

**1. INTRODUCTION**

The member companies of Alpiq Csepel Business are Alpiq Csepel Kft. and Alpiq Csepele Szolgáltató Kft. (hereafter Alpiq Csepel Business), the procurement of all Goods and their associated Orders and / or Contracts shall be regulated by present General Terms and Conditions of Contracting (hereafter Terms and Conditions).

Any agreement different to present Terms and Conditions shall be valid only if approved by both Parties in writing.

Present Terms and Conditions form an inseparable part of the Order and / or Contract.

Present Terms and Conditions shall be valid for an indefinite period of time, or until withdrawal.

**2. APPLICATION, EFFECTIVENESS**

2.1 The Orders and / or Contracts of Alpiq Csepel Business (hereafter: the Customer) may be performed exclusively in accordance with the present Terms and Conditions.

2.2 Upon accepting the Order and / or Contract, the provisions of present Terms and Conditions shall immediately be regarded effective and accepted, and shall be compulsory for both Customer and Seller. Any agreement different to present Terms and Conditions shall be valid only if approved by both Parties in writing.

2.3 Should any provision of present Terms and Conditions prove to be invalid, it shall not affect the validity of the whole of the Terms and Conditions.

2.4 Present Terms and Conditions may be accepted in writing, or equivalent to it, by accepting the Order or by the first performance by Seller, even in the case where such performance is faulty.

2.5 By accepting the present Terms and Conditions, all other previous agreements, statements, conditions etc. between the Parties shall lose effect concerning the goods ordered after acceptance.

2.6 By accepting the present Terms and Conditions Parties agree that no custom accepted for application by the Parties in their previous business relation or other practice established between them, shall be integrated into the content of the the contract.

**3. DEFINITIONS**

"Seller": the natural person (individual entrepreneur) or legal entity to whom the Order of Customer is forwarded.

"Customer": the buyer of Goods, the legally independent member of Alpiq Csepel Business.

"Goods": mean the article(s) and its (their) accessories and components as item by item precisely designated by type and quality in the Order and / or Contract.

"Order": the Order issued on the printed form used by Customer, together with present Terms and Conditions or with the special terms and conditions of contracting of the Parties.

„Delivery Term“ the date stated in the Order for the delivery of the Goods, as per the INCOTERMS in place at any time.

INCOTERMS: The publication of International Chamber of Commerce issued on the mercantile usage effective at signing the Order and / or Contract.

**4. VALIDITY OF CONTRACT, WAIVING, TERMINATION**

4.1 The condition of the creation of a valid contract is a written or electronic Order, issued by Customer upon the offer by Seller, with an order number and official signature

4.1.1 Once the Order sent out by Customer has been confirmed by Seller unchanged and in writing, accepting the Order by that, the contract (hereafter the Contract) is created between the Parties.

4.1.2 Once Seller starts performance in accordance with the Order sent out by Customer, the contract (hereafter the Contract) is created between the Parties.

4.1.3 If the Order that has been sent is confirmed by Seller in a different way, a valid Contract is created if the difference has been agreed on by the Parties and has also been stated in writing.

4.2 Customer may withdraw from the Contract with immediate effect without giving reason for the loss of interest, or may terminate the Contract in the cases of

4.2.1 Seller seriously infringing the provisions of present Terms and Conditions. Regarding the termination without notice, the following cases shall in particular be considered a serious reason, including but not limited to, if Seller:

- (i) does not perform in accordance with the Contract;
- (ii) where business confidential information, which is related to the Customer, is disclosed to a third party, furthermore:

(iii) where the Goods included in the Order and / or Contract have not been fully delivered by the due date, and Customer has not approved such delay.

4.2.2 Seller (during the transaction of business):

- (i) being terminated (for reasons other than merger or restructuring);
- (ii) admits insolvency in writing;
- (iii) a bankruptcy or liquidation procedure is started against it based on legally enforceable court decree;
- (iv) it brings a resolution on its dissolution; and / or
- (v) a third party having any secured claim taking into possession all or most of its properties, or a distraintment procedure, a writ of sequestration or a writ of attachment is initiated against all or most of its properties.

4.3 Customer may claim from Seller any additional costs which have been incurred by Customer during the procurement of Goods that were not delivered owing to Seller's withdrawal from / termination of the contract.

**5. PERFORMANCE**

5.1 Seller has performed the Contract once the Goods which fulfill the Order and / or Contract have been delivered on the due date, to the required location and in the required quantity and quality, in the manner specified in the Order and / or Contract (as per the INCOTERMS), and they meet the features specified and mutually accepted by the Parties as well as the present Terms and Conditions.

5.2 Seller must notify Customer on the date of performance at least 3 days in advance. Delivery before the due date or partial delivery may be performed only upon the Customer's advance express written approval.

5.3 In case of any obligation of Seller stated in the Order and / or Contract not being performed or not being properly performed, Customer shall have the right to enforce a penalty and set another date for performance, or use its warranty rights, or withdraw from or terminate the Contract, except if Parties have stipulated otherwise.

5.4 In case of performing above the quantity undertaken in the Order and / or Contract, Customer shall be obliged to pay the excess quantity only if it agreed to that in writing before the performance.

5.5 Should Seller at any point in time have strong reasons to assume that it is not able to deliver the Goods by the set date, it must immediately inform Customer in writing on the reason or reasons of the delay. Such notification shall not exempt Seller from its responsibility associated with the failure to meet the agreed performance date.

5.6 Unless Customer disposes otherwise, Seller shall deliver the Goods to the Delivery Address indicated in the Order and / or Contract.

5.7 Seller shall be obliged to indicate the Order Number and / or Contract Number on all documents related to the Order.

5.8 Receipt of Goods delivered shall be confirmed by Customer by signing the delivery bill. Seller shall be obliged to send, attached to the invoice, the documents evidencing the receipt of the Goods.

5.9 Risk of transportation shall be borne by Seller until the Goods are taken over in a documented manner.

5.10 Unless Customer disposes otherwise, the ownership of Goods transfers to the Customer when the Goods are taken over in a documented manner, which in the legal sense means that Customer undertakes the payment obligation. By partial deliveries, the above points apply to each part.

5.11 If Customer has paid in advance, Seller is considered as having performed its contractual obligation once the Goods have been delivered in accordance with Clause 5 of present Terms and Conditions and as per the Order and / or Contract. In case of part advance payment the above rules apply, too.

5.12 If the Goods are delivered in packaging, packaging shall comply with the legislative requirements.

5.13. The Goods shall come with a user instruction in Hungarian language, a quality certification and a warranty certificate. The lack of those conditions shall cause the Goods to have a quality defect.

5.14. In every case, the Goods are taken over by the Customer conditional on quality and quantity.

**General Terms and Conditions of Contracting - Procurement Activities**

Customer shall have the right to return the Goods at Seller's cost and reject payment, or following the take-over of the Goods, to proportionally reduce payment in the following cases:

- the quality or packaging of the Goods are not acceptable,
- the Goods or their packaging are damaged,
- Goods are delivered not upon an Order,
- the Order Number has not been indicated in the delivery bill.

In those cases Seller may not reject taking the Goods back.

5.15 In case of defective Goods Customer maintains the right to follow Clause 5.14 even if the reparation or replacement of the Goods do not hinder the regular use of the Goods.

5.16 Customer reserves the right to inspect the ordered Goods at the head office or site of Seller at any reasonable point in time, regardless whether the Goods are finished or still being manufactured, however, such inspection shall not exempt Seller from any of its contractual obligations.

**6. PRICE AND PAYMENT**

6.1 The prices included in the Order and / or Contract are definite and final, and include all costs incurred by Seller in relation with the performance of the Contract.

6.2. Unless parties have agreed otherwise in the Order and / or Contract, payment term shall be 30 days upon the evidenced receipt of the invoice by Customer, provided that the Goods have been delivered so that they fully meet the present Terms and Conditions.

6.3 Payment may be made only upon such an invoice which fully satisfies the stipulations of effective Hungarian accounting and taxation rules of law. Payment may not be effected on an invoice which is not compliant as long as the fault is not corrected.

6.4 No claim against the Customer may be transferred or assigned to a third person unless Seller obtains Customer's written approval to the transfer or assignment in advance.

6.5 A complaint about the payment by Customer may be submitted within 30 calendar days after the execution of the payment, and it must be made in writing with the specific reason identified.

6.6 In the case of late performance by Seller, Customer will charge a penalty of 1% of the net invoice amount per day, that is V.A.T. excluded, but not more than 15% in total, and in case of failure to perform, a penalty of 25% of the net amount of the Order and / or Contract will be charged. Delay penalty shall be due from the day after the due date of performance stated in the Order and / or Contract, while the penalty for failure of performance shall be due from the 20th calendar day after the due date.

6.7 If the Seller unilaterally deviates from any one clause of the Order and / or Contract to the detriment of Customer, Customer shall have the right to reject part or whole of the payment depending on the circumstances of the case, without default in paying.

6.8 Customer shall have the right to set off against the amount due to Seller any overdue claim from Seller.

**7. WARRANTY, GUARANTEE AND COMPENSATION FOR DAMAGES**

7.1 Seller undertakes that in performing its contractual obligations, the Goods shall comply with all effective rules of law and EU standards, in particular those on quality, the protection of the environment, packaging, goods marking, product liability, chemical substances, health of people and asset security, as well as those on permitting / reporting liabilities.

7.2 Concerning warranty rights, hereafter the stipulations of the Civil Code of Law shall prevail.

7.3 Seller shall transfer to Customer all the warranty rights due to Seller on the Goods or some part of the Goods, or if Customer decides so, such warranty rights shall be enforced by Seller on behalf of the Customer.

Should a procedure be started or a lawsuit be brought under any title in association with the Goods of Seller, Seller shall provide all support to Customer in the course of the procedure, and shall become a party in the procedure if Customers places it on notice to do so. Seller agrees to reimburse all costs of the procedure to Customer, and also agrees to save Customer harmless from compensation for damages or any other claim.

7.4 Seller guarantees that all royalties and charges on intellectual product, patented articles, procedures and registered constructions have been paid, and hereby agrees to save Customer harmless unconditional concerning any breach of any copyright, patent, registered construction or other intellectual right.

7.5 Parties may reach a mutual agreement on warranty (guarantee) issues in a separate section of the Order and / or Contract. If no separate agreement is made, the rules of law effective for the time being shall prevail.

7.6 At delivery, Seller provides Customer with all the documents which will be necessary for Customer to enforce its guarantee rights in the future.

7.7 Seller shall save Customer or Customer's employee harmless concerning any kind of damage, injury or loss including any lawsuit, litigation, claim, cost, charge and expenditure incurred by such damage in the following cases:

7.7.1 Seller shall be responsible for any such damages caused deliberately or by negligence by the subcontractor, employee or agent lawfully utilised by Seller, which damages would not have occurred without their utilisation.

7.7.2 For damages arising from faulty design which Seller made or had it made (except for the design which was made, handed over or specified by Customer and for which Seller disclaimed all responsibility in writing), or resulting from the use of faulty materials or from the lack of professionalism on the side of Seller.

7.8 In accordance with legislative requirements, Seller must notify Customer in a signed letter, supported by documents, on any changes in Seller's data (registered office, telephone number, bank account number etc.). All damages arising from the failure to provide such notification shall be borne by Seller.

7.9 If a specialist opinion has to be obtained from a quality control organisation to establish a defect, the costs of the opinion will be paid by Customer in the first place, however, those costs may be deducted unconditionally by Customer from the amount due to Seller in case of a justified quality defect.

7.10 Seller is aware of Customer's power generation and district heat production activities, therefore, should Seller breach the Contract, it may result in penalty payment and damages liabilities as well as loss of profits concerning Customer's electricity and district heat sales and natural gas purchase contracts.

**8. CONFIDENTIALITY AND DATA HANDLING**

8.1. The specifications, sample goods, design drawings, sample materials and information issued by Customer in relation with the Order and / or Contract are confidential, and their use shall be limited to Seller and its contractors and employees with the sole purpose of performing the Contract.

8.2 The creation of the Contract and contents of the Order and / or Contract, and all information related to it or obtained by the Seller about the Customer and its business partners in the course of performing the Contract are business confidential information. Seller agrees to treat all information obtained about the Customer and its business partners in relation with the Order and / or Contract as confidential information, and not to disclose such information to third persons without the advance written approval of Customer. In the case of breaching the confidentiality liability treated in this Clause, Seller must compensate Customer for all pecuniary and non-pecuniary damages caused by such breach.

The confidentiality obligation covers other companies owned by or being in the sphere of interest of Seller, and also the businesses where Seller is an owner or employee.

8.3. Parties shall have the right to transfer to the other party the data of those parties who contribute to the conclusion and performance of the Contract (hereafter Contributors). In transferring and handling personal data Parties shall follow effective Hungarian rules of law and the 2016/679 EU (GDPR) Decree. The transferring and handling of personal data of contributors is necessary for performing the contractual liabilities, and Parties have the right to retain such data as long as any potential claim may be enforced based on the provisions of the Contract. Customer informs Seller that personal data of Contributors whom Customer learned about as addressees from Seller in relation with the Contract, shall be handled during the management and performance of the Contract, recording of documents, handling of invoices and recording the contact parameters of business partners at organisational unit level, in line with Customer's Data Handling Code and Information.

8.4. Customer as data handler has fully informed its own Contributors about the points of Article 8.3 as herein detailed and in a manner which allows for evidence.

8.5. Seller unconditionally and irrevocably undertakes that:

- in the course of performing the Contract as data handler it fully informs its own Contributors about the points of

Article 8.3 as herein detailed and in a manner which allows for evidence

- it shall be fully responsible for compensation of damages resulting from non-performance or late performance of its liabilities under this Article, and it shall fully exempt Customer from any claim or demand raised against Customer in such relation, and it shall perform towards third parties for any such claim or demand.

8.6. Seller's liability under Article 8.5 in relation with the above points shall include full compensation for any penalty or penalty-type sanction imposed by any competent authority including the National Agency for Data Protection and Freedom of Information or agency of the European Union, or a court or third parties.

## **9. APPLICABLE JURISDICTION**

9.1 Matters not treated in the above clauses shall be governed by the Civil Code of Hungary and other effective Hungarian rules of law.

9.2 Customer informs Seller that the following provisions of present Terms and Conditions may be considered different to the permissive stipulations of a rule of law or to usual contracting practice: exclusion of a practice or custom applied by the Parties previously; and the option to reject early or faulty performance.

9.3 Parties shall aim at settling in an amicable manner by mutual agreement any disputes arising from their legal relation.

9.4 If Parties fail to reach an agreement on the disputed issue, then depending on the value limit, the Court of Budapest District XX., District XXI. or District XXIII., or the Court of Székesfehérvár shall be the competent Court.

9.5 If Parties belong to the jurisdictions of different states, and Parties do not agree otherwise, any legal dispute between them arising from the Order and / or Contract or in relation to it, in particular to its breach, termination, validity or interpretation, Parties shall exclude the path through state court and shall submit themselves to the exclusive and final decision of the Permanent Arbitration Court (Commercial Arbitration Court Budapest) operating beside the Hungarian Chamber of Commerce and Industry so that the Arbitration Court proceeds as per its own Code of Procedure (extended by the provisions of its Sub-code concerning Prompt Procedures), the number of arbitrators shall be three, and the procedure shall apply the English language. Parties exclude the option for renewal of procedure regulated by Act LX of 2017, Section IX.