

CONFIDENTIALITY AGREEMENT

Between

- On the one hand

Name: **Municipality**

Seat:

Represented by:

Hereinafter the “**Municipality**”

- On the other hand

Name: (name of the participating business)

Company Seat:

Represented by:

Hereinafter the “**Business**”

- and

Name: (name of the Project Company)

Company Seat:

Represented by:

Hereinafter the “**Company,**” the **Municipality,** the **Business** and the **Company** shall be jointly referred to as the “**Parties**”

At the place and date of signing with the following detailed conditions:

1. The **Business** and the **Municipality** have formed a business entity together in the name of (Project Company name), for which the activity shall be the construction and realization of a long-term operating thermal system project (hereinafter the “**Project**”). With the help of the **Project,** a modern public and residential thermal energy usage can be realized capable of meeting its customers’ needs at an optimal price.

2. The aim of the present Declaration is to record in writing the obligations agreed to by the **Parties** regarding the handing over and sharing of information. The present Declaration does not create any kind of legal relationship of agency, advising, or the providing of services, or any other contractual relationship, nor can it be seen as an agreement forming an obligation, except for as expressly provided in this Declaration.

3. In the interest of the Project realization, the Municipality, based on the conditions of this Declaration, shall hand over information to the Business. The Business, in accordance with the Syndication Agreement signed at the same time as this declaration, shall prepare a realization study, the Municipality shall allow the Business to review information concerning realization of the Project that the Business finds desirable, including but not limited to financial, commercial, marketing, company or legal and other data.

4. The Municipality declares that, based on the present Declaration, any information it hands over to the Business which is from third parties – if there is such – will have all necessary declarations or permits and that, by handing the information over to the Business, the Municipality will not be violating any third party rights or legal interests. The Municipality shall recompense the Business for any damages it might suffer for any violation by the Municipality of this paragraph's declaration, that is to say legal obligation, to include damages, fines, fees, penalties, costs and lawyers' fees.

5. The transfer of confidential information between the Parties shall restrict the officers, employers, representatives, advisors, agents, subcontractors (legal and financial) and clients of the Municipality, Business and Project Company, to whom they have given the authority to receive such information. Bringing confidential information to the public awareness through the media shall be a breach of the present Declaration, unless the release of the information to the public is the result of a joint agreement of the Parties, or is required by legal or other regulation.

6. Parties signing the present Declaration

(a) Must keep all confidential information secret;

(b) Must restrict access to such information to those individuals who have need of the information, in the reasonable belief of the Parties;

(c) Must ensure that each person to whom they have provided access to the information, in conformance with the present Declaration, shall be made aware of the confidential nature of the information, that party who handed over the information must do everything in their power to ensure that the person to whom they gave the confidential information will follow the procedures and obligations of this Declaration, as if he or she were also a signor of this Declaration.

7. If the Business or the Company uses advisor(s) (technical or legal), the handover of the information by the Business or Company to such third parties shall be viewed legally the same as if the information had been handed over directly to the Business or Company, further, the Business and Company accept full legal liability for the security and proper handling of the confidential information. The Business and the Company agree to jointly and completely recompense the Municipality for any damages it might suffer to include damages, fines, fees, penalties, costs and lawyers' fees for any violation by third parties or themselves of this Declaration, based on the confidential information handed over by the Municipality to the Business or Company, in the case of handling the information in an improper way, falsifying information, allowing access to restricted parties or failure to take proper security measures to protect the information, the Municipality shall be made whole for any loss.

8. If any of the signers of the present Declaration are required to make confidential information available to the public due to a law, other mandatory rule, court order or of

declaration of an authority, that party must immediately inform the other parties of the requirement to make the information public. If any party is of the opinion that the legal requirement can be refused, that party can ask the other to refuse the public release of the confidential information to the authority, conditioned on the requesting party agreeing in writing to completely recompense the other party for any damages the party refusing the public release might suffer to include damages, fines, fees, penalties, costs and lawyers' fees. In the case that the party required to release the information to the public is threatened with a criminal proceeding, or if such party is of the opinion that the written declaration against damages is not proper, that party is not required to refuse the request of the authorities for public release of the confidential information.

9. If an party signing the present Declaration uses confidential information in a way that breaches the given conditions, and thereby causes damage to another party, the party suffering damages is authorized to request damages from the offending party, with the restriction, that proven, certified – as long as not otherwise regulated by law - direct damages can be requested as recompense, indirect damages, loss or lost profits may not be a part of the damages request. The Parties expressly agree that, with the exception of the damaging behavior listed in the Hungarian Civil Code, 1959/IV. 342. § paragraph (1) – the amount requested for damages may not exceed (amount in numbers),- that is to say(amount written) Hungarian Forints.

10. Explanatory Provisions:

10.1. Confidential information:

- (a) The Project and any recommended or offered legal, financial or business condition thereto;
- (b) Everything based on or connected to points (a) – (b), information, data, notes or remarks, analysis or memorandum, or copies of the same prepared by the Business or the Company;
- (c) Any fact or data which any of the Parties marks as confidential by express declaration.

10.2. Not confidential information:

- (a) Information that can be proven to have been in the possession of the Business prior to signing this Declaration;
- (b) Information from a third party who, in the opinion of the Parties was authorized to share the information;
- (c) Public information, as long as it did not become public information through an obligation breach of one of the parties to this Declaration;
- (d) Information required to be released by law or other applicable regulation;
- (e) Information held by the Business or the Project Company which the Municipality did not expressly mark as confidential, in writing or by some other manner whereby it was clearly confidential,
- (f) All information, data, remarks or notes, analysis, memorandum, or their copies, prepared by the Business or Company based on or connected to paragraphs (a) – (e).

11. In the case of termination of the present Declaration, or if the Project cannot be realized, any party, by requesting from the other party in writing, and accompanied by a categorized, detailed handover protocol, may request the return to his possession of confidential information documents or their copies that were handed over.

12. The present Declaration can only be modified or terminated in writing by legally competent representatives of the Parties.

13. Based on the present Declaration, all notices must be sent in writing, which will be considered received if handed over personally, or sent by fax, personal delivery service, or by registered or return-receipt mail (with the prepayment of the delivery receipt and by keeping the receipt) shall be sent by the Parties to the following addresses:

For the Municipality:

Name:

Address:

Fax:

For the Business:

Name:

Address:

Fax:

For the Company:

Name:

Address:

Fax:

14. The obligations and rights of the Parties concerning this Declaration cannot be transferred or assigned.

15. Any provision of this Declaration can only be waived by the party or parties authorized in the provision and only in writing. A waiver of a certain provision cannot be construed as a waiver of any other provision.

16. The Parties consider Hungarian law to be controlling regarding the present Declaration and its interpretation. In the case of a legal dispute, the Parties shall negotiate in good faith for a solution, if this negotiation is unsuccessful, depending on jurisdiction the dispute shall be decided by the ... City Court or the ... Court of Law.

17. The Parties state that they have read the contents of this contract and interpreted every part of it in detail.

18. The parties below signed this document after reading and interpreting it, in accordance with their business wishes and legal declarations, in agreement it was signed by the legal representatives by their own hand.

19. The present Declaration was handed over in 5 pages and 6 original copies, of which each of the Parties received 2 copies after signing.

Sent:

.....
... representing the Municipality:

...

.....
(Name of the Business)

Represented by:

...

.....
(Name of the Company)

Represented by:

...