

CONTRACT FOR SUPPLY AND SERVICES

concluded by and between

HungaroControl Pte. Ltd. Co.

Registered seat: 1185 Budapest, Igló utca 33-35., Hungary
EU VAT number: HU13851325
Company reg. number: 01-10-045570
Bank account number: HU2710300002-10459732-48820029
SWIFT: MKKBHUHB
Represented by: Barnabás KIS, Chief Technology Officer and
Gyula HANGYÁL, Director of ATM

as customer, hereinafter referred to as: **Customer;**

and

...

Registered seat: ...
EU VAT number: ...
Company reg. number: ...
Bank account number: ...
IBAN: ...
SWIFT: ...
Represented by: ...

as seller, hereinafter referred to as: **Seller;**

Customer and Seller collectively referred to as: **Contracting Parties**, on the date and at the place indicated below, under the following terms and conditions:

1 PREAMBLE

Contracting Parties record that Seller's offer (hereinafter referred to as: **the Offer**) was announced as the winner of the public procurement procedure initiated by the Customer for the "*Purchasing of 2K x 2K LCD monitors*" (hereinafter referred to as: **the Public Procurement Procedure**) and hence the Contracting Parties enter into a contract (hereinafter referred to as: **the Contract**). The invitation to tender for the Public Procurement Procedure was published on TED on [...] June 2017 under no. 2017/S [...].

2 SUBJECT OF THE CONTRACT

2.1 Seller undertakes the obligation that subject to the terms and conditions stipulated in the Contract and Annexes thereto it shall

- a. manufacture, test, package and deliver to the Customer 60 pieces of 2K x 2K sized LCD monitors (hereinafter referred to as: the “**Devices**”),
- b. provide trainings for the technical staff of the Customer,
- c. cooperate in setting the Devices in compliance with Section 8 of the Contract,
- d. Ensure the supply of parts and components for the Devices to the Customer,
- e. Provide a warranty to the Customer for the Devices.

2.2 The Devices shall fully comply with the requirements set out under the Contract and its Annexes.

The Devices shall meet the following criteria in accordance with the Offer:

- a. The Devices shall be equipped with **LED / traditional backlight**.
- b. The Devices **shall be/ shall not be** equipped with cooling fan.
- c. The maximum power consumption of a Device shall be **... W**
- d. The power consumption of a Device in stand-by state shall be: **... W**

2.3 The Devices shall be new and unused. No renovated components may be used in the Devices.

2.4 If the performance is free of any defects, the Customer shall be obliged to take over the Devices, in accordance with the Contract, furthermore to pay the price specified in Section 3.1 of the Contract, under the terms and conditions specified in Section 4 of the Contract.

3 CONSIDERATION PAYABLE FOR THE CONTRACT

3.1 The amount payable by the Customer as a consideration for the performance of the Seller’s obligations specified under this Contract shall be **net EUR [...]**; in words: **net [...]** euros (hereinafter referred to as: **the Fee**).

3.2 The Fee shall include, among others:

- a. the transfer of ownership of the Devices,
- b. the provision of documents and data specified in the Contract,
- c. the storage, packaging, shipment to Hungary, eventual customs clearance, costs of customs clearance, costs of release for free circulation, shipment within Hungary, temporary storage, loading and unloading, transportation of the Devices to the installation site (including the movements within buildings),
- d. consideration payable for the tests and other demonstrations carried out by the Seller,
- e. spare parts supply,
- f. trainings,
- g. insurance costs of the Seller,

- h. warranty,
 - i. provision of the warranty bond,
 - j. as well as any other expenses arising on the part of the Seller in connection with performance of the Contract, provided that their arising was foreseeable at the conclusion of the Contract or that their arising did not result from circumstances attributable to a change of plans or demands of the Customer only.
- 3.3 The Fee shall include and cover all the possible taxes, duties, as well as any other payment obligations payable in the country of the registered seat of the Seller as of the effective date of this Contract. The VAT payable in Hungary shall be paid in addition to the Fee, in line with the currently effective legal regulations.
- 3.4 The Seller declares that it has ascertained that the Fee is appropriate and sufficient and represents sufficient cover to perform all the Seller's obligations stipulated under this Contract. The Fee shall also cover the ancillary charges arising in connection with the tasks specified in the Contract, including but not limited to the costs or losses possibly incurred by the Seller arising out of any possible changes in the price of the Devices or possible exchange rate fluctuations after the submission date of Seller's final offer.
- 3.5 Seller does not have the right to increase the Fee during the term of the Contract.

4 TERMS OF PAYMENT

- 4.1 Customer undertakes the obligation to pay the Fee to the Seller's bank account, by bank transfer, following full and impeccable performance, within 30 (thirty) calendar days reckoned from receipt of the invoice meeting the requirements of form and content as prescribed by law and the Contract, in conformity with the provisions of Section 135 of Act CXLIII of 2015 on *Public Procurement* (hereinafter referred to as: **the Public Procurement Act**) and Section 6:130 of Act V of 2013 on the *Civil Code* (hereinafter referred to as: **the Civil Code**).
- 4.2 Seller shall be entitled to issue the invoice to the Customer following receipt of the written performance certificate issued by the person entitled to verify performance, in line with Section 9 of the Contract.
- 4.3 The invoice shall contain and itemize separately the fees payable for the Devices, and for the individual services provided pursuant to the Contract, especially the fee of the trainings. Seller shall be obliged to inform the Customer in the invoice or the annexes thereto about the customs tariff code and weight of the Devices, as well as the type, material and weight of the packaging applied.
- 4.4 Seller acknowledges that Customer does not pay any advance payment and does not allow the option of submission of a partial invoice.
- 4.5 Seller acknowledges that the Customer shall not pay the consideration stipulated in the Contract to any party other than the beneficiary identified herein, and the right to the consideration, as a claim, may not be assigned to any other party.
- 4.6 The Seller acknowledges that the Customer shall not pay the consideration stipulated herein to any party other than the beneficiary identified herein, and the right to the consideration, as a claim, may not be assigned to any other party. Pursuant to Paragraph a) of Subsection (1) of Section 136 of the Public Procurement Act, the Seller may not pay and may not book (recognise as an expense) any cost relating to this Contract that may arise toward a company not meeting the conditions stipulated in Subparagraph ka)

and kb) of Paragraph k) of Subsection (1) of Section 62 of the Public Procurement Act and that are capable of reducing the taxable income of the Seller. The Contracting Parties agree that Section 36/A of Act XCII of 2003 *on the Rules of Taxation* shall be applicable to any and all payments to be made hereunder.

- 4.7 The invoice shall be sent in a registered mail with return receipt to the Financial and Accounting Department of HungaroControl Pte. Ltd. Co. (1185 Budapest, Igló utca 33-35., Hungary). Electronic invoices shall be sent to the postazo@hungarocontrol.hu e-mail address. The invoice should refer to the contract number of this Contract given by the Customer (HC-2017-7384).
- 4.8 In the event the invoice cannot be entered into the financial books or cannot be accepted due to absence of any criteria (such as contract number) required by law or otherwise, then Customer shall return the given invoice to the Seller. In such an event the deadline for payment shall commence as of receipt of the duly corrected invoice.
- 4.9 In case of overdue payments by the Customer, the Seller shall be entitled to charge an interest for late payment (default interest) according to Subsection (1) of Section 6:155 of the Civil Code.
- 4.10 Having regard to Subsection (2) of Section 136 of the Public Procurement Act, Seller shall attach to the Contract an authorisation, according to which the Hungarian taxation authority may obtain information about the Seller directly from the taxation authority having competence for the Seller without requesting legal assistance from the other country.

5 TERMS AND CONDITIONS OF PERFORMANCE

- 5.1 Seller shall be obliged to supply to the Customer the Devices having the same make, type and series as the sample product made available for testing purposes to the Customer during the Public Procurement Procedure.
- 5.2 Contracting Parties undertake to make all reasonable efforts to ensure that their respective obligations determined under the Contract are performed actively, accurately, and without delay.
- 5.3 Contracting Parties shall cooperate with each other, with mutual negotiations, to the maximum extent in order to solve any possible difficulties and problems arising during performance of the Contract for purpose of achieving the contractual goals.
- 5.4 Contracting Parties shall be obliged to provide all justified information requested by the other Contracting Party in connection with performance of the Contract, within a reasonable deadline.
- 5.5 Unless otherwise stipulated by law, the Contracting Parties shall not perform, tolerate or allow the performance of such actions that could in any way have a detrimental impact on any right of the other Contracting Party, or which could have a detrimental impact on the other Contracting Party's reputation or goodwill.
- 5.6 Contracting Parties shall be obliged to provide all justified information requested by the other Contracting Party in connection with performance of the Contract, within a reasonable deadline.
- 5.7 Contracting Parties shall ensure that their obligations hereunder will be performed with due care, expertise, and prudence by competent persons possessing appropriate qualifications and experience.

- 5.8 Contracting Parties agree not to perform their obligations and exercise their rights under the Contract in a manner that is in any way incompatible with the Contract.
- 5.9 Contracting Parties agree to comply with all relevant legal requirements in the course of the performance of the Contract. Seller warrants that the Devices meet the applicable life and property safety, labour safety, environmental and health provisions of Hungarian and EU law.
- 5.10 The Devices must have CE certificate and shall meet the applicable European and Hungarian standards. Upon the Customer's request, the Seller shall be obliged to confirm the conformity of the Devices, in the way and form requested by the Customer.
- 5.11 According to Subsection (1) of Section 138 of the Public Procurement Act, the Contract shall be performed by the Seller. In the cases and ways defined in Subsection (9) of Section 65 of the Public Procurement Act, the Seller shall involve in the performance of the Contract all entities and professionals whose capacities have been relied on by the Seller with regard to the selection criteria of the Public Procurement Procedure. The Seller shall be entitled to dispense with the involvement of such entities and professionals or to replace such entities and professionals with others only in the cases defined in Subsection (2) of Section 138 of the Public Procurement Act. With regard to Subsection (10) of Section 65 of the Public Procurement Act, the Contracting Parties agree that the tasks of instalment and commissioning of the Devices shall be performed by the Seller itself, i.e. subcontractors shall not be involved in the performance of those tasks. Apart from those tasks, the Seller may involve subcontractors in the performance of the Contract pursuant to Subsections (3) and (4) of Section 138 of the Public Procurement Act. The legal successor of the Seller may be involved in the performance of the Contract in the cases defined in Subsection (1) of Section 139 of the Public Procurement Act.
- 5.12 With regard to Paragraph (b) of Subsection (1) of Section 136 of the Public Procurement Act, the Seller shall allow the Customer to become familiar with the ownership structure of the Seller during the entire period of performing the Contract, and shall notify the Customer about any of the following transactions without delay:
- a. Any legal person or entity having legal capacity under its personal law, which falls under the condition set out in Subparagraph kb) of Paragraph k) of Subsection (1) of Section 62 of the Public Procurement Act, acquires, directly or indirectly, an ownership interest exceeding 25% in the Seller.
 - b. Seller acquires, directly or indirectly, an ownership interest exceeding 25% in any legal person or entity having legal capacity under its personal law, which falls under the condition set out in Subparagraph kb) of Paragraph k) of Subsection (1) of Section 62 of the Public Procurement Act.
- 5.13 With the exceptions defined in Sections 43 and 44 of the Public Procurement Act, all the data related to the Contract or obtained by the Customer and the Seller regarding each other in connection with the Contract, shall constitute business secret. The Customer and the Seller undertakes to handle strictly confidential all data that, pursuant to the aforesaid, constitute business secret, and shall not disclose or make available such data to third parties without the prior written consent of the other Party, neither during the term of the Contract nor following its termination, and shall use such data exclusively for the purpose of performing the Contract.

6 TRANSPORTATION

- 6.1 Seller shall be obliged to ship and deliver to the Customer the Devices, with DDP (delivered duty paid) to 1185 Budapest, Igló u. 33-35., Hungary (Incoterms 2010), within 70 (seventy) calendar days from entry into force of the Contract, in the contractual manner.
- 6.2 Seller shall ensure that the packages are insured during transport and that the insurance covers the damages that may occur during loading and unloading.
- 6.3 Customs clearance (if applicable) shall be arranged by the Seller, at his own costs and expense.
- 6.4 Seller shall package the Devices in a manner that prevents any and all damages and losses during transport. The packaging shall provide adequate protection against rough treatment, extreme temperature, and rainfall. The packages shall contain absorbent materials in order to prevent internal condensation. The packaging method shall ensure that any and all unauthorised openings of the packages are immediately apparent.
- 6.5 Delivery can take place at a time agreed with the Customer in advance. Seller shall be obliged to notify the Customer about the exact time of the delivery, 5 (five) working days prior to the day of delivery at the latest, via fax and in e-mail, with due indication of the following data:
- the contract number of this Contract (HC-2017-7384),
 - type and registration number of the vehicle used for road transport, and the particulars and contact details of the shipping and loading personnel,
 - expected method, date and time of the delivery,
 - address of loading and unloading,
 - particulars of the products (e.g. quantity, quality, number of packages, gross and net weight, size of the packages, type and material of the packaging, Customs Tariff Code [combined nomenclature]).

Should any of the above information be unknown at the time of the notification, the notification on the missing data shall be made not later than the day before the actual delivery.

Any and all damages arising from sending or not sending the notice shall be borne by the Seller.

- 6.6 The Devices shall be delivered together with the following documents:
- Copy of the document verifying the CE classification of the delivered Devices;
 - operating and end user manual and/or description in English and/or Hungarian.
- 6.7 The Contracting Parties specifically agree that any and all liability concerning shipment (including, among others, possible temporary storage, loading, unloading, packaging of appropriate quality, unpacking, customs clearance, etc.) shall be borne by the Seller and shall be covered by the Fee.
- 6.8 Customer shall carry out the visual inspection and quantity inspection of the delivered Devices, within 2 (two) working days from delivery, and shall communicate to the Seller his remarks and claims regarding defective performance (if any), in writing. In the event the Devices meet the requirements laid down in the Contract, the Contracting Parties shall sign a **delivery and acceptance protocol**. The ownership title over the Devices as

well as the related risk of damage shall be transferred to the Customer as of signature of the delivery and acceptance protocol.

7 TRAINING

Seller shall be obliged to provide trainings to the technical staff designated by the Customer about the setting and maintenance of the Devices, within 20 (twenty) calendar days from the mutual signature of the delivery and acceptance protocol by the Contracting Parties, on five occasions, for at least four persons per event. The exact times of the trainings shall be determined by the Customer, following negotiations thereto with the Seller. The venue of the trainings in Budapest shall be ensured by the Customer. The duration of the trainings shall be determined mutually by the Contracting Parties.

8 SETTING OF THE DEVICES

Seller shall be obliged to make the settings on the monitor selected by the Customer, according to the needs of the end users. The settings shall be made on 1 (one) piece of monitor (out of the delivered Devices) selected by the Customer according to his own discretion, within 20 (twenty) calendar days from the mutual signature of the delivery and acceptance protocol by the Contracting Parties, at the time specified by the Customer. Seller shall be obliged to save the parameters of the settings accepted by the Customer and to deliver these parameters to the Customer in such a way so that the technical staff of the Customer participating at the trainings will be able to make these settings of the Devices on their own.

9 ISSUANCE OF THE PERFORMANCE CERTIFICATE

Following signature by the Contracting Parties of the delivery and acceptance protocol verifying contractual delivery of the Devices, and after completion of the trainings of the technical staff designated by the Customer according to Section 7 of the Contract and after the completion of the settings of the monitor selected by the Customer according to Section 8 of the Contract, furthermore, provided that the Seller has provided the warranty bond to the Customer in the contractual way, the Customer shall issue the **performance certificate** to the Seller.

10 SUPPLY OF COMPONENTS AND PARTS

- 10.1 Seller shall be obliged to deliver to the Customer, based on the Customer's ad hoc purchase orders, any further components and parts necessary to the Devices, for at least 5 (five) years following the day of signature of the delivery and acceptance protocol by both Contracting Parties. The components and parts necessary for the regular maintenance of the Devices and the components and parts the periodical replacement of which are required by the manufacturer of the Devices shall be delivered by the Seller to the Customer within 30 (thirty) calendar days from receipt of the Customer's respective purchase order, whereas the other spare parts shall be delivered by the Seller to the Customer as soon as possible, but within 90 (ninety) calendar days from receipt of the Customer's respective purchase order, at the latest.

10.2 In the event the production of any of the components and parts is terminated following the period stipulated under Section 10.1 of the Contract, Seller shall be obliged to send a prior notice to the Customer about the expected termination of production, allowing the Customer sufficient time to ensure the purchasing of the needed supplies.

10.3 Seller undertakes:

- a. To send to the Customer the catalogues and price lists of the components and parts related to the Devices, regularly, at least once every 2 (two) years, free of charge;
- b. To deliver the components and parts to the Customer always at the most favourable prices offered to other customers;
- c. That the components and parts delivered pursuant to Section 10.1 of the Contract shall always be interchangeable and of identical or better quality than the ones installed into the Devices.

11 CONTACT PERSONS

11.1 Seller's contact person in connection with the Contract:

name: ...
phone: ...
cell phone: ...
fax: ...
e-mail: ...
postal address: ...

11.2 Customer's contact person in connection with the Contract:

name: Mr Pál SÁRI
phone: +36-1-293 4125
cell phone: +36-30-914 7432
fax: +36-1-293 4121
e-mail: pal.sari@hungarocontrol.hu
postal address: 1185 Budapest Igló utca 33-35

11.3 Person appointed by Customer to verify performance:

name: Mr Gábor BAJKÓ
phone: +36-1-293 4110
cell phone: +36-30-328 7563
fax: +36-1-293 4121
e-mail: gabor.bajko@hungarocontrol.hu

11.4 Contracting Parties agree to notify each other in advance about any change taking place regarding the above persons. Any change regarding the above persons shall enter into effect as of contractual communication thereof to the other Contracting Party and shall not require the amendment of the Contract.

- 11.5 The language used for contact purposes shall be the Hungarian or the English language.
- 11.6 Contracting Parties agree that any and all statements and other notices shall be sent to the other Party in writing (by personal delivery confirmed in writing, courier, via registered mail with return receipt, by e-mail with confirmation of receipt or via fax with confirmation of receipt). The notices shall become effective at the time of taking receipt by the addressee in a certified manner.
- 11.7 The Contracting Parties agree that statements sent via fax or e-mail shall be regarded as served and effective on the day of receipt, if sent to the addressee on a working day before 16:00 (CET), as confirmed by a successful transmission report or confirmation. Messages sent via fax or e-mail on holidays, or on working days after 16:00 (CET), and confirmed by a successful transmission report or automatic confirmation, respectively, shall be deemed as served to the addressee at 08:00 (CET) on the next working day following the day of the transmission. In case of any dispute, the sender shall provide evidence for the date and time of sending the message.
- 11.8 Notices sent via registered mail with return receipt shall be deemed as served on the day of the attempted delivery, if the addressee refuses to take receipt of the delivery. In case of unsuccessful service, the communication shall be deemed as served – unless proven otherwise – on the 5th (fifth) working day following the second attempted postal delivery, if the service was unsuccessful because the addressee did not take receipt of the delivery (it was returned as „uncollected”).
- 11.9 If, based on the well-grounded written opinion of the Customer, the contact person of the Seller is not capable of performing his/her tasks or he/she performs these tasks without the required care and circumspection, then Customer shall be entitled to demand removal of the contact person of the Seller or his/her replacement, with a written statement sent to the Seller.
- 11.10 Contracting Parties shall notify each other of any material changes to their company data (such as their address, phone number, fax number, contact persons) as soon as possible.

12 OBSTACLES

- 12.1 Contracting Parties undertake to notify each other immediately about any obstacles or circumstances that could result or justify any amendment to the Contract.
- 12.2 Seller shall be obliged to notify the Customer as soon as possible, if such a circumstance occurs that prevents, hinders or jeopardises the contractual performance, or any such circumstance that could result a technical solution different from the one determined under the Contract, even if the Customer should have been aware of the given circumstance without the Seller's notice. Under the notice, the Seller shall be obliged to provide an exact and precise definition of the given circumstances, its causes, and (if possible) it shall propose the necessary measures.

13 LIQUIDATED DAMAGES (PENALTY)

- 13.1 Should the Seller fail to perform within a certain time limit specified under the Contract for a reason within its control, Seller shall be obliged to pay liquidated damages for delay. The amount of the liquidated damages for delay (late performance penalty) shall be 1% of the Fee for each day of the delay. The maximum amount of the liquidated damages for delay shall be 20% of the Fee. The liquidated damages for delay shall become due, if the delay is eliminated or the amount of the liquidated damages for delay reaches its maximum.
- 13.2 If performance becomes frustrated due to a reason attributable to the Seller, the Seller shall pay liquidated damages for frustration of contract, the amount of which shall be 20% of the Fee. The performance of the Contract shall be regarded by the Contracting Parties as frustrated if (among others) in particular:
- a. Seller refuses to perform without due cause, or
 - b. performance is frustrated due to any reason within the control of the Seller, or
 - c. Due to the Seller's delay the Customer provided an additional deadline, but Seller failed to perform within such additional deadline, and hence the Customer rescinded the Contract, or
 - d. Customer rescinded the Contract on the grounds of Seller's material breach of contract.
- 13.3 The Customer may claim liquidated damages even if he has not incurred any losses. Customer shall be entitled to enforce the damages incurred by it in excess of the liquidated damages. Customer shall have the right to enforce the liquidated damages and also his claim for damages beyond the liquidated damages, as an overdue money claim, by offsetting the respective amount against the Seller's invoice. Customer may also enforce its claim for liquidated damages against the Seller under a separate invoice. Contracting Parties agree that in case the Customer enforces its claim for liquidated damages under a separate invoice, the Seller shall fully meet its obligation to pay the liquidated damages within 30 (thirty) calendar days from the date of issuance of the respective invoice.

14 WARRANTY

- 14.1 Seller represents that the Devices and the documents to be delivered to the Customer based on the Contract are accurate, of high professional quality, complete, and meet the requirements specified under the Contract and its Annexes. Seller represents and warrants that it performs its contractual obligations in the light of the purpose of the Contract and in accordance with the applicable laws, standards, and technical specifications. Seller warrants that the Devices are free from planning, manufacturing or material defects, and meet the expectations specified in Annex no. 1 of the Contract.
- 14.2 Seller represents and warrants that the performance of the Contract by the Seller and the use of the Devices by the Customer do not violate the rights of third parties. Seller expressly represents and warrants that there are no third party rights or claims concerning the subject of the Contract, which would in any way, impede, prevent, or delay the performance of its contractual obligations. Seller shall be obliged to directly indemnify, defend and hold harmless the Customer in terms of any and all costs, losses, expenses, claims or encumbrances that third parties wish to enforce against the Customer

in connection with any damages or non-pecuniary harms caused in relation to the Contract.

- 14.3 Seller shall undertake a warranty regarding the Devices, in line with Section 6:171 of the Civil Code. The warranty shall expire as of lapse of [...] (...) months following the day of signature of the performance certificate (hereinafter referred to as: **the Warranty Period**).
- 14.4 Should the Customer experience any defects during the Warranty Period, he shall notify the Seller in writing, within 30 (thirty) calendar days from becoming aware of the given defect. The Customer may notify the Seller of the defects occurred during the Warranty Period by the 30th (thirtieth) calendar day following the expiry of the Warranty Period. Within the framework of the warranty, the Customer shall have the right to enforce warranty claims with identical content as guaranteed under the statutory implied warranty rights. Subsections (2), (3) and (4) of Section 6:159 and Section 6:160 of the Civil Code shall be applied respectively regarding the warranty.
- 14.5 Seller shall ensure that the Devices operate without any problem during the period of the repair or replacement. If the repair or replacement period is expected to exceed 30 (thirty) calendar days (excluding transportation) from the date the defect is reported, the Seller shall provide the Customer, at Seller's own costs, with replacement parts for the period required for repairing or replacing the defective parts.
- 14.6 Should the Seller fail to commence the repairing of the notified defect within 10 (ten) working days following the respective notice, Customer shall have the right to take the measures required for repair of the defects, at the Seller's risk and costs, by simultaneously sending a written notice to the Seller, without prejudice to any of the rights ensured to the Customer under the Contract *vis-à-vis* the Seller.
- 14.7 In case of construction, type or serial defects, the Seller shall repair, modify or replace the materials, structures, units, accessories and components concerned, within the framework of the warranty obligations, including those parts as well, whereof failure has not yet occurred, however the risk or the tendency to become faulty/defective has been established for products of identical type or construction.
- 14.8 If the Devices or any part thereof cannot be operated during the Warranty Period in the way specified in the Contract and the Annexes thereto for reasons covered under the warranty obligations, the Warranty Period shall be extended with the period of suspension of operation.
- 14.9 The Warranty Period shall restart for any and all Devices repaired or replaced by the Seller under the warranty and for any and all replaced or repaired components of the defective Devices.
- 14.10 Seller shall perform all obligations under its warranty obligations free of charge (among others the inspection, repair, replacement and necessary transportation of the Devices).

15 WARRANTY BOND

15.1 Seller shall provide the Customer with a warranty bond – at least for a period of 30 (thirty) calendar days following the expiry of the general Warranty Period – valid from the day of issuance of the performance certificate, in the value of 5% of the Fee, in one of the following ways selected at the discretion of the Seller:

- a. by providing an irrevocable and unconditional bank guarantee, or
- b. by providing the Customer with a bond – providing for unconditional cash surety (first demand guarantee) – issued under an insurance contract, or
- c. by transferring a security deposit of an equivalent amount to the bank account of the Customer.

15.2 Form of the warranty bond:

- a. If the Seller provides the warranty bond in the form of a bank guarantee, the bank guarantee shall include the following mandatory components:
 - i Number of the letter of guarantee,
 - ii The subject of the Contract,
 - iii The name and registered seat of the Customer,
 - iv The name and registered seat of the Seller,
 - v The name and registered seat of the bank,
 - vi The amount of the warranty bond (denominated in EUR),
 - vii The unconditional and irrevocable undertaking of the bank to pay to the Customer any amount up to the amount of the relevant warranty bond upon receipt of the Customer's first written request and without examining the underlying legal transaction, if the Customer represents in the request that the amount claimed by the Customer became due and payable due to the violation of the contractual warranty obligations of the Seller,
 - viii The validity of the bank guarantee.

The bank guarantee shall be provided by a reputable bank, through SWIFT. The laws of Hungary must be the governing law for the bank guarantee relationship.

- b. If the Seller provides the warranty bond in the form of a bond – providing for unconditional cash surety (first demand guarantee) – issued under an insurance contract, the bond shall include the following mandatory components:
 - i Number of the bond,
 - ii The subject of the Contract,
 - iii The name and registered seat of the Customer,
 - iv The name and registered seat of the Seller,
 - v The name and registered seat of the insurance company,
 - vi The amount of the warranty bond (denominated in EUR),
 - vii The unconditional and irrevocable undertaking of the insurance company to provide cash surety (first demand guarantee) up to the amount of the relevant warranty bond to the Customer upon receipt of the first written

request and without examining the underlying legal transaction, if the Customer represents in the request that the amount claimed by the Customer became due and payable due to the violation of the contractual warranty obligations of the Seller,

viii The validity of the bond.

The surety shall be provided by a reputable insurance company, through SWIFT. The laws of Hungary must be the governing law for the bond and the surety relationship.

c. If the Seller provides the warranty bond by bank transfer to the bank account of the Customer, the following details shall be indicated on the transfer order:

- i The subject of the Contract,
- ii The name and registered seat of the Customer,
- iii The name and registered seat of the Seller,
- iv The amount of the warranty bond (denominated in EUR),
- v Reference to the fact that the transferred amount shall serve as warranty bond.

In case of providing the warranty bond via bank transfer, the amount of the bond shall be transferred in EUR to the bank account No. HU27 1030 0002 1045 9732 4882 0029 of the Customer held at Magyar Külkereskedelmi Bank (SWIFT: MKKBHUHB).

15.3 Seller shall ensure that the value of the warranty bond will be kept at 5% of the Fee at all times during the Warranty Period and an additional period of 30 (thirty) calendar days. If the Customer makes use of the warranty bond, the Seller shall top up the reduced warranty bond to 5% of the Fee within 5 (five) working days following the use of the warranty bond by the Customer. In case of violation of the obligations of the Seller stipulated in this Section, the Customer shall be entitled to claim any and all arising damages from the Seller.

15.4 The warranty bond secures the performance of the warranty obligations of the Seller.

15.5 If the Customer, in its view, is entitled to enforce any claim against the warranty bond, it shall notify the Seller accordingly in writing via registered mail with return receipt, specifying the Seller's warranty obligation the claim is based on, and shall request the Seller to remedy the violation of its corresponding warranty obligation. The Customer shall be entitled to withdraw the bond, if the Seller fails to remedy the violation of its warranty obligation within 5 (five) working days after receipt of the notice, or if the Seller fails to make the necessary arrangements to the satisfaction of the Customer.

16 TERM OF THE CONTRACT

16.1 The Contract shall enter into force on the day of its due signature by the Contracting Parties and shall remain in force until all the contractual obligations of the Contracting Parties are fully met.

16.2 Either Contracting Party has the right to rescind the Contract with immediate effect in writing, or to terminate the Contract with immediate effect or by applying a notice period according to its own discretion, in the event of a material breach of contract by

the other Contracting Party, if – after receiving written notification specifying the breach of contract in detail and the deadline for remedying such breach (provided that it can be remedied) – the breaching party fails to remedy the breach of contract within such appropriate deadline defined in the notice. Contracting Parties agree that it shall be considered as material breach of contract (in particular but not limited to), if the Seller fails to perform any of its contractual obligations within the reasonable additional deadline granted by the Customer. If the Customer rescinds or terminates the Contract in accordance with this Section, it may claim liquidated damages for frustration of contract from the Seller.

16.3 In the cases defined in Section 143 of the Public Procurement Act, the Customer shall have the right, and in certain cases, the obligation, to terminate this Contract or, pursuant to the provisions of the Civil Code, to cancel this Contract by sending a written notification to the Seller.

16.4 If the Customer terminates or rescinds the Contract, the Customer shall be entitled to acquire the Devices and components thereof which have not been delivered or the services which have not been provided – or similar items or services – under the conditions and in the manner specified at its own discretion.

17 AMENDMENT OF THE CONTRACT

The Contract can only be amended in writing, subject to the conditions stipulated under Section 141 of the Public Procurement Act, with mutual agreement of the Contracting Parties.

18 GOVERNING LAW

18.1 All provisions of the Contract shall be interpreted and construed in accordance with the laws of Hungary. The laws of Hungary shall apply to the entire Contract, with the exclusion of the rules of private international law.

18.2 The application of the United Nations Convention on Contracts for the International Sale of Goods (UN CISG) is hereby excluded in terms of the Contract.

19 DISPUTE RESOLUTION

19.1 Any dispute or claim under or arising out of the Contract shall be settled by means of negotiations by the Contracting Parties.

19.2 If no resolution is achieved by the Customer and the Seller within 30 (thirty) calendar days from the starting of direct negotiations concerning any dispute under or arising out of this Contract, the case shall be submitted for final judgement to the court having competence and jurisdiction in accordance with the effective laws.

20 CLOSING PROVISIONS

- 20.1 If either of the Contracting Parties does not exercise any of its rights stipulated in this Contract, this fact shall not be construed as waiver of that right or that it would not be entitled to exercise that right on one or several occasions in the future.
- 20.2 Contracting Parties record that for the purpose of the Contract, working days shall mean the days that are working days in the countries of the registered seat of both Contracting Parties.
- 20.3 Seller acknowledges that the persons working under this Contract will be screened by the authorities authorized in accordance with Government Decree no. 169/2010 (V. 11.) *on the Rules Regarding the Protection of Civil Air Traffic and Establishing the Jurisdiction, Responsibilities and Operating Rules of the Air Traffic Security Committee*. Seller acknowledges that the persons not meeting the security requirements stipulated in the Government Decree shall not be allowed to enter the registered seat and other premises of the Customer. Seller shall replace the persons concerned at its own cost. Any failure to perform the obligations stipulated in the Contract fully and in due time due to the provisions stipulated in this Section shall be regarded as having occurred for reasons attributable to the Seller and the Seller shall be liable for any and all damages arising from such failure.
- 20.4 The following Annexes shall form inseparable part of the Contract and shall be interpreted and handled as integral parts of the Contract.
- Annex no. 1: Invitation to tender and documentation
- Annex no. 2: the Offer
- In case of any discrepancy between the Contract and the Annexes, the provisions of the Contract shall prevail.
- 20.5 This Contract has been prepared in 2 (two) English copies.
- 20.6 Having read and interpreted this Contract, the Contracting Parties signed it as fully concordant with their intentions.

Budapest, 2017

Barnabás KIS
Chief Technology Officer

Gyula HANGYÁL
ATM Director

HungaroControl Zrt.
Customer

..., 2017

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Seller