

General Terms and Conditions

of using the services

These General Terms and Conditions (hereinafter referred to as: "GTC") shall apply to services relating to the Customer using an ad-hoc service via an individual purchase order (hereinafter referred to as: "Purchase Order"), and the Contractor providing the service ordered.

Matters not regulated in the Purchase Order shall be governed by the GTC. If any of the conditions set out in the Purchase Order diverge from the provisions of the GTC, the contents of the Purchase Order shall be applicable.

The issuer of the General Terms and Conditions is **FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság** (H-8600 Siófok, Tanácsház utca 5.), as Customer.

The effective version of the GTC – as amended from time to time – is available at the Customer's www.fgsz.hu website.

Date of issue of the GTC: 01.07.2021

Definitions

“General Terms and Conditions” or “GTC”

The system of rules governing the contractual relationship relating to the transactions between the Customer and the Contractor.

“Customer”

FGSZ Natural Gas Transmission Private Company Limited by Shares

Registered office: H-8600 Siófok Tanácsház u. 5.
Mailing address: H-8600 Siófok, Tanácsház u. 5.
Account-managing bank (HUF): ING Bank N.V. Hungarian Branch
IBAN: HU08 1370 0016 0420 0013 0000 0000
SWIFT: INGBHUHB
Account-managing bank (EUR): OTP Bank Nyrt.
IBAN: HU21 1176 3945 0141 8888 0000 0000
SWIFT: OTPVHUHB
Account-managing bank (USD): OTP Bank Nyrt.
IBAN: HU55 1176 3945 0138 6019 0000 0000
SWIFT: OTPVHUHB
Invoicing (postal) address: FGSZ Zrt. Számvitel H-8601 Siófok Pf: 8.
VAT number: 12543331-2-14
EU tax number: HU12543331
Court of registration,
company registration number: Company Registry Court of the Kaposvár Regional Court
14-10-300230

“Contractor”

The provider of the Service, who, by accepting the Purchase Order, undertakes an obligation to provide the Service and to fulfil the conditions set out in the Purchase Order.

“Parties”

Customer and Contractor collectively.

“Subcontractor”

A service provider in contractual relationship with the Contractor, who, with the Customer's consent, directly contributes to performance in the scope of the legal relationship established between the Contractor and the Customer.

“Work”

The subject-matter of the Purchase Order. The activity defined in the Purchase Order, which the Contractor shall provide for the Customer in exchange for remuneration.

“Offer”

The binding offer submitted by the Contractor based on the invitation to tender/request for offer.

“Purchase Order”

The paper-based or electronic agreement concluded between the Customer and the Contractor, based on which the Customer mandates the Contractor to perform the work defined in the Contractor's offer, in accordance with the conditions set out in the same.

“Service”

The technically defined task to be completed by the Contractor (or its contracted subcontractor) for the Customer.

I. ORDERING PROCESS

If the Contractor, aware of these GTC, submits an offer for performing the Work, it shall be considered to have agreed to these GTC simultaneously with submitting the offer. Based on the Offer, the Customer may submit a Purchase Order for performance of the service. The Contractor shall confirm the Purchase Order within five (5) calendar days or the period of time set out by the Customer in the Purchase Order, in the form set out in the Purchase Order. The Offer submitted by the Contractor shall be considered as a binding offer for provision of the Service set out in the Purchase Order. If no confirmation is received from the Contractor regarding the Purchase Order within 5 calendar days or the period of time set out in the Purchase Order, the Parties shall consider the Purchase Order as accepted even without confirmation, and it shall be valid and binding.

II. PERFORMANCE

The Contractor shall provide the service defined in the accepted Purchase Order at the time and place and subject to the conditions set out in the Purchase Order, in first class quality, with the expertise and care that can be expected from it. Early performance shall only be possible subject to the Customer's prior written consent.

The Contractor shall prepare the accounting documentation regarding the Service performance, in which it shall list the tasks performed and the fee due therefor, as well as the Service Fee calculated based on the foregoing. The Contractor shall only be entitled to report the Service as completed if it has fully completed all tasks set out in the Purchase Order (technical content/technical specification). The Customer commits to start the technical handover/acceptance process within 5 business days after receiving the report of completion – sent by the Contractor in accordance with the foregoing provisions –, and complete this process within 5 calendar days after its start.

The Parties shall draw up a protocol regarding the technical handover/acceptance process, in which they shall record the tasks completed and the appropriateness thereof, as well as any defects and deficiencies, the fees due for any defectively performed tasks, and any warranty claims that the Customer wishes to enforce. At the time of completion of the handover/acceptance process, the Customer shall make a declaration on acceptance of the performance. In the case of performance in accordance with the contract, the Customer shall issue the document certifying performance ("Certificate of Performance") within 8 days after the completion of the technical handover/acceptance process. The Contractor shall become entitled to submit the invoice on the day of issue of the Certificate of Performance.

III. WARRANTY, GUARANTEE

The Contractor shall provide warranty of at minimum **... months** – but in any case at least the mandatory warranty period set out in the effective legislation – for the Service performed. The start date of the warranty shall be the day of acceptance of the Service by the Customer.

If the subject-matter of the Service concerned (goods, product) is integrated or is provided as a part of interconnected services (hereinafter collectively referred to as: "complex service"), the start date of the warranty shall be the date of acceptance of the complex service by the Customer.

The warranty period for repaired/replaced items shall restart from the time of elimination of the defect or integration of the replacement part, as applicable.

In other regards, the provisions of the effective Hungarian Civil Code (hereinafter referred to as: "Civil Code") – in particular, those set out in Chapter XXIV on Defective Performance – and the relevant effective legislation shall apply to warranty and guarantee.

IV. TERMS OF PAYMENT

The Service Fee includes all costs related to performance of the Purchase Order, and therefore the Contractor shall not be entitled to any further fees or cost reimbursements in addition to the Service Fee.

The Service Fee may not be changed from the time of submission of the offer and during the term of the Purchase Order. The Contractor shall only be entitled to the amount due for the Works ordered by the Customer and/or its representatives and completed by the Contractor in accordance with the contract.

a) Submission of invoices

The Contractor shall issue its invoice in the currency set out in the Purchase Order and send to the Customer's invoice mailing address - FGSZ Zrt. Accounting (H-8601 Siófok, PO Box 8.) The invoice shall be made out to FGSZ Zrt. The invoice shall be issued in accordance with the effective legislation, and it shall indicate the individual ID number of the Purchase Order and the individual item numbers in all cases. If the above conditions are not met, the invoice shall be deemed to be formally defective, and the Customer shall be entitled to return it without settling its amount. The Contractor shall submit the invoice to the Customer's address for invoices.

The Customer shall provide the possibility to submit an electronic invoice and/or an invoice in PDF format. If the Contractor intends to change the practice of invoicing during the term of the contract, this will not qualify as an amendment to the contract, and the Contractor is required to send its corresponding declaration to the e-mail address konyveles@fgsz.hu. For the invoices to be issued after the receipt of the declaration, the following rules for the issue of e-invoices will start to apply.

E-invoices shall be sent to the Customer's e-mail address created for invoices: einvoice_in@fgsz.hu.

The Contractor shall issue electronic invoices and any annexes thereto (hereinafter: "e-invoice") as required by Section 175 of the VAT Act, and shall send it to the e-mail address provided by the Customer.

The Customer is required to notify the Contractor of any change to its e-mail address at least 10 days prior to such change.

If the payment deadline is calculated from the issue date of the invoice, the payment deadline shall be extended for any e-invoices or PDF-based invoices sent by the Contractor with delay, by the length of such delay.

All e-invoices and PDF-based issued by the Contractor shall comply with relevant provisions of the VAT Act, and shall include any annexes thereto.

The Customer is required to retain all e-invoices and PDF-based invoices continuously for the period of the obligation to retain invoices in a manner that excludes the possibility of subsequent manipulation and unauthorised access, and also ensures protection from deletion, destruction or damage.

The Contractor shall also ensure the conditions of the authenticity of electronic invoices and the integrity of their data content.

In the event of a failure of the Contractor's or Customer's electronic mailing system (technical impediment) where sending or receiving e-invoices and PDF-based invoices becomes impossible, paper-based invoices shall be issued.

The fact of technical impediment shall be communicated by the Party concerned to the other Party without delay when detected, primarily orally by phone, then confirmed in writing (e-mail, postal mail). Any such communication shall be made between the contact persons appointed for communication under this Contract.

The Parties shall return to the practice of e-invoicing once the technical impediment is resolved.

The Contractor shall be entitled to submit its invoice for the amount set out in the Purchase Order in one copy, attaching the document certifying performance (Certificate of Performance) signed by the Customer's representative (whether by hand or via electronic signature), with respect to the works actually performed and certified, i.e. on the condition that the Contractor has fulfilled all its obligations undertaken in the Purchase Order and the technical handover/acceptance of the works performed by the Contractor has been completed successfully.

Should the invoice not be conform to the requirements set out in the Purchase Order or the applicable legal provisions in force at all times, or any other provision of the Purchase Order set as precondition to payment is not fulfilled, the Customer shall instruct the Contractor to remedy the deficiencies in writing and shall return the invoice to the Contractor without settling its amount. In this case, the payment deadline specified in the Purchase Order shall commence on the day the deficiencies are fully remedied.

b) Payment

The Customer shall pay the amount set out in the invoice – fully complying with the effective legislation and the provisions of these GTC – **within ... days after its receipt, via bank transfer.** If the deadline for payment expires on a bank holiday, the Customer shall be entitled to settle the amount on the next bank business day.

The Customer's payment obligation shall be considered as fulfilled at the date at which its bank account is charged for the respective amount.

The Customer will not bear any costs in relation to the bank transfer, except for the cost charged by the account-managing bank of the Customer. In the case of transferring the amount abroad: Parties shall bear the banking fees charged in their respective countries. Any eventually emerging intermediary banking commissions shall be paid by the payee.

If the Customer misses the deadline or extended deadline for payment, it shall pay default interest, the rate of which shall be in accordance with the effective central bank base rate. The default interest shall be paid for the period lasting from the date of falling into default until the date of actual payment.

The contracting Parties shall calculate the default interest amount on a 360-day year basis, taking into account the number of days actually passed.

The Customer shall pay the accumulated default interest to the Contractor within 30 days of receiving the written notification of the Contractor. The Customer will pay no advance.

If the Contractor is overdue with any amount towards the Customer, the Customer shall be entitled to set off its payment obligation towards the Contractor originating from any legal relationship with the Contractor against the Contractor's overdue debt, and at the same time it shall notify the Contractor thereof.

V. PENALTIES

Penalty for late performance

(a) In the event of failure to perform any obligations undertaken in the Purchase Order by the date specified as the time limit for performance and for any reason (hereinafter: late performance), the Contractor shall pay penalty for late performance as follows: **The penalty payable for each started day of late performance shall be ... % of the value of the Purchase Order, but in total ... % thereof at maximum.** In the event of late performance by the Contractor, it shall agree on an extended deadline with the Customer.

Penalty for failed performance

(b) Should the Contractor fail to meet, for any reason, the deadline set in the Purchase Order, and should there be no extended time limit agreed with the Customer or should it elapse without result, the Purchase Order shall be deemed non-performed (failed). In the case of non-performance, the Contractor shall pay penalty for failed performance, the amount of which shall be **... % of the value of the Purchase Order.** In the event of failure to perform any duty or obligation, the Contractor may not claim any fees in regard to the Purchase Order concerned by the failure.

Penalty for defective performance

(c) If the Contractor's performance is not in accordance with the contract in any regard (other than those set out in paragraphs (a) and (b)), it shall pay penalty, the amount of which shall be **... % of the value of the Purchase Order affected by the defective performance.**

(d) If the Contractor foresees that it will not be able to perform in accordance with the contract (i.e. it will perform late or defectively, or not perform at all), but fails to notify the Customer thereof, the Customer shall be entitled to claim penalty, the amount of which shall be **... % of the value of the Purchase Order,** and in addition, the Contractor shall also pay the penalty charged on the grounds of late performance, defective performance or failed performance.

Penalty for breach of confidentiality

(e) If the Contractor breaches the confidentiality obligation set out in the contract, it shall pay penalty, the amount of which shall be **HUF ... per occasion.**

Penalty for not reporting subcontracting

(f) If the Contractor employs a Subcontractor (at the work premises) without the prior written consent of the Customer, it shall pay penalty, the amount of which shall be **HUF ... per occasion.**

The penalty shall be due:

- a) in the event of late performance, on the day of the extended deadline which had been accepted and which expired without successful performance, or if it is at an earlier date, on the day of performance, or if the contractual penalty reaches its highest rate,
- b) in the event of non-performance, defective performance, failure of performance, breach of the obligation of confidence, or failure to report the use of a Subcontractor, on the day when the Customer becomes aware thereof.

The Customer shall debit the amount of the contractual penalty in a separate notice, which the Contractor shall pay by **bank transfer within 15 days of its issue.**

The acceptance of any performance that is not in accordance with the GTC and/or the Purchase Order shall not be construed as a waiver of any other claim deriving from the breach of contract. The Customer shall be entitled to claim any damage incurred by it in excess of the penalty from the Contractor, in accordance with the rules of compensation for damages.

VI. OBLIGATIONS OF THE PARTIES

- a) The Parties shall collaborate in the performance of the Purchase Order, and in this respect they shall notify each other without delay regarding any such data, fact or condition of significance they become aware of in their scope of interest that affects the performance of the Work. The Parties agree to notify each other regarding any circumstance that may jeopardise or hinder the performance of the Work in appropriate quality and within the applicable deadline.
- b) It is in the Parties' mutual interest to prevent and reduce the risk of work accidents, and accordingly, they shall take all safety technology and preventive measures in order to exclude the possibility of accidents.
- c) The Contractor shall perform the Work undertaken in accordance with the effective legislation, authority regulations, standards and requirements, in a professional manner.
- d) The Parties shall exercise their rights and obligations arising from the GTC/Purchase Order in good faith, and shall strive to settle any dispute between them by way of mutual agreement. The Parties shall strive to cooperate as closely and flexibly as possible.
- e) The Customer shall notify the Contractor regarding any changes and decisions concerning the Works without delay, but at the latest within 2 business days.
- f) The Parties shall consult with each other as necessary in order to discuss any material issues arising in the course of performance of the Work.
- g) The Contractor shall perform the Work in accordance with those set out in the Purchase Order.
- h) If the Work needs to be performed at the Customer's premises, the Contractor shall take over the work premises, regarding which the Parties shall draw up a work area handover/acceptance protocol.
- i) By agreeing to the GTC and the Purchase Order, the Contractor declares – with liability – that it has reported the activities belonging in the scope of the Work to the competent authority in a accordance with the effective legislation (valid company registry extract, attached to the NAV (Hungarian National Tax and Customs Administration) master data sheet). The Contractor declares that it has the valid suitability certificates, licenses and quality certificates necessary. The Contractor also declares that it has the staff and technical capacity necessary for performing tis tasks in the highest quality.
- j) The Contractor shall comply with the effective statutory obligations in the course of the work, as well as the relevant, effective safety technology, fire safety, environmental, work health & safety (hereinafter referred to as: "HSE") requirements, made available at www.fgsz.hu.
- k) The Contractor shall be responsible for coordinating its own activities and the activities of the Subcontractors related to performance of the Work.

- l) In order that the performance or completion of the Work not be delayed or hindered, the Contractor shall provide all conditions it is responsible for based on the GTC/Purchase Order in a timely manner, and shall also request the materials, services and installations provided by the Customer in a timely manner.
- m) The Contractor shall be responsible scheduling the Work and performing it in a complete manner by the deadline for delivery. If the complexity of the Work justifies this, the Contractor shall submit the schedule to the Customer preliminarily in writing for consultation.
- n) After completion of the Work or any part thereof, the Contractor shall return the work premises to the Customer in a clean, orderly and safe state, in a condition appropriate for its intended use by the Customer, as can be expected from a professional contractor, and shall also keep the work premises clean during the performance of the work (where the nature of the Work makes this possible). The Contractor shall dispose of all equipment and materials provided by it that it not integrated or that has been demolished, including any refuse. The Contractor shall dispose of all equipment and materials provided by the Customer that the Contractor has not integrated or that has been demolished, including any building refuse, to the location specified by the Customer.
- o) The Contractor shall notify the Customer in writing without delay if any bankruptcy or liquidation proceeding commences against the Contractor or if the Contractor's solvency declines to such an extent that may jeopardise the performance of its contractual obligations.
- p) The Contractor shall notify the Customer in writing regarding any circumstances that may jeopardise the completion of the Work as planned, within the deadline, or that may result in unreasonable increase of the costs.
- q) The Contractor shall be entitled to refer to the Work set out in the Purchase Order and/or the cooperation with the Customer as reference only with the prior express written consent of the Customer. The Customer shall be entitled to withdraw its consent at any time without justification.

VII. USE OF SUBCONTRACTORS (CONTRIBUTORS)

The Contractor agrees that it shall notify the Customer in writing regarding any contributors used by it for performance of the Work (hereinafter referred to as: "Subcontractor") at the latest 5 business days prior to the start of the Work that is the subject-matter of the Purchase Order. The Contractor shall be fully liable for the conduct of its Subcontractors.

In case of employment of Subcontractor the Customer may ask the Contractor in writing to employ another Subcontractor instead of the employed Subcontractor, indicating the reason thereof. Aware of the reason, the Contractor may not refuse to comply with the request, and shall provide for the involvement of a new Subcontractor (with the prior written consent of the Customer) at the latest within 10 days, or undertake to perform by itself.

The effective subcontractor reporting form is available at the following link: www.fgsz.hu.

In the case of using a Subcontractor, the Contractor shall be liable for the conduct of the Subcontractor as for its own.

All fees and costs of the activities of subcontractors are included in the fee set out in the contract. The Contractor shall not claim any additional subcontractor fees and costs from the Customer on any grounds.

VIII. ACCEPTANCE OF HSE REGULATIONS

The Contractor commits to comply with (and have anyone acting on its behalf comply with) the HSE regulations in effect at the Customer's location. By accepting the purchase order, the Contractor confirms that it has learned of the HSE regulations required to be observed, and agrees to be bound by them.

The Customer's effective HSE regulations are available at the following link: www.fgsz.hu.

IX. COMPLIANCE WITH ETHICAL RULES

By agreeing to the GTC, the Contractor confirms that it has accessed the Customer's Ethical Code at the www.fgsz.hu link, has learned the contents thereof and accepts to be bound by it.

X. CONFIDENTIALITY

The Parties agree that any data and fact learned by them in any way in connection with the conclusion and fulfilment of the Purchase Order and related to the other Party and the activity thereof, especially but not limited to the existence and content of the Purchase Order, is considered a business secret, which may not be disclosed to or made available to any third party, and Contracting Parties may not use it for any purpose other than the fulfilment of the Purchase Order.

XI. IMPOSSIBILITY

In the event that performance becomes impossible for a reason for which neither Party may be held liable, the occurrence of the reason shall not lead automatically to the termination of the Purchase Order. The Party first informed about the reason shall immediately inform the other Party in writing, providing material facts concerning the reason and the relevant circumstances and to initiate a consultation process starting within 8 days. The Parties shall finish the consultation within 10 days, taking up a protocol thereof.

XII. COPYRIGHT

The Parties agree that the Contractor shall be entitled to the moral rights of the author – as regulated in the effective law on Copyright – any works and intellectual property created in the scope of the Service and the Purchase Order. If the Contractor submits the completed work to the Customer for acceptance, the Contractor shall be deemed to also have consented to its public disclosure.

The acceptance of the GTC shall also qualify as a written license agreement as defined in the effective law on Copyright. Acceptance of the GTC shall provide exclusive exploitation rights to the Customer for exploiting any intellectual property created in the course of performance of the Work, which license shall not be limited in any regard (whether with regard to term, territory, or the manner or extent of use). The service fee set out in the Purchase Order also includes the remuneration for the license.



XIII. DATA PROTECTION

The processing of the personal data related to the Contractor is governed by the Privacy Policy, which is available at the following link: www.fgsz.hu. The Contractor acknowledges and explicitly agrees that it may only process data under this contract in accordance with the Customer's instructions and this contract.

The Contractor shall not be entitled to dispose over the processed data independently, at its own discretion, and may not alter, link or otherwise process them without the Customer's instruction.

XIV. GLOVERING LAW

The Parties relationship shall be governed by the effective Hungarian and European legislation. The Parties agree that any matters not regulated in these GTC and the Purchase Order – including with regard to the validity of the contract, as well as the contractual provisions, declarations, agreements and obligations – shall be governed by the effective Hungarian laws.

XV. FORCE MAJEURE

Any extraordinary event occurring after the conclusion of the contract that the Parties could not have foreseen or averted and which is not a result of either Party's imputable behaviour, which results in impossibility of performance of the contract, shall be considered as force majeure. Such events include, in particular, the following: state of emergency, strike, war, revolution, terrorist acts, natural disasters, fire, flood, epidemic, quarantine restrictions, transport embargo, etc. In the case of force majeure, both Parties shall be exempted from performance of the contract, and any such period shall not be counted into any period of availability undertaken by the Service Provider.

The Contractor, concurrently with submitting its offer, acknowledges and declares that it understands the General Terms and Conditions of FGSZ Zrt., and explicitly agrees to be bound by them.

Date:

.....
authorised signature