

**SUPPLY FRAMEWORK AGREEMENT**  
in the subject of  
Supplying tubing, tubing pup joints and flow coupling

made by and between

**Hungarian Gas Storage Ltd**  
1038 Budapest, Váci út 144-150.  
01-10-045043  
12543317-2-44  
HU12543317  
10800007-00000000-13714002, Citibank  
HU02 1080 0007 0000 0000 1371 4002  
1399 Budapest, Pf. 645  
Nemzeti Üzleti Szolgáltató Zrt (National Business Services Ltd),  
7031 Paks, Pf. 152  
László Fritsch, Chairman and CEO and Lajos Erdélyi Head of  
Central Operation  
3000011449  
FGT/3039  
as the customer, hereinafter referred to as **Customer**

and

**TPS Technitube Röhrenwerke GmbH**  
Julius-Saxler-Str. 7. 54550 Daun Germany  
HRB 11294  
27/43/666/0389/6  
DE 1 4993 3301  
DE84 5856 0103 0000 1055 74  
Julius-Saxler-Str. 7. 54550 Daun Germany  
Julius-Saxler-Str. 7. 54550 Daun Germany  
Nicolas Cailloux, Senior Sales Manager  
as supplier, hereinafter referred to as **Supplier**  
(hereinafter jointly referred to as Parties or separately as Party)  
at the undersigned place and date with the following terms and conditions:

## ANTECEDENTS

Customer initiated a negotiated public procurement procedure with an invitation to participate in the subject of **"Purchasing tubing, tubing pup joints and flow coupling necessary for CH well operations for Hungarian Gas Storage Ltd - 2018"** pursuant to Act No. CXLIII of 2015 on Public Procurement (hereinafter PPA) and Section 18 of the Gov. Decree No. 307/2015 (X.27.) (hereinafter Gov. Decree) to conclude a framework agreement with one tenderer, where the invitation to participate was published on TED on 06

March 2018 under No. 2018/S 045-099397. Supplier submitted a request to participate and tender. Customer announced the results of the public procurement procedure on 27<sup>th</sup> August 2018, specifying the Supplier as the winner of the public procurement procedure. Customer accepted the Supplier's tender, and pursuant to Section 131 (1) of the PPA, upon the signature of the framework agreement (hereinafter: Framework Agreement) by both parties within the legal time limit on performing the delivery ("Delivery") of tubing, tubing pup joints and flow coupling necessary for CH well operations ("Goods") as per the Framework Agreement, Parties enter into an agreement under the conditions set out herein. Contracting Parties shall sign the Framework Agreement as a result of the public procurement procedure carried out pursuant to the provisions of the PPA and its implementation decrees, considering that the Framework Agreement is concluded by and between the Customer as the contracting authority and the Supplier as the successful tenderer of the public procurement procedure.

## **1. SUPPLIER'S STATEMENT, DOCUMENTS CONSTITUTING THE CONTRACT**

- 1.1. By signing this Framework Agreement, Supplier makes a statement on the following :
- a) Supplier have read and understood, and shall accept, comply with and ensure that its subcontractors comply with the conditions set forth in the following documents:
    - Safety requirements of Hungarian Gas Storage Ltd – Technical Safety Rule of Hungarian Gas Storage Ltd (MBSZ);
    - Rules of Hungarian Gas Storage Ltd on supervising subcontractors;
  - b) Supplier shall operate its quality management system applicable to the subject of the Framework Agreement throughout the period of performance, and shall renew the validity of certification prior to expiry;
  - c) Supplier warrants that it has read the tender documentation as carefully as may be expected from a specialized company, has gathered detailed information with reasonable professional care on all factors and conditions in relation to the Goods, inclusive of the deadlines required for the Goods, and local conditions, including the characteristics of the site ("Worksite") of the delivery of Goods, and the special activity the Customer pursues, which might affect the Goods. Supplier declares to have prepared its tender for delivering the whole of the Goods and performing the complete task, thus following the conclusion of the Framework Agreement, it will not raise claims for additional or extra charges invoking the characteristics of equipment operating together with the Goods, the conditions of the Goods' environment, the conditions of the Worksite, plan errors or the quantity or other inadequacies of the technical specification;
  - d) Supplier warrants that the type and size of its undertaking meets the requirements of performing the obligations specified in the Framework Agreement without any difficulties, in first class quality and on time, thus it has all the required equipment and duly trained workforce at its disposal to deliver the Goods.
  - e) Supplier shall be liable pursuant to the regulations of the Civil Code for any damage or penalty resulting from delayed or defective performance, or from non-performance through its own fault.

1.2. The following documents shall form an inseparable part of the Framework Agreement in the following order (irrespective of whether they are physically attached to the Framework Agreement or not):

- a) this Supply Framework Agreement and its Annexes No. 3-7
- b) Call-offs containing specific demands and documents of written consultations (specific contracts);
- c) Customer's policies and/or regulations specified in this Framework Agreement;
- d) technical specifications contained in the tender documentation (Annex No. 1.)
- e) minutes of contract negotiations;
- f) additional information;
- g) table of Purchase Price breakdown (Annex No. 2)
- h) Supplier's technical tender

1.3. The Framework Agreement shall contain every condition within the scope of tender validity during the public procurement procedure, irrespective of whether the condition is referred to in the Framework Agreement.

1.4. During the performance of the Framework Agreement and the specific contracts based thereon, Parties expressly exclude the application of the Supplier's general terms and conditions of contract or any of its sections.

1.5. The Framework Agreement shall be concluded with one tenderer. In applying the Framework Agreement, conclusion of specific contract shall be according to the following, pursuant to Section 105 (1) of the PPA:

1.5.1. Where the Framework Agreement contains every condition and every unit price for the Goods to be ordered under the Framework Agreement, the specific contract shall be concluded via the Customer's direct purchase order and its confirmation according to the procedure set out in Section 2.1-2.8, pursuant to the first phrase of Section 105(1)b) of the PPA.

1.5.2. Where the Framework Agreement does not contain every condition and/or every unit price for the Goods to be ordered under the Framework Agreement, the specific contract shall be concluded via the Customer's acceptance of the supplier's offer based on the written consultation requested by the Customer, pursuant to the second phrase of Section 105(1)b) of the PPA. The purpose of the written consultation is to determine the conditions not specified in the Framework Agreement and to have an offer from the Supplier that is identical with or more favourable to the Customer than the terms of the Framework Agreement.

## 2. OBJECTIVE OF FRAMEWORK AGREEMENT, SCOPE OF DELIVERY

2.1 By signing this Framework Agreement, Supplier shall undertake to be continuously available throughout the term of the Framework Agreement and perform the Customer's specific purchase orders submitted via direct purchase orders as per Section 1.5.1 ("Call-off") and the specific contracts concluded as per Section 1.5.2, in line with the requirements specified in detail in Annex No.1, according to the number of pieces and delivery deadlines specified in the specific contract, and hand over the Goods to the Customer at the place of performance, transfer title to the Goods to the Customer, and perform the related Service(s) and Service(s) specified in the Call-offs while Customer shall be obliged to receive the Goods and

pay their consideration to the Supplier. The minimum quantity of each Call-off or specific contract shall be 5000 m for the Tubing. No minimum quantity shall apply for Pup-Joints. The minimum call-off quantity for Flow couplings shall be 14 pieces.

2.2 Place of performance: shall be the sites specified in the Call-off: Zsana UGS, specifying the GPS coordinates. Parity: DDP Incoterms 2010.

2.3 Related Service to be performed by the Supplier as part of the Goods Delivery: preparing the documents set forth in the technical specifications and placing it into its designated place, obtaining every permit relevant to the Goods, fully meeting the EKÁER (Electronic Public Road Trade Control System) obligations in relation to the Goods, preparing plans and preparing declarations of conformity.

2.4 Supplier shall perform the delivery of Goods including the provision of related Services for the fee specified in the Framework Agreement ("Purchase Price"), in first class quality and according to the Customer's instructions.

2.5 In the case referred to in 1.5.1, Customer requires the delivery of Goods based on demand, throughout the term of the Framework Agreement continuously via multiple Call-offs conforming to the template attached to this Framework Agreement as Annex No. 3. Call-offs shall be sent by email by the persons specified by the Customer in Annex No. 5 as representatives authorised to dispatch Call-offs, to the representative of the Supplier specified in Annex No. 5 as authorized to accept Call-offs (in "pdf" format, requesting read-receipt). Call-offs shall contain the following data: Name of Customer, indication of Framework Agreement, its SAP number, requested product(s) and Services with the number of pieces and size, value of Call-off calculated from the unit price, place of delivery (performance), delivery or performance date specified as per the Framework Agreement, also indicating the sender. Supplier shall confirm the Call-off within 5 business days using the Confirmation template as per Annex No. 3 hereto. Confirmation shall be sent by email by the representative of the Supplier specified in Annex No. 5 as authorized to accept Call-offs, to the person(s) specified by the Customer in Annex No. 5 as representative authorised to dispatch Call-offs (in "pdf" format, requesting read-receipt). Confirmations shall contain the following data: Name of Customer, indication of Framework Agreement, its SAP number, indication of the Call-off, value of the Call-off calculated from the unit price, place of delivery or performance, the delivery or performance date undertaken as per the Framework Agreement, commitment to performance as per the Framework Agreement, also indicating the sender.

2.6 The specific contract shall be concluded on the basis of the Call-off by the Supplier's confirmation. Supplier may not refuse to perform the Call-off provided it is in line with the terms of the Framework Agreement.

2.7 Supplier is not be entitled to deliver a quantity higher or lower than the quantity indicated in the Call-offs. Customer is entitled to refuse the acceptance of any additional quantity, while in the event of performing lower quantity, consequences of the Supplier's breach of contract shall be borne by the Supplier for the total required quantity specified in the Call-off.

2.8 Call-offs and their confirmations shall form an inseparable part of the Framework Agreement. In issues not regulated by the Call-offs, the provisions of the Framework Agreement shall apply. Parties shall mutually and expressly waive their right to question the conclusion and/or content of specific contracts concluded on the basis of Call-off confirmation according to the above. Unless Supplier comments the content of the Call-off within 5 business days from receipt, or if Supplier confirms its content, Parties shall deem the terms of the Call-off accepted and thus the specific contract concluded.

2.9 In the case referred to in 1.5.2, Customer orders the delivery of Goods based on written consultation. During written consultation, Customer sends by email (in "pdf" format) an invitation notice signed by its contact person specified in Annex No. 5, containing a detailed budget without prices, and possibly the contract terms deviating from the Framework Agreement, to the Supplier's contact address specified in Annex No. 5. The invitation to written consultation shall contain the following data: Name of Customer, indication of Framework Agreement, its SAP number, indication of the requested Goods and Services with the technical content, the requested delivery date (possibly specifying a partial deadline), the duration of tender validity, indication of the sender, along with specifying the special contract terms deviating from the Framework Agreement. Supplier shall make an offer within 10 (ten) business days from receiving the invitation to written consultation. The offer shall be submitted electronically by email by the representative of the Supplier specified in Annex No. 5 as authorized to accept Call-offs, to the person(s) specified by the Customer in Annex No. 5 as representatives. Supplier is entitled to request the extension of the offer submission deadline on reasonable grounds (e.g.: if new subcontractor must be involved, or new materials or services must be ordered), and Customer is not entitled to refuse the execution of such request. The offer shall contain the following data: Name of Customer, indication of Framework Agreement, its SAP number, indicating the subject of written consultation, the amount of the calculated consideration, the delivery deadline undertaken, possibly a request for further consultations, the terms of delivery, the confirmation of the technical content, also indicating the sender. Following the completion of the written consultation, Parties shall conclude a specific contract with the content negotiated during consultation, according to the template as per Annex No. 6. Specific contract(s) shall form an inseparable part of the Framework Agreement, and in issues not regulated by them, the provisions of the Framework Agreement shall prevail.

2.10 Under the term of this Framework Agreement, the total amount payable cannot exceed HUF 220 000 000 + VAT, that is two hundred and twenty million forints + VAT, as a budget limit. Parties agree that the budget limit of the Framework Agreement is deemed to be estimated capacity demand, that is Customer will not commit itself to use the budget limit. None of the content of this section whatsoever shall constitute a precedent for the Supplier to claim cost reimbursement and/or damages for any unused budget limit.

### 3. TECHNICAL SPECIFICATIONS UNDERLYING THE FRAMEWORK AGREEMENT

Technical specifications accepted by the Parties, the Goods to be delivered by the Supplier are set out in the following documents:

- Documents as per Section 1.2 including every supplementary annex and amendment of which the Supplier was informed during the tender.

#### 4. PRICES

4.1 During the term of the Framework Agreement, consideration shall be a fixed aggregate price calculated using the unit prices as per Annex No. 2 hereto, and adjusted on the basis of the Price Adjustment Formula as per Annex No. 8 hereto, including any and all costs of the Supplier in relation to contractual performance. Unit prices shall be subject to adjustment at each Call-off, Parties agree on the fees specified in Annex No. 2 of the Framework Agreement as base prices, for the contractual, full and complete performance of Deliveries pursuant to the Framework Agreement. The fees shall be determined following the written consultation in cases as per Section 1.5.2.

4.2 The fixed unit prices, the maximum fee of Goods (hereinafter referred to as Price of Goods: Purchase Price) shall be contained in Annex No. 2 hereto, and adjusted on the basis of the Price Adjustment Formula as per Annex No. 8 hereto. Prices specified in Annex No. 2, nominated in EUR, shall be provided in EUR.. The date of completed delivery shall be the date of delivery indicated on the Delivery Certificate. Dates indicated on the documents substantiating delivery shall not qualify as relevant to the date of Delivery. Invoicing and payment currency shall be EUR.

4.3 Supplier shall be entitled to receive payment(s) only for Goods ordered by the Customer or its representatives as per Annex No. 5.

4.4 For the Purchase Price, Supplier shall perform the services required to ensure the Goods' suitability for intended use as secondary services. The Purchase Price includes inter alia the consideration for the title to the Goods. The Purchase Price includes any and all costs incurred in relation to the delivery of Goods, thus including costs related to designing and manufacturing the Goods, the costs of storing the Goods for 28 days at the site of the Supplier, any and all costs related to import and marketing (customs, taxes, fees, duties or other), costs of transport and packaging, test, and documentation according to the specification, and the costs of compliance with EKÁER obligations, except for the value added tax. Supplier shall not be entitled to modify the Purchase Price except for the price adjustment affected per Annex No. 8 (Price Adjustment Formula).

4.5 In the Framework Agreement, all prices shall be indicated as net prices, broken down to Goods to be delivered. The value added tax shall be indicated separately from the offer amount, expressed both numerically and as a percentage.

4.6 Unless listed separately in the list of Goods to be delivered, the Purchase Price specified by the Supplier shall at all times contain any and all costs incurred in relation to the performance of the Framework Agreement and the specific contract.

4.7 Supplier shall provide the required and proper packaging of Goods. If requested by the Customer, Supplier shall take back or arrange the proper disposal of packaging materials at its own expense. Customer is not obliged to keep and/or destroy packaging materials.

4.8 In the event of quality claims or complaints, Supplier shall arrange examinations by independent experts to determine the quality and quantity of the Goods supplied, and shall bear the costs thereof. If such examinations must be repeated – through no fault of the Customer –, the costs of repeated examinations shall also be borne by the Supplier. In as far as it is established during the examinations that the quality deterioration of Goods resulted from improper storage, installation, usage by the Customer or from any other incident following delivery, the costs of independent expert examinations shall be borne by the Customer.

## 5. ISSUING INVOICES

5.1 Upon delivering the Goods set out in the specific contracts, Supplier shall submit to the Customer the documents substantiating the relevant performance (e.g.: handover/takeover protocol, performance statement, documentation of delivered Goods, its quality certifications (material quality) and the item (identification) list of the Goods delivered (part number). Via its authorised representatives, Customer shall make a statement within 8 business days after the takeover of the Goods on the acceptance of the performance as per the subject of the specific contract (“Delivery Certificate”) In the event of delivery in several parts, none of the interim Delivery Certificate shall render the whole of the performance accepted. Having received the Delivery Certificate, Supplier shall be entitled to issue an invoice on the amount as per the Purchase Price.

5.2 Invoices shall be issued within 15 (fifteen) calendar days from performance. Supplier shall submit the invoice not later than within two (2) business days from issuance. In the event of a delayed invoice submission, Customer is exempt from paying an interest for default for the period of submission delay. Signing the Certificate of Performance by the Customer shall not be construed as waiving the right to enforce customer claims arising due to the Supplier’s breach of contract.

5.3 Supplier is obliged to issue an invoice to the Customer on each due payment pursuant to Section 55-56 of Act No. CXXVII of 2007 on Value Added Tax (Act on VAT); indicating value added tax separately - if applicable. Customer shall inform the Supplier prior to invoicing any amount by the Supplier in relation to the specific contracts as per the Framework Agreement if the Goods ordered by the Customer qualifies as a transaction on which the customer, i.e. the Customer is obliged to pay value added tax pursuant to Section 142 (1) of Act No. CXXVII of 2007 on Value Added Tax. Pursuant to the applicable provisions, if the subject of the specific contract is a purchase order for Goods for the purpose of establishing, extending, reconstructing or otherwise changing a real estate – including the demolition of the real estate by pulling it down – and if establishing, extending, reconstructing or otherwise changing the real estate is subject to the licence of any authority, Customer shall pay value added tax. In relation to this, the Supplier and Customer represent to be a taxable entity registered in Hungary pursuant to Act No. CXXVII of 2007 on Value Added Tax, without any legal status exempting them from value added tax payments. In as far as the

representation herein does not apply to the Supplier, Supplier shall inform the Customer without delay, failing which Supplier shall be held fully responsible for any related implications.

5.4 Supplier grants its consent to the National Business Services Private Company Limited by Shares managing the invoices of the Customer (seat: 7030 Paks, Gagarin utca 1.; trade registry No.: Cg. 17-10-001241; short name: National Business Services Ltd) to consult this Framework Agreement and the specific contracts concluded on the basis hereof, and access their content. The National Business Services Ltd shall be bound by confidentiality identical to that of the Customer with regard to the data accessed and obtained.

5.5 Supplier shall submit its invoices in 1 copy issued in compliance with the applicable legislation on invoicing and other relating regulations, also attaching the original copy of the Delivery Certificate signed by the Customer to the address of the National Business Services Ltd (Nemzeti Üzleti Szolgáltató, 7031 Paks, Pf. 152.) managing the invoices of the Customer. Simultaneously with the submission of the invoice, Supplier shall also send an electronic copy thereof – with all the required attachments – to the email address [szamvitel@mfgt.hu](mailto:szamvitel@mfgt.hu). Magyar Földgáztároló Zrt shall be indicated as the Buyer on the invoice.

5.6 Supplier shall also indicate on the invoice:

- a) reference number and SAP number of the Framework Agreement,
- b) SAP number of the specific contract
- c) Customer's purchase order number ("Item number"),
- d) the tax number,
- e) Product and Service Classification System (TESZOR) number or Customs Tariff Heading (VTSZ)
- f) Purchase Price in EUR, the rate and amount of VAT,
- g) the exact technical content.

5.7 Receiving the invoice and the attached documents certifying correct performance, at the place specified in the Contract (Customer's invoicing address), Customer shall pay the amount invoiced in full compliance with the Framework Agreement, the specific contract and the prevailing legal requirements, via bank transfer within 30 calendar days from the issuance of the invoice, pursuant to Section 130, Subsection (1) and (6) of the PPA and Section 6:130, Subsection (1) – (2) of Act No. V of 2013 on the Civil Code (hereinafter referred to as Civil Code). Any payment obligation as per the Framework Agreement shall qualify as fulfilled on the day when the bank account of the Party obliged to pay is debited. If the payment deadline is a holiday or a non-business day, the payment deadline shall expire on the following business day pursuant to Section 8:3, Subsection (3) of the Civil Code.

5.8 If the invoice issued by the Supplier fails to contain all the relevant content elements, or if such an invoice fails to fully meet the prevailing legal requirements, Customer, or the National Business Services Ltd managing the invoices of the Customer shall be entitled to reject the invoice without payment – without the legal implications of payment delay. In this case, the invoice shall be properly re-issued and submitted to the invoicing address by the Supplier within 5 (five) business days. Customer, or the National Business Services Ltd managing the invoices of the Customer shall inform the Supplier on rejecting and the reasons for rejecting the invoice, within 10 business days in writing. In the event that the invoice is returned due to the above, Supplier shall not be entitled to demand interest for default on such late payment, and payment



deadline shall be calculated after rectification, from the date the customer receives the properly issued invoice.

5.9 By issuing the invoice, Supplier warrants the following:

- a) Goods are free of defect, have been delivered as per contract, and are in first class quality, with a permit for domestic use;
- b) it has complied and will comply with any and all payment obligations stipulated by law, the Framework Agreement and the specific contract, arising in connection with the Goods as per the Framework Agreement.
- c) it has complied with any and all relating legislation, requirements of authorities, standards and regulations during the delivery of Goods and provision of related Services under the Framework Agreement and the specific contract;
- d) the delivery of Goods and related Services as per the Framework Agreement and the specific contract are free from liens, claims and encumbrances;
- e) it has invoiced the full Purchase Price under the Framework Agreement and the specific contract to the Customer without any exceptions and will claim no further payments from the Customer under the Framework Agreement.

5.10 In as far as the Customer defaults on the payment or extended payment deadline, it shall pay an interest for default to the extent of the base rate of the Central Bank as per Section 6.155 of the Civil Code + eight percent for the period of default on the overdue and payable amount, that is from the first day of default until the day of actual payment. Customer shall pay to the Supplier the accumulated interest for default within 15 business days following it receives a written notice from the Supplier. Parties shall calculate the interest for default in proportion to the number of days elapsed in view of a year of 360 days.

5.11 Having regard to Section 136 (1) of the PPA, any cost which is incurred in relation to a company not being in compliance with the stipulations set out in Section 62, Subsection (1) k) ka)-kb) and which may be used for reducing the Supplier's taxable income, may not be paid or charged by the Supplier in relation to performing the Framework Agreement and the specific contracts concluded on the basis thereof. Stipulations of Section 62, Subsection (1) k) ka)-kb) of the PPA applicable at the time of concluding the Framework Agreement are as follows:

ka) which have their fiscal domicile in a country outside the European Union, the European Economic Area or the Organisation for Economic Cooperation and Development or in a non WTO/GPA country or outside the overseas countries and territories specified in Article 198 of the TFEU or in a country which has not signed any agreement with Hungary on avoiding double taxation or which has not signed a bilateral agreement with the European Union concerning public procurement,

kb) companies which are not listed on any official stock exchange, which cannot identify their actual owner pursuant to Article 3(ra)-(rb) or (rc)-(rd) of the Act CXXXVI of 2007 on the Prevention and Combating of Money Laundering and Terrorist Financing,

5.12 In the event of the Customer's termination of the Framework Agreement according to Section 143 of the PPA, Supplier shall be entitled to receive a proportionate contractual payment for the services contractually performed before the end of the Framework Agreement.

## 6. DEADLINES

### 6.1. Starting Date and Delivery Deadline

6.1.1. Starting date: date of concluding the Framework Agreement.

6.1.2. Duration of the Framework Agreement: 36 months from the conclusion of the Framework Agreement, that is 10<sup>th</sup> September 2021.

6.1.3. Delivery/performance deadline in the specific contract:

6.1.3.1. Date specified in the Call-off – not later than the delivery deadline set out for the article of Goods in Annex No. 2, as calculated from the Call-off confirmation.

6.1.3.2. In case of a written consultation, the delivery deadline set forth in the specific contract concluded on the basis of the written consultation.

6.1.4. Late delivery shall be considered as a breach of contract and shall be subject to related penalties.

### 6.2. Early Delivery

Parties agree that the Supplier is entitled to early delivery upon prior written approval from the Customer. With regard to the possible date of this, Supplier shall notify the Customer's technical contact person, who sets the date for Handover/Takeover.

## 7. BREACH OF CONTRACT, PENALTY

7.1 In the event that the Supplier is at fault in violating any of its obligations arising from the Framework Agreement or specific contract, Supplier shall be liable to pay penalty pursuant to this section. Customer shall inform the Supplier if such circumstance results in a lapse of interest. Any damage arising from the lapse of interest in excess of the penalty shall be compensated by the Supplier. Supplier shall pay penalty if:

- a) its delivery is delayed;
  - (i) If the delivery deadline or any other deadline for performing contractual obligations expires, Customer shall be entitled to impose penalty upon the Supplier even without proof of loss or damage.
  - (ii) Penalty shall be applied regardless of the reason for the delay, with the exception of delays caused by force majeure and any circumstances for which the Customer is responsible.
  - (iii) Customer is entitled to request penalty payment even if Customer fails to expressly reserve the right to claim said penalty upon receiving the delayed delivery of Goods.
  - (iv) Above stipulations shall not affect the legal provisions regarding delay, including without

limitation the assertion of claims for damages for additional expenses incurred due to late delivery.

- (v) The payment of penalty specified for delay shall not exempt the Supplier from delivery.
- b) delivery becomes impossible (cancellation); enforcing penalty for the impossibility of delivery (cancellation) excludes the Customer's claim for delivery.

In addition to the penalty, Customer may claim compensation for the damage exceeding the amount of penalty, as per the applicable Civil Code. Customer may also claim the compensation for damage resulting from the Supplier's breach of contract if its penalty claim has not been enforced.

#### 7.2 Amount of penalty:

- a) in the event of delay: 0,5% of the net price of the affected part per calendar day from the first day of delay, but not exceeding 20% of the part affected with the delay;
- b) in the event of impossibility (cancellation): the amount of penalty payable shall be 5%.

#### 7.3 Basis of penalty:

- a) in the event of delay: the net Purchase Price of the Goods affected by delay
- b) in the event of impossibility (cancellation): net total value under contract specified pursuant to Section 2.10 of this Framework Agreement, decreased with the value of performed specific contracts, or in the event of specific contract cancellation, net contract price under the specific contract.

#### 7.4 Penalty becomes payable:

- a) in the event of delay, when the delay ends, or the amount of penalty reaches the maximum limit;
- b) when delivery becomes impossible.

7.5 Customer issues a notice of penalty on the payable amount, which shall be paid by the Supplier within 15 (fifteen) days from issuance. Customer shall also be entitled to claim compensation for the damage exceeding the amount of penalty in case of breach of contract by the Supplier.

## 8. CUSTOMER'S OBLIGATIONS

### 8.1 Customer shall be bound by the following obligations:

- a) Securing the place of delivery (unloading, handover/takeover location), provided this place is the Customer's seat or site;
- b) Accepting the Goods contractually delivered by the Supplier, on a business day and during work hours according to Hungarian labour regulations ("Final Handover/Takeover"), participation in the final handover/takeover procedure ("Final Handover/Takeover Procedure");
- c) Performing the quantitative check as soon as possible, and informing the Supplier without delay on the quantity and quality deficiencies detected in connection with the Goods;
- d) Paying the purchase price set out in the specific contract ("Purchase Price") for the delivered Goods.

## 8.2 Customer's role in the Final Handover/Takeover procedure

Customer shall issue to the Supplier a statement on accepting performance, i.e. the Final Handover/Takeover Protocol, as soon as Supplier certifies during the Final Handover/Takeover procedure as per Section 12 to have fully met the conditions of the Framework Agreement and the specific contract. However, accepting the performance does not terminate the warranty/guarantee obligations and the liability for damages for the Supplier.

## 8.3 Right to give instructions

Customer is entitled to check Supplier's employees and subcontractors and instruct them with regard to HSE during work in relation to Delivery, on the Customer's site. In the event that Customer gives impractical or unprofessional instructions, Supplier shall notify the Customer in writing. Supplier shall be responsible for any damage resulting from the lack of such notification. If Customer maintains its instruction in spite of the notification, Supplier may cancel this Framework Agreement or the specific contract(s), or may act according to the Customer's instructions at the Customer's risk. Supplier shall refuse to perform the instruction if the performance thereof would result in the violation of law or official resolution, or risks to other people or property.

## 8.4 Initiation of Modification

Customer is entitled to initiate the modification of the technical content and schedule of the Framework Agreement and the specific contracts via Initiation of Modification, which shall be accepted by the Supplier provided that it does not result in a cost increase for the Supplier. Should such Modification increase the costs, Parties agree on covering the additional costs, and if Customer undertakes to pay such additional costs, Supplier is obliged to accept the modification of the schedule. If such modification results in additional work ("Extra Work"), and thus extend the deadline, Parties shall agree separately on the consideration for the extra work and on the modification of the deadlines.

## 8.5 Technical Audit

In the event that there are any doubts on the part of the Customer as to the quality and extent of Goods actually delivered by the Supplier and it is no longer possible to resolve such doubts by inspections on site, Supplier shall grant the Customer access to those technical documents that may be required to confirm the scope of Goods delivered under the Framework Agreement and the specific contracts.

# 9. SUPPLIER'S OBLIGATIONS AND RESPONSIBILITY

## 9.1 Supplier's obligations are as follows:

- a) Delivering the Goods in first class quality by the deadline specified in the Framework Agreement or the specific contract, together with the measurement and material quality certificates and declarations of conformity demonstrating the quality of Goods;
- b) In relation to delivering the Goods, Supplier shall perform the following activities particularly but not exclusively:
  - designing the Goods;
  - manufacturing the Goods;

- storing the Goods (for a period of maximum 28 days at its own site, when required);
- transporting the Goods; obtaining transport permits,
- importing the Goods into the country and performing any and all related administrative tasks (customs formalities, obtaining required permits from authorities etc.);
- administration required for placing the Goods on the market (tax, duties, other);
- handing over a declaration of conformity regarding the handling of the Goods in English and if so required by the Customer, in Hungarian at the Customer's costs – based on a quotation approved by the Customer –; If Parties cannot agree on the price of translation, Supplier undertakes to peer-review the text prepared by the Customer's specialized translator, free of any extra charge.
- full documentation of Goods (declarations of conformity, measurement and inspection protocols, material certificates)

## 9.2 Delivery by the deadlines

Supplier shall deliver the Goods in first class quality, in the quantity and by the deadline as per the specific contract, to the place as per the specific contract, transferring title and ownership to the Customer. Supplier shall notify the representative of the Customer as per Annex No. 5 at least 2 business days prior to delivery with regard to the exact date of delivery and the quantity to be delivered.

## 9.3 Transporting the Goods; handing over transport documents

Supplier shall inform the Customer in writing about the exact date of the delivery / Final Handover/Takeover of the Goods eight (8) working days before the delivery / Final Handover/Takeover. Delivery / Final Handover/Takeover shall be carried out during business hours. Supplier shall prepare the delivery note / technical delivery certification protocol on the Final Handover/Takeover ("Final Handover/Takeover Protocol") and have it signed by the Customer or its authorized representative. For the sake of Goods identification, the number and date of the Framework Agreement, the relevant item number(s) ("Item Number") shall be indicated on the delivery documents relating to the consignments delivered pursuant to the Framework Agreement. Supplier shall comply with any and all conditions set forth in the Framework Agreement and the specific contract, or separately specified by the Customer and/or prescribed by law, and/or the obligations facilitating the identification of the Goods in case of all the Deliveries performed under the Framework Agreement and the specific contract. In as far as the Supplier fails to meet the above conditions and/or its obligations to facilitate the identification of the Goods, Customer is not obliged to accept Goods that do not comply with the conditions as per the Framework Agreement or the specific contract (defective delivery), and/or relating to which the Supplier failed to meet the above obligations regarding identification. By completing the Final Handover/Takeover procedure, handover terminates the Supplier's actual control over the Goods, and thus ownership is transferred. If the Supplier suspects that for any reason it is unable to meet the deadlines assumed in the Framework Agreement or in the specific contract, Supplier shall immediately inform the Customer in writing on the reason for and the expected duration of the potential delay. By fulfilling the obligation to inform, Supplier is not exempted from the implications of breach of contract related to the delay. Supplier shall label the Goods in line with the rules of law, the Customer's instructions and the professional practice to facilitate their identification, and shall hand over to the Customer the following documentations in English – Hungarian translation is possible as per Section 9.1 above:

- a) Operating manuals, guarantee vouchers;
- b) Quality Certificate on the installed materials provided by the Supplier, if applicable, at least at the level of 2.1, or differently, as set out in the "Unit Price List". Further certification or translation thereof can be requested in excess of the contract terms. Such requests and related costs shall be separately agreed on by the Customer and the Supplier, and shall be communicated with the other Party upon Call-off at the latest.

9.3.1 When transporting the Goods, Supplier shall act according to NGM Decree No. 5/2015 (II.27.) on Electronic Public Road Trade Control System (hereinafter EKÁER Decree), and Supplier undertakes that during the performance of the Framework Agreement and the specific contracts, it shall fully perform the tasks imposed on the consignor and the consignee according to the rule of law.

#### 9.4 Supplier's special duties

##### 9.4.1 Monitoring of delivery deadlines and quality

Supplier shall facilitate it for the Customer to monitor the quality and progress of the Supplier's work as to manufacturing, including (but not limiting to) compliance with delivery deadlines and the option for the Customer to monitor the required quality and progress by its authorized supervisor or engineer. Supplier shall provide unlimited access for the Customer and / or the supervisor or engineer authorized by the Customer to its manufacturing and storage facilities and to any and all engineering documents relevant to progress and quality, and shall make trained personnel available for the provision of due information on quality and progress. Supplier shall impose the conditions stipulated in this section on any and all of its subcontractors with regard to the Goods. Customer or the supervisor or engineer authorized by the Customer shall inform the Supplier or the Supplier's subcontractor three days in advance in writing or by telephone of its intent to monitor quality and progress as per the Framework Agreement or the specific contract. The frequency of monitoring shall be determined only by the Customer or by the supervisor or engineer authorized by the Customer.

##### 9.4.2 Working Time

Supplier understands that unloading work may only be performed on the Worksite if agreed in advance with the head of the Customer's storage facility/warehouse, in compliance with the standard work schedule of the Customer's facilities, i.e. from Monday to Friday between 7:00 and 15:00. A written permission from the head of the Customer's storage facility/warehouse is required to deviate from this work schedule.

##### 9.4.3 Using Subcontractors (contributors)

Supplier understands that if during the performance of the Framework Agreement or the specific contracts, Supplier intends to involve in the performance of the Framework a subcontractor that does not meet the conditions set out in Section 62, Subsection (1) k) ka)-kb) of the PPA, Customer shall be entitled to refuse authorising the involvement of such subcontractor and consider its involvement unauthorised. However, subcontracting does not release the Supplier from its liability for the quality of Goods and for meeting the delivery deadlines, and Supplier shall be liable for subcontracted delivery as if performed by itself. Supplier understands that if during the performance of the Framework Agreement or the specific contract, Supplier employs a subcontractor without having it reported to the Customer, Customer will consider the said

involvement of such subcontractor unauthorised, and may suspend its performance with immediate effect, and ban it from the Worksite. In case of involving a subcontractor, Customer may request in writing – indicating the reason – that Supplier should replace the subcontractor with another one. Supplier may not refuse this request and within 10 (ten) days either a new subcontractor shall be involved or the Supplier shall perform the task. Supplier shall be liable for any damage which would not have occurred if it had not been for using the unauthorised subcontractor. Customer shall not in any circumstances be obliged by the agreement between the Supplier and its subcontractor. Supplier employs own workforce and workforce hired by subcontractors in the following structure.

Subcontractors to be used: -

Rules applicable to subcontractors shall also be applicable to the other contributors of the Supplier.

9.4.4 Supplier shall reveal its structure of ownership to the Customer throughout the duration of the Framework Agreement, and notify the Customer without delay of transactions as per Section 143, Subsection (3) of the PPA.

## 10. TESTS AND EXAMINATIONS

10.1 Customer is entitled to examine or arrange, at Customer's cost, the examination of any and all Goods during manufacturing – provided they are manufactured by the Supplier – , and test and arrange the testing of Goods delivered by the Supplier, subcontractor and their suppliers. If so requested by the Customer, Supplier shall duly demonstrate that the Goods meet the specifications agreed in the Framework Agreement and the specific contract.

10.2 Customer shall be informed in good time with regard to the tests scheduled by the Supplier. Customer reserves the right to participate in such tests.

10.3 Tests and examinations as per Sections 10.1 and 10.2 have no effect whatsoever on the warranty and guarantee obligations of, or on the deadlines undertaken by the Supplier.

10.4 If based on tests and examinations it is obvious that Supplier cannot complete contractual delivery in time or in the agreed quality, Customer shall be entitled to cancel the Framework Agreement or specific contract without any detrimental legal implications on the Customer or if the circumstances cannot be restored in kind to their conditions prior to the conclusion of the Framework Agreement or specific contract, terminate the Framework Agreement or the specific contract and demand damages if the Supplier is at fault in the delay. Supplier shall specify the reason for cancellation or termination in its termination notice. In the event that Customer cancels or terminates the Framework Agreement or the specific contract, Supplier shall be obliged as per the Civil Code to indemnify and hold the Customer harmless from and against claims for damages, and shall compensate the Customer for any cost and damage incurred due to the cancellation.

## 11. HANDOVER/TAKEOVER

11.1 Having the Goods delivered according to the delivery and service specifications accepted pursuant to the specific contract, having the defects exposed during tests as per Section 10 remedied, and having the complete documentation submitted to and verified by the Customer, Handover/Takeover shall be carried out in the presence of the authorised representatives of the Supplier and the Customer. Supplier shall request a date for Handover/Takeover at least two (2) business days in advance, in writing. Handover/Takeover shall be carried out on condition that no major problems or deficiencies were found during the final examinations and tests.

11.2 Customer checks the quality, quantity and sizes during Handover/Takeover. Any deviation from the Framework Agreement or the specific contract or from the original plans and installation drawings, any weight or size which is to be invoiced but impossible to check later on site shall be recorded in a protocol and signed by both the Customer and the Supplier.

11.3 A technical delivery certification protocol shall be taken on the results of the Handover/Takeover and signed by both Parties. Exposed problems shall be remedied within a reasonable deadline. Customer shall be entitled to retain payments for defective or unperformed parts of the Goods – without the legal implications of delayed payment – until Goods are delivered in the quantity and quality specified in the Framework Agreement or the specific contract and defects are remedied.

11.4 If the results of the Handover/Takeover indicate that the operation of the Goods meets the values prescribed in the Framework Agreement or the specific contract, Customer shall sign the Handover/Takeover Protocol. The guarantee and warranty period shall commence as of the above date with regard to the Goods. If during the Handover/Takeover, major defects are exposed, the Technical Handover/Takeover Protocol will not be signed by the Customer, and a date for a repeated Handover/Takeover shall be agreed, until which all the defects must be remedied.

## 12. TAKEOVER PROCEDURES

### 12.1 Handover/Takeover procedure

12.1.1 Handover/Takeover means that the Supplier has fully delivered the Goods ordered in the Call-off, in accordance with the Framework Agreement and the specific contract(s). Supplier acknowledges the proper performance of the Framework Agreement and the specific contract(s) by signing the Handover/Takeover Protocol. Handover/Takeover shall take place only if the Customer is present. Customer shall carry out the quantity check upon Handover/Takeover of the Goods, but not later than within 3 business days from the date of delivery. Customer performs the quality check later, when using the Goods. Customer will not examine the qualities of Goods which are certified or warranted by the Supplier (e.g.: manufacturer's certificates), and claims related to such defects are to be enforced pursuant to the contractual, legal conditions.

The costs of tests repeated due to non-contractual performance shall be borne by the Supplier.



12.1.2 Customer verifies Handover/Takeover only if Supplier hands over:

- (i) the Handover/Takeover Protocol or the Delivery Note
- (ii) declarations of conformity in 1 copy + 1 copy on an electronic data carrier – containing a collection of certificates,
- (iii) Other documents generated during Delivery.

The submission of the above documents shall also be a condition to paying the invoice.

12.1.3 Further conditions of the Handover/Takeover:

- (i) Delivered Goods are of first class quality; and meet
- (ii) the Framework Agreement, the specific contract(s), the Technical Specifications;
- (iii) the standards and relating regulations; and
- (iv) the instructions of the Customer.

12.1.4 Deficiencies/defects that do not affect intended use shall be recovered/remedied or eliminated by the Supplier within 15 days from Handover/Takeover at the latest. Should the Supplier fail to recover/remedy or control such defects, Customer may deduct from the Supplier's final invoice an amount required for eliminating such problems. In the event that the amount the Customer spends on recovering/remediating or controlling such defects exceeds the amount of the relevant call-off consideration, the difference shall be paid by the Supplier upon an invoice issued by the Customer.

12.1.5 A successful Handover/Takeover also means the start of a guarantee or warranty period for the product under the relevant specific contract.

### **13. LIABILITY, LIABILITY INSURANCE, QUALITY INSURANCE**

#### **13.1 General liability rules concerning the Supplier**

13.1.1 Pursuant to the Civil Code, Supplier shall assume full liability for any loss or damage incurred upon the Customer during the performance of the Framework Agreement, including any damage resulting from the violation of obligations as per Sections 9.3.1-9.3.2 if attributable to the Supplier. Supplier shall indemnify the Customer and relieve the Customer from third party claims for damages arising from or relating to the Framework Agreement and the specific contract(s), including any procedural penalties, fees or other costs imposed on the Customer due to the violation of obligations as per Sections 9.3.1-9.3.2 if attributable to the Supplier.

13.1.2 Supplier shall have liability for damages pursuant to the prevailing Civil Code for any contractual or non-contractual damage incurred upon the Customer. Customer shall be liable for any breach of contract or any non-contractual damage only if such damage was caused by gross negligence or criminal act. Limitations of liability applicable to the Customer shall be mutatis mutandis applicable to its employees and representatives. Liability of the Customer for breach of contract – regarding the ratio of Service and compensation – shall be excluded in any other cases having regard to the stipulations of Section 6:152 of the Civil Code. Customer reserves the right to enforce its rights arising from the breach of agreement, including the right for damages.

## 14. WARRANTY AND GUARANTEE ON GOODS

14.1 Supplier shall assume full warranty and guarantee for the delivered Goods. As part of the guarantee and warranty, if Supplier receives a notification from the Customer on any defective delivery, Supplier shall repair or replace – as preferred by the Customer – the Goods delivered under the Framework Agreement at its own costs, within a reasonable deadline as set by the Customer. (Supplier's subsequent performance)

14.2 The warranty period undertaken by the Supplier for any Goods delivered pursuant to the Framework Agreement and the specific contract(s) shall be one (1) year from the date of installation and eighteen (18) months from the date of technical handover/acceptance, whichever occurs earlier. The warranty / guarantee period shall start from the day of Handover/Takeover with regard to the technical content as per the specific contract(s).

14.3 Supplier shall at its own costs start remedying any defect without delay after receiving a written notification thereon from the Customer according to the following of the Customer's choice:

- a.) Supplier shall at its own costs send a replacement instead of the defective Goods or replace the whole quantity of Goods if required. Supplier shall be responsible for returning the defective part or the replaced whole quantity of Goods. Costs and risks (loss potential) of transportation shall be borne by the Supplier.
- b.) Supplier shall remove the defective Goods to have it repaired and return it to the Customer's site after remedying the defect. Costs and risks (loss potential) of transportation shall be borne by the Supplier. Supplier may at its own costs repair the defect at the Customer's site.
- c.) Under the terms as per items a)-b), Parties do not exclude the application of the Civil Code provisions on Liability for Defects and Product Warranties.

Unless explicitly and specifically notified otherwise by the Customer, defects shall be remedied via replacement.

In the event that Supplier fails to start remedying the defect within 8 days from being notified by the Customer, Customer shall be entitled to have the defect repaired at the Supplier's costs. In this case, Supplier may not invoke the infringement of guarantee rights.

The guarantee period for repaired or replaced parts shall re-start on the date of remedying the defect in case items a), b).

14.4 If Supplier refuses subsequent performance or if Supplier's first attempt to perform subsequently fails, or if Supplier fails to meet its subsequent performance obligations for any other reasons within the reasonable deadline specified by Customer, Customer shall be entitled – at its own choice – to cancel the Framework Agreement or the Call-off with regard to the call-off, or to terminate the Framework Agreement by extraordinary notice if the circumstances cannot be restored in kind to their conditions prior to the conclusion of contract, or to demand price discount, or to remedy the given defect at the Supplier's expense, and shall be entitled to set off the cost of these from the Purchase Price, or to demand a reasonable amount of advance payment from the Supplier for such measures. In addition to the above,

Customer shall be entitled to demand from the Supplier a refund for the costs and damage arising from the Supplier's breach of contract. Parties shall expressly understand that Customer is not obliged to ask for a subsequent performance from the Supplier or to grant an extended deadline for such performance. In case of subsequent performance by the Supplier, the warranty / guarantee period under the Framework Agreement shall be automatically extended with the period from the date the problem was reported by the Customer until defective Goods were successfully repaired or replaced. The above stipulations shall apply mutatis mutandis to any and all repaired or replaced defective Goods. The provisions of this section shall not affect the assertion of other guarantee or warranty rights provided to the Customer by relating law.

## 15. RULES CONCERNING DOCUMENTATION

15.1 All consignments shall be accompanied by a packing list containing at least the following information:

- name of manufacturer
- number, SAP number of the Framework Agreement and the specific contracts, and Item number
- Supplier's purchase order number
- name of Goods
- number or code number of Goods, facilitating the clear identification of the part without any further information

15.2 On all parts or in their documentation the following details shall be permanently indicated:

- name of Supplier/manufacturer
- number, SAP number of the Framework Agreement and the specific contracts, and Item number
- Supplier's purchase order number
- name of the Article
- number or code number of the Article, facilitating the clear identification of the Article without any further information.

## 16. SCOPE, TERMINATION AND AMENDMENT OF THE FRAMEWORK AGREEMENT

### 16.1 Scope of Framework Agreement

Framework Agreement shall take effect upon its signature by the Parties, and shall be in force until 10<sup>th</sup> September 2021.

### 16.2 Cases of Terminating the Framework Agreement

16.2.1 Customer shall be entitled to terminate the Framework Agreement or the specific contract with immediate effect, without compensating the costs or damage incurred at the Supplier in relation to the termination, by a written notice to the Supplier, indicating the reason or reasons for termination, if any of the cases specified in this Framework Agreement or if in any of the following cases occur:

- a) penalty reaches its maximum, or
- b) Supplier commits a material breach of contract, or
- c) Supplier violates its confidentiality obligation under the Framework Agreement, or
- d) Supplier damages the Customer's reputation and business integrity by its statement or behaviour or other conduct, or
- e) if it becomes obvious prior to the delivery deadline under the Framework Agreement or the specific contract that Supplier can perform its duties only with such a significant delay that is not anymore in the interests of the Customer, or
- f) if Supplier is in delay and refuses to undertake an extended deadline in spite of the Customer's warning, or
- g) if the extended deadline expires unsuccessfully, or
- h) if Supplier defaults on the delivery deadline set forth in the Framework Agreement or the specific contract and further delivery is not any more in the Customer's interest, or
- i) if either Party is insolvent or a winding-up or liquidation procedure was initiated against a Party
- j) the conditions pursuant to Section 143 (2) of the PPA exist.

16.3 In addition to the above, having regard to Section 143 (1) of the PPA, Customer may terminate this Framework Agreement with immediate effect or with a deadline that facilitates the performance of its task affected by the Framework Agreement, without the liability to pay damages if

- a) a material amendment of the Framework Agreement is inevitably required, for which a new public procurement procedure shall be carried out according to Section 141 of the PPA,
- b) Supplier fails to ensure compliance with Section 138 of the PPA or if a valid legal succession of the Supplier violates the stipulations of Section 139 of the PPA;
- c) based on Article 258 of the TFEU, an action for failure to fulfil obligations was initiated for the violation of the procurement rules, or the Court of Justice of the European Union found in an action initiated on the basis of Article 258 of the TFEU that there has been a failure to fulfil obligation under European Union law, and due to the legal violation found by the court, the Framework Agreement is not void.

16.4 Customer shall terminate this Framework Agreement with immediate effect or with a deadline that facilitates the performance of its task affected by the Framework Agreement, without the liability to pay damages if

- a) over 25% share is obtained directly or indirectly in the Supplier by a legal person or a business organisation without legal personality not satisfying the conditions set out in Section 62, Subsection (1) k) kb) of the PPA.
- b) the Supplier obtains directly or indirectly over 25% share in a legal person or a business organisation without legal personality not satisfying the conditions set out in Section 62, Subsection (1) k) kb) of the PPA.

16.5 In addition to the above, pursuant to Section 6:249 (1) of the Civil Code, Customer shall be entitled to cancel any specific contract or the Framework Agreement at its own choice, or in the event of partial

delivery, cancel the specific contracts or the Framework Agreement for the not yet offered parts, in which case, however, Parties shall settle with each other the demonstrated costs incurred until the day of effective termination. In the event of termination or cancellation as per this section, cancelled profit may not be enforced.

16.6 If the Customer's cancellation or termination is due to a reason attributable to the Supplier, Customer shall be entitled to enforce its cancellation or termination right without any further legal implications or liability to settle with the Supplier – indicating the reason –, in which case Customer shall reserve the right to enforce its rights arising from the breach of contract, including the right to claim damages.

16.7 If natural gas storage becomes fully or partly impossible and therefore storage operations (withdrawal, injection etc.) are shut down, Customer is entitled under Section 6:249 of the Civil Code to cancel the Framework Agreement or the specific contract – without any further legal implications, prior to the start of delivery –, or terminate the Framework Agreement or the specific contract following the start of delivery. Customer may exercise its cancellation or termination right within 10 business days from being notified on the reason for cancellation or termination.

16.8 In addition to the above, Customer is entitled to modify the delivery date of the specific contracts or to cancel or terminate the Framework Agreement or specific contracts via a unilateral statement – as an option – if the conditions existing at the time of concluding the Framework Agreement or the specific contracts materially affecting the conclusion of the Framework Agreement and the specific contract have changed – for reasons beyond the Customer's control –, and Supplier has not yet or has only partially performed its contractual obligations. Such right of the Customer shall not be applicable to items already called off and confirmed.

#### 16.9 Contract Amendment

Any contractual provision may only be amended in the form of contract amendment duly signed by the Parties' authorised signatory representatives. Verbal or implied amendment of contract shall not be effective. During contract amendment, the stipulations of Section 141 of the PPA and Section 22 of Government Decree No. 307/2015 (X.27.) shall be observed.

It shall not qualify as contract amendment if the court registry data of the Parties, hence particularly the seat, representatives, the account keeping bank or the bank account number change or if the data of the contact persons or the organization proceeding in connection with the conclusion and execution of the Framework Agreement or the entity of subcontractors change. The relevant party shall notify the other party with regard to these changes – depending on the circumstances and the relevant legal provisions – either in writing 10 days before, or within 10 days after the (registry of the) change.

### 17. FORCE MAJEURE

17.1 It shall not qualify as a breach of contract if either Party fails to meet its obligations as per the Framework Agreement or the specific contract through no fault of either Party (force majeure). Unforeseeable circumstances that may not be prevented by human intervention shall be regarded as force

majeure events (e.g.: war, national strike, earthquake, flood, fire, act of terrorism etc.), which do not depend upon the Parties will, but directly prevent the given Party from meeting its contractual obligations. If requested by the other Party, the Party concerned shall provide a due written proof of the force majeure. Except as otherwise agreed by the Parties in writing, the contractual deadlines shall be prolonged in proportion to the duration of the force majeure event.

17.2 In case of a force majeure to either Party, Parties shall enter into negotiations with each other in order to decide in view of the force majeure on the mitigation of the damage, or on the termination of the Framework Agreement in the last resort. Should the force majeure period exceed 30 (thirty) days, either Party is entitled to terminate the Framework Agreement in writing without any detrimental legal implications, even if the Framework Agreement otherwise does not entitle the Party to do so. Prior to terminating the Framework Agreement, Parties shall negotiate with each other on a possible amendment. If they fail to agree within 10 (ten) days, the Framework Agreement may then be terminated. Contracting Parties shall immediately inform each other in writing on any pending force majeure, the occurrence of force majeure and the probable duration thereof. The Party responsible for delay in providing information on a pending or occurring force majeure shall be accountable for any losses arising from such late notification.

## 18. CONFIDENTIAL HANDLING OF THE FRAMEWORK AGREEMENT, CONFIDENTIALITY

18.1 Parties agree that pursuant to Section 43, Subsection (1) d) of the PPA, the content and performance of this Framework Agreement is subject to disclosure obligation, hence the content of and data or information relating to the performance of the Framework Agreement shall not qualify as confidential information. Supplier shall not deem the content of this Framework Agreement and the data related to the performance hereof to be business secrets pursuant to Section 43, Subsection (2) of the PPA.

18.2 Supplier expressly grants its consent to the Customer to publish pursuant to its disclosure obligations contract data as per Section 2, Subsection (3) of Act No. CXXII on the Economical Operation of Public Business Associations (hereinafter referred to as PBA) in as far as the contract value or the total value of the Framework Agreements concluded with the Customer in the same financial year for the same subject reaches the limit set out in Section 2, Subsection (3) of the PBA.

18.3 By signing this Framework Agreement, Parties shall oblige themselves to handle data, information, operational and business policy events as business secrets, shall not disclose them to third parties, shall use them to the extent required for the performance of the Framework Agreement only, and shall have a declaration from their employees and subcontractors participating in the performance to this effect. Supplier shall understand that contributors shall also be bound by the confidentiality obligation the Supplier assumed. It shall not constitute a breach of confidentiality on behalf of the Customer if information is disclosed within the company group belonging to the Customer's shareholders.

18.4 Supplier shall handle personal data obtained during the performance of the Framework Agreement confidentially, in line with the provisions of Act No. CXII of 2011 on the Right of Informational Self-Determination and on Freedom of Information. Personal data may only be used by the Customer during the

performance of this Framework Agreement, for a dedicated purpose, to the extent required for fulfilling its tasks set out in the Framework Agreement.

18.5 Parties undertake to fully compensate the other Party for any substantiated damage arising from the violation of the above obligation.

18.6 Parties shall be subject to the obligation of handling information and data as business secrets without time limitations following the termination of this Framework Agreement for any reason.

18.7 Parties agree that during the conclusion and performance of this Contract, personal data of natural person employees, company representatives, contributors (hereinafter jointly referred to as "Contributors") are disclosed in relation to this Contract. Each Party shall be the controller with regard to their own Contributor, while the other Party shall be the recipient with regard to the controller Party's Contributor.

18.8 Supplier is informed by Customer that Customer shall process Contributors' personal data disclosed to Hungarian Gas Storage Ltd as recipient in relation to this Contract, during the management and performance of the Contract, for the purposes of keeping registry of documents, managing invoices and keeping registry of business partners' contact details at an organisational unit level, according to Annex No. 7 attached hereto.

18.9 Customer declares as data controller to have verifiably informed its own Contributors of the stipulations of this section in full as per the specifications herein.

18.10 By signing this Contract, Supplier unconditionally and irrevocably obliges itself to

- verifiably inform its own Contributors of the stipulations of this section in full as per the specifications herein, as data controller during the performance of this Contract,
- have full liability for damages with regard to the consequences arising from the non-performance or late performance of its obligation specified in this section, and shall completely indemnify and hold the Customer harmless from and against any relating claim or demand, and shall act towards a third party with regard to such claim or demand. Supplier expressly declares that this obligation includes the Supplier's full and complete payment of penalties or penalty type sanctions imposed by any authority – including the National Authority for Data Protection and Freedom of Information, EU authority –, court or third party acting in relation to the above.

18.11 Violation of the stipulations of this Section 18 shall qualify as a material breach of contract.

## 19. KEEPING CONTACT AND COMMUNICATION

19.1 For the sake of a fast exchange of information, beyond traditional correspondence, contracting Parties shall also keep contact electronically via their representatives listed in Annex No. 5.

19.2 During the performance of the Framework Agreement and the specific contracts, Parties shall keep contact with each other exclusively via the above mentioned representatives. The scope of authority of the representatives shall not include the amendment or the termination of the Framework Agreement and the specific contracts. Any modification in the person or data of the contact persons designated in this section, and any change in either Parties' notification address set out in this Framework Agreement or the specific contract(s) shall be communicated to the other Party within 5 (five) business days in writing, and shall be effective upon the other Party's written confirmation. Any damage arising from the default on this shall be borne by the defaulting Party.

19.3 Measures taken and statements made during cooperation shall be recorded in writing by the Parties - in any case.

19.4 Parties hereby agree that statements and notices mailed to the delivery address(es) set out in this Framework Agreement shall be deemed delivered even if the postal service returns them to the sender as "addressee unknown" or "unclaimed". In these cases, mails shall be deemed delivered on the 5th (fifth) business day following the second postal delivery attempt.

## 20. MISCELLANEOUS PROVISIONS

### 20.1 Modification, Additional Work

Any further deliveries of Goods becoming necessary during the performance of the Framework Agreement and the specific contracts shall be authorized by the Customer in writing, together with the related fees, as per the provisions of the PPA, prior to their performance if they could not be foreseen at the time of concluding and awarding the Framework Agreement and the specific contracts or if they were subsequently requested by the Customer, and in line with the provisions of the PPA, the required procedure shall be carried out for the procurement of such work. Customer shall not undertake to pay for any additional services or work provided without a written agreement or procedure pursuant to the PPA, as such delivery of Goods is performed under the Supplier's responsibility. Conditions stipulated in the Framework Agreement and the specific contract - including the deadlines -, shall be applicable to the additional deliveries of Goods arising in relation to the performance of the Framework Agreement and the specific contracts, unless otherwise agreed by the Parties in writing, or unless the nature or extent of required modifications makes it inevitable to extend a deadline in the common interest of the Customer and Supplier.

20.2 Supplier undertakes not to employ the employees of the Customer and the MVM Group via employment relationship, other legal relationship of work or via other civil relationship during the performance of the Framework Agreement and the specific contracts. This obligation shall also extend to the subcontractors of the Supplier.

### 20.3 Intellectual Property



20.3.1 Supplier shall transfer the exclusive utilization right of copyrighted work and other intellectual property (e.g.: documents, results, engineering and other documentation etc.) generated on the basis of the Framework Agreement and the specific contracts, including inter alia the right to publish, reproduce, distribute and implement in practice (hereinafter referred to as "Utilization Right"). The transfer of the Utilization Right shall be unlimited and irrevocable in time and place, and with regard to the purpose, scope and method of use. The Utilization Right includes the unlimited right to transfer them to third parties and to revise them. If the uses specified in this Framework Agreement change/extend during the term of the Framework Agreement so that they facilitate a more efficient, more favourable or higher quality use compared to the uses known upon the conclusion of and permitted by the Framework Agreement, the Utilization Right obtained under this Framework Agreement shall cover such changed or extended uses, as well.

20.3.2 Customer may use the general knowledge, methods and concepts obtained during the performance of the Framework Agreement and the specific contracts, in compliance with the confidentiality obligation, without limitation.

20.3.3 Any copyrighted work or any other intellectual property created by the Supplier prior to the conclusion of this Framework Agreement, or outside the Framework Agreement and the specific contracts, shall remain the property of the Supplier. Customer shall obtain a non-exclusive, non-transferable utilization right not limited in time with regard to such intellectual property, for internal use and for the purpose they were handed over for.

20.3.4 Furthermore, Supplier warrants that the Utilization Right specified in this section covers any copyrighted work or intellectual property developed by its subcontractors or contributors during the performance of this Framework Agreement, for which purpose Supplier warrants to conclude subcontractor agreements that expressly provide for the Customer's utilization right with the same content as specified in this section.

20.3.5 Supplier warrants that with regard to the intellectual property specified in this Section 20, no third parties have exclusive copyright/property right, utilization right which would restrict or prevent the Customer's acquisition of right or use as per this Framework Agreement and specific contracts, and exercising the Customer's rights as per this Framework Agreement does not violate the rights or legal interests of any third party. In the event that such restrictive third party right exist, Customer requests the Supplier along with setting a deadline to either eliminate the restrictions of utilization or provide a suitable security. Should Supplier fail to do so, Customer shall be entitled to cancel the Framework Agreement – indicating the reason –, or to terminate the Framework Agreement with immediate effect if circumstances cannot be restored in kind to their conditions prior to the conclusion of the Framework Agreement, and to enforce its claim for damages.

20.3.6 Supplier represents and warrants that in relation to the subject of the Framework Agreement, no third parties are entitled to raise copyright or other claims against the Customer, and also undertakes to indemnify and hold the Customer harmless from and against such claims.

20.3.7 These provisions shall remain in force throughout the duration of copyright, irrespective of the termination of the Framework Agreement.

#### 20.4 Transfer of Ownership Rights and Risks

Parties agree that ownership rights regarding the delivered Goods shall be transferred to the Customer by the Handover/Takeover procedure. Accordingly, the risks relating to the delivered Goods shall be transferred from the Supplier to the Customer simultaneously with the Handover/Takeover procedure.

#### 20.5 Assignment, Transfer of Contract

Parties agree that they shall be entitled to assign their claims arising from this Framework Agreement and the specific contracts to a third party. Upon a corresponding manifestation of will, Parties may agree on the transfer of the whole of the rights and liabilities arising from this Framework Agreement and the specific contracts to a third party entering the Framework Agreement (transfer of contract).

#### 20.6 Non-Waiver

Accepting any performance that is not in compliance with the provisions of the Framework Agreement and the specific contracts shall not be construed as waiving the right to enforce claims arising from the breach of contract at a later date. Any valid waiver of rights with regard to the Framework Agreement may only take place via a written statement expressly issued to this effect. If either Party waives the assertion of its rights regarding a case when the other Party failed to perform a provision of the Framework Agreement and the specific contracts

- a) it does not mean and may not be interpreted as waiving the assertion of rights in case of other or further (similar or different) default; or
- b) it shall not be valid without a waiver statement duly signed by the Party's duly authorized representative.

Failing to claim due performance from the other Party regarding the provisions of the Framework Agreement and the specific contracts, or granting a deadline or other extension to the other Party shall not mean that the entitled Party waives the assertion of its rights in case of such breach of contract.

#### 20.7 Representation

Parties mutually represent that on the day of signing this Framework Agreement, neither of them is subject to any bankruptcy, liquidation or winding-up procedure.

#### 20.8 Severability

If any of the provisions of the Framework Agreement and the specific contracts or their application to a person or condition proves to be invalid or unenforceable due to a resolution of any authority, this shall not affect the validity or application of other provisions as per the Framework Agreement and the specific

contracts. Such invalid provision shall be replaced with a valid provision which most approximates the intention, the assumed risks and benefits of the Parties with regard to the provision to be replaced.

#### 20.9 Completeness of the Framework agreement

Parties represent that this Framework Agreement governs the agreement made between the Parties to the full, contains all the terms of the agreement between the Parties, repeals any prior, oral negotiation or prior written agreement or statement in this subject matter, and Parties also expressly agree to derogate from the stipulations of Section 6:63 (5) of the Civil Code, the provisions of which shall not be applicable to the legal relationship under this Framework Agreement. Parties agree that this Framework Agreement shall not contain any of the customs the application of which the Parties agreed on in their former business relation, or the practices they have already established between each other. Parties also agree that this Framework Agreement shall not contain the customs widely known and regularly applied by parties to similar contracts in the relevant line of business.

#### 20.10 Reference

Supplier may mention the Framework Agreement or its cooperation with the Customer as a reference.

#### 20.11 Applicable Law

In issues not regulated by this Framework Agreement, the prevailing Hungarian legislation, with particular regard to Act No. V of 2013 on the Civil Code (Civil Code) and Act No. CXLIII of 2015 on Public Procurement (PPA) and Gov. Decree No. 307/2015 (X.27.) on the special public procurement rules governing the public procurement of public utility service providers shall apply. Parties expressly exclude the application of the UN convention on the international private law rules and on contracts for the international sale of goods dated 11 April 1980. The common commercial terms shall be construed on the basis of the prevailing Incoterms (ICC, Paris).

#### 20.12 Settlement of Legal Disputes

Parties agree to try to settle all disputes arising in connection with the Framework Agreement primarily in an amicable way, by means of negotiations. If they fail to agree within 30 (thirty) calendar days from the start of such negotiations, and unless the Pest Central District Court or the Metropolitan Court of Budapest or the Court of the Budapest Region has jurisdiction pursuant to the applicable rules of law, Parties shall agree on the exclusive jurisdiction of the Buda Central District Court and the Court of Székesfehérvár depending on the subject and value of the dispute.

20.13 This Agreement was drawn up in 4 (four) identical Hungarian and English original versions, out of which the Customer and the Supplier shall each retain 2 (two) original versions. In case of any discrepancies in between the two texts, the Hungarian version shall prevail.

#### 20.14 Annexes

The following annexes shall form an inseparable part of the Framework Agreement:

- Annex No. 1: Technical Specification
- Annex No. 2: Unit Price List
- Annex No. 3: Call-Off and Confirmation template
- Annex No. 4: Delivery Certificate template
- Annex No. 5: Contact Persons
- Annex No. 6: Specific Contract template
- Annex No. 7: Information about Processing Personal Data
- Annex No. 8: Price Adjustment Formula


In witness whereof, the Parties have read, jointly understood and duly executed this Framework Agreement in 4 (four) original Hungarian and English copies with fully identical text - out of which Customer and Supplier shall each retain 2 (two) originals - on this day via their authorised representatives in full accordance with their will. In case of any difference between the texts, the contract in Hungarian shall prevail.

Dated: Budapest, 10<sup>th</sup> September 2018



László Fritsch  
chairman and CEO

**Hungarian Gas Storage Ltd**  
Customer



Lajos Erdélyi  
Head of Central Operation



Nicolas Cailloux  
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