

General Terms and Conditions of Purchasing

for the procurement of goods, materials and assets

These General Terms and Conditions of Purchasing (hereinafter referred to as: "GTCP") shall apply to the following types of individual purchase orders:

- supply of goods, materials and/or assets, taking place based on the General Terms and Conditions of Purchasing, by concluding an individual purchase order (hereinafter referred to as: "Purchase Order").

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

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

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

Date of issue of the GTCP: 01.07.2021

Definitions

“General Terms and Conditions of Purchasing” or “GTCP”

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

“Customer”

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

“Supplier”

The Party who shall deliver and sell the Goods, materials and/or assets to the Customer based on the Purchase Order.

Any contractual partner that sells any goods, material or asset as set out in the Purchase Order to the Customer for consideration shall qualify as a Supplier.

“Parties”

Customer and Supplier collectively.

“Goods”

The object (material, goods, asset, equipment, etc.) set out in the Purchase Order, which the Supplier shall hand over to the Customer as set out in the Purchase Order.

“Supplier’s Offer”

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

“Purchase Order”

The paper-based or electronic agreement concluded between the Customer and the Supplier, based on which the Customer mandates the Supplier to supply the Goods defined in the Supplier’s Offer, in accordance with the conditions set out in the same.

“Purchase Price”

The remuneration due for the Goods, as set out in the Purchase Order in the specified currency. Unless provided otherwise, the Purchase Price shall include any and all taxes, duties, contributions, packaging, delivery and unloading charges, insurance fees, and fees incurred in relation to quality/guarantee/warranty obligations related to the Goods, i.e. all costs necessary for completeness and proper operation for the intended purpose, as well as the start-up costs where necessary. The Supplier shall not be entitled to any additional fees or cost reimbursement other than the Purchase Price.

I. ORDERING PROCESS

If the Supplier, aware of these GTCP, makes an offer for purchase of the Goods, it shall also be considered to have agreed to those set out in the GTCP at the same time. Based on the offer, the Customer may place a Purchase Order for supply of the Goods. The Supplier 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 Supplier shall be considered as a binding offer for provision of the Goods set out in the Purchase Order.

If no confirmation is received from the Supplier 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 Supplier shall deliver and hand over to the Customer the Goods defined by quantity, quality and type in the accepted Purchase Order at the time and place and subject to the conditions set out in the Purchase Order, 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 Supplier shall hand over the inspection slip/manufacturer's inspection slip certifying the quality of the goods, as well as the information necessary for the proper intended use, maintenance and repair of the Goods (e.g. instructions of use, guarantee certificate), concurrently with acceptance of the Goods.

The Supplier shall be responsible for all tasks associated with the delivery and unloading of the Goods, and the Supplier shall also bear all liability and costs associated therewith. The risk of damages shall pass to the Customer at the time of the documented acceptance of the Goods by the Customer.

At the time of delivery of the Purchase Order, the Supplier shall indicate the SAP purchase order number and item number on the delivery note(s), attaching the Purchase Order thereto. The Customer's representative present shall accept the delivered products, documenting this by signing the delivery note. The delivery note signed by the Customer's representative shall not qualify as a certificate of performance. The signed delivery note shall be attached as an annex to the invoice. 1 copy of the signed delivery note shall remain with the acceptor, and the Supplier shall request certification of its performance from the Customer based on the signed delivery note. The Customer shall make a declaration regarding the acceptance of performance within 8 days (Certificate of Performance).

The date of handover/acceptance of the Goods under the Purchase Order, i.e. the date of performance specified by the Customer shall be the date of the complete handover of the Goods concerned and all associated documents (certificates, instructions of use and maintenance).

III. WARRANTY, GUARANTEE

The Supplier shall provide at least **...** **months** of manufacturer's warranty for the Goods delivered, starting from the date of handover/delivery.

The Supplier warrants that the Goods delivered by it are new, comply with the technical specifications specified by the Customer, are free of any design, material or manufacturing defects, and are free of any third party claims and rights.

In other regards, the provisions of the effective Hungarian Civil Code (hereinafter referred to as: "Civil Code") and the relevant effective legislation shall apply to warranty.

The Supplier shall, upon receipt of the written notification of the Customer, at its own expense and without delay, replace, correct and/or complete all such delivery deficiencies that are caused by is defective and/or incomplete delivery at the latest within 10 days. During the warranty period all dismantling, installation and transportation costs related to repair or replacement shall be borne by the Supplier.

The warranty period for repaired/replaced items shall restart from the time of elimination of the defect or handover 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 Purchase Price includes all costs related to performance of the Purchase Order, and therefore the Supplier shall not be entitled to any further fees or cost reimbursements in addition to the Service Fee on any grounds. The Purchase Price shall remain unchanged from the time of acceptance of the GTCP until the final delivery.

a) Submission of invoices

The Supplier 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 (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 Supplier shall submit the invoice to the Customer's (postal) address for invoices.

The Customer shall provide the possibility to submit an electronic invoice and/or an invoice in PDF format. If the Supplier 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 Supplier 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: invoice_in@fgsz.hu.

The Supplier 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 Supplier 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 Supplier with delay, by the length of such delay.

All e-invoices and PDF-based issued by the Supplier 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 Supplier 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 Supplier'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 Supplier 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 Supplier has fulfilled all its obligations undertaken in the Purchase Order and the technical handover/acceptance of the works performed by the Supplier 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 Supplier to remedy the deficiencies in writing and shall return the invoice to the Supplier 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 GTCP – **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 Supplier within 30 days of receiving the written notification of the Supplier. The Customer will pay no advance.

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

Penalty for failed performance

b) Should the Supplier 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 Supplier 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 Supplier may not claim any fees in regard to the Purchase Order concerned by the failure.

Penalty for defective performance

(c) If the Supplier'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 Supplier 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 Supplier 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 Supplier breaches the confidentiality obligation set out in the contract, 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, breach of the obligation of confidence on the day when the Customer is notified thereof,
- c) in the event of defective performance, on the day of communication of the complaint.

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

The acceptance of any performance that is not in accordance with the GTCP 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 Supplier, 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 delivery of the Goods.
- 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 Parties shall exercise their rights and obligations arising from the GTCP/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.
- d) The Supplier shall deliver the Goods in accordance with those set out in the Purchase Order.
- e) The Supplier shall comply with the effective statutory obligations in the course of the work, as well as the relevant, effective safety technology, fire safety, environmental protection, work health & safety and security (hereinafter referred to as: "HSE") requirements, made available at www.fgsz.hu.
- f) The Supplier shall notify the Customer in writing without delay if any bankruptcy or liquidation proceeding commences against the Supplier or if the Supplier's solvency declines to such an extent that may jeopardise the performance of its contractual obligations.
- g) The Supplier shall notify the Customer in writing regarding any circumstances that may jeopardise the delivery of the Goods by the deadline, or that may result in unreasonable increase of the costs.
- h) The Supplier shall be entitled to refer to 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. ACCEPTANCE OF HSE REGULATIONS

The Supplier 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 Supplier 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.

VIII. COMPLIANCE WITH ETHICAL RULES

By agreeing to the GTCP, the Supplier 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.

IX. 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.

X. 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.

XI. GOVERNING 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.

XII. DATA PROTECTION

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

XIII. 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 Supplier.

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

Date:

.....
authorised signature