

1. INTRODUCTION

The member companies of Alpiq Csepel Business are Alpiq Csepel Kft. and Alpiq Csepeli Szolgáltató Kft. At Alpiq Csepel Business, the procurement of all off-site services and their associated contracts shall be regulated by present General Terms and Conditions of Contracting for off-site Services (hereafter the Terms and Conditions). Present Terms and Conditions form an inseparable part of the Order / Contract, and shall be valid for an indefinite period of time, or until withdrawal.

2. APPLICATION, EFFECTIVENESS

2.1 Orders by the member companies of Alpiq Csepel Business may be performed solely in accordance with the present Terms and Conditions.

2.2 Upon accepting the Order, the provisions of present Terms and Conditions shall immediately be regarded effective and accepted, and compulsory for both the Client and Contractor. 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 first Order, or by the first performance by Contractor, 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 services 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

"Client": the purchaser of Services, the legally independent member(s) of Alpiq Csepel Business and its (their) legal successor(s).

"Contractor": the natural person (individual entrepreneur) or legal entity whose offer was accepted by Client.

„Offer“: means the priced quotation provided by Contractor to Client on the delivery of Services.

„Specification“: means the description of Services treated in the Contract and their any amendment as per Clause 7., also including the special terms and conditions of contracting.

"Order": simplified Contracting Agreement on delivering the services, the formal Order issued on the printed form used by Client, or by mail, via facsimile or electronically. If Contractor raises no objection in writing within 5 business days upon receiving it, it shall be considered as accepted with contents unchanged.

"Contract": the Contracting Agreement between Client and Contractor on the delivery of Services, concluded by Client with the Contractor in the frame of present Terms and Conditions; in the case of a Tendering Procedure it includes the Terms and Conditions, the Specification, the Supplements, the Offer, the Statement of Acceptance and all the other documents which are expressly stated in the Statement of Acceptance.

"Contract Period": the time period stated in the Contract during which the Services have to be delivered.

"Contract Price": means the amount stated in the Contract and payable to Contractor in return for performing the Services in a professional manner.

"Contractor's Property": means all kinds of equipment items or things used in delivering the Services or leased to Client.

"Statement of Acceptance": means the formal acceptance by Client of the Offer, including the corrections or changes of the Offer on which Client and Contractor agreed, and which forms the basis of the Contract.

"Price list": means the filled out and priced Price List which is part of the Contract documents and is submitted by the Contractor together with the Offer, or any part of the Price List or a supplement of it.

"Service": means the Services described in the Contract, and includes all necessary operating supplies, and also the leasing of Contractor's property to Client if the context requires so as well as the use of documentation and plans made during the performance of the Contract.

"Performance Certificate": contains the data of Contractor and Client, proper reference (Contract number, Order number or Work Order number), a statement on that the Service has been performed by Contractor in accordance with the Order, and Contractor has the right

to issue and submit an invoice for the value of the work carried out, identifiable designation of the Service, the sum of it (also broken down), date, signatures by the persons who handed over and took over the work.

"Subcontractor": any natural person (individual entrepreneur), legal entity (except for the Contractor) or their legal successors to whom any part of the Contract was contracted out with the agreement of Client. The assignee of Subcontractor shall not be considered as a subcontractor.

4. INTERPRETATION

In the present Terms and Conditions, section titles and titles shall not be considered as part of the sections and shall not be taken into account in the interpretation or explanation of the Contract. Words referring to persons or parties shall include businesses and companies and any organisation of legal capacity. Words in singular shall include their plural form and vice versa, as appropriate for the context. Where the Contract provides for a "written" notification or a notification "made in writing", that shall mean any notification written by hand, type-writer or printed out, including a facsimile message, as well. In the present Terms and Conditions, "day" shall mean a calendar day, and "year" shall mean 365 days.

5. NOTIFICATIONS, AGREEMENTS AND APPROVALS

Where the Contract requires anyone to send a notification, or give an agreement or approval, such agreement or approval may not be rejected unjustified. Unless specified otherwise, such notification, agreement or approval shall be made in writing, and the word "notify" shall be construed accordingly. Notifications shall be sent to the other party in a manner which allows for subsequent evidence.

6. GENERAL LIABILITIES**6.1. Assignment**

Contractor may not assign or transfer the Contract or any of its rights and obligations under the Contract.

6.2. Sourcing out to subcontractor

6.2.1. Contractor may not source out to a subcontractor the whole of the Service.

6.2.2. Contractor may not give out to a subcontractor any part of the Service unless approved in writing by Client in advance or an express authorisation stated in the Contract.

6.2.3. Contractor shall be fully responsible for the acts, failures and negligence of any Subcontractor or its agents or employees just as if they were acts, failures or negligence by Contractor or its agents or employees. In the case of utilising a Subcontractor unlawfully, Contractor shall be responsible for all damages which would not have occurred without such utilisation.

6.3. Priority of Contract documents

Should the following documents contain conflicting provisions, their application shall be guided by the sequence stated herebelow:

In the case of a Contract:

1. Contract
2. Present Terms and Conditions of Contracting,
3. Any other document that is part of the Contract.

In the case of an order:

1. Procurement order,
2. Present Terms and Conditions of Contracting,
3. Price offer,

In the case of a tendering process:

1. Statement of Acceptance,
2. Tender documentation issued by the Client,
3. Present Terms and Conditions of Contracting
4. Contractor's offer
5. Any other attached document.

6.4. Contractor's liabilities

6.4.1. Contractor shall provide the Services in accordance with the Contract, with due care and effort during the Contract Period. Contractor shall provide all necessary Contractor's Properties, supervision, workforce, materials and tools except for those stated in the Contract.

6.4.2. Contractor must organise the Service carefully and call the attention of Client to any potential hindrance without delay so that all foreseeable obstacles can be removed in time.

6.4.3. Contractor undertakes to apply the strictest rules of the profession, the regulations established in agreement with Client in the present Terms and Conditions or in the Contract or in a document based on the mutual agreement of the parties, and agrees to comply with the relevant legislative and other requirements in the course of performing the Service.

6.4.4. For the established Contract Price, Contractor must perform the Service primarily itself by the natural persons employed by it or being in other legal relation with Contractor for the purpose of

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performing work, in every case solely in accordance with the interest and instructions of Client.

6.4.5. Contractor must employ only reliable and trained professional workers. Contractor shall be fully responsible for the damages caused to Client and / or a third person, arising from the failure regarding its such liability.

6.4.6. Should Contractor assume with reason that it is not able to perform the Service(s) by the set completion date, it must immediately inform Client about the reason for the delay. Such notification shall not exempt Contractor from its responsibility associated with the failure to meet the agreed performance date.

6.4.7. In case of any contractual obligation of Contractor not being performed or not being properly performed, Client shall have the right to enforce a penalty and set another date for performance, or withdraw from the Contract or terminate the Contract, except if Parties stipulate otherwise..

6.4.8. In case of a defective Service, Client maintains the right to reject the Confirmation of Performance even if the reparation or replacement of the Service does not hinder regular use.

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

6.4.10. Contractor shall not be responsible for the accuracy of the information given by Client in writing, however, Contractor shall be responsible for how it construes the information it receives from any source. Should Client give a not practicable or unprofessional instruction, Contractor must warn Client about that fact. Contractor shall be responsible for the damages arising from the failure to give such warning.

6.5. Contract Price sufficient

By accepting the present Terms and Conditions Contractor states that on its side, it found the following items satisfactory, and took them into account in its Offer:

6.5.1. all the conditions and circumstances affecting the Contract Price and stated in writing by the Client (in the Tender Documentation or before making the Offer),

6.5.2. the fact that the Services can be performed in accordance with the stipulations of the Contract.

6.6. Contractor's representative

On the person authorised for representation, the Contractor shall state the following:

- the person's name,
- Position;
- Contacts (telephone, mobile, e-mail).

Any instruction or notification given by Client to Contractor's representative shall be considered as given to the Contractor.

6.7. Method of implementation

6.7.1. All planned works shall be performed in the way stated in the Contract and present Terms and Conditions.

6.7.2. Where the method of manufacturing and implementation is not specified in the Contract, the work shall be performed in a regular and professional manner, in line with the accepted good practice.

7. CHANGES**7.1. Client's right to change**

At any time during the Contract Period, Client may instruct Contractor by a Change Order to change, modify, omit, extend or alter in another way any part of the Services.

7.2. The procedure of the Change Order and Requisition for Additional Work

7.2.1. If Client decides that a change should be made, or demand for subsequent work arises, Client will issue a Change Order which states the planned task, starting and completion dates and charges for the Contractor. The Change Order is based on the offer issued by Contractor and accepted by Client, or the charges stated for additional work in the contract.

7.2.2. The charges included in the Change Order shall be reasonable by all circumstances. Upon taking over the Change Order, Contractor shall immediately proceed to implement the change.

7.2.3. If Contractor raises no objection against the points of the Change Order within 3 (three) business days upon receipt of it, it shall be considered accepted by both parties as an amendment of Contract by mutual agreement.

7.2.4. If Contractor raises an objection against the Change Order, the representatives of parties shall attempt to solve the issue as soon as possible by involving the necessary specialists.

7.2.5. If parties are unable to reach an agreement about the Change Order, Client may withdraw from the Contract. Contractor

shall not be responsible for damages in the case of such withdrawal, and furthermore, the value of the work performed by that point shall be due to Contractor.

8. PAYMENT TERMS

8.1. Payment terms shall be specified in the Contract. If not, the payment term shall be the 30th day upon the documented receipt of the invoice by Client.

8.2. Payment may be made only upon such an invoice which fully satisfies the stipulations of effective 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.

8.3. Contractor shall have the right to submit the invoice on the contracting charges after the professional and successful performance of the Services.

8.4. A Performance Certificate shall be issued by Contractor on the performance, and the original of the Performance Certificate, confirmed by the Client, shall be attached to Contractor's invoice.

8.5. Unless stated otherwise in the Specification, Contractor may submit its invoices at intervals of minimum one calendar month for repeated Services.

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

8.7. Client shall have the right to set off against the amount due to Contractor any overdue claim from Contractor.

9. GUARANTEE / WARRANTY AND PENALTY

9.1. Parties may reach a mutual agreement on guarantee / warranty and the penalty for faulty performance in a separate section of the Contract. If no separate agreement is made, the rules of law effective for the time being shall prevail, but minimum guarantee / warranty period shall be 1 year.

9.2. In the case of late performance by Contractor, Client will charge a penalty of 1% of the net contract 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 net fees will be charged, and furthermore Client may claim compensation of all damages caused by the failure to perform. 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.

10. DAMAGES TO ASSETS, INJURIES TO PERSONS**10.1. Contractor's responsibility**

10.1.1. Contractor shall be responsible for the injuries caused to Client's persons or third persons (including fatalities, as well) and also for the damages to the assets of Client or third persons, if such injury or damage is the result of a performance by Contractor not in accordance with its undertaken obligations or with the Contract.

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

10.2. Client's responsibility

Client shall be responsible exclusively for damages and losses caused by Client's deliberate or serious negligent behaviour.

10.3. Limitation of liability

None of the parties shall be responsible to the other party for any loss of profits, gain, production, contracts not realised or any indirect or consequential damages which are not attributable by evidence to that party.

11. INSURANCE**11.1. Liability insurance**

11.1.1. Contractor states that it has the necessary general, professional, employer's and designer's liability insurance. For any potential damages caused by Contractor, Contractor shall be responsible in accordance with the relevant conditions and to the value of its general, professional, employer's and designer's liability insurance policy.

11.1.2. The insurance policy shall be taken out before starting the contract activity, that is, before any work is commenced by the Contractor.

11.1.3. The insurance amounts for the above insurance types are specified in the contract.

11.1.4. Contractor must keep the insurances effective during the full Contract period. At any time required by the Client, Contractor must

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present all its insurance policies it has to possess under the Contract, including the certificates proving validity.

11.1.5. In the case of any such claim set against Client where Contractor would be liable to pay compensation for damages, Contractor shall transfer to Client the compensation amount payable by the insurance company.

If Contractor breaches its obligations stated in these clauses, it shall have full responsibility for all damages taking place, and furthermore Contractor's such behaviour shall consider a serious breach of contract.

12. FAILURE

12.1. Notification on failure

If Contractor does not perform the Services as per the Contract, or if it performs its contractual obligations in a neglectful manner which affects the standard of the Service, Client may send a notice to Contractor and require to correct the failure or negligence within a time period as reasonable under those circumstances.

12.2. Failure by Contractor

If Contractor:

- (a) does not meet the requirements of the notification as per the Point 12.1. to the reasonable satisfaction of Client, or
- (b) in spite of the provisions of present Terms and Conditions, gives the whole or a part of the Service to a subcontractor without advance written approval of Client, or
- (c) - is terminated (for reasons other than merger or restructuring);
 - admits insolvency in writing;
 - a bankruptcy or liquidation procedure is started against it based on legally enforceable court decree;
 - it brings a resolution on its dissolution; and / or
 - 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,
- (d) or breaches its contractual liabilities in such a manner which basically makes Client lose all confidence in that Contractor is able to complete its contractual obligations,

then Client may terminate the Contract without notice, or may withdraw from the Contract without giving reason for the loss of interest. Such termination / withdrawal shall not infringe any other right or entitlement of Client under the Contract. Following such a termination / withdrawal, Client may complete the Service itself or may have it completed by another contractor.

12.3. Evaluation at the time of termination

As soon as possible after such termination, Client will confirm the value of the Service and all the amounts due to Contractor at the time of the termination made as per Clause 12.2.

12.4. Payment after the termination

Client shall not be obliged to make any further payment to Contractor as long as the works started before the termination and to be completed according to the agreement are not finished. Once those works are completed, the settlement between the parties is made within 30 days. Client shall have the right to claim from Contractor the extra costs met by Client in the course of having the Service performed by a third party.

13. DOCUMENTATION AND DATA PROVISION

13.1. Approval by Client to the documentation prepared by Contractor:

13.1.1. The documents specified in the Contract shall be submitted by Contractor for approval to Client by the dates stated in the Contract.

13.1.2. If Client does not raise any objection against the documentation within the terms stated in the Contract, the documentation shall be considered approved.

13.1.3. If Client raises an objection against the contents of the submitted documentation, Contractor shall immediately or within a mutually agreed reasonable term correct the mistakes and again submit the documents to Client for approval.

13.2. The use Client's documents by Contractor:

The documents and other information of Client, handed over to Contractor, shall remain the sole properties of Client. Those documents and other information may not be used, copied or disclosed to third persons by Contractor without Client's consent except where it is required for the realisation of the goals of the Contract.

13.3. Errors in the documents prepared by Contractor

13.3.1. Contractor shall be responsible for the errors and deficiencies of documents prepared by it except where the errors and deficiencies originated from incorrect written information provided by Client. Client's approval shall not exempt Contractor from any of its responsibilities as per the present point.

13.3.2. Contractor shall bear all the cost incurred by it owing to the late provision of Contractor's documentation and other information or to such errors or deficiencies in the documentation for which Contractor is responsible.

13.3.3. Contractor shall make the changes becoming necessary owing to such errors or deficiencies in the documentation for which Contractor is responsible, and shall amend the Contractor's documentation and other such information accordingly.

13.4. Errors on behalf of Client

Client shall be responsible for the correctness of documentation and other written information handed over by it. If, owing to error in the documentation and information handed over by Client, Contractor incurs extra costs, Contractor shall have the right to charge its related evidenced damage to Client.

14. PATENTS

14.1. Contractor guarantees that all royalties and charges on intellectual products, patented procedures and registered constructions applied in the course of delivering the Service have been paid, and hereby agrees to save Client harmless unconditional concerning any breach of any copyright, patent, registered construction or other intellectual right.

15. CONFIDENTIALITY AND DATA HANDLING

15.1. The specifications, design drawings and information issued by Client in relation with the Contract are confidential, and their use shall be limited to the Contractor and its subcontractors and employees with the sole purpose of performing the Contract.

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

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

15.4. In addition to the above points, Contractor agrees that all its employees and / or agents will observe the confidentiality obligation associated with the Contract.

15.5. The Contractor acknowledges and, by signing the Contract, gives his irrevocable consent / permission to use the documentation and plans made during the performance of the Contract for the Client's own purposes, and to transfer them to third parties in order to fulfil the Client's objectives.

15.6. 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. Client informs Contractor that personal data of Contributors whom Client learned about as addressees from Contractor 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 Client's Data Handling Code and Information.

15.7. Client as data handler has fully informed its own Contributors about the points of Article 15.6 as herein detailed and in a manner which allows for evidence.

15.8. Contractor unconditionally and irrevocable undertakes that:

- in the course of performing the Contract as data handler it fully informs its own Contributors about the points of Article 15.6 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 Client from any claim or demand raised against Client in such relation, and it shall perform towards third parties for any such claim or demand.

15.9. Contractor's liability under Article 15.8 and 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.

16. FORCE MAJEURE

16.1. The definition of Force Majeure
force majeure means circumstances being beyond the control of parties including among others as follows:

- war and the acts of war (either with declaration of war or without it), invasion, acts of foreign enemy, mobilisation, requisition or embargo;
- upheaval, revolution, rebellion, military power or trespassed power and civil war;
- riot, commotion or disorder except where it is limited solely to the employees of Contractor.

16.2. The effect of Force Majeure

If the performance of contractual obligations was prevented by such circumstances of Force Majeure which rose after the entering into effect of the Contract, none of the parties shall be regarded to have made a failure or breached their contractual obligations.

16.3. Notification on the occurrence of Force Majeure

If a party considers that such Force Majeure circumstances have occurred which may affect the performance of its contractual obligations, it will notify the other party about the issue without delay.

16.4. Continuation of performance

In the event of Force Majeure circumstances occurring, Contractor shall as much as reasonably practicable take efforts to perform its contractual obligations. Contractor shall notify Client about the steps which it suggests including any reasonable alternative way of performance not hindered by the Force Majeure circumstances. Contractor may start implementing the steps it recommends only when instructed so by Client.

16.5. Extra costs caused by Force Majeure situation

If Contractor incurs extra costs in performing the instructions of Client as per the Point 16.4., Client has to confirm the amount, and the amount shall be added to the Contract Price.

16.6. Damage caused by the Force Majeure situation

If loss or damage occurs to the Works owing to the Force Majeure situation, Contractor shall have the right to receive the proportional value of performed work regardless of the loss or damage incurred.

16.7. Termination owing to Force Majeure

If Force Majeure circumstances exist for 90 days, then regardless of the fact that the Contract Period could have been extended for Contractor, either party shall have the right to terminate the Contract with a 30-day notice by sending a notification to the other party. If the Force Majeure circumstances still exist after the 30-day period, the Contract shall terminate.

16.8. Payment in the case of termination owing to Force Majeure situation

If the Contract terminates as per Clause 16.7, the proportional value of the works performed shall be paid to Contractor.

17. APPLICABLE JURISDICTION

17.1. Present Terms and Conditions may be amended and extended only in writing, and neither party may refer to a verbal agreement. A statement by Contractor which differs from Present Terms and Conditions (dissent statement) becomes effective with Client only if expressly accepted.

17.2. The acceptance of present Terms and Conditions excludes the acceptance by Client of the general contracting terms and conditions or other terms and conditions of Contractor.

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

17.4. In cases not regulated in the Terms and Conditions, the legal relation of parties shall be governed by the Civil Code and relevant rules of law.

17.5. Client informs Contractor 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 and custom applied by the parties previously; Client's responsibility; and the option to reject faulty performance.

17.6. Parties shall aim at settling in an amicable manner all disputes arising from their legal relation. Should that attempt fail, parties stipulate that 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. 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.