

## GENERAL TERMS AND CONDITIONS

### 1. Handover of construction site

When concluding the contract, but no later than eight (8) days prior to the handover of the construction site, the Customer shall hand over to the Contractor its own regulations regarding on-site work, site order, and entry order. If it fails to do so, the Customer shall be liable for any accidents or damage to property that may be attributed to such cause.

The Customer shall make the workspace available to the Contractor in a condition suitable for construction, in accordance with the Contractor's schedule. The handover of the construction site shall be recorded by the Parties in the construction log or a record. The Contractor may refuse to commence work until the Customer has handed over to the Contractor the place of the work in a suitable state.

### 2. Rules for the technical content of work

The technical content is set out by this contractual documentation.

The Customer may reduce the technical content up to a total of 10% unless the Contractor has already taken the necessary measures to execute the work part.

In the event of obtaining licences, if this also depends on circumstances beyond the Contractor's control, the Contractor shall act as an Agent for the Customer and shall not be liable for the result or the deadlines.

With regard to supplementary work and extra work, the Contracting Parties expressly agree on applying the Civil Code, in particular its Sections 6:244. and 245. The Contractor shall be obliged to carry out the work which is the subject of the contract but which has not been taken into account in the determination of the contractor's fee and any other work without which the construction to attain proper use can be carried out (extra work). The Contractor shall be obliged to carry out any work ordered subsequently, in particular when becoming necessary due to a change in the design, unless such work does not render his duties disproportionately burdensome (supplementary work). In the case of a flat-rate fee, the Contractor may request compensation for the supplementary work and any costs incurred in connection with the extra work which could not have been foreseen when concluding the contract.

Supplementary work will be accounted for in the next partial invoice on the basis of the unit prices and the list of overheads included as supplementary work accounting in the annex to the contract. Where no relevant data is available, the Contracting Parties shall agree on the basis of market prices or charges.

### 3. Work

The Contractor undertakes to carry out at its own expense the service specified in this Agreement for the Customer. The Contractor shall act in accordance with this Contract and the instructions of the Customer. The

instruction can also cover the organization of work, but it may not make the performance more cumbersome. The Customer is entitled to check the Contractor's activities and the materials to be used. The Contractor is not exempted from its responsibility if the Customer has failed to carry out this check or has not carried it out appropriately.

The Contractor shall immediately notify the Customer of any circumstance that endangers or hinders the effective performance or timely completion of the contract. The Contractor shall be held liable for any damage resulting from failure to notify. If the Client gives inexpedient or improper instructions, the Contractor shall warn the Client thereof. The Contractor shall be held liable for any damage resulting from failure of warning. However, if the Customer insists on its instructions despite the warning, the Contractor may withdraw from the contract. If it does not withdraw from it, it shall carry out the work in accordance with the Customer's instruction and at the Customer's risk. The Contractor must not carry out the work according to the instructions of the Customer if this would lead to violation of the law or endanger the safety of life and property.

The Contractor shall immediately eliminate or rectify any defect or deficiency complained of by the Customer and recorded in the construction log or a report.

The Contractor shall participate in the coordination negotiations convened by the Customer.

### 4. Subcontracting

The Contractor shall be entitled to use subcontractors. The Contractor shall be responsible for the work of its subcontractor in the same way as for its own performance. The Customer is not entitled to give direct instructions to the Contractor's subcontractors.

### 5. Risks

During the construction work, the Contractor shall be liable for life and property protection within the construction site. It shall ensure the safe guarding and protection of the materials and devices delivered to the site at his own risk and continuously. The Contractor will cease to be liable for property protection and assuming the risks upon the earlier of the initial start-up or the time of the technical handover-takeover.

### 6. Controlling work

The Customer shall have the right at any time to check the Contractor's activities and work through its authorized technical inspector without any restrictions. If required by law, the Contractor shall keep a construction log in which the Customer's authorized representative may record his or her observations.

The Contracting Parties agree that the individual work parts may only be covered with the permission of the Customer. To this end, the Contractor shall certify the quality of the work parts. The Contractor shall notify

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the Customer two days prior to commencing the covering.

In addition to the above, in the event of a dispute, the Contractor shall uncover and repair the covered work part at its own expense.

In the event of an inspection that takes place after handover of the work, the costs of uncovering and repair shall be borne by the party whose position regarding the disputed work was incorrect.

#### **7. Takeover of work**

The Contracting Parties agree to apply Section 6:247 of the Civil Code to the takeover of the work. Consequently, e.g. acceptance cannot be refused on the grounds of a defect that does not prevent its proper use.

Within eight (8) days of written notification that the work has been completed, the Customer shall commence the partial or final technical handover-takeover procedure, and the official occupational safety and fire protection inspection prior to the technical handover. A written record of the technical handover-takeover procedure must be drawn up in at least two (2) originals. Within three (3) days of the successful completion of the technical handover-takeover procedure, the Customer shall issue a written certificate of performance. The certificate of performance shall also include any claim for default penalty by the Customer and any other claims of the Contracting Parties against each other.

A total of one (1) error list shall be made during the handover-takeover procedure, which must state the nature of the defect, whether it qualifies as a defect hindering proper use, including the time limit for correction and the costs of repair. The handover-takeover procedure shall be completed in the shortest possible time, but no later than within 30 days.

If the Customer does not convene the technical handover-takeover procedure within eight (8) days of receipt of the Contractor's second written notice, or fails to complete the handover-takeover procedure within thirty (30) days, and fails to issue the certificate of performance, then the Contractor's performance shall be deemed as recognized and the Contractor may submit its invoice. The Customer shall take over the Work, issue the certificate of performance and pay the Contractor's final invoice regardless of the fact whether the final handover of the entire facility or the associated facilities has taken place.

#### **8. Set-off**

Set-off is possible only in the case of a claim not disputed by the Contractor.

#### **9. Warranty**

The Contractor warrants that the performance of the construction is aligned with the contract and without defects. It shall be exempt from this obligation only if it proves that the cause of the defect arose after the performance. The Contractor shall be liable for any

damage resulting from a defect in or malfunction of the equipment, materials or supplies it supplied.

The Contractor's warranty shall cover the facility created by the Contractor and shall last for twelve (12) months from the date of putting into operation.

The Contractor shall repair any defect that occurs during the warranty period or replace a defective unit without delay. The Contractor shall offer another twelve (12) months' warranty for the repaired or replaced equipment or part thereof.

If the Contractor fails to commence and continue to correct the defect within a reasonable period of time, but not more than three (3) business days after receipt of such notification, the Customer shall be entitled to take the necessary measures for repair at the Contractor's risk and expense, without losing any right under this contract against the Contractor.

The warranty does not cover light sources or fuses installed by the Contractor, or the materials provided by the Customer. The Contractor shall not be liable if the defect is due to natural obsolescence, forces of nature, wilful damage, unworkmanlike or improper use.

#### **10. Guarantee**

The Contractor shall be responsible for ensuring that the object provided possesses the characteristics specified by law and in the contract at the time of performance.

In the event of defective performance, the Customer may, at its discretion, request a repair, an appropriate price reduction, or a refund. If the Customer has no more interest in performance due to the defective performance (the defect cannot be repaired, the Contractor cannot undertake to remedy the defect within the time limit specified by the Customer, it is not possible to repair the defect within a short term without prejudice to the Customer's interests), the Customer may withdraw from the contract.

In the event of defective performance, the Customer may withhold a proportion of the contractor's fee until repair or replacement.

The Customer may enforce its guarantee rights apart from and in addition to the foregoing (Warranty).

The minimum period of usability of the facilities shall be 5 years unless a legal regulation, a standard, an official requirement or a compulsory technical requirement specifies a longer period.

#### **11. Environmental responsibilities and arrangements for dismantled materials, waste and equipment**

The Contractor itself is responsible for compliance with environmental regulations. The Contractor shall keep the construction site, the environment of the construction site and the areas affected by the construction or the transport of materials clean. The resulting pollution must not exceed the limit set out in the Hungarian standard.

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The Contractor shall, at its own expense, promptly and continuously remove any mud and dirt that has built up on the public roads caused by construction traffic. Special precautionary measures should be taken to protect the environment and to prevent noise, dust or other contamination. The people living in the vicinity of the preamble work, the construction, the transport, the structures and other affected areas must be protected from noise and vibration damage.

Surface waters must be properly drained off from the construction site, the preamble work area and other construction-related areas.

Before commencing any work process that is likely to damage the environment (e.g. explosion, vibration, piling, transportation, etc.), the Contractor shall determine the area of expected impact (by calculation, experiment or otherwise). If there are facilities, buildings or structures within the defined area of impact, the Contractor shall carry out an assessment and damage prevention thereof.

The Contractor shall hold discussions with the Customer's representative to arrange for the removal of recoverable, non-hazardous waste material arising from demolition from the site to a collection site or the site of the Customer's respective contractual waste collection partner.

The Contractor shall, together with the Customer's representative, make an itemized assessment of the non-hazardous and hazardous waste when generated in the construction site, with reference to the budget items and in appropriate quantity. The Contractor shall ask the waste collector to approve the assessment authenticated by both the Customer and the Contractor.

Non-recoverable and non-hazardous waste shall be removed by the Contractor to a landfill site at its own expense.

The Contractor shall be responsible for the preamble work area, the pre-assembly facility, the material storage and other depots, the material extraction and deposition areas necessary for the construction. Upon completion of the construction work, the Contractor shall restore these to their original condition at its own expense. When preparing and restoring preamble work, pre-assembly and deposition areas, the requirements for nature conservation, environmental protection and the protection of health must be strictly adhered to.

#### **12. Accidents and extraordinary events**

The Contractor shall be responsible for observing and/or enforcing the requirements of occupational safety, fire protection and environmental protection, in addition to complying with the Customer's occupational safety, fire protection and environmental protection regulations and other documents specified in the Contract and handed over.

The Contractor shall provide protective and safety equipment to those involved in the work in accordance

with its own regulations for occupational safety. Use of protective equipment and safety equipment must be required.

The Customer may temporarily suspend the works due to deficiencies in occupational safety and technology, or in the event of non-fulfillment of the conditions previously laid down in the contract, the contractual documents and the construction log. At the same time, it shall record in the log any such deficiency and the expected deadline for termination.

#### **13. Damage caused to operating network and outsiders**

The Contractor shall be liable for any damage caused to the network or equipment in operation during the construction. Any such damage shall be paid directly to the injured party.

In the event of negligent damage, the Contractor's liability for direct damage shall be limited to 100% of the net Contract Price and responsibility for consequential damages and lost profits shall be excluded.

The Contractor shall be liable for any other damage (e.g. poaching and crop damage) caused to third parties during the work.

The Contractor declares that it will maintain its liability insurance for the duration of the contract. Upon request, it shall provide the Customer with an extract of its liability insurance.

#### **14. Cooperation between the Parties**

The contracting parties agree to continuously cooperate, as necessary, to ensure full compliance with the provisions of this agreement.

Accordingly, they shall inform each other in a timely manner, not only of the performance of this Agreement, but also of any matter (fact, data, circumstance), which may affect the performance of the contract. Verbal agreements shall be void during the performance of this contract.

The Contractor undertakes to notify the Customer without delay in the event of bankruptcy, liquidation, winding-up or enforcement proceedings are brought against it or its subcontractor prior to the full performance of this contract.

The Contractor shall also fully inform the Customer if a change of ownership or legal succession, transfer of rights and obligations, de-merger, merger or acquisition of its own company or its subcontractor takes place prior to the full performance of this contract.

The Customer shall have the same obligation in the above cases.

Both parties shall be liable for damage caused to the other party through failure to notify.

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## **15. Delayed performance, failure, other breach of contract**

### *15.1 Delay and breach of contract by the Contractor*

If there is a delay in performance, the Contractor shall bear the extra costs of overcoming the delay (overtime, using additional staff or additional subcontractors) only if the Contractor is solely responsible for such delay. Unless otherwise agreed, the performance deadlines will be extended in the event of delay of the affiliated contractors, and the Contractor shall not be liable for breach of contract.

The contracting parties agree that if the Contractor is in default, it shall pay the Customer a default penalty of zero point one percent (0.1%) per day for the net fee for the work part affected by the delay.

If the delay reaches sixty (60) days, the Customer may withdraw from the contract in addition to enforcing the default penalty.

If the Contractor fails to commence the preamble work or the construction within 10 working days of the delivery of the construction site, the Customer may withdraw from the contract and may require the Contractor to pay a cancellation penalty equaling ten percent (10%) of the Contract Price.

The penalty that can be claimed by the Customer under this contract may not exceed ten percent (10%) of the Contract Price.

The Contracting Parties shall agree a limitation period of thirty (30) days for the enforcement of the claim counted from the occurrence of the breach of contract. In the event of negligent damage, the Contractor's liability for direct damage shall be limited to 100% of the net Contract Price and responsibility for consequential damages and lost profits shall be excluded.

### *15.2 Delay and breach of contract by the Customer*

The Customer shall be in default if it fails to provide the materials or services specified in this Contract within the agreed time or defaults in fulfilling its other obligations. In this case, the Contractor's deadline for performance shall be extended by the period of the delay or, in justified cases, beyond that. Due to the extension of the deadline, the Customer may not demand any penalty or compensation.

The Customer shall also be delayed if it fails to meet the deadlines for handover-takeover or fails to comply with its obligation for data supply, response, approval, etc.

In the event of the Customer's default in payment, the Contractor may claim from the Customer the statutory interest for late payment.

a) If the Customer defaults in payment for more than fifteen (15) days, or fails to issue the certificate of performance or commits any other material breach of contract, in particular with regard to its obligation to

provide the plan, materials, equipment, or the construction site:

aa) the Contractor shall have the right to request a reasonable modification of the terms of contract,

ab) the Contractor shall have the right to suspend work, while keeping possession of the construction site, withhold its performance and charge an availability fee equaling zero point one percent (0.1%) of the net contractor's fee per day. The deadlines are automatically extended for the duration of the suspension.

ac) In addition to the above, the Contractor may require the Customer to provide a bank certificate for the fulfillment of its next payment obligations and to declare that the amount will be managed separately for payment of the Contractor's fee. The Contractor may also request the next contractor's fee instalments to be deposited.

b) in the event of the Customer's delay exceeding 30 days or its breach of contract:

ba) the Contractor shall be entitled to terminate the contract and claim a cancellation penalty of ten percent (10%). With the same conditions, the Contractor shall have the right to terminate the contract, if the Customer's ability or willingness to pay has obviously and demonstrably been impaired.

## **16. Ownership**

From the time of the technical handover-takeover or the first putting into operation, whichever is earlier, the Customer shall be responsible for guarding the subject matter of the contract.

Ownership of the subject matter of this contract shall pass to the Customer when it has paid the contract price in full to the Contractor. Until this date, the Contractor shall be free to dispose of the materials and equipment it has supplied.

## **17. Force Majeure**

The Contractor cannot be obliged to pay penalty or damages, if the Contractor's late performance or failure to perform its obligations under the Contract is due to a force majeure event.

Force majeure shall mean any event which is beyond the Contractor's control, was not foreseeable and cannot be attributed to the Contractor's fault, omission or negligence.

The Contracting Parties shall regard as force majeure any unforeseeable weather condition under which no work can be carried out in accordance with professional rules.

It shall also be deemed to be a Force Majeure event if, compared to the time of the conclusion of the contract, there has been a material price increase or other cost increase in excess of twenty-five percent (25%) of the material cost.

In the event of a force majeure event, the Contractor shall immediately notify the Customer in writing of the situation arisen, its cause and its likely duration. In the event of force majeure, the contracting parties shall,

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within five (5) business days, start negotiations to mitigate any damage that may occur either on the Customer's or the Contractor's side. Unless otherwise specified in writing by the Customer, the Contractor shall continue to perform its contractual obligation to the extent practicable and shall seek reasonable alternative means to perform the contract that are not impeded by force majeure. The Contractor shall without delay notify the Customer in writing of the termination of the force majeure event. If the duration of the force majeure event is significant, the Customer shall be entitled to withdraw from the contract in part or in full in its written statement and settle accounts.

**18. Modification of the contract**

The terms of the contract must not be changed unilaterally. In the event of a request for modification, the Customer and the Contractor shall agree on a mutually accepted and signed amendment to the contract before the deadline.

**19. Withdrawal from the contract and termination**

The Customer may withdraw from the contract at any time, or terminate the contract, but it shall be obliged to take over the work parts completed and materials ordered so far, and to pay their price and compensate for the Contractor's damage, including any lost profit. If the Customer withdraws from the contract or terminates it because it has become evident before the deadline for completion that the Contractor will be able to perform the work only with such significant delay that the Customer is no longer interested in performing the contract, the Customer may claim damages under the applicable rules for breach of contract. If, during the execution of the work, the circumstances would lead the parties to conclude that the performance will be defective, the Customer may exercise its rights stemming from defective performance after the failure to comply with the appropriate time limit set for the elimination of the defective performance. The Customer may exercise its rights hereunder by reference to a prior breach of contract only on the basis of objective circumstances.

**24. SIGNATURES**

This contract is drawn up in two (2) originals, of which the Customer receives one (1) copy and the Contractor one (1) copy each.

Made in Budapest on 01.07.2019

Made in Budapest on 01.07.2019

.....  
Customer

.....  
Contractor

**20. Confidentiality**

The contracting parties agree to treat the information contained in this agreement and the information exchanged in the course of their performance as confidential and as business secrets. This shall, as appropriate not apply to information that may not be kept secret by law.

**21. Dispute resolution**

The contracting parties agree that they shall primarily seek to settle their legal disputes amicably by means of negotiation, not use mediation or arbitration, and shall not resort to court unless the amicable settlement fails.

The contracting parties agree that in all lawsuits arising out of this contract, depending on the value of the subject matter of the dispute, they subject to the jurisdiction of the Budapest II. and III. District Court and the Székesfehérvár Court.

**22. Representations**

- Both parties represent that
- they are duly authorized and have the power to sign and perform this contract;
  - the signing of this contract has been duly authorized by the designated manager or the board of the company or management body of the company and that it complies with the applicable legal provisions;
  - the person signing this contract on behalf of a party has the appropriate registered signatory power to sign as required by applicable law so that his or her signing and performing the contract does not result in a breach of any other contract or other representation which he or she is a party to;
  - there is no pending obligation or other circumstance in its control that may adversely affect the validity or performance of the provisions of this contract or its own ability or willingness to perform this contract.

**23. Additional clause**

The Contracting Party declares that it has received the SPIE GTC in advance, it has become particularly aware of the non-standard rules and is expressly entering into this contract by accepting these and the entire GTC.