foreseeable at the time of conclusion of the contract. The lump sum price shall not include the cost of additional work and the lump sum price shall not be increased by any amount other than the cost of additional work. The Contractor shall be obliged to carry out the extra work and the additional work. In the event of breach of this obligation, the Contractor shall compensate the Client for any damages and additional costs.
- 5.3. Additional work shall also include work included in the Contract but not taken into account in the determination of the Contractor's fee and work without which the Works cannot be carried out in a manner suitable for their intended use.
- 5.4. Subcontracted work shall be deemed to be additional work if it is not implicitly included in the documents constituting the Contract. Work which becomes necessary as a result of a change in the design, which does not affect the Contractor's remuneration as a whole and the performance of which does not disproportionately increase the Contractor's workload, shall not be considered as additional work. Work which is required as a result of a risk indicated in any of the documents constituting the Contract or in the Documentation shall not be considered Substitute Work.
- 5.5. The remuneration for the additional work shall be determined by applying the prices in the budget on which the flat rate is based. In the case of prices not included in the budget, the prices accepted by the Client shall be used as a basis.
- 5.6. Substitute work can only be carried out after the Contract has been amended. Failing this, no remuneration will be paid for the additional work. The parties agree that the Client shall only be obliged to confirm and pay for the additional work if the Contractor has confirmed the additional work and paid the Client for the additional work.
- 5.7. The Customer is entitled to modify the technical content of the Contract in accordance with the General Contract. In other cases, the Contractor shall justify the modification of the technical content if the value of the modification exceeds 10 % of the Contractor's fee. In the event of a reduction of the technical content, the Contractor's fee shall be automatically reduced by the value of the parts of the works not carried out. In the event of a reduction in the technical content, the Contractor shall be liable for the justified costs incurred in connection with the part of the work not carried out and the Contractor's fee for the work carried out

be entitled to compensation for. In the case of an increase in the technical content, the remuneration to be paid to the Contractor shall be determined in accordance with the rules applicable to the remuneration of additional work. In the event of a change in the technical content, the Contract shall be amended. The Contractor may not assert any other claims for compensation, indemnification, reimbursement of costs, etc. against the Client in the event of a change in the technical content.

6. Itemised billing

6.1. In the case of itemised billing, the Contractor's fee shall be determined on the basis of an itemised estimate of the Contractor's performance, using the prices set out in the budget submitted by the Contractor and accepted by the Client.

7. The deadline for completion:

7.1. The works can start after the signature of the Contract and the handover of the work area, once the necessary planning documents and permits have been obtained.

7.2. Delivery of the works will take place on the date specified in the Contract.

7.3. The Contractor shall commence work immediately after the handover of the work area. The Contractor shall ensure that the necessary permits for the commencement of the Works are available at the time of commencement of the Works, unless otherwise agreed by the parties in the Contract. The Contractor shall provide the Customer with copies of the permits required for the commencement of the Works upon request.

7.4. Partial deadlines are subject to penalties in accordance with the rules set out in the relevant parts of the Contract.

7.5. The Contractor shall be entitled to perform earlier than the partial or final deadlines only with the prior written consent of the Client (early performance). In the event of early performance, the Contractor shall not be entitled to issue a partial invoice earlier than the date specified in the relevant parts of the Contract, in particular the financial schedule.

8. The workspace

8.1. The correct handover of the work site must be documented in the construction logbook.

8.2. The Customer shall provide the Contractor with the work area required for the commencement of work in a condition suitable for work, or provide a work area suitable for work for continuous work.

8.3. The Contractor declares that he is familiar with the special, local work and accident prevention, safety and other regulations relating to the work area and that he will comply with them in the course of his activities.

8.4. The Contractor declares that it has inspected the Site before the conclusion of the Contract and that it has become familiar with the all circumstances affecting the work, the contractor's fees and the respect of deadlines.

8.5. The Contractor shall notify the Client in writing of any objections to the Work upon delivery of the Work. In the absence of such notification, the Contractor shall be deemed to have accepted the Site as satisfactory. The Contractor shall notify the Client within 5 working days of any defects which it could not have detected at the time of handing over the Works. In the event of failure to give notice or delay in giving notice, the Contractor may not subsequently plead defects in the Work.

8.6. Unless otherwise agreed, the Contractor shall set up its own staging area and ensure its order, cleanliness, security, safety of property and fire, and hygiene conditions.

8.7. Unless otherwise agreed, the Contractor shall also provide for the safekeeping and protection of the materials and equipment belonging to the Contractor and supplied by the Customer, and the Contractor shall bear full liability and risk of damage in this respect.

8.8. The Contractor shall keep the work area clean at all times and shall remove any waste generated by its activities as necessary, but at least once a week at its own expense. In addition, the Contractor shall be obliged to remove at its own expense any dirt generated by its activities outside the work area (public areas, other parts of the construction site, other properties). If the Contractor fails to fulfil these obligations, the Client shall be entitled to take the necessary measures at the Contractor's expense. The Contractor may only use subcontractors with the permits and authorisations provided for in the applicable legislation for the storage, treatment and removal of waste generated in the course of its activities. The Contractor shall compensate the Client for all damages, fines, additional costs, etc., claimed against the Client in connection with the improper storage, treatment and removal of waste.

8.9. Upon completion of the work, the Contractor shall clean the work area and remove all materials and equipment. The Works shall not be reported complete or accepted without clearing the Work area. Costs for waste from unidentifiable sources shall be decided jointly by the parties.

8.10. Signboards and notices may be placed on the work site only with the prior written consent of the Client.

8.11. The Contractor shall be responsible for the maintenance of the roads used by it for access to the worksite and for transport, and for compensation and repair of any damage caused to these access and transport roads. The Contractor shall compensate the Client for all damages, fines, additional costs, etc. claimed against the Client in connection with the pollution and damage of the access roads. If the Contractor does not exclusively use the access and haulage road in question

then the obligation to pay compensation or make good is shared between the users in proportion to their use, and in case of doubt, in equal shares.

9. Accomplishment

- 9.1. The Contractor shall perform all of its obligations under the Contract in such a manner and at such a time that no act or omission of the Contractor shall in any way cause, give rise to or contribute to a breach of any of the Customer's obligations under the General Contract.
- 9.2. The Contractor may only use technology, machinery, fittings, equipment and materials specified in the Contract and authorised for use or application in the performance of the Works. The material used by the Contractor and the certification of the performance of the material shall comply with the applicable legislation, in particular with Regulation (EU) No. 305/2011, Act LXXVIII of 1997 and Government Decree No. 275/2013 (16.VII.2013). The Contractor may change the technical content, technology, materials, auxiliary structures, temporary installations specified in the Contract only with the prior written consent of the Client.
- 9.3. The Contractor shall, from the date of delivery of the works, keep a construction logbook or, in the case of itemised bills, a survey logbook, as required by the Regulation.
- 9.4. Only representatives of the parties or persons authorised by them in writing are entitled to make entries in the construction logbook. The parties shall sign each other's entries, even in the absence of comments or counter-receipt, to acknowledge the other party's entry.
- 9.5. Covering up or further construction of technically separate parts of the works may only be carried out with the prior consent of the Client, even if the given part of the works is not considered as separate according to the construction schedule forming part of the Contract. The Contractor shall also notify the Client in writing 5 working days before the planned start of the concealment or further construction at the same time as the construction log entry.
- 9.6. The Customer shall have unrestricted access to the work site for the purpose of checking the method of work, the quality of the work and materials and the fulfilment of other contractual conditions. The Contractor shall also allow the Builder, the Engineer, the Owner, the authorities entitled to inspect the Work and other organisations to inspect the Work.
- 9.7. During the performance of the Contract, the Contractor shall cooperate with the Client, the Owner, the Engineer, the Contractor and third parties carrying out activities on the construction site. In the course of such cooperation, the Contractor shall maintain constant contact with the Client and participate in coordination meetings. The Contractor shall accept instructions only from the Client or from another person designated in writing by the Client.
- 9.8. The Client shall be entitled to deviate from the construction schedule and to modify the completion deadlines and the final deadline, and may suspend the work for a specified period of time or order the acceleration of the completion of the work in a written instruction.
- 9.9. In case of modification of the deadlines by the Customer, the penalty deadlines shall be modified in accordance with the modification ordered by the Customer.
- 9.10. If the deadlines have been changed for a reason for which the Contractor is responsible, the Contractor shall not be entitled to reimbursement of its costs and penalties shall be calculated from the original deadlines.
- 9.11. In the event of a change in the deadlines, the Contract must be amended.
- 9.12. In case of delay, the Contractor shall accelerate the works upon written request of the Client. If the delay jeopardises compliance with the deadlines, the Customer shall be entitled to engage another subcontractor to perform the work at the expense of the Contractor. The Contractor shall not be entitled to object to the remuneration of the other contractor involved in the performance and shall be obliged to compensate the Client for any damage and additional costs incurred in this connection.
- 9.13. The Contractor shall notify the Supplier in writing if a circumstance arises which prevents or makes impossible the performance of the Contract for a reason for which the Supplier is not responsible (hereinafter referred to as "**Event of Impediment**"). The Supplier shall notify the Event of Impediment without undue delay, but no later than within a time limit of 5 days from the date on which the Supplier became aware or should have become aware of the occurrence of the underlying event or circumstance. In the absence of failure to notify or late notification of an impediment, the Contractor may not invoke the impeding circumstance.
- 9.14. If the Contractor claims an extension of the partial or final deadline or additional payment in addition to the Contractor's fee, it shall notify the Contractor in writing of its claim without undue delay, but no later than within a time limit of 10 days from the date on which it became aware or should have become aware of the occurrence of the underlying event or circumstance. The Contractor shall substantiate its claim by means of calculations, documents or any other appropriate means within 10 days of the notification or within such other period as may be agreed with the Client. If the Contractor fails to comply with any of the provisions of this Clause, in particular to notify its claim within the time limit set out in this Clause, it shall lose its right to enforce any adjustment of time limits and the Contractor's fee.

9.15. The requirements for quality management, energy management, environmental protection, health and safety at work, health and fire protection, and the code of conduct on corporate social responsibility (CSR), as well as the requirements laid down by the Client, shall form part of the Contract Documents. The Contractor declares that it has studied the above annexes in detail prior to signing the Contract, accepts them and acknowledges that they are binding on it and its subcontractors. The Contractor accordingly undertakes to comply fully with the provisions of the above documents in the performance of the Contract. The Contractor acknowledges that, in the event of a breach of the provisions of the above documents, the legal consequences set out in the document concerned shall apply, in addition to any other legal consequences, in particular the penalty points attached to each breach, which shall give rise to the payment of liquidated damages. If the Client's competent staff discover any omissions or shortcomings, they are entitled to take action in accordance with the relevant Annex.

10. Subcontractors

- 10.1. The Contractor may involve subcontractors and other contributors in the performance only with the prior written consent of the Client and only to the extent provided therein. The Contractor shall not subcontract the performance of the Contract in its entirety or under any circumstances in excess of the extent specified in Act CXLIII of 2015 on Public Procurement (hereinafter referred to as "the PPA"). The Contractor shall be liable to pay a penalty equal to 10 % of the net contractor's fee in the event of a breach of this clause.
- 10.2. The Contractor shall be liable for the subcontractors it uses as if it had carried out the work itself. If the Contractor uses a subcontractor without the Customer's consent, the Contractor shall also be liable for any damage which would not have occurred without the latter's consent. The same shall apply if the Contractor has used the subcontractor in a manner and to an extent other than with the consent of the Client.
- 10.3. The Client shall also be entitled to instruct the Contractor to replace without delay any subcontractor involved in the performance of the Works, or to remove him temporarily or permanently from the Site, if the Client so instructs or if the subcontractor seriously breaches any contractual or statutory provisions applicable to him. The Contractor shall immediately comply with the instruction.
- 10.4. The Contractor shall ensure that its subcontractor carries out its work in accordance with the conditions set out in the Contract. To this end, the Contractor shall include in the contracts concluded with subcontractors such provisions as may be provided for in the Contract as mandatory elements of the content of the subcontracts. The Contractor shall impose, require and enforce the Contractor's obligations under the Contract, at its own risk, on all subcontractors involved in its performance, whether the subcontractor concerned is directly involved in the Contractor's performance (being in direct contractual relations with the Contractor) or indirectly (being further down the subcontracting chain). No contract may be concluded with a subcontractor in which any term or condition restricts the rights of the Client or the Client based on the Contract or the General Contract.
- 10.5. The Contractor shall keep a permanent record of its subcontractors, which shall include the subcontractor's details and contact details, the subject matter and value of the subcontract, and the current status of performance and settlement. The Customer shall be entitled to check the subcontractor's records and to request the necessary documents from the Contractor. The Contractor acknowledges that the Client shall be entitled to refuse payment of invoices and other claims issued for the Contractor's fees if the Contractor has overdue debts with its subcontractors. The Contractor further acknowledges that the Customer may settle any undisputed and overdue debts of the Contractor to its subcontractors directly with the subcontractors. The Contractor shall make its subcontracts available to the Client upon request in order to enable the Client to verify the existence of the mandatory contents and conditions of the subcontracts.
- 10.6. In the Contract, subcontractor shall be understood to mean a subcontractor within the meaning of Section 3(2) of the Public Procurement Act. Failure by the Contractor to comply with the provisions of the Public Procurement Act, the GTC and the Contract relating to subcontractors shall be considered a serious breach of contract. The provisions of the GTC and of the Contract relating to subcontractors shall also apply to subcontractors of subcontractors and to other auxiliary persons employed by the Contractor to perform the work.

11. Financial provisions

- 11.1. If the Contract provides that the payment of the Contractor's fee is subject to Article 32/A of Government Decree 322/2015 (X.30.), the Contractor shall comply with its obligations to invoice, provide data, provide evidence, etc., as required by the applicable legislation, in a timely manner and in full, subject to the provisions of the Contract. In the event of failure to do so, the Contractor shall be liable to pay a penalty for late payment based on the amount of the invoice concerned and at the same rate as that specified in the Contract.
- 11.2. The Contractor shall be entitled to invoice in accordance with the financial schedule forming part of the Contract, failing which in accordance with the Customer's invoicing scheme, but not exceeding the actual technical performance.

- 11.3. The Contractor's fee will be paid within the payment deadline set out in the Contract. If the payment of the Contractor's Fee is not subject to Article 32/A of Government Decree 322/2015 (X.30.) and the Contract provides that the Customer shall pay the Contractor's Fee from the remuneration paid by the Contractor, the invoice shall be paid only after the remuneration paid by the Contractor and including the Contractor's invoice amount (general remuneration) has been credited to the Customer's bank account. If the Contractor's performance is not effected within the payment term specified in the Contract, the payment term under the Contract shall be automatically extended and the Client shall pay the invoice to the Contractor within 5 Banking Business Days after the Contractor's performance.
- 11.4. The submission of the (partial) invoice is subject to the submission of a certificate of performance issued and signed by the Customer, which in the case of a lump sum invoice shall contain the exact name of the part of the Work performed in accordance with the Contract, and in the case of a bill of quantities, an itemised statement of the Work performed by the Contractor. The certificate of performance shall state the value of the invoice to be submitted and the amount of the performance security, if any, withheld from the invoice. The certificate of performance shall be conditional upon the timely completion and documentation of the required quality tests. The Contractor shall provide the Customer with the documents of the quality tests at the time of the certificate of performance, failing which the Customer may refuse to issue the certificate of performance. The certificate of performance shall be attached to the invoice.
- 11.5. The Contractor shall report the completion of each part of the Works in accordance with the construction and financial schedule included in the Contract. The Customer shall inspect and verify the performance within 15 working days and shall notify the Contractor of any objections. If a representative of the Contractor and/or the Operator is involved in the confirmation of completion, the above deadline shall be automatically extended by the time taken by the actions of the Contractor and/or the Operator. Following the confirmation of performance, the (partial) invoice shall be issued by the deadline specified in the financial schedule forming part of the Contract. In the event of late invoicing, payment shall be made at the same time as the next partial invoice or, in the case of the last partial invoice, the final invoice.
- 11.6. The submission of the final invoice shall be subject to the successful completion of the technical handover procedure between the Client and the Contractor (hereinafter referred to as the "**Handover Acceptance**") and the technical handover procedure between the Client and the Contractor (hereinafter referred to as the "**General Handover Acceptance**"). A handover acceptance shall be recorded in a handover acceptance report, which shall state, in addition to the other requirements set out in the Contract, the amount of the final invoice and the amount of the performance security, if any, to be refunded to the Contractor and the amount of the warranty security, penalty, etc., if any, to be retained, and the amount of the Contractor's fee to be paid to the Contractor. A record of the acceptance of the handover shall be attached to the final invoice.
- 11.7. In addition to the requirements of the applicable legislation, the invoice must contain the Customer's contract identification number and comply with any additional requirements as to form and content set out in the financial schedule forming part of the Contract.
- 11.8. The invoice shall be sent to the Customer's address for sending invoices as specified in the Contract. The Customer shall not accept invoices submitted without a confirmation of performance or without a take-over report, or which are not in conformity in form and content. The Customer shall review the invoice within 15 days of receipt. Depending on the result of the examination, the Customer shall either certify and accept the invoice or return it to the Contractor with a written statement of its objections. The Customer shall not pay the invoice in part. This shall not affect the enforceability of any withholdings, set-offs, etc. provided for in the Contract and by law. The Contractor shall issue and submit the contested invoice correctly. The Customer shall have a further 15 days from the date of resubmission of the invoice to examine the invoice.
- 11.9. The Contractor acknowledges that the Customer shall make payment on Mondays and Thursdays and that if the last day of the payment period is not a Monday or Thursday, the Customer's performance shall not be considered late payment if the Customer makes payment on the first Monday or Thursday following the payment period. Payment shall be deemed to have been made on the date on which the amount of the payment is debited to the Customer's payment account.
- 11.10. If the Client fails to accept or pay the Contractor's performance of the part of the Works carried out by the Contractor for a reason for which the Contractor is responsible, the Client shall be entitled to withhold or set off against the Contractor's invoice or performance security the amount of the Contractor's unpaid remuneration.
- 11.11. The Customer shall pay any outstanding claims against the Contractor into the Contractor's account due or into the You may set off against any overdue debts owed to the Contractor.
- 11.12. If, at the due date of the invoice submitted by the Contractor, the Contractor has an overdue debt of any kind to any member of the Hidrofil Group in Hungary, the Customer shall be entitled to retain the amount of the debt from the invoice until the debt is settled or until the Contractor assigns the amount of the debt to the rightful claimant. In respect of the amount withheld, the Contractor's claim for payment of the fee shall only become due upon settlement of the debt/conclusion of the corresponding assignment agreement, provided that the other conditions for the due date are met. Prior to this, the Client shall not be obliged to pay the amount withheld and the Contractor shall not be entitled to claim it. For the purposes of this clause

Hidrofilt Group in Hungary consists of HIDROFILT Vízkezelést Tervező és Kivitelező Kft. (8800 Nagykanizsa, Magyar utca 191.) and all companies in which HIDROFILT Vízkezelést Tervező és Kivitelező Kft. or its shares exceed 50% of the shares according to the Hungarian Civil Code. 8:2 § (1) has a majority influence. The Contractor shall not set off its monetary claims against the Customer against its debts to the Customer under the Contract without the prior written consent of the Customer.

- 11.13. In the event of late payment, the Customer shall be liable to the Civil Code. 6:155 (1) of the Civil Code, the Contractor shall pay interest on arrears at the rate provided for in Article 6:155 (1) of the Civil Code. The Customer shall not be obliged to pay interest for incorrect, incomplete, disputed or non-receipt of invoices, nor in the event that the delay in payment occurs because the Contractor is late in fulfilling its payment obligations pursuant to Article 32/A of Government Decree No. 322/2015 (X.30.), nor if the payment deadline set out in the Contract is extended due to the Contractor's performance.
- 11.14. Unless otherwise specifically agreed in writing by the parties, the payment of the contractor's fee shall be made only to the
by transfer to the Contractor's bank account specified in the Contract.
- 11.15. The Customer shall not pay any advance to the Contractor unless otherwise agreed by the parties in the Contract. In the event of payment of an advance, the Contractor shall provide a bank guarantee for the repayment of the advance approved by the Client.
- 11.16. The service provided by the Contractor is not legally divisible and the receipt and financial settlement of partial invoices does not constitute technical acceptance of the completed part of the work. Furthermore, the receipt and payment of any (partial) invoice shall not constitute a waiver of any claims for defective performance, warranty, guarantee or other claims arising in connection with the Works or the commencement of any such time limits. A certificate of completion for progress invoices shall not constitute final acceptance but shall merely entitle the holder to submit a progress invoice. The customer may amend any certificate of performance in order to correct any incorrect data, value, quantity, etc., contained in previous certificates of performance.
- 11.17. If the Contract is concluded in connection with the direct implementation of public procurement, then - pursuant to Articles 36/A and 36/B of Act XCII of 2003 on the Rules of Taxation (hereinafter: **Art.**) - payments exceeding the net monthly amount of HUF 200,000.00 may be made only if the Contractor complies with the obligation to provide evidence under the above provisions of Art. The Contractor shall send the original of the paper tax certificate to the Client's registered office, and the **electronic** tax certificate to info@hidrofilt.hu, indicating the exact company name of the Contractor in the subject of the electronic mail, 7 days before the expiry of the payment deadline. If the Contractor is included in the database of taxpayers exempt from tax liability pursuant to Art. 36/B, the Contractor shall inform the Customer in writing of this fact only 7 days before the payment deadline instead of the tax certificate. As long as the Contractor fails to provide the tax certificate as described above, the Customer shall not be in default of payment. The Customer shall withhold payment in the event of failure to send the tax certificate, i.e. to comply with the above obligation to provide proof. If the tax certificate contains a public tax liability, the Customer shall make the payment less the amount levied by the state tax authority. The Contractor shall also fully enforce the above obligations in its contracts with its subcontractors and shall be fully liable for any damage caused to the Client in the event of failure to do so.
- 11.18. If the subject matter of the Contract is the performance of construction and installation work as defined in Section 142 (1) b) of Act CXXVII of 2007 on Value Added Tax (hereinafter: **VAT Act**), the Customer shall pay the VAT due on the contractor's fee in accordance with the so-called reverse charge rules. In this case, the Contractor shall issue an invoice that does not include any tax passed on or the percentage specified in Section 83 of the VAT Act and the parties unanimously declare that they comply with the conditions set out in Section 142 (3) of the VAT Act.
- 11.19. If the Contractor is subject to bankruptcy, liquidation or winding-up proceedings during the period of performance of the Contract and during the warranty and/or guarantee period, the Customer may unilaterally decide to suspend the performance of the Contract, The Customer may unilaterally decide that the performance and/or the guarantee and/or warranty security shall automatically vest in the Customer and that at the same time the Contractor's warranty and guarantee obligations under the Contract shall cease, which shall be deemed to be a redemption of the warranty and guarantee obligations on a pro rata basis by the parties.
- 11.20. The Parties agree that the Civil Code. Article 6.25(1) of the Civil Code, a written demand for the performance of claims in connection with the Contract shall interrupt the limitation period.
- 11.21. The Contractor may not, without the prior written consent of the Customer and only to the extent specified therein, assign, transfer or otherwise transfer to a third party any of its claims against the Customer under the Contract. The agreement on the assignment of the claim shall include an express declaration by the creditor that he is aware of and accepts the terms and conditions of payment and the time limits laid down in the Contract. The Contractor shall notify the Client of the assignment of the claim, together with an original copy of the assignment agreement.
- 11.22. Together with the submission of the final invoice, the Contractor shall indicate in an express reservation of rights to the Client in an itemised and clearly identifiable manner the title and the exact amount of the fee which the Contractor considers to be due to the Client in addition to the final invoice submitted.

wishes to enforce. If such a reservation of rights is attached, the Parties shall attempt to settle the claims contained in the declaration amicably and to reach an agreement on the disputed claims in accordance with the law. The Contractor acknowledges that in the aforementioned statement of reservation of rights, it shall state in detail, in a clearly identifiable and unequivocal manner, all claims which it considers to be due to the Contractor in connection with its performance and in respect of which it intends to assert a reservation of rights. You acknowledge that your general statement does not constitute a reservation of rights under this contract. By a general reservation of rights, the parties understand that the Contractor does not specify the claim at least in terms of title, amount and clearly identifiable events giving rise to the title. Any other claim that does not meet this requirement shall be treated as not having been subject to a reservation of rights by the Contractor. The Contractor acknowledges that, in the event that no reservation of rights is made together with the submission of the final invoice, it may not make any further claim for compensation against the Client arising from the performance, which is also naturally in line with the flat-rate nature of the contract. By acknowledging the above, the Contractor expressly undertakes that the absence of a reservation of rights shall constitute a waiver of all claims arising from the performance, including, mutatis mutandis, claims for payment of the final invoice submitted. The Contractor further acknowledges that, in the event that it makes a reservation of rights in accordance with this clause, its reservation of rights shall only extend to those claims which it designates in accordance with this clause. Beyond this, it may not assert any further claims for compensation against the Customer arising from the performance. By acknowledging the foregoing, the Contractor expressly undertakes that the absence of a reservation of rights in respect of any such claims shall also constitute a waiver of any claims arising from the performance, including, mutatis mutandis, claims for payment of the final invoice submitted. The Contractor acknowledges that any reservation of rights made during performance which it fails to submit to the Customer together with the final invoice as provided in this clause shall be deemed to be withdrawn and treated as waived by the Contractor. The Contractor shall not make a reservation of rights in respect of any claim which it cannot enforce against the Customer under the Contract or by law.

12. Damages, insurance

- 12.1. The Contractor shall be solely liable for any damage caused by its employees, subcontractors or other vicarious agents to the Client, the Builder, the Operator, other subcontractors or third parties.
- 12.2. The Contractor shall directly settle the damages caused by it, and shall indemnify the Customer against any claims or demands arising in connection with the damages caused by it.
- 12.3. The Customer shall also have construction installation insurance covering subcontractors, which, unless otherwise provided for in the Contract, shall be provided to the Contractor as a service to the Customer. The premium for the construction installation insurance shall be 1,7 %, which the Customer shall invoice to the Contractor on the basis of the Contractor's fee and shall be compensated by the Contractor's partial or final invoice.
- 12.4. In the event of damage caused by a cause for which the Contractor is liable, the Customer shall settle the claim with the assistance of the Contractor. The insurance excess shall be borne by the Contractor and shall be invoiced by the Client to the Contractor and compensated by the Contractor's invoice due.
- 12.5. The Contractor shall take out and maintain in force the insurance cover required by the Contract and the applicable legislation, with the required content and for the required duration. The Contractor shall provide proof of the existence of the insurance by means of a certificate of cover, which the Client may check at any time. In the absence of insurance or inadequate insurance cover, the Customer shall be entitled to take out the necessary insurance at the Contractor's expense.
- 12.6. The existence of insurance shall not limit the Contractor's liability for damages, i.e. the Contractor shall bear full liability for any damage not insured or covered by insurance.
- 12.7. The Contractor shall pay to the Customer any fines, official fees, etc. imposed on the Customer as a result of the conduct or omission of the Contractor or its subcontractors, sub-subcontractors or other assistants in performance. The Contractor shall also be liable to compensate the Client for any other damage, additional costs and other material losses in this connection.
- 12.8. The Civil Code. 6:143 (2) of the Civil Code, the parties stipulate and the Contractor expressly confirms that prior to the conclusion of the Contract the Customer fully informed the Contractor about the value of the General Contract, the performance deadlines set out therein and the penalties (daily rate, maximum rate, projection basis) and other legal consequences that may be imposed on the Customer in the event of breach of the General Contract. The Contractor accordingly acknowledges that if, as a result of the Contractor's breach of contract, the Client is in default, fails to perform or otherwise breaches the Contract towards the Client, the penalties and other legal consequences asserted by the Contractor against the Client shall be deemed to be damages caused by the Contractor's breach of contract, which damages may in any case be claimed in full by the Client against the Contractor. The Contractor hereby declares that the above damages, as possible legal consequences of the Contractor's breach of contract, are

foreseeable to the Contractor at the time of the conclusion of the Contract, and the Contract shall be concluded by the Contractor with the Customer expressly in the knowledge of these possible legal consequences.

13. Takeover

- 13.1. Quantitative and qualitative performance of the Contract shall be achieved by conducting a defect-free and complete acceptance procedure (hereinafter referred to as the "**Procedure**") and by correcting any defects and deficiencies detected during the Procedure.
- 13.2. The Contractor shall report the work completed in writing within the completion deadline. The Customer shall set a date for the commencement of the Works within 15 days of receipt of the Contractor's report of completion. The Customer shall invite to the Procedure the bodies and authorities specified in the applicable legislation, if necessary, and the Contractor shall invite the subcontractors, other contributors, etc. involved in the performance. The Contractor shall perform within the time limit if the Procedure has been started within the time limit or on the deadline for performance specified in the Contract, unless the Customer has not accepted the performance.
- 13.3. The Customer shall commence the quality acceptance on the date of the Procedure and complete it within 30 days. The Contractor's absence shall not prevent the Procedure from being carried out. The costs related to the execution of the Procedure (e.g. measurements, energy, etc.) shall be borne by the Contractor. The Procedure shall be extended for the duration of the Contractor's obligation to correct defects and remedy deficiencies.
- 13.4. During the Procedure, the Parties shall verify the quantity and quality of the performance in accordance with the applicable laws, standards, regulations and the Contract. Acceptance shall be conditional upon the Contractor's performance of its obligations under the Contract and in accordance with the specifications of the Client, the Builder and the Operator, in conformity with the Contract, in Class I quality and the proof thereof by means of the inspections, tests and documents specified in the relevant part of the Contract. In the event of a shortcoming in the documentation required by the Contract, the Procedure may not be closed even if no actual defects in quantity and quality have been established.
- 13.5. The Contractor shall submit to the Client for review 1 original and 2 copies of the technical inventory and the implementation and qualification documentation (implementation plans, drawings, supporting documents, material quality certificates, test reports, e.g.: compactness, strength, etc.) no later than 10 days before the start of the Procedure. The Contractor shall immediately carry out the replacements and repairs requested by the Client and shall then deliver the final technical inventory and the implementation and qualification documentation to the Client in 1 original and 4 copies 2 days before the end of the technical handover procedure.
- 13.6. The actual location, size, material, fabrication and construction of the actually completed structures and parts of structures, which differ from the original plan, must be indicated in red on the implementation plans, according to the actual implementation. On the implementation plans, utilities, pipelines, structures, cables, etc. dismantled by the Contractor shall be indicated in green. The Contractor shall certify the reality of the data indicated on the implementation plans by signing and stating on each plan sheet "Completed according to plan D" or equivalent wording and the date.
- 13.7. The Contractor shall prepare the implementation documentation, measurements, tests, etc. at its own expense. The Procedure shall not be closed until the implementation plans have been approved by the Client.
- 13.8. At the start of the Procedure, a record shall be drawn up in triplicate, indicating the name of the parts of the Works delivered, the date of delivery, the list of the Works or services performed, any qualitative and quantitative defects and other shortcomings, as well as the provisions of the Regulation. The minutes shall be authenticated by the signatures of the representative of the Contractor and the Customer.
- 13.9. Acceptance of delivery may not be refused on the grounds of a defect which, or the repair or replacement of which, does not prevent the goods from being used as intended. In the case of such defects, the Procedure shall be closed, with the Contractor being obliged to correct the defects within the time limit specified in the report.
- 13.10. The Customer may refuse to pay the Contractor's invoice due if the defects have not been corrected before the invoice payment deadline.
- 13.11. In the case of correctable defects that prevent the intended use, the Procedure shall be suspended and the a grace period for the Contractor to correct the defect shall be specified in the report.
- 13.12. In the case of defects that do not prevent proper use and cannot be repaired, the Procedure may be closed only if the Contractor and the Customer have agreed on a quality price reduction. Failing this, the legal consequences of defective performance shall apply to the Contractor.
- 13.13. In the event of irremediable defects that prevent the proper use, the Procedure may not be closed and the Contractor shall be subject to the legal consequences of defective performance or failure.
- 13.14. The Procedure is closed by the closure of the minutes after the deadline for corrections or rectifications of errors. The minutes shall indicate the start and end of the warranty period, the settlement issues (e.g. final invoice amount, retention, penalty, actual fee payable to the Contractor, etc.) and, in the case of defects that have not been corrected or cannot be corrected, the claims asserted by the Customer (e.g. downgrading, price reduction, retention of repair costs, etc.).

acceptance report shall not form the basis for invoicing, and the Customer shall be entitled to reject an invoice accompanied by such an acceptance report without any further investigation.

- 13.15. The Contractor shall bear the liability for damages and the costs of safekeeping and preservation of the completed Works until and during the proceedings. Unless otherwise provided for in the Contract or otherwise agreed in writing between the parties, the risk of loss or damage shall pass to the Customer upon successful acceptance.
- 13.16. Unless otherwise provided in the Contract, the parties shall hold a post-warranty review procedure before the expiry of the warranty period.
- 13.17. In the event that during the general acceptance of the handover, defects or deficiencies are discovered, the correction or elimination of which is the responsibility of the Contractor, the Contractor shall, upon request of the Client, correct or eliminate them without delay or within the specified time limit. If the Contractor fails to comply with the request, the Customer shall be entitled to correct or remedy the defects or deficiencies discovered at the expense of the Contractor, and the Customer shall be entitled to withhold the Contractor's performance, warranty and guarantee security until the defects or deficiencies have been corrected or remedied, or to call its performance, warranty and bank guarantee.

14. Warranty and guarantee

- 14.1. The Contractor warrants that the Works carried out by it are of Class I quality and comply with the Contract, the applicable laws and standards and professional specifications. The Contractor shall be fully liable for all material damage and loss, including consequential damage, arising from the performance of this obligation. In addition to the liability for material and damage, the Contractor shall also assume a warranty and guarantee in accordance with the Civil Code and other applicable legislation to secure these obligations.
- 14.2. The Contractor warrants that it is entitled to use the materials, technical solutions and technologies used in the performance of the contract and that it does not infringe the rights of third parties, in particular, but not exclusively, patent rights. The Contractor declares that it shall indemnify the Client against any claims by third parties based on the unauthorised use of materials, technical solutions or technologies.
- 14.3. The Parties agree that the Customer may assert its warranty claims until the end of the warranty period specified in the Contract at the latest, which shall be deemed to be a limitation period. Unless otherwise provided in the Contract, the warranty period shall commence on the date of the technical handover between the Customer and the Contractor. Unless otherwise provided for in the Contract, the Customer's rights under the Contract shall expire 5 years after the date of the acceptance of the General Delivery. In this context, the parties shall apply the provisions of the Civil Code. 6:163 of the Civil Code. 6:22 (3) of the Civil Code. If a statutory provision - in particular the Joint Decree 12/1988 (XII. 27.) ÉVM-IpM-KM-MÉM-KVM and the Government Decree 181/2003 (XI. 5.) - provides for a longer period of compulsory suitability for a building structure or product than the warranty period calculated under the Contract, the enforcement of warranty rights in relation to the building structure/product in question shall be governed by this longer period.
- 14.4. Unless otherwise provided for in the Contract, the warranty obligation shall commence on the date of the technical acceptance of the Works by the Customer and the Contractor. Unless otherwise provided for in the Contract, the end of the warranty obligation shall be the last day of the warranty period laid down in the Contract after the successful acceptance of the Generic Handover. Unless otherwise provided in the Contract, the duration of the warranty obligation shall be 3 years.
- 14.5. If, due to a modification of the General Contract, the duration of the warranty and guarantee obligation of the Customer towards the Contractor changes, the warranty and guarantee obligation of the Contractor towards the Customer under the Contract shall be automatically extended until the end of the warranty and guarantee obligation of the Customer towards the Contractor.
- 14.6. The warranty and guarantee period shall be extended by the time from the notification of the defect until the repair, replacement, etc., and shall start anew for the repaired, replaced, etc., part of the work. The warranty and guarantee period shall also be extended until the final conclusion of the investigation of the notification of defects, even if the notification of defects is not substantiated.
- 14.7. The Contractor shall also be liable for any additional costs and consequential damages incurred in connection with the performance of the warranty and guarantee obligations.
- 14.8. Regardless of the duration of the warranty/guarantee as set out in the Contract - the Civil Code. 6:148 (3) of the Contract, the Customer may enforce its rights against the Contractor on the basis of the Contractor's defective performance for as long as the Customer is liable to the Contractor under the General Contract for the breach of contract.
- 14.9. The Contractor shall fulfil its warranty and guarantee obligations in relation to defects within the technically justified and necessary period specified by the Customer, after written notice from the Customer, in a manner documented in writing. In the event of failure to do so, the Customer shall be entitled to remedy the defect at the expense of the Contractor, firstly at the expense of the Contractor's invoice due and secondly at the expense of the bank guarantee or retention. If the costs of the rectification of the defect are not covered and not recoverable from other sources, the Contractor shall reimburse the Customer against invoice within 8 days.

15. Provisions on public procurement

- 15.1. The Contractor shall be involved in the performance of a public procurement contract and therefore declares and warrants that it will comply with the relevant provisions of the Public Procurement Act in the performance of the Contract. The Contractor further declares that, at the time of signing the Contract and during the term of the Contract, it and its subcontractors are not subject to any grounds for exclusion and/or conflict of interest as defined in the public procurement legislation and has the relevant certificates, which it shall provide to the Client upon request.
- 15.2. If, during the term of the Contract, the Contractor and/or its subcontractors are disqualified and/or have a conflict of interest as defined by public procurement law, the Contractor shall inform the Client thereof without delay. If the Contractor fails to comply with its obligation to inform the Client for a reason for which it is responsible, it shall pay the Client 10 % of the total net contractor's fee by way of penalty.
- 15.3. The Contract shall be deemed to be in serious breach of contract and the Customer shall be entitled to terminate the Contract with immediate effect if the Contractor and/or its subcontractor are found to be in conflict of interest and/or in cases of exclusion as defined in the public procurement legislation.
- 15.4. The Contractor acknowledges and agrees that the Customer shall not pay or charge any costs in connection with the performance of the Contract which are incurred in respect of a company that does not meet the conditions set out in Article 62 (1) k) ka) to k) b) of the Public Procurement Act and which are capable of reducing the Customer's taxable income.
- 15.5. The Contractor shall make its ownership structure known to the Contracting Authority throughout the entire period of performance of the Contract and shall notify the Contracting Authority without delay of transactions pursuant to Section 143 (3) of the Public Procurement Act.

16. Insurance

- 16.1. If the parties have agreed in the Contract to the application of a performance security, the Customer may, unless otherwise provided in the Contract, retain 10 % of the net amount of the partial invoices received. The performance security may, with the prior written consent of the Client, be provided in the form of a bank guarantee of an amount equal to 10 % of the net contractor's remuneration, at the latest on submission of the first progress invoice. The Contractor shall keep the bank guarantee in force for at least 60 days after the date of performance.
- 16.2. If the Contractor's fee is increased for any reason, the Contractor shall exchange the performance bank guarantee for a performance bank guarantee for an amount equal to the new amount within 15 days of the date on which the amendment to the Contract comes into force. No payment may be made to the Contractor until the performance security has been increased, in which case the Customer's default in payment shall be excluded. The time limit for payment of invoices submitted in the meantime shall be calculated from the date of confirmation to the Customer that the performance security has been raised.
- 16.3. The performance security may be used by the Customer for the purpose of settling damages/costs/claims (in particular, repairing defects, preventing or remedying damages, covering penalties, fines, etc.) arising from the Contractor's defective or late performance or other breach of contract or damage.
- 16.4. The retained performance security - or the unused amount thereof - shall be paid to the Contractor only after the performance of the Contract, on the basis of a written request submitted by the Contractor, within 30 days after the conditions for payment have been fulfilled, but not earlier than the payment of the final invoice.
- 16.5. If the parties have agreed in the Contract to the application of a guarantee, the Customer may, unless otherwise provided in the Contract, retain 10 % of the net contractor's fee against the final invoice. The guarantee may, with the prior written consent of the Customer, be given in the form of a bank guarantee for an amount equal to 10 % of the net contractor's remuneration, no later than the date of submission of the final invoice. The Contractor shall, unless otherwise provided in the Contract, keep the bank guarantee in force at least until 60 days after the end of the guarantee period.
- 16.6. The warranty security may be used by the Customer in the event of defective performance by the Contractor, if the Contractor fails to fulfil its warranty obligations or fails to fulfil them in accordance with the contract. In such a case, the Customer may use the guarantee bond to settle damages/costs/claims (in particular, repair of defects, replacement of work not carried out, prevention of damage, remedying of damage, settlement of damages incurred, penalties, fines) arising from the Contractor's defective performance.
- 16.7. The warranty withholding - or the unused amount thereof - shall be paid to the Contractor only on the basis of a written request submitted by the Contractor after the expiry of the warranty period and within 60 days after the conditions for payment have been met.
- 16.8. The Customer accepts as security an unconditional and irrevocable bank guarantee issued by a class I bank in Hungary, valid for at least 60 days after the due date. The text of the bank guarantee and the issuing bank must be approved in writing by the Customer.

- 16.9. The enforcement of securities shall not exclude the right of the Customer to enforce against the Contractor its claims for damages and other claims in excess of the amount of the security enforced.
- 16.10. If the Customer becomes aware that a bank guarantee provided by the Contractor would for any reason expire (become invalid or expire) before the expiry of the mandatory period of the security, the Contractor shall, at the Customer's request, immediately arrange for the bank guarantee to be extended (amended) or a new bank guarantee to be provided, failing which the Customer shall be entitled to call the full amount of the bank guarantee and to treat the called amount in accordance with the retention (security) rules.
- 16.11. In the event of any breach of the Contractor's obligation under the Contract to provide, maintain, supplement, extend, replace, renew and generally keep in force a bank guarantee, the Customer shall be entitled to call the full amount of the bank guarantee and to treat the called amount in accordance with the retention (security) rules.
- 16.12. The Contractor may not claim interest on the amount of the securities. The securities may be claimed in instalments. Otherwise, the rules of the Civil Code on bail shall apply mutatis mutandis to the retention.
- 16.13. The Contractor shall be under a general obligation to replenish the amount of the securities - if the Customer has used them in whole or in part - without delay, but not later than within 8 days, to the original amount, or to replace them with new securities or bank guarantees of the original amount.
- 16.14. A request for payment of the withheld security shall not constitute a demand for payment and the Contractor shall not send a demand for payment to the Customer or initiate liquidation proceedings against the Customer until 20 days after the expiry of the time limit for payment of the security. In case of breach of the above, the Contractor shall be liable to pay a penalty equal to the amount of the security.
- 16.15. The parties are bound by the Civil Code. 6:22 (3) of the Civil Code, the parties agree that any claim for repayment of securities shall expire 1 year after the date of performance of the Contract in the case of performance security and 1 year after the end of the warranty period in the case of warranty security, and that the Contractor may not submit a claim for payment after that period.
- 16.16. If the Customer has provided the Contractor with a performance and/or warranty bond, the repayment of the performance and/or warranty bond retained by the Customer shall be conditional upon the Contractor having repaid to the Customer the performance bond provided by the Customer, even in the event of the Contractor's faultless performance on time.
- 16.17. The payment of the retained securities is conditional upon the Contractor fulfilling its obligation to provide proof pursuant to Art.

17. Wages and salaries

- 17.1. If the parties have agreed in the Contract to the application of a penalty for late payment, the Contractor shall pay to the Client the penalty specified in the Contract in the event of failure to meet the deadline or any partial deadline specified in the Contract. If the liquidated damages are fixed at a percentage, they shall be calculated on the basis of the total net contractor's remuneration for the part of the work which is not completed on time, if the final deadline is missed, or on the basis of the net contractor's remuneration for the part of the work which is completed on time, if the final deadline is missed. The penalty for late payment shall become due at the time of default. The customer may also claim a penalty for late performance of the partial deadline if the final deadline is met. Unless otherwise provided in the Contract, the penalty for late payment shall be 1 % per day
- 17.2. If the parties have agreed in the Contract to the application of a penalty for non-performance, the Contractor shall pay to the Client the penalty for non-performance at the rate specified in the Contract. If the liquidated damages are fixed at a percentage, they shall be calculated on the basis of the total net contractor's remuneration for the defect which prevents normal use, and on the basis of the net contractor's remuneration for the defective part of the work for the defect which does not prevent normal use. The Contractor's liability to pay liquidated damages for non-performance shall not be affected by whether the defect is repairable or irreparable. The penalty for non-performance shall become due when the non-performance is established. Unless otherwise provided in the Contract, the penalty for non-performance shall be 1 % per day.
- 17.3. If the parties have agreed in the Contract to the application of a penalty for non-performance, the Contractor shall pay to the Client the penalty for non-performance at the rate specified in the Contract. If the penalty for non-performance is fixed at a percentage, it shall be calculated on the basis of the total net Contractor's remuneration. The penalty for non-performance shall become due and payable at the time when the non-performance is established. Unless otherwise provided in the Contract, the penalty for non-performance shall be 20 %.
- 17.4. The penalty that has become due is considered as an overdue financial claim, which the Customer may, at its option, offset against the due partial invoice or the final invoice.
- 17.5. The enforcement of the penalty shall not affect the Customer's other claims against the Contractor. In addition to the liquidated damages, the Customer may claim damages (including consequential damages) and other rights arising from the breach of contract in excess of the liquidated damages. The customer may claim damages even if no claim for liquidated damages has been made, or may claim damages even if no damages have been incurred.

- 17.6. The Customer may claim penalties from the Contractor on several grounds. Unless otherwise provided for in the Contract, there is no maximum limit on liquidated damages or aggregate limit on liquidated damages for different claims.
- 17.7. The enforcement of liquidated damages does not release you from the obligation to comply with the deadlines set out in the Contract, to correct defects and, with the exception of the penalty for non-performance. Penalties for late payment due to non-fulfilment of the time limits, the time limits for taking over and starting work or the time limits set in the schedule shall not be recoverable even if the final time limit has been met in accordance with the contract.
- 17.8. In addition to the above, the Contract or the GTC may also specify other obligations to pay penalties.

18. Termination of the Contract

- 18.1. The Customer shall be entitled to withdraw from the Contract in writing, or to terminate the Contract in writing with immediate effect, without proof of loss of interest, in the following cases:
- a) If the Contractor is in default for more than 20 calendar days in respect of any time limit set out in the Contract,
 - b) The Customer has a significant quality defect in the Contractor's performance, on the basis of which the Customer may reasonably conclude that the performance will be defective, provided that the appropriate time limit set by the Customer for remedying the defect has not been met,
 - c) it becomes apparent before the expiry of the time limit for performance that the Contractor will be unable to complete the Works without a significant delay of more than 20 calendar days,
 - d) the Works are not completed for at least 20 calendar days beyond the planned schedule for reasons within the Contractor's responsibility or interest,
 - e) bankruptcy or liquidation proceedings are instituted against the Contractor, or there is a change in the ownership structure of the business company or other circumstances which, in the opinion of the Client, prevent, frustrate or seriously jeopardise the proper performance of the Contract,
 - f) the Contractor (or any subcontractor involved in its performance) fails to comply with the obligation to provide information under Clause 15 or if the Contractor (or any subcontractor involved in its performance) is disqualified under Clause 15.
 - g) If the Contractor (or any subcontractor assisting in its performance) is in serious breach of any of its obligations in relation to subcontractors.
 - h) If the Contractor (or any subcontractor involved in its performance) is in serious breach of the employment rules.
 - i) in the case of any other breach of contract by the Contractor, if the Client has notified the Contractor in writing of the fact of the breach and has set a deadline for the cessation of the breach, if the deadline has expired without result,
 - j) has provided false information in a public procurement procedure or has failed to fulfil a contractual obligation,
 - k) you have been convicted of an offence or a criminal offence concerning your professional activities.
- 18.2. In the event of termination of the Contract pursuant to clause 18.1, the Customer shall be entitled, in addition to the provisions of the applicable legislation:
- to enforce the penalty for non-performance if the Contractor is responsible for the non-performance of the Contract.
 - late p a y m e n t and non-performance penalties incurred up to the date on which the default penalty becomes due, if the conditions for such penalties are met,
 - enforce all or part of its claims against the Contractor against the performance security,
 - to perform the Works not performed by the Contractor at the Contractor's expense, or to carry out,
 - in connection with the termination of the Contract and the replacement of the Works not carried out by the Contractor costs, damages against the Contractor.
- 18.3. In the event of termination of the Contract in accordance with clause 18.1, the Contractor shall only be entitled to claim the value of the work contractually performed by it.
- 18.4. The Customer shall be entitled, without having to prove a change of interest, to withdraw from the Contract in writing or to terminate the Contract in writing with immediate effect if
- a) for a reason for which neither Party is responsible and which arose in the interests of both Parties/outside the interests of both Parties
 - the work is stopped continuously for at least 2 weeks compared to the planned schedule, or
 - performance of the Contract becomes uncertain or there is a material change in its terms,
 - b) the General Contract fails for any reason or there is a material change in the terms of performance be.
- 18.5. In the event of a failure of the Contract pursuant to Clause 18.4, the Customer shall pay the Contractor the pro rata consideration for the services rendered up to the date of failure, as provided for in the Contract, in the event of payment of which the Contractor shall not be entitled to any further compensation, indemnification, reimbursement of costs, etc., irrespective of the orders placed by the Contractor for the performance of the Contract.

down, paid expenses and made commitments. In this context, the Contractor expressly waives its right to claim damages/indemnity/costs from the Customer by signing the Contract.

- 18.6. The Customer is bound by the Civil Code. 6:249 of the Civil Code, the Contractor may withdraw from the Contract at any time (before the commencement of performance) or terminate the Contract (after the commencement of performance, until performance) without the conditions set out in Clauses 18.1 and 18.4, with the proviso that in the event of withdrawal or termination under this Clause, the Contractor shall pay a pro rata share of the Contractor's fee and compensate the Contractor for its proven damages. The Parties agree that the compensation shall not exceed the remaining part of the Contractor's fee.
- 18.7. In the event that the Customer fails to pay the Contractor the Contractor's fee within 60 days after the due date, the Contractor shall be entitled to terminate the Contract by notice to the Customer. The Contractor shall not be entitled to terminate the Contract if the Client is late in making payment for a reason for which the Contractor is responsible.
- 18.8. Declarations of termination of the Contract must be communicated in writing to the other party's contractual representative. Upon termination of the Contract, the Contractor shall stop work and hand over the work site to the Client in a clean and safe condition within 3 days. This obligation shall not affect the obligation to complete the parts of the Works which have been started.
- 18.9. Upon termination of the Contract, the parties shall be settled in accordance with the provisions of the Contract. The termination of the Contract shall not affect the Contractor's warranty and guarantee obligations in respect of the Works completed.

19. Representation, cooperation

- 19.1. The Parties shall exercise and perform their rights and obligations under the Contract through their representatives. The contractual representatives are the representatives of the parties authorised to make declarations concerning the content of the Contract. The technical and on-site representatives are the representatives of the parties authorised to act as liaison, information, coordination, action, control, technical management, etc., in the performance of the Contract.
- 19.2. The parties may increase the number of their representatives or change the identity of their representatives by simultaneous written notice to the other party. The representatives of a Party may, upon simultaneous written notice to the other Party, delegate the performance of their functions, in whole or in part, temporarily or permanently, to another person or persons. The new representative or agent must have the necessary qualifications and professional experience to perform his or her duties. The Contractor's representatives may be changed or replaced only with the prior consent of the Client.
- 19.3. The Contractor may check the performance by means of a representative (e.g. technical inspector, Engineer, etc.). The Contractor's representative shall be entitled to inspect the Contractor's performance and to enter his observations in the construction logbook and to participate in the verification of performance. The Contractor's representative may give instructions to the Contractor only through the Client's representative. The details of the Contractor's representative shall be recorded in the construction logbook.
- 19.4. As a general rule, the parties will communicate with each other in writing by means of entries in the construction logbook. In all written communications between the parties (including correspondence, minute taking, invoicing, etc.), reference shall be made to the Client's work number. Written communications between the parties shall be annexed to the construction log. Oral communications, consultations, discussions, etc. between the parties shall be for information purposes only and shall not be legally binding.
- 19.5. The Parties agree that items properly posted by registered, certified or other registered mail (registered, insured by special delivery service) to their addresses for delivery specified in the Contract shall be deemed to have been notified to the addressee and delivered to him/her, even if the items were not actually deliverable or were not brought to the knowledge of the addressee. The date of delivery in such cases shall be deemed to be the date of the first attempt at postal delivery or, if this cannot be ascertained, the fifth working day following the date of the second attempt at postal delivery or, if this cannot be ascertained or no second attempt at delivery was made, the date on which the undelivered consignment was returned to the sender by the post office. The Parties shall ensure that they have a person (representative) authorised to receive postal items at the delivery addresses specified in the Contract at all times from the conclusion of the Contract until the obligations arising from the Contract have been performed in full (including the warranty and guarantee period). Failure to do so shall not be invoked by either party to take advantage of the absence of a person (representative) authorised to receive the mail. Written statements may be delivered to each other by fax, e-mail or, if agreed in advance, by personal delivery, provided that the form in which such statements are to be made is not prescribed by law or by the Contract and that there is prima facie evidence that they have been delivered.

20. Confidentiality

- 20.1. Vállalkozó tudomásul veszi, hogy a Szerződés előkészítése, megkötése, teljesítése során a Megrendelőre, az Építetőre, az Üzemeltetőre vonatkozó minden információ üzleti titoknak minősül, melynek szándékos, vagy véletlen szerű nyilvánosságra kerülése befolyásolhatja a Megrendelő, vagy az Építető, az Üzemeltető

general perception or market position, whether or not lawfully or unlawfully, or directly or indirectly brought to the attention of the Contractor. In any case, information generated in writing shall be considered a trade secret. The Contractor shall, in the event of any uncertainty as to the classification of any information as confidential, seek the opinion of the Client.

- 20.2. The Contractor shall treat the trade secret as confidential and shall not disclose it to third parties, including subcontractors, without the prior written consent of the Client, unless required by law, public authority or court order.
- 20.3. If the Contractor obtains a trade secret without authorisation, or if the Contractor handles a trade secret that has come to its knowledge in a manner different from the above, or discloses or makes available a trade secret without the written consent of the Client, it shall compensate the Client for any damage resulting therefrom, including any damages that the Client may claim against the Contractor or the Operator in this connection.
- 20.4. The Contractor shall not make any statements, announcements or provide any information to the public or to the media in connection with the performance of the Contract without the prior written consent of the Client.
- 20.5. The Contractor shall also enforce the provisions on business confidentiality against its subcontractors.

21. Miscellaneous and final provisions

- 21.1. The parties declare that they have the legal capacity to sign the Contract, that they are not bankrupt, being wound up or in liquidation, and that they have no public debts overdue for more than one year. The Parties undertake to notify the other Party within 3 working days of any change in these conditions.
- 21.2. The Parties declare that the Contract correctly reflects their contractual intentions, that they have contributed to the determination of the content of the Contract, that they agree with it and that they accept it as binding on them. The parties declare that they were not under any misapprehension when they signed the Contract and that they signed the Contract free from any duress, that the Contract is not prejudicial to their equitable interests and that they therefore expressly waive any challenge to the Contract.
- 21.3. The parties declare that the Contract has been read and interpreted and signed in agreement by their representatives authorised to sign in the form of a company signature. The Contract shall be signed by the parties in duplicate in four original copies for each of the parties.
- 21.4. The Contract creates a legal relationship only between the parties and is independent of any other legal or non-legal relationship between the parties.
- 21.5. All intellectual property rights arising from the performance of the Contract, with the exception of moral rights, shall belong to the Customer. The designs and related documentation prepared by the Contractor shall become the exclusive property of the Client upon payment of the Contractor's fee. Thereafter, the Customer shall be entitled to use, publish, pass on, revise and grant further permission to third parties for the use of the plans and documentation. By signing the Contract, the Customer acquires an exclusive, unilaterally transferable right of use to third parties, without territorial or temporal limitation, for an indefinite period of time, in respect of the plans to be prepared by the Contractor, which includes in particular the right to revise, modify, authorise, redesign and publish the plans.
- 21.6. Materials, tools, equipment and parts of works paid for by the Customer shall automatically and immediately become the property of the Customer at the time of payment. By signing the Contract, the Contractor shall be deemed to be in full possession of the Contractor. 6:246 of the Contract. The Contractor shall also include these clauses in the contracts with its suppliers of materials and subcontractors.
- 21.7. No amendment to the Contract, including any amendment to the Annexes or amendments thereto, shall be made except in writing signed by representatives of the parties, duly authorised to sign on behalf of the parties, expressly indicating their intention to amend. Amendments shall form an integral part of the Contract. Written communications between the parties, verbal agreements, negotiations, concerted practices, etc. shall not constitute amendments to the Contract.
- 21.8. The Contract shall remain in force from the date specified by the parties in the Contract until the parties have performed their obligations in full, including their warranty and guarantee obligations. Upon the entry into force of the Contract, all preparatory documents, consultations, oral or written agreements between the Parties relating to the subject matter of the Contract shall cease to have effect, with the exception of the documents constituting the Contract.
- 21.9. The Contractor shall, during the term of the Contract and until the expiry of the retention period of the records, allow the Client, the Client, the State Audit Office, the competent bodies of the European Court of Auditors, the European Court of Auditors and the European Commission, the internal audit body designated by the Government, the Government Audit Office, the legal or authorised representatives of the auditing bodies designated in the relevant legislation and acting in connection with the aid granted to the Developer, to inspect or audit on the spot, or to make copies of or provide copies of, the records, accounts, documents and supporting evidence relating to the Investment.

- 21.10. If any part of the Contract is or becomes legally or technically invalid or unenforceable, this shall not affect the validity of the remaining parts of the Contract. In such a case, the parties shall be obliged to replace the invalid provisions by valid provisions in accordance with their original contractual intent and the rest of the Contract by an amendment to the Contract. The same shall apply in the event that a gap in interpretation or regulation is discovered during the implementation of the Treaty.
- 21.11. The parties shall settle any legal or professional disputes primarily by amicable means. No dispute between the parties shall entitle the Contractor to stop the Works.
- 21.12. If the amicable settlement fails, the parties may take the matter to court, in which case the Hungarian substantive and procedural rules in force shall apply. If the parties submit their disputes to arbitration under the Contract, the parties submit to the exclusive jurisdiction of the Permanent Court of Arbitration of the Hungarian Chamber of Commerce and Industry (1054 Budapest, Szabadság tér 7; Bank Center, Platina Tower 9th floor) for the resolution of any dispute arising out of or in connection with the breach, termination, validity or interpretation of the Contract, provided that the Court of Arbitration shall act in accordance with its Rules of Procedure. The number of arbitrators shall be three. The language of the proceedings shall be Hungarian. The rules of the Sub-rule on Expedited Procedure (Article 45 of the Rules of Procedure) shall apply. If the Parties do not submit their disputes to a court of arbitration under the Treaty, they stipulate that the Budaörs District Court shall have exclusive jurisdiction in matters within the jurisdiction of the District Court.
- 21.13. In matters not regulated in the GTC and the Contract, the provisions of the Civil Code, the Public Procurement Act and other applicable legislation, in particular the provisions of the Ordinance, the regulations and standards of the authorities shall prevail.
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