# GENERAL TERMS AND CONDITIONS

**SE as the Customer**
**Version 01/08/2025**


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## I. INTRODUCTORY PROVISIONS

1.1 These are the General Terms and Conditions of Slovenské elektrárne, a. s. (hereinafter referred to as the "**GTC**"), which form an integral part and annex to the order/Contract (hereinafter referred to as the "**Contract**") and shall enter into force together with the Contract. Respective individual provisions herein shall not apply only in the case where expressly agreed otherwise in the Contract (pursuant to Section 273(2) of Act No. 513/1991 Coll. Commercial Code as amended, hereinafter the "**Commercial Code**") or their application is expressly precluded in the Contract.

## II. DEFINITIONS

2.1 The company Slovenské elektrárne, a.s. is identified as "**SE**", irrespective of the terms used in the Contract.

2.2 For the purposes of the GTC, all the contractually agreed performances, provided services, works including deliveries of goods and performances of Contractor's activities related to the Contract subject matter, is identified as the "**Performance**".

2.3 The provider of work, repair, maintenance or modification of a thing, the provider of works or services including deliveries of goods shall be considered the "**Contractor"**. The Contractor specified in the heading of the Contract, as well as their subcontractors and their legal successors, shall be considered the Contractor itself. The GTC provisions containing the designation "Contractor" shall apply for both the domestic and foreign contractors. The Contractor's personnel shall mean all the Slovak and foreign employees of the Contractor and employees of their subcontractors (hereinafter referred to as the "**Contractor's Personnel**").

2.4 For the purposes of the GTC, a "**Party"** shall mean SE or the Contractor, where the "**Parties**" shall mean SE and the Contractor.

2.5 On behalf of and for SE:

a) the person authorised to act in contractual matters is the person stated in the Contract as the "*Contact Person*", or other person(s) authorised by the Contact Person. The authorisations and powers of the Contact Person acting for SE do not include the execution of legal acts in connection with the Contract (for example the amendment or termination of the Contract, application of a claim, contractual penalties, damage compensation, etc.) without a valid commission by SE, which the authorised person shall prove at the Contractor's request by a confirmation of its issue.

b) the person authorised to act in matters of Performance, meaning the execution of Performance, inspection of the execution of Performance, tests of Performance, acceptance of the Performance, etc. is the person stated in the Contract as the "*Contract Manager*". Without a valid commission by SE, the authorisations and powers of the Contract Manager acting for SE do not include the execution of legal acts in connection with the Contract (e.g. the amendment or termination of the Contract).

2.6 On behalf of and for the Contractor:

a) the person authorised to act in contractual matters is the person stated in the Contract as the "Contact Person", or other person(s) authorised by the Contact Person,

b) the person authorised to act in matters of Performance, meaning the execution of Performance, the inspection of the execution of Performance, tests of Performance, handover of Performance, etc. is the person stated in the Contract as the "Contract Manager", or other person(s) authorised by the Contract Manager for the Contractor, except for the handover of the Performance, where the provision of clause 9.4.4 herein shall apply.

2.7 Either Party shall be entitled to **change the Contract Manager, and/or** Contact **Person, or delegate** some of the authorisations and powers to **another person** at any time and shall be obliged to inform the other Party thereof in writing without undue delay. The extent of the delegated authorisations and powers shall be defined unambiguously.

2.8 For the purposes of the GTC, the price of the Performance (hereinafter the "**Price**") shall mean:

a) the total price of the Performance, exclusive of Value-Added Tax (hereinafter "**VAT**"), agreed in the Contract, if the



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Contract subject matter is the Performance as a whole,

b) the price of an individual Performance, exclusive of VAT, agreed in the Contract, if the Contract subject matter is the delivery of several separate Performances,

c) the price of the Performance for a calendar month (or other agreed period of time), exclusive of VAT, agreed in the Contract, if the Contract subject matter is recurrent Performance,

d) the price of the Performance on the basis of a written request, exclusive of VAT, if the Contract subject matter is to provide the Performance upon written requests,

e) the price of the Performance on the basis of a specific order, exclusive of VAT, if the Contract subject matter is to provide the Performance on the basis of specific orders in respect of framework contracts.

In the case of a domestic Contractor who is not a VAT payer in the Slovak Republic (hereinafter the **"SR"**), for the purposes of these GTC, the Price shall mean analogously the price as defined in letters a) to e) of this point, except for the text "exclusive of VAT".

2.9 In the case of Performance being provided at the premises of SE, the General Technical Terms of Performance at Slovenské elektrárne, a.s. (hereinafter referred to as the "**General Technical Terms**" or "**GTT**") or, as relevant, the **Site Safety and Technical Conditions of Performance in SE for MO34 Project** (hereinafter referred to as the "**SSTC**"), containing specific conditions related to the provision of the Performance in SE's premises (i.e. in the areas and in the buildings of the headquarters and the plants), shall form an annex to the Contract.

2.10 An integral part of these GTC and the Contract are the following annexes:

a) **Annex 1 – Indicative list of severe, very severe and** extremely **severe breaches of occupational safety;**

b) **Annex 2 – Sanctions Clause** (hereinafter referred to as the "**Sanctions Clause**");

c) **Annex 3 – Environmental and Social Management Clause**

For the purposes of the GTC and in the context of Slovak law, the following English terms and phrases shall have the meanings set forth below:

"lien" shall mean "záložné právo",
"circumstances excluding liability" shall mean "okolnosti vylučujúce zodpovednosť",
"withdrawal" shall mean "odstúpenie".

## III. LANGUAGE

3.1 The original version of all contractual documents, shall be the English wording.

3.2 If the GTC or the Contract are executed in both Slovak and English language, in the case of conflict between the language versions, the Slovak version shall prevail. If the Contract is executed in the Slovak language but annexes to the Contract are executed in the Czech language, these annexes do not need to be translated into the Slovak language, unless otherwise agreed by the Parties.

3.3 If the Contractor has its registered seat abroad and the Parties have not agreed upon another communication language in the Contract, Slovak shall become the communication language.

3.4 The Contractor may also use Czech as a communication language. Nevertheless, in the case of ambiguities arising, the Contractor shall be obliged to provide a translation into Slovak at the SE Contract Manager's request.

## IV. CONCLUSION OF THE CONTRACT AND AMENDMENTS

4.1 A proposal to entering into the Contract or an invitation to submit a bid delivered by SE to the Contractor does not mean a request to start to carry out the Performance. The Contractor may start to perform the Performance only after the Contract has been concluded and on the basis and in compliance with the conditions specified therein.

4.2 Any modifications or amendments to the Contract can be executed only on the basis of agreement between both Parties, in the form of written and numbered amendments to the Contract, signed by authorised representatives of both Parties, except in the following cases:

a) a change or adding of Contract Managers, which the Party makes by a unilateral written notice in the construction logbook/building logbook/services logbook (hereinafter the "**Logbook**") or by other written notice sent to the Contract Manager of the other Party,

b) a change or adding of a Subcontractor based on a written request submitted by the Contractor to the SE's Contract Manager, including the documents proving fulfilment of requirements for technical and professional competence of the Subcontractor; the SE's Contact Person will ensure the assessment of such request in accordance with SE's internal regulations and inform the Contractor of the acceptance or rejection of the request,

c) the change of a person executing the Performance, made by the SE's Contract Manager by a record in the Logbook, or by other record, upon proving the fulfilment of requirements for technical and professional competence by the Contractor

d) change of address for delivery pursuant to Article VI. of these GTC.

4.3 The Contract and all annexes thereto represent the entire agreement between the Parties on the subject-matter of the Contract and in relation to the subject-matter of the Contract they replace all the previous and present verbal and/or written arrangements, documents, and agreements between the Parties.

4.4 In case of any changes arising from the applicable legal regulations, legal acts of the EU, commitments arising to SE from international contracts or from its membership in international organisations or other regulations of a binding or recommendatory nature that have an influence on the Contract performance, the Contractor shall be obliged, at the request of SE, to conclude, within an appropriate period set by SE, an amendment to the Contract, which shall reflect the new adjustment in the respective field.

## V. INTERPRETATION

5.1 **Severability of Provisions**

Each provision of the Contract shall be interpreted so that it is effective and valid pursuant to applicable legal regulations. However, in the event that it is inexecutable, or null and void pursuant to valid legal regulations, this shall not affect the other provisions of the Contract. In the event that a provision is inexecutable, or null and void, the Parties shall agree in written form on a solution preserving the context and purpose of the given provision.

5.2 The application of the Contractor's general terms and conditions or of any other general terms and conditions is hereby expressly excluded, unless agreed otherwise in writing by SE and the



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Contractor.

5.3 Unless otherwise expressly stated in these GTC, references to articles, clauses or points are references to articles, clauses or points of these GTC. A reference to any point includes the whole of that point including all sub-points and/or paragraphs, if any, included therein, even if not marked by a number or letter.

5.4 In cases where these GTC or the Contract contains references to legal regulations in force at the time of issuance of this version of these GTC or at the time of Contract conclusion, which were replaced by other legal regulations during the validity of the Contract, they shall be considered to be references to the legal regulations that have replaced them, as amended.

## VI. COMMUNICATION

6.1 All notices and all communications between the Parties under the Contract shall be made in writing, that is by registered mail, express courier service, by fax or e-mail and are deemed to be duly delivered by their delivery to the respective Party to the address or fax numbers given by the Parties in the header of the Contract in the event that the further text of the Contract does not contain addresses or fax numbers for the delivery.

A document shall also be considered delivered in the following cases:

a) the Party refuses to take over the document – the document shall be considered delivered on that day, or if

b) it is not possible to deliver the document for reason of, for example, failure to take over the mail within the delivery period or because the addressee was not found, the addressee was unknown or for other reason marked by the post office on the mail; the document shall be considered delivered on the date of depositing at the post office.

Any Contracting Party is entitled to change its delivery address at any time, provided that the respective Contracting Party notifies the other Contracting Party in writing of the new delivery address. The change of address for is effective on the day of delivery of the written notification of the change of address to the other Contracting Party, if a later effective date of this change is not specified in such notification.

## VII. PRICE, INVOICING AND PAYMENT TERMS

7.1 **Price**

7.1.1 Unless otherwise agreed in the Contract and if the subject matter of the Performance is the delivery of several types of assets with an individual technical-economic specification, the Contractor shall be obliged to submit to SE **within 15 days** from signing of the Contract, however, no later than along with the delivery of the first invoice, details of the Price; such details shall be split into single tangible/intangible assets/components of tangible/intangible assets/groups of such assets with separate technical-economic specification, containing their unit prices and all direct and indirect costs. If relevant, the details of the Price shall contain a separately specified price for spare parts or other components of the Performance or other components of the Performance Price, the price of which is not part of the purchase cost of the tangible assets according to applicable Slovak legislation.

7.1.2 If, in accordance with the Contract, the Contractor is also obliged to provide SE's employees with training to be carried out before handover of the Performance, the price of training shall be included in the Price; it must although be quantified as a separate item in the Price detail or Price calculation. Training provided after the handover of Performance is considered another separate Performance, i.e. the price for such training has to be specified in the Contract as a separate price.

7.1.3 If the Price of a Performance from abroad includes a remuneration for granting of the right to use of a copyright or right similar to a copyright pursuant to clause 21.1 herein (hereinafter referred to as the „**Remuneration**"), the Contractor is obliged to calculate an amount of the Remuneration separately in the Contract or in the invoice.

7.1.4 If the Contractor is a VAT payer, VAT shall be added to the Price in the amount determined by applicable legal regulations governing the amount of VAT on the day of the tax liability arising, if the duty to add VAT to the Price arises from the Act on VAT.

7.1.5 **No Performance** either from the side of the Contractor or from the side of SE **shall be provided free of charge.**

7.1.6 The Price includes all costs related to the fulfilment of the Contractor's obligations, in particular:

a) transport charges,

b) the costs of waste disposal or waste recovery pursuant to the Contract, in relation to waste generated by the Contractor's activities,

c) the cost of unloading the Performance at the place of Performance,

d) insurance costs for the Contractor's damage liability insurance,

e) insurance costs for the insurance of SE's assets, that represent the subject matter of the Performance,

f) insurance costs for the transport of the Performance, if stipulated in the Contract,

g) customs duty,

h) other taxes and customs duties,

i) other fees related to imports from third countries,

j) product certification-related fees,

k) administration and similar fees collected by any public authority body,

l) price of the documentation necessary for or related to use of the Performance,

m) accommodation, catering, and transportation of the Contractor's Personnel,

n) training of the Contractor's Personnel for entry to SE's premises and execution of Performance at SE's premises.

o) remuneration for granting of a licence as well as the assignment of the proprietary rights referred to in point 21.1

7.1.7 If during the import of goods from third countries, the Contractor ensures goods transportation (to the state border with the SR or to the place of destination in the SR) and SE ensures the customs clearance of the goods, the Contractor shall, for the purpose of the customs procedure, be obliged to provide SE with information about the transport charges no later than on the day of goods' loading on the transport, unless



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the transport charges are specified in the Contract.

7.1.8 Unless agreed otherwise in the Contract, the Price according to the Contract shall be fixed, complete, invariable and binding; and the Contractor guarantees its completeness up to the delivery of the Performance, even in the event that during the period of delivering the Performance there occurs a need to perform activities that were not foreseeable at the time of concluding the Contract.

## 7.2 Invoicing Terms

7.2.1 The basic document for payment of the Price shall be an invoice issued by the Contractor and delivered to SE. The invoice must be issued in accordance with valid legislation and shall contain the agreed particulars pursuant to clause 7.2.13 herein.

7.2.2 Not applicable.

7.2.3 The Contractor's invoice shall be issued and the payment shall be paid by SE in **euros** unless another currency is agreed in the Contract.

7.2.4 If the Price agreed in the Contract is based on an hourly rate, the Contractor shall be entitled to charge SE only those hours actually worked during provision of the Performance.

In the event that the place of Performance is located at the SE's premises, only the actual time spent on the Performance shall be charged by the Contractor. The number of the invoiced hours in such case shall not exceed the number of hours worked, as recorded in the Takeover Protocol based on the electronic attendance system used at the SE's premises. In the case of an absence/a failure of electronic records used at the SE's premises, the number of the invoiced hours shall not exceed the number of hours worked as recorded in the Takeover Protocol based on the written attendance records.

The Contractor shall not charge SE for time necessary for breaks at work, personnel transfers, for arranging entries to the SE's premises etc.

7.2.5 All the Performances provided by the Contractor above and beyond the scope agreed in the Contract shall be approved by SE in writing in advance. SE shall not be obliged to take over or pay for any Performance executed prior to such approval.

7.2.6 If the unit price of the Performance is agreed in the Contract and simultaneously the Contract or annexes state a number of units of the particular Performance, the Contractor shall not be entitled to exceed the number of Performance units without SE's prior written consent. SE shall not be obliged to take over or pay for any Performance exceeding the number of units specified in the Contract made without such consent. In such case, SE shall be entitled to return the invoice back to the Contractor.

7.2.7 The invoice for the delivered Performance shall be issued on the basis of:

(i) a detailed list of the provided Performance in the form of a takeover protocol pursuant to clause 9.4.1 herein (hereinafter referred to as the **"Takeover Protocol"**), if invoicing after the takeover of the respective separate Performance, including the Performance upon written request, has been agreed in the Contract; or

(ii) a detailed list of the Performance performed during the whole period, for which the invoicing and payment was agreed in the Contract (hereinafter referred to as the **"Invoicing Period"**), confirmed by SE in case of a recurrent Performance or Performance for which a continuous invoicing has been agreed in the Contract. Depending on the nature of the Performance, in such cases, a detailed list of the Performance can be considered for example a protocol on the fulfilment of a Payment Milestone (hereinafter referred to as the "**Milestone Protocol**"), survey protocol on the provided Performance (hereinafter referred to as the "**Survey Protocol**"), an acceptance protocol, copies of the records in the assembly / construction / service logbook, or service statement or time sheet.

7.2.8 The invoice shall include as an integral part:

(i) a copy of the **Takeover Protocol** or **Milestone Protocol** confirming the delivery of the Performance pursuant to the Contract, or of the **Survey Protocol**, confirming the extent of the Performance provided within the relevant Invoicing Period,

(ii) Price detail in accordance with clause 7.1.1 herein, if applicable,

(iii) a copy of the record in the Logbook or of the list of delivered material, if applicable.

7.2.9 Unless a different method and time of invoicing the Price has been agreed in the Contract, the Contractor shall issue an invoice for the provided Performance as follows:

(i) **single invoice**, i.e. after providing the whole scope of the Performance, and this not later than 15 days after confirmation of the provided Performance by SE, or

(ii) **individual invoicing**, i.e. after providing each individual Performance, and this always no later than 15 days after confirmation of each individual provided Performance (as referred to in the Contract or in a separate Written Request) by SE, or

(iii) **on an ongoing basis** (in case the Performance is provided partially or repeatedly), i.e. after the expiry of each Invoicing Period agreed in the Contract, and this always no later than 15 days after confirmation of the scope of the Performance provided during the Invoicing Period; in this case the delivery date shall be the last day of the Invoicing Period, or

(iv) according to a payment calendar agreed in the Contract, or

(v) no later than 15 days **after the receipt of the payment** by the Contractor before delivery of the Performance.

7.2.10 The Contractor shall be entitled to issue **a summary invoice** under the Act on VAT within 15 days after the end of a calendar month, for the Performance that has been taken over by SE during the calendar month.

7.2.11 In the case that the Contractor provides the Performance also to SE's branch, the Contractor is obliged to issue a separate invoice for the Performance provided to SE's branch. The separate invoice must



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contain the VAT number assigned to the SE branch.

7.2.12 Special invoicing conditions:

(i) if a Performance is provided in part or repeatedly over a period of more than 12 calendar months and payment is agreed for a period of more than 12 calendar months, where the place of supply is SE's premises and SE is also liable to pay VAT (Section 15(1) of the VAT Act applicable in the Slovak Republic), such service shall be deemed to have been supplied on the last day of each calendar year until the supply of such service is completed, i.e., the Supplier shall be obliged to issue an invoice within 15 days after each such day of supply.

(ii) if a Performance is provided partly or repeatedly over a period of more than 12 calendar months and payment is agreed for a period of more than 12 calendar months, where the place of supply is the premises of the SE, such service or goods shall be deemed to have been supplied on the last day of each of the 12 calendar months until the supply of such service or goods is completed, i.e. the Contractor shall invoice within 15 days after each such day of delivery.

The conditions given in these two cases shall apply only for VAT purposes and are not related to invoice settlement. Payment shall be made only after actual delivery of the Performance, within the payment term pursuant to clause 7.3.1 herein or stated in the Contract.

7.2.13 In addition to the data specified in accordance with the valid legal legislation, every invoice must contain:

(i) SE's Contract No.,

(ii) the SAP number specified by SE in the Takeover Protocol or Milestone Protocol or Survey Protocol or specified in the Contract,

(iii) the code of the Common Customs Tariff in respect of the supply of goods or the supply of goods supplied as part of the provided Performance,

(iv) 6-digit service code according to the statistical classification of products by activity (CPA), Section F Construction and civil engineering works, if the Performance made between domestic VAT payers with the place of delivery in Slovakia (supply of construction works, supply of a building or part thereof, supply of goods with installation or assembly, if installation / assembly belongs to section F) belongs to section F; this information does not have to be indicated on the invoice if it is stated on the Takeover Protocol, which is an integral part of the invoice,

(v) the date of invoice issuance,

(vi) invoice due date pursuant to clause 7.3.1**Error! Reference source not found.** herein,

(vii) the banking institution name and the Contractor's bank account no.,

(viii) the signature of the representative authorised to act on the Contractor's behalf.

7.2.14 The Contractor is obliged to deliver the invoice to SE no later than **within 5 days** following its issue.

If the Contractor has a valid agreement on the electronic delivery of invoices concluded with SE, the delivery of invoices and such documents as defined in the agreement shall be governed by that agreement. Else, the Contractor is obliged to send the invoices for SE to the address:

Slovenské elektrárne, a.s.
odbor fakturácie
závod Atómové elektrárne Mochovce
P.O.BOX 11
935 39 Mochovce

or to another address specified in writing by SE.

More details about the conclusion of the Agreement on the electronic delivery of invoices, as well as a form of the Agreement, are published on the website: Invoices | Slovenské Elektrárne, a.s. (seas.sk)

7.2.15 In the event that the Contractor sends the invoice to an address different from the address according to clause 7.2.14, the period of maturity shall not start to run until the respective invoice is delivered to the address specified or determined according to clause above.

7.2.16 The Contractor shall be obliged to deliver to SE to the address pursuant to clause 7.2.14 herein **at least 14 days before** the invoice due date, a written notification of a change of the bank account stated in the invoice, in the case of:

(i) a change of bank,

(ii) establishment of a lien on receivables, or

(iii) formal shortcomings (e.g. incorrect, incomplete bank account, etc.),

where the authenticity of the signature of the Contractor's representative in the notification must be officially verified.

7.2.17 If the Contractor fails to fulfil its notification duty according to clause 7.2.16 herein, the day the amount owing is debited from SE's bank account shall be considered the day of fulfilment of the monetary obligation, regardless of whether the funds are credited to the Contractor's bank account.

7.3 **Payment Terms**

7.3.1 **An invoice shall be due within the period of 60 days following the invoice's delivery to SE**. The date indicated by SE's presentation stamp at the address pursuant to clause 7.2.14 herein shall be the date of delivery of the invoice. The invoice maturity period shall start to run on the day following the day of delivery of the invoice to SE. If the last day of the invoice maturity period falls on a Saturday or public holiday, the invoice shall be payable on the very next business day.Full payment shall be made to the account number specified in the invoice or notice pursuant to clause 7.2.16 herein, no later than on the invoice due date. The financial obligation shall be deemed fulfilled on the day when the outstanding amount is debited from the SE's bank account.

7.3.2 If the invoice does not contain the particulars required in accordance with applicable legal legislation or if the data in the invoice are not stated in compliance with the conditions agreed upon in the Contract/GTC, SE shall be entitled to return the invoice to the Contractor without payment. In such case, the period of maturity of the invoice shall be suspended. SE shall be obliged



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to state the reason for returning the invoice. The period of maturity shall start again only on the date of delivery of the corrected (new) invoice fulfilling the requirements of generally binding legal legislation and the Contract.

7.3.3 All bank expenses and charges of correspondent banks and the Contractor's bank shall be borne by the Contractor.

7.3.4 If SE is in delay with the invoice payment, the Contractor shall be entitled to charge SE interest on late payment amounting to 0.02% of the outstanding amount for each day of the delay, however, in a maximum of up to a total amount of 10% of the invoiced amount.

7.3.5 SE shall at all times be entitled to set off any of its claims against the Contractor's claims, including the set-off of outstanding claims against due claims.

## VIII. TAX CONDITIONS

8.1 During the life of the Contract the Contractor shall be obliged to notify in writing SE of the date of VAT payer registration cancellation, as well as the date of VAT payer registration, and this **immediately** after that date.

8.2 **Dependent person and controlled transaction**

If at the time of concluding the Contract the Contractor is a dependent person of SE pursuant to Act No. 595/2003 Coll. on income tax, as amended, the Supplier shall be obliged, at SE's request, to provide SE, for transfer pricing purposes, with information and supporting documents on determination of the price and its compliance with the arm's length principle (e.g. the chosen valuation method, the items entering into the calculation of the cost base, the margin used, the justification for the compliance of the price used with the transfer pricing rules, the prices used in comparable transactions, and other information depending on the specific contractual relationship).

SE may request the above information from the Contractor at any time from the moment of concluding the Contract until the moment of termination of the right to levy tax pursuant to Act No. 563/2009 Coll. on tax administration (the Tax Code), as amended, from the controlled transaction carried out on the basis of the Contract.

If the Supplier and SE become dependent on each other after concluding the Contract, the obligation to provide the above information for transfer pricing purposes shall apply to the Supplier from the moment of the dependent relationship between it and SE until the moment of termination of the right to levy tax under Act No. 563/2009 Coll. on tax administration (Tax Code), as amended, on the controlled transaction carried out on the basis of this Contract.

If the Contractor and SE cease to be each other's dependants during the term of this Contract, the obligation to provide the above information for transfer pricing purposes shall apply only to those controlled transactions that have been carried out by the Contractor up to the moment of the end of the dependency relationship between the Contractor and SE.

For the purposes of this provision, a controlled transaction shall be understood as a controlled transaction pursuant to Act No. 595/2003 Coll. Income Tax Act, as amended, or any other legislation that would define this term in the future. If the term "controlled transaction" is replaced by different term in future legislation, this provision shall apply accordingly to the new term.

The following provisions of clauses 8.3, 8.4 and 8.5 apply to a **Foreign Contractor. A Foreign Contractor** shall mean a Contractor who has a seat outside the territory of the SR. In case the Foreign Contractor has an established organisational part, establishment, or permanent establishment in the territory of SR, the seat shall mean a seat of the Foreign Contractor abroad:

8.3 If the accuracy, completeness or truthfulness of the facts set out in the Declaration on Tax Position and Interrelations form provided on signing the Contract changes during the term of the Contract as a result of any controllable or uncontrollable factors (in particular, the establishment/termination of a VAT establishment; the establishment/termination of a permanent establishment for income tax; payment of income tax securities ), the Foreign Supplier undertakes to inform SE thereof in writing without undue delay, at the latest within 5 working days of the change, failing which SE shall consider them to be valid, true and complete also as at the date of the Foreign Contractor's tax liability.

8.4 If the Foreign Contractor is a resident of a country outside of the EU and has a permanent branch in the Slovak Republic and pays income tax security payments in the Slovak Republic, it shall be obliged to submit, immediately after the signing of the Contract or after the mentioned fact has come into existence, a confirmation on advance payments issued by the respective Tax Authority of the SR (hereinafter referred to as the "**Confirmation**"). The Foreign Contractor is obliged to submit the Confirmation in each subsequent calendar year, during which it will provide Performance to SE. If the Foreign Contractor fails to submit such document, SE shall apply tax security in accordance with the Income Tax Act.

8.5 **Withholding Tax**

Price and payment conditions set out in the Contract do not and shall not include any withholding. If payments to a Foreign Contractor are subject to or shall be subject to withholding tax pursuant to the Income Tax Act and respective agreements on avoidance of double taxation, SE shall decrease, on the basis of the above, payments by the respective amounts pursuant to the respective agreement on the avoidance of double taxation and the Income Tax Act. In that case SE shall request from SR Financial Administration a confirmation of the deducted tax and shall submit it to the Foreign Contractor. The Foreign Contractor shall provide SE any cooperation for the exercise of SE's rights and claims under this clause.

The Foreign Contractor is not entitled to request any compensation from SE in connection with the deduction of withholding tax by SE, but may itself request settlement from the competent tax administrator.

The Foreign Contractor shall endeavour to identify payments included in the Price that may be subject to withholding tax and specify their unit price. In case of doubt or lack of cooperation by the Foreign Contractor, SE shall be entitled to deduct withholding tax from the total Price, with the exception where the Foreign Contractor sufficiently proves that withholding tax pursuant to the Income Tax Act and the respective treaty on the avoidance of double taxation is not to be deducted, or the Foreign Contractor specifies that amount of the invoiced Price that is subject to withholding tax.

The provisions of the following clause 8.6 apply to a **Foreign Contractor based outside the EU**:

8.6 **Tax security**

In the event that there arises to SE the duty to deduct tax security from the Price, SE shall deduct the sum of the tax security from the invoiced Price pursuant to the Income Tax Act and pay the Foreign Contractor the invoiced Price reduced by the given collateral. SE shall not deduct tax security from the Price if the Foreign Contractor submits to SE the original confirmation from the competent tax authority of the SR proving that the Foreign



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Contractor pays tax securities pursuant to Section 34 or 42 of the Income Tax Act (a Confirmation pursuant to clause 8.4).

If the Foreign Contractor fails to submit a written confirmation as indicated above and SE is obliged to deduct the sum of the tax security from the Price, SE shall:

a) be entitled to deduct the sum of the tax security from the invoiced Price pursuant to Section 44(2) of the Income Tax Act and to pay the Foreign Contractor the Price or part thereof reduced by the sum of such tax security, and

b) provide documentation to the Foreign Contractor (confirmation of the deducted tax security submitted to the SR Financial Administration), which the Foreign Contractor may use for setting off the payment against its tax liability in the SR.

In other cases where the Foreign Contractor's activities do not create the grounds for establishing a permanent branch in the Slovak Republic, the application of tax security will be assessed on an individual basis, considering the nature of the Performance, in accordance with the Income Tax Act and the respective treaty on the avoidance of double taxation.

The Foreign Contractor is not entitled to request any compensation from SE in connection with the deduction of the tax security by SE, but it itself may request settlement from the competent tax administrator.

8.7 If SE's assets, in the framework of the execution of Performance or for the purpose of eliminating defects in the Performance, are transported outside the territory of the Slovak Republic, where such Performance or elimination of defects is to be carried out, and after the completion of Performance or the elimination of defects the SE assets are to be returned back to the Slovak Republic, and if the assets are transported by the Contractor or at the Contractor's expense, the Contractor shall provide, for VAT purposes, the following documents:

a) transport documents or other documents regarding shipping, which contain the place of destination proving the shipping of the SE's assets from the Slovak Republic to an EU member state and their return to the Slovak Republic from an EU member state, if the Contractor provides the transport of the SE's assets by another entity, or

b) a written confirmation of receipt of the SE assets by the SE Contract Manager or other persons authorised by the Contract Manager , if the transport of the SE assets is carried out by the Contractor, and other additional documents proving the transport of the SE assets, as requested by SE.

The Contractor shall deliver the above mentioned documents to SE:

a) if the transport of the SE assets was carried out for the purpose of the execution of Performance, and this no later than together with the invoice issued for such Performance,

b) if the transport of the SE's assets was carried out for the purpose of elimination of defects of the Performance, and this no later than the date of the takeover of the SE's assets back by SE.

In the event of a breach of the Contractor's obligations under this clause, SE may claim from the Contractor a contractual penalty pursuant to clause 15.5 herein.

8.8 The Contractor undertakes that it shall be fully liable for calculations, reporting, tax returns and payment of its present and future both monetary and non-monetary tax duties, including income tax, VAT and other taxes, fees and levies (or respective penalties, fines or interests) that have arisen or will arise to it in consequence of the Contract under any legal jurisdiction, either in the Slovak Republic or outside its territory. The Contractor shall make no claims towards SE in connection with the above-mentioned matters.

## IX. PERFORMANCE EXECUTION

### 9.1 Place of Performance

9.1.1 The place of Performance shall mean the seat of SE, i.e. the registered office of the SE registered in the Commercial Register of the Slovak Republic on the date of delivery of the Performance, unless otherwise stipulated in the Contract.

9.1.2 If the Contractor provides the Performance on SE's premises, the Contractor shall take note of the fact that SE may provide to the Contractor:

(i) premises having the nature of the temporary works, offices, or other rooms,

(ii) electric energy, technical gases, compressed air, water etc.

against payment and under a special Contract(s).

9.1.3 Upon the entry and departure of the Contractor's Personnel, SE is entitled to carry out an inspection of items and materials being brought in or taken out.

The Contractor undertakes to ensure and is responsible for the fact that its personnel may not bring into SE's premises any of the following:

a) any kinds of weapons, ammunition, explosives, trap explosive systems, or imitations thereof,

b) alcohol, narcotic and psychotropic substances,

c) unidentifiable biological and chemical substances,

d) cameras and camcorders without permission,

e) items evidently not related to working activities.

The Contractor undertakes to ensure and is responsible for the fact that its personnel may not take out the following items from the SE's premises without permission:

(i) any items and materials not owned by the Contractor and to which the Contractor has no other right,

(ii) waste, which the Contractor is not entitled and obliged to dispose or recycle in accordance with the Contract.

In the event of a breach of the obligation under this clause, SE may claim from the Contractor a contractual penalty pursuant to clause 15.9 herein.

9.1.4 The Contractor is obliged to ensure that its personnel register their entries to / departures from the SE premises on the attendance terminal located at the SE premises, respectively to the Logbook for investments.

9.1.5 The Contractor is obliged to ensure that the Contractor's personnel observe the established regime measures for physical protection, including the ban of filming and making photographs in the SE premises.

9.1.6 The Contractor is obliged to ensure that the Contractor's personnel observe the ban on the



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consumption of alcohol, narcotic and psychotropic substances. At the entry of the Contractor's personnel, as well as during their stay at the SE's premises, SE is entitled to carry out a breathalyser test or a test for use of narcotic and/or psychotropic substances on the Contractors' Personnel. Any refusal to undergo a breathalyser test or test for the use of narcotic and/or psychotropic substances shall be considered a breach of the contractual terms and conditions.

9.1.7 If any of the Contractor's workers in performing work at SE's premises has violated statutory obligations, required technological procedures, applicable technical standards, or provably caused a breach of contractual obligations of any of SE's Contractors, SE shall have the right to prohibit this Contractor's worker from entering SE's premises. This prohibition of entry shall not constitute a obstacle on the side of SE that would constitute a delay by the creditor, a breach of the duty of cooperation or otherwise relieve the Contractor from the related delay.

9.1.8 No later than on the day of commencement of the Performance under the Contract, the Contractor shall announce to SE the names and e-mail addresses of those Contractor's representatives, who should be granted access to the SE's information system for the purpose of fulfilling obligations, and this exclusively in accordance with the terms and conditions. Access to the SE information system is set up in accordance with the authorisation procedures in force at SE.

9.1.9 In cases where the place of Performance is not situated in SE premises, the Contractor shall be obliged to allow the SE employees or the persons appointed by SE to access places, where the Performance is executed, for the purpose of checking the proper execution of Performance.

9.2 **Inspections, Tests and Verification**

9.2.1 At any time during the Performance provision under the Contract, SE shall be entitled to check the proper fulfilment of the Contractor's duties pursuant to the Contract and GTC. In the event that the inspections during the Performance under the Contract find any defects or faults, the Contractor shall be obliged to remove the defects and faults at its own expense within an appropriate time period set by SE.

9.2.2 Prior to the Performance handover, SE shall be entitled to request a preliminary inspection of the Performance. The Contractor and SE shall agree on the date of the preliminary inspection of the Performance to ascertain whether the Performance meets the requirements specified in the Contract. The Contractor and SE shall execute a protocol on the preliminary inspection of the Performance, signed by the authorised representatives of the Contractor and SE, containing the results of the preliminary inspection of the Performance and information on whether the Performance meets the requirements specified in the Contract, and, if relevant, a statement by the Contractor regarding the proper completion of the Performance.

9.2.3 In the event that the preliminary inspection ascertains that the Performance does not meet the requirements specified by the Contract or GTC, SE shall be entitled set an appropriate period, in which the Contractor shall be obliged to remove the defects in the Performance. After the expiry of the period for the removal of Performance defects pursuant to this clause, SE shall be entitled to carry out another inspection of the Performance. If the Contractor fails to remove the defects in the Performance satisfactorily, SE shall be entitled to withdraw from the Contract for material breach of the Contract by the Contractor, unless it specifies another period for removing the defects in the Performance.

9.2.4 Execution of preliminary inspections of the Performance and possible elimination of defects of the Performance pursuant to this clause do not relieve the Contractor of the obligation to hand over the Performance within the period specified for Performance handover and do not relieve the Contractor from liability for proper and timely handover of the Performance, and the contractual or legal claims of SE resulting from any delay on the side of the Contractor in Performance handover shall remain preserved unless agreed otherwise by SE and the Contractor.

9.2.5 If it is agreed in the Contract, the Contractor shall be obliged to carry out testing or technical inspection (hereinafter referred to as the "**Tests**") of the Performance before its handover, to ascertain whether the Performance meets the requirements for quality and execution and whether it meets the conditions specified by the Contract. The Contractor shall be obliged to submit the result of the Tests to SE no later than the handover of the Performance.

9.2.6 Unless agreed otherwise in the Contract, the SE's Contract Manager shall be present at the execution of the Tests of the Performance and the Contractor is obliged to notify SE of the place and date of Tests **no later than 14 days** prior to the planned date of the Tests or within another mutually agreed period.

If the Contract Manager for SE fails to arrive at the specified time at the place of Tests execution, the Contractor may carry out the Tests without the presence of SE, however, it shall be obliged to inform SE of the result of the Tests without undue delay.

9.2.7 Costs connected with the execution of the Tests of the Performance shall be borne by the Contractor. In the case of execution of complex Tests of the Performance, the respective provision of the GTT, or SSTC shall apply.

If the Tests are not carried out at the agreed date due to fault on the side of the Contractor or if the result of the Test of the Performance is unsatisfactory, the Contractor shall be obliged to reimburse SE all costs SE incurred in connection there with.

9.2.8 Performance of the Tests in the presence of SE shall not relieve the Contractor from any liability for defects found out after the handover of the Performance.

Carrying out an inspection or Tests shall not be a reason for delayed delivery of the Performance.

9.3 **Conditions of Delivery and Takeover of the Performance**

9.3.1 **Period of Delivery and Takeover of the Performance**

In the event where there arises a risk that the Contractor will fail to deliver the Performance within the period specified in the Contract, it is obliged to inform SE in writing of this fact without undue delay after learning of this fact, and it shall be obliged to carry out



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all measures to expedite the Performance. The notice shall specify the causes of the delay and the expected day of delivery of the Performance.

If the Contractor fails to carry out the measures according to this clause or the Contractor's measures turn out to be insufficiently effective and the provision of the Performance is not expedited, SE shall have the right to itself carry out measures to expedite the provision of the Performance, including withdrawal of the provision of any part of the Performance by the Contractor (e.g. in the form of a partial withdrawal from the Contract with immediate effect from the date of receipt of such notice by the Contractor) and assigning its provision to a third party, whereupon the Contractor shall be fully responsible for coordinating its work with the new Contractor so designated, whereupon the eligible costs in connection with this measure shall be borne by the Contractor. SE shall have the right to claim or set off these costs on the basis of a separate invoice delivered to the Contractor. For the avoidance of doubt, it shall apply that SE shall be entitled to set-off against the Price or to request payment of all increased costs and expenses connected with the withdrawal of the provision of any part of the Performance and assigning it to a third party (e.g. the price difference between the withdrawn part of the Performance which was subsequently newly assigned, the damage incurred, other resultant costs, any penalties etc.).

Any costs incurred by the Contractor as a result of failing to observe the date of execution of the Performance or Payment Milestones, or in connection with achieving their proper and timely fulfilment (e.g. overtime work, shift work, increased deployment of machines, inefficient supply of materials, increased workload etc.) shall be always borne by the Contractor. In such cases, the Price shall not change.

In cases where the Contractor properly completes the Performance or part thereof, in compliance with the Contract and its annexes prior to the agreed date of Performance execution or Payment Milestone, SE shall be entitled but not obliged to take over the Performance or part thereof also on an earlier date proposed by the Contractor.

Also in cases when the commencement or course of executing the Performance is in delay for reasons other than those attributable to SE, the individual dates of Performance execution or Payment Milestones must be properly observed or met without any claim to any increase in the agreed Price.

In cases when the commencement of Performance (or the course of Performance itself) is in delay for reasons exclusively attributable to SE **for more than 5 working days**, the Contractor shall be entitled to postpone all the following terms of Performance or Payment Milestones by the same number of days as the length of postponement of the start or of the course of Performance execution for reasons on the part of SE. Any sanctions applicable against the Contractor remain valid also when applying new postponed dates of Performance execution or Payment Milestones.

The Contractor shall be obliged, in writing and sufficiently in advance, to inform SE about the date when the Contractor will be ready to complete and handover the Performance and to call upon SE in writing to take over every Performance in accordance with the Contract **at least 5 working days** prior to the delivery of the Performance.

9.3.2 **Materials and Equipment**

If the subject matter of the Performance or a part thereof is a supply of goods, the Contractor shall be obliged to pack such Performance or prepare it for transport in the way customary for such Performance in business relations or, if that way cannot be determined, then in the way necessary to preserve and protect the Performance. The Contractor undertakes to remove and dispose of the packaging from the Performance if SE so request.

Unless otherwise stated in the Contract, the conditions regarding the supply of goods from abroad shall be governed exclusively by international rules for the interpretation of delivery terms INCOTERMS 2010, using the provisions of parity "**DDP**" with the place of Performance specified in the Contract.

The Contractor shall be obliged to insure the transportation of goods if this is required by the Contract.

The Contractor is required to prove the internal cleanliness of the equipment by presenting a protocol from the equipment's supplier.

In the event that the nature of the goods to be delivered within the Performance requires permits in accordance with the respective legal regulations, the Contractor shall be obliged to obtain such permits at its own expense.

SE is entitled to request an extension to the period of Performance supply. In such case SE and the Contractor shall agree on the share in which they will bear the costs connected with further storage.

9.3.3 **Chemical Substances and Chemical Mixtures**

Provisions of this Article are applicable only to Contractors supplying chemical substances or chemical mixtures to SE (hereinafter referred to as "**CS** or **CM**").

The Contractor supplying CS or CM to SE shall deliver, along with the delivered CS or CM, the Safety Data Sheet (hereinafter the "**SDS**") in the Slovak language. For CS or CM that are not hazardous, the Contractor need only deliver a statement that the delivered CS or CM is not classified as hazardous.

The expiration date of the CS or CM must be indicated directly on the packing of the CS or CM by the manufacturer or by the Contractor. In justified cases (where the CS or CM are in liquid form and are delivered in large-volume tanks or freely stored), the expiration date may be specified in the test certificate, other certificate or directly in the SDS.

Upon an additional written request by SE, the Contractor shall be obliged **within 10 days** from the delivery of such written request to deliver to SE's Contract Manager any additional documents specified in SE's written request by (e.g.: a test certificate, technical specification, technical sheet, certificate, purpose of use, authorisation, other specific requirements for quality and purity, or the type of the product).

The Contractor shall ensure marking of the CS or CM packages in compliance with applicable legislation (Act No. 67/2010 Coll. on Conditions to Introduce Chemical



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Substances and Chemical Mixtures to the Market and on the amendment of certain acts (Chemicals Act) as amended (hereinafter referred to as the **"Chemicals Act**") and Regulation (EC) No. 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC and amending Regulation (EC) No. 1907/2006 (CLP) as amended. Labelling and documentation of CS or CM must be in the Slovak language.

9.4 **Performance Takeover**

9.4.1 SE shall take over the Performance in the form of a written Takeover Protocol, where:

(i) in the case of goods delivery, the Takeover Protocol shall be the delivery note, containing the list of individual items delivered pursuant to the Contract, stating the production number of the goods and the respective amounts, certifying the takeover of the delivery by SE showing the date of goods takeover by SE and handover of the goods by the Contractor, and which shall contain the data of the goods codes according to the Common Customs Tariff,

(ii) in the case of goods delivery from the territory outside the Slovak Republic the delivery note shall contain:

a) Common Customs Tariff code of goods,

b) country of goods origin,

c) net weight of goods,

d) date and place of loading the goods by the Contractor,

e) date of goods handover by the Contractor in the place of Performance,

(iii) in case of other types of Performance the Takeover Protocol shall be any document containing a detailed list of Performance performed, i.e. the list of individual items delivered pursuant to the Contract, and respective amounts,

(iv) in the case of Performance belonging to Section F (Construction and civil engineering works) according to the statistical classification of products by activity (CPA), made between domestic VAT payers with the place of delivery in Slovakia, the Takeover Protocol must contain in addition to the above data also 6-digit service code according to the statistical classification of products by activity (CPA), Section F Construction and civil engineering works; this information does not have to be indicated on the Takeover Protocol if it is stated on the invoice.

The Takeover Protocol signed by SE and the Contractor is a document proving the fulfilment of the Contract subject matter, i.e. it confirms that the delivery has been executed in the quantity and quality defined in the Contract.

The Takeover Protocol shall be executed in at least two counterparts and at least one of them shall be retained by the Contractor and one counterpart shall be retained by SE.

Any statement of the Contractor regarding the handover of the Performance must be recorded in the Takeover Protocol.

9.4.2 If identification cards for entry (hereinafter referred to as **"Entry IDC"**) issued by SE were assigned to the Contractor's Personnel for the purposes of execution of the Performance in SE premises, the Takeover Protocol of the last Performance executed under the Contract shall contain the number of Entry IDCs not returned by the Contractor's Personnel by the date of the takeover of such Performance. In such case, SE shall be entitled to claim from the Contractor **retention** in an amount corresponding to the multiple of the number of unreturned Entry IDC and the amount of the contractual penalty for failure to return an Entry IDC in the amount of **EUR 30**. SE shall apply the amount of retention calculated in such a way until the return of the last Entry IDC. SE shall be obliged to release the retention within 30 calendar days following the return of the last Entry IDC.

9.4.3 The Contractor shall call upon SE, in writing, to take over each Performance in accordance with the Contract **at least 5 working days** before the handover of the Performance.

9.4.4 If the Performance is handed over on behalf of the Contractor by a person other than the one authorised pursuant to clause 2.6b) herein, such person shall submit to SE no later than at the start of the Performance handover a written authorisation signed by the Contractor's statutory body proving his/her right to act on behalf of the Contractor in the Performance handover procedure.

9.4.5 The Contractor is obliged to hand over to SE no later than at the Performance takeover by SE:

(i) documents necessary for Performance takeover and usage as well as other documents specified in the Contract and in the technical specification if it forms an annex to the Contract (e.g. all conformity declarations, protocols and certificates of tests for equipment that the Contractor assembled, installed or rendered) in the Slovak language at least in the extent specified by the respective legal legislation of the SR,

(ii) manuals for equipment attendant operation, repair and maintenance in the scope specified by the respective legal legislation of the SR, where all the manuals and labels of control panels of equipment must be in the Slovak language,

(iii) the respective technical documentation, test certificates of the materials used during the execution of the Performance and documents of the executed tests, or other documents, if this is prescribed by generally binding legal regulations or respective technical regulations or if this is agreed in the Contract or if they are required by SE, or their submission is customary with regard to the Performance character.

9.4.6 In the case where SE has taken over the Performance with Minor Defects specified in detail in clause 14.11 herein, SE shall be entitled to **apply retention** in the amount of **10% of the Price of the Performance**. SE shall be obliged to release the retention within 30 calendar days following the elimination of the Minor Defects. In such case, the Contractor is not entitled to any interest for retention.



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9.4.7 For the avoidance of doubt, the Contractor shall become entitled to hand over the Performance, and for the Takeover Protocol to be drawn up only in the case that

(i) the Performance can be used for the specified purpose without any limitations, totally safely and in compliance with respective legal legislation,

(ii) the Contractor has fulfilled all its duties pursuant to the Contract, has successfully performed all the Tests and has handed over to SE the documentation according to clause 9.4.5 herein,

(iii) the Parties have agreed upon the final scope of the executed Performance and final Performance Price, and

(iv) the Performance has been completed in compliance with the Contract without defects and outstanding work, except for the cases, when the delivery is taken over with Minor Defects in accordance with clauses 9.4.6 and 14.11 herein.

9.4.8 If the Performance is not taken over for the reasons specified in clause 9.4.7 herein, the Performance has defects and the procedure in accordance with Article XIV shall be applied.

9.5 **Transfer of the Ownership Right**

9.5.1 **Materials and Equipment**

The Performance, which is the subject matter of takeover, passes to SE's ownership with all the rights and duties resulting from it at the moment of Performance takeover on the basis of the signing of the Takeover Protocol. At the moment of Performance takeover, the risk of damage to the Performance also passes to SE.

9.5.2 **Works**

Unless agreed otherwise in the Contract, if the subject matter of the Contractor's Performance is the production of a thing on the Contractor's premises, the ownership right to the thing and the risk of damage to the thing passes to SE at the moment of its takeover in accordance with the Contract.

Unless agreed otherwise in the Contract, if the subject matter of the Contractor's Performance is the construction of a thing on the land of SE or on land procured by SE, the ownership right to individual materials, components, products and other parts of the constructed thing used by the Contractor in constructing the thing shall be acquired by SE at the moment of their installation into the constructed thing. Any subsequent separation of these materials, components, products, and other parts of the constructed thing from the constructed thing shall not result in the change of the ownership right. The risk of damage to the Performance passes to SE at the moment of Performance takeover.

Unless agreed otherwise in the Contract, the Contractor shall bear the risk of damage to a thing taken over from SE that is the subject matter of the assembly, maintenance, repair, modification, revision, or measurement. In such case the ownership right to the thing remains with SE.

The Contractor undertakes that all materials, components, products or other parts of the constructed thing used for the construction of the thing will be free of any legal defects (they will not be the subject of a right of lien, other third-party rights, the subject of enforcement proceedings, they will not be included in assets in bankruptcy or restructuring etc.) and at the time of their delivery, the Contractor shall be the unlimited owner of the materials, components, products and other parts of the constructed thing.

The Contractor undertakes not to use in the manufacture of the goods any material, components, products or other parts of the goods which would be subject to the reservation of ownership of any third party. The Contractor confirms that the SE is entitled in all circumstances to presume that the Contractor is the the sole owner of the delivered material, component, product or any part of the manufactured object at the time of delivery, and that at the time of incorporation of the material, component, product or any part of the manufactured object SE becomes its sole owner.

Unless agreed otherwise in the Contract, the Contractor shall bear the risk of damage to things, documents, background documentation taken over from SE for the purpose of proper and timely construction of the thing, assembly, maintenance, repair, modification, review or measurement, this being valid for the whole period of thing production, performance of assembly, maintenance, repair, modification, review or measurement by the Contractor until the moment of their handover to SE in accordance with the Contract. The Contractor shall be obliged and authorised to use all the things, documents, background data handed over to it by SE exclusively for the purposes agreed upon in the Contract. After the proper completion of the Performance and handover of the Performance as well as in the case of early termination of the Contract, the Contractor shall be obliged to return to SE all things, documents, background data handed over to it by SE for the purpose of production of the thing.

## X. SUBCONTRACTORS

10.1 "**Subcontractor**" means any person, or contractual partner of the Contractor participating in the Performance of the Contractor's obligations toward SE resulting from the Contract, other than employees of the Contractor. A freelancer is also considered to be a Subcontractor.

10.2 In the event that a Subcontractor participates in the Performance, the Contract must include as an integral part a list of Subcontractors, which must contain an identification of the Subcontractor, type of the Performance (works, services, material deliveries) and the Subcontractor's share in the Contract performance pursuant to clause 10.5.

10.3 The approved list of Subcontractors can be changed only on the basis of prior written approval from SE in accordance with clause b) herein.

10.4 The Contractor undertakes to ensure due performance of its obligations resulting from the Contract by means of appropriate arrangement of obligations related to the Contractor's Performance under the Contract, in contracts concluded with its Subcontractors. The Contractor undertakes to allow SE to view such contracts at any time .

10.5 The limit of the subcontracted share is 50% and this relates to works and services. In the case of services, this limit refers to the total contractual amount. In the case of works, this limit refers only to the contractual amount for works. Works shall mean any



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types of physical activities of the Contractor's Personnel (including Subcontractors) performed for the purpose of Contract performance.

10.6 The limit of the subcontracted share can be changed only on the basis of prior written approval from SE pursuant to clause b).

10.7 Only one subcontracting level is permitted for the performance of works and services at SE premises.

10.8 Freelancers are not counted in the calculation of the subcontracted share, or in the number of subcontracting levels.

10.9 In the event that a Subcontractor participates in the Performance, the Contractor shall be obliged to use for Contract performance only Subcontractors that meet the following conditions for personal standing:

a) no bankruptcy has been declared on it, nor is it in liquidation, nor has a declaration of bankruptcy been rejected due to a lack of assets,

b) neither it nor its statutory body nor a member of its statutory body has been lawfully convicted of a crime of corruption, a crime of damaging the financial interests of the European Communities, a crime of legalising income from criminal activities, a crime of establishing, plotting and supporting a criminal group, or the crime of establishing, plotting and supporting a terrorist group, or the crime of terrorism and any forms of participation in terrorism, and neither it nor its statutory body nor a member of its statutory body has been lawfully convicted of a crime concerning the professional conduct of business,

c) it has no registered outstanding payments for health insurance, social insurance, or old-age pension saving that are being enforced by execution of a legal decision,

d) it has no registered tax arrears being enforced by execution of a legal decision,

e) no severe breach of its professional obligations has been proven within the preceding three years,

f) it is authorised to deliver goods, to perform construction work or to provide service.

10.10 SE expressly reserves the right at its own discretion to refuse in writing the participation of a Subcontractor in the Performance at any time during the Contract execution without the Contractor's right to any compensation or reimbursement. In such case, the Contractor shall be obliged to immediately perform all acts necessary to terminate cooperation relating to the Performance with the refused Subcontractor. SE can refuse Subcontractor's participation in particular, however, not exhaustively, in the following cases:

a) a failure by the Subcontractor to fulfil requirements for technical and professional competence and conditions for ensuring occupational health and safety (hereinafter referred to as "**OHS**") and fire protection ("**FP**"), or

b) filing of a petition by an authorised person for the execution of distraint on the Subcontractor's assets, or

c) publication of a resolution on the commencement of bankruptcy proceedings against the Subcontractor in the Commercial Journal, or

d) publication of a resolution on the commencement of restructuring proceedings against the Subcontractor in the Commercial Journal, or

e) a failure to perform previous performances executed for SE, either as the Contractor or Subcontractor, properly and in time.

10.11 The Contractor undertakes:

a) to observe the maximum share of Subcontractors in the Performance of works and services, specified by SE pursuant to clause 10.5, or other share approved by SE pursuant to clause 10.6,

b) to request prior written consent from SE in the following cases:

(i) additional need arising for Subcontractor's participation in the Performance,

(ii) participation of every further Subcontractor in the Performance and any related change of shares of individual Subcontractors in the Performance,

(iii) every change of shares of the existing Subcontractors in the Performance,

c) to prove the Subcontractor's fulfilment of the requirements for technical and professional competence and fulfilment of conditions for ensuring OHS,

d) to fully pay the Subcontractors for all subcontracted performances and to settle any additional costs related to such subcontracting relations; all the Performance parts performed in the form of subcontracted supplies shall be exclusively at the expense and risk of the Contractor,

e) to immediately eliminate the violation of any Subcontractor's duty through any suitable means and to bear the resulting consequences including, if suitable, the replacement of a Subcontractor that has violated its obligations,

f) to ensure that the Subcontractors also properly fulfil all the duties assumed by the Contractor in the Contract and its annexes and that the Subcontractor fulfils its obligations pursuant to the subcontract so that the Performance is supplied in compliance with the Contract conditions and there is no threat to or breach of its duty to deliver the Performance properly and in time, and

g) to reflect the conditions of the Contract in the subcontract so that the Performance is delivered in compliance with the conditions of the Contract (properly and in time) and it undertakes to agree in the subcontract the possibility of making the subcontract and its related documents available to SE so that such disclosure is not considered a violation of trade secrets of the Subcontractor or a violation of protection of information of a confidential nature.

10.12 The Contractor shall be fully responsible for the proper, timely and complete performance of subcontracted supplies by the Subcontractor as if it performed the sub-supply itself, regardless of the fact whether the subcontracted supply is executed by a Subcontractor selected by the Contractor or appointed by SE. If SE has any doubts as to whether the Contractor is fulfilling its duties under a subcontract properly and in time and if according to SE such activity jeopardises the quality and timely delivery of the Performance or part thereof, SE shall be entitled to request from the Contractor evidence confirming that it is fulfilling its duties properly and in time (e.g. by submitting a statement of the Contractor's bank account confirming the timely settlement of Subcontractors' invoices), and the Contractor shall be obliged to submit such evidence without undue delay.

10.13 The Contractor shall be fully responsible for complying with all the health, safety, and labour law regulations as well as those from the area of the environment and for obligations concerning Subcontractors.

10.14 The fact that SE approves any subcontracted supplies shall in no way limit the Contractor's liability, and shall not, in connection there with, mean any liability for the side of SE arising, since



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subcontracted supplies do not relieve the Contractor from any contractual obligations or liability. The Contractor shall remain fully liable for any activity, defects, or negligence whatsoever by its Subcontractors and their representatives and personnel in the same way as the Contractor is responsible and liable for its own or its employees' or personnel's activity, defects, or negligence.

10.15 In justified cases, SE shall be entitled (though, not obliged) to take over a Subcontractor of the Contractor (i.e. to exclude the supply of the Subcontractor from the total Performance of the Contractor) and to conclude a Contract directly with the Subcontractor, alongside the Contractor. In such case, the Price shall be reduced by the sum of the Performance executed by the Subcontractor. In such case, the Contractor shall be obliged to enter into a separate amendment to the Contract with SE, arranging the mutual rights and duties of the Parties, as well as arranging its contractual relations with such Subcontractor taken over.

10.16 If the Contractor fails to pay a Subcontractor properly and in time the agreed remuneration for the properly executed Performance, and in consequence of which the Subcontractor notifies SE in writing of the possibility of suspending the provided Performance it is executing or it will directly suspend it, and, according to SE, such suspension of the Performance of the Subcontractor or several Subcontractors could jeopardise the progress of works and observance of the term for Performance execution and handover, SE shall be entitled, following prior written notice submitted to the Contractor and following the expiry of the period set by SE for remedy, to withhold the settlement of invoices (tax documents) until the eligible claims of the Subcontractor who threatened in writing the possibility of work suspension are fulfilled by the Contractor and the fulfilment is proven to SE. During the period of withholding payment under this clause, SE shall not be considered in delay with payment of its monetary obligations and the Contractor shall not be entitled to apply any legal or contractual sanctions.

10.17 In the event that the Contractor breaches any of the duties specified in this Article X, SE can claim a contractual penalty from the Contractor pursuant to clause 15.6 herein.

## XI. TRANSFER OF RIGHTS AND RECEIVABLES

11.1 The Contractor undertakes that it shall not, without prior written consent from SE, assign or otherwise dispose of, or trade, whether in return for payment or free of charge, receivables arising from the Contract, nor establish lien is on receivables arising from the Contract. Otherwise, such act shall be invalid. In the event of a breach of the above, SE shall be entitled to exercise against the Contractor a contractual penalty pursuant to clause 15.7 herein.

In the event of an assignment of receivables or transfer of liabilities under the Contract (in whole or in part) within an enterprise of which either of the Parties is a part, or in the event of the transfer to a legal successor or company established by a merger or acquisition of such company, such assignment/transfer shall not require the consent of the other Party. The Contractor undertakes to inform SE of such fact without undue delay.

If in accordance with this clause, the Contractor establishes a lien over receivables from SE under the Contract, the Contractor undertakes to inform SE without undue delay of any change or extinction of the lien established over the receivables toward SE under the Contract.

11.2 The Contractor shall not be entitled to transfer its obligations resulting from the Contract without prior written consent from SE; otherwise such transfer of obligations shall be invalid.

## XII. CONTRACTOR'S OBLIGATIONS

12.1 The Contractor undertakes to demonstrably familiarise its Subcontractors and its personnel participating in the provision of the Performance in favour of SE with all obligations resulting from the GTC and to ensure their observance by its employees, Subcontractors and Subcontractors' employees.

12.2 On the basis of a request by SE, the Contractor shall be obliged to provide SE with all information and data regarding the provision of the Performance under the Contract or to supplement such information within an appropriate time period. At SE's request, the Contractor is obliged to submit documents proving the nature of the Contractor's contractual relationship with personnel entering the premises of SE (e.g. a certificate of registration with the Social Insurance Agency).

12.3 The Contractor declares that:

a) items supplied by the Contractor in connection with the provision of the Performance are not encumbered and will not be encumbered at the time of Performance provision third-party right, in particular, but not only, by a third-party lien or pre-emptive right;
b) such items are not leased and will not be leased to any third party at the time of the provision of the Performance; and
c) there is no legal regulation or decision of a public authority that would in any way prevent the Contractor from disposing with such items.

12.4 In the case of providing the Performance in the premises of SE, the Contractor undertakes to observe the terms and conditions specified in the GTT, or SSTC.

12.5 During the life of the Contract, the Contractor is obliged to notify SE in writing without undue delay, though no later than **within 5 working days** of the occurrence of the event:

a) the Contractor entering liquidation;
b) the commencement of enforcement on the Contractor's assets; or
c) the commencement of a procedure pursuant to Act No. 7/2005 Coll. on bankruptcy and restructuring and on the amendment of certain acts, as amended.
d) an employee of the Contractor, who has, for the purpose of Performance, been allowed entry to the SE's premises, has ceased to meet the conditions of entry, in particular conditions concerning integrity. This notification duty shall apply accordingly to the subcontractors' employees and freelancers.

In the event that the Contractor violates the duty pursuant to this clause, SE shall be entitled to claim from the Contractor a contractual penalty in accordance with clause 15.5 herein.

12.6 The Contractor is obliged to notify SE, **without undue delay** and no later than 5 working days from receipt of a request from SE, of the following information:

a) any changes regarding its:
(i) business name,
(ii) registered office or place of business,
(iii) scope of business,
(iv) statutory bodies including the way of their acting towards third persons,
(v) ownership and/or management structure (e.g. information on its company partners/shareholders (direct or indirect), beneficial owners, member of bodies and

their close persons);

b) documents and personal data of the Contractor's employees by means of whom the Contractor supplies work or provides a service, and this in a scope necessary for checking compliance with the prohibition of illegal employment in connection with Section 7b(5) of Act no. 82/2005 Coll. on illegal work and illegal employment.

In the event of a breach of the Contractor's obligations under this clause, SE shall be entitled to exercise a contractual penalty against the Contractor in accordance with clause 15.5 herein.

12.7 The Contractor declares that:

a) it disposes of all the authorisations required by the respective legal regulations and respective bodies for fulfilling the Contract conditions and for proper and timely Performance execution and that the executed Performance is in accordance with its line of business,

b) it is able to execute the Performance properly and in time according to the conditions of the Contract and annexes thereto; the Contractor also declares that the Performance will be carried out by professionally competent personnel meeting the integrity as well as other conditions in compliance with the valid legal regulations and GTT, or SSTC, if they are part of the Contract,

c) in the event that the Contract also contains a list of subcontractors, the Contractor undertakes to observe the duties specified in Article X. In the event that the Contractor violates the duties specified in Article X, SE shall be entitled to claim from the Contractor a contractual penalty in accordance with clause 15.6 herein,

d) in the event that damage occurs during the Contract execution in connection with its activity, it undertakes to compensate the damage to SE in the proven extent, including lost profit,

e) it is aware of the scope of the Performance as well as of other circumstances affecting the fulfilment of the Contract and Performance execution. In this regard, the Contractor confirms that it cannot invoke an error or it cannot refer to acting by mistake or to the fact that some deliveries are not specified in the Contract or its annexes, unless the errors or mistakes are caused exclusively by SE by its wilful activity, or if it did not draw attention to them prior to the signing of the Contract,

f) it has properly checked with due professional care all the documents, background documentation handed over to it by SE or forming annexes to the Contract and at the same time it undertakes to execute the Performance on the basis of them; in this connection, the Contractor is obliged to check with due professional care also any other things, documents, background data provided by SE for the purposes of Performance execution and the Contractor shall inform SE without undue delay (no later than within 7 days after the date of takeover) in writing in a registered letter of any discrepancy, ambiguity, error or incompleteness or imperfectness that results or could result in defects, malfunction of the Performance or part thereof, any deviation from the contractually specified standard, function or purpose of the Performance or in an influence on the Performance Price; else, any claims the Contractor has in connection with the incompleteness or imperfectness of the background documentation handed over to it by SE shall lapse.

g) it shall not, either directly or indirectly via a Subcontractor, supply SE with a work or service by means of a natural person employed illegally,

h) [Not applicable.].

12.8 In executing the subject matter of the Performance under the Contract, the Contractor undertakes to observe, among others, all the duties resulting from:

a) generally binding legal regulations of the SR,

b) generally binding legal regulations governing the areas of the labour law and illegal employment, OHS, FP and the creation and protection of the environment, and

c) those parts of SE internal regulations, with which it has demonstrably familiarised itself and that are applicable to:

(i) the activities performed by the Contractor for SE, and

(ii) the activity of the Contractor's Personnel on the grounds and premises of SE on the basis of the Contract.

d) the Sanctions Clause

e) the Environmental and Social Management Clause.

12.9 In the event of any conflict between the Parties regarding the scope, contents or quality of the Performance in cases that are not directly or indirectly solved by the Contract or its annexes, the written opinion of SE shall be decisive until the adoption of a mutual agreement of the Parties or a decision of the competent body and the Contractor shall be obliged to respect the opinion of SE and to comply with any conditions set out therein. The Party, whose opinion in solving the conflict turns out to be incorrect shall bear the costs connected with resolving this conflict.

12.10 If, during the Performance execution, any conflicts arise between SE and the Contractor, Performance must not be suspended, interrupted, or delayed or otherwise affected from the side of the Contractor.

12.11 Any consent or approval from SE or of its authorised representative regarding the Performance, documents, documentation or work performed by the Contractor shall not relieve the Contractor of its liability for proper and timely execution of the Performance, as well as for the correctness of the submitted documents, documentation, background data or works.

12.12 In the case of the delivery of spare parts, equipment and goods (hereinafter referred to only as "**material**") for technological facilities there must be applied the rules for preventing penetration of foreign objects into the facilities (Foreign Material Exclusion – hereinafter referred to as "**FME**") in such way that the delivered material must not contain any foreign object and such material must be secured against the penetration of foreign objects during transport and storage. The Contractor is responsible for delivering material free of foreign objects. The Contractor is responsible for ensuring that the delivered materials do not contain foreign objects or contaminants, including on interior surfaces and in cavities. All external openings must be secured (covered) to prevent the penetration of foreign objects. The plugs, overlays or covers (hereinafter referred to as the "**barrier**") must be made of a material that is compatible with the material supplied, in order to guarantee the prevention of negative impact on the delivered material (e.g. a barrier containing halogens or heavy metals must not be used for goods of stainless steel). A barrier or part thereof shall not constitute a foreign object (solid materials, not flaking or not cleaving materials, stainless, chemically stable etc.). Barriers must be clearly visible and barriers installed inside the goods must be supplemented with elements drawing attention to their presence. Barriers that were covered with paint during the manufacturing process must be replaced or made visible. **It is**



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**not permitted to use as a barrier: paper, insufficiently solid plastic foil, foam, or polystyrene.** When desiccants or other preservatives are used to protect the goods, the relevant part or material must be clearly labelled or accompanied by a label with information about the type of preservative, location and any special instructions applicable to its removal before installation, or any other information, such as the number of packages of desiccants. Covering it over must not give rise to the risk that it will become accidentally detached.

12.13 In the case where the process of concluding the Contract is subject to the provisions of Act no. 343/2015 Coll. on public procurement and on the amendment of certain acts, as amended (hereinafter the "**PPA**"), the Contractor declares that at the time of concluding the Contract it is entered in the Register of Public Sector Partners (hereinafter the "**Register**") in accordance with Act no. 315/2016 Coll. on the Register of Public Sector Partners and on the amendment of certain acts, as amended (hereinafter the "**PSPA**"), and throughout the life of the Contract it shall remain entered in the Register. The representation on the obligation to be entered in the Register under the previous sentence shall apply also to any Subcontractors.

## XIII. LIABILITY FOR DAMAGE

13.1 The Contractor shall be responsible for losses that it causes to SE through failing to adhere to legal or contractual obligations or through its activity in fulfilling the Contract..

13.2 Unless agreed otherwise in the Contract, the Contractor undertakes to indemnify SE for all the duties, losses, damage, fines, claims, complaints, taxes, obligations, disputes, expenses and costs (including appropriate fees for legal consulting, costs and expenses of investigation) that SE has to do, or which SE suffers or incurs on the basis of a direct or indirect violation of any declaration, guarantee or obligation of the Contractor under the Contract.

13.3 If during the Contract fulfilment damage is caused to SE due to the Contractor's activities, the Contractor undertakes to compensate for the damage caused to SE in the extent provable according to this Article. The Contractor shall compensate the damage to SE **within 10 days** from the delivery of its statement to the Contractor.

13.4 A claim for the payment of contractual penalties according to the Contract or Article XV, shall not prejudice SE's claim to damage compensation in an amount exceeding the contractual penalty.

13.5 SE and the Contractor shall not be liable for damage suffered as a result of circumstances excluding liability pursuant to Article XVII.

## XIV. WARRANTY AND LIABILITY FOR DEFECTS

14.1 The Contractor declares and guarantees that the Performance will be delivered to the SE in compliance with and in the scope, quality and under the conditions agreed in the Contract and annexes thereto. At the same time, the Contractor guarantees that the Performance will be free of legal defects.

14.2 Unless stated otherwise in the Contract, the Contractor undertakes that the Performance will retain its attributes pursuant to the Contract and the Contractor shall be held liable for defects of the Performance throughout the warranty period, which is **24 months**.

14.3 The warranty period shall start to run on the day of the Takeover Protocol being signed by the representative on behalf of SE pursuant to clause 9.4.1 herein, unless agreed otherwise in the Contract or in legal regulations in force. If the Contractor is obliged to send the Performance to SE, the warranty period shall start to run from the day of the arrival or handover of the Performance at the place of destination and its takeover by SE. The Contractor may unilaterally extend the warranty period by making a statement of warranty extension.

14.4 The warranty period shall not apply for the period when SE is unable to use the Performance due defects on it for which the Contractor is liable. The warranty period shall also be interrupted for the parts of Performance, on which the claimed defects are being removed and shall recommence only on the day following the date of SE's written confirmation of the defect's removal. In the event of defects in the Performance that can be remedied only by way of exchange replacement, the warranty period shall commence anew on the day following the date on which such defects are remedied and taken over in writing by SE.

14.5 The warranty shall also apply to any defects resulting from defects of material or defective components of the Performance. The Contractor is responsible for defects of material, defects caused by the manufacturer, Subcontractor, or any other defects.

14.6 The Contractor shall notify SE in writing, at the latest on takeover of the Performance, of any specifics of the Performance provided and at the same time provide SE with a detailed manual defining the necessary maintenance. In the case of the parts of the Performance, for which a special service or review inspections are required by the manufacturer or supplier, the Contractor is obliged to provide SE with a written service plan or a plan of mandatory reviews over the warranty period, along with drafts of the relevant service contracts with entities authorised to carry out such servicing or review inspections.

14.7 If Performance purchased by the Contractor from a third party for resale to SE is covered by a warranty provided by the third party, this must not be shorter than the period pursuant to clause 14.2 herein from the Performance takeover. The Contractor is obliged to inform SE of any circumstances that could possibly influence filing of claim from defects of such Performance, in particular, it is obliged to notify SE in writing of the date of expiry of the warranty period and, upon handing over the Performance, is obliged to also hand over any documents necessary to be submitted in the case of filing defect liability claims, as well as a full list of parts of the Performance, specifying the warranty period of a particular part of the Performance.

14.8 The Performance shall be deemed to have defects if it fails to correspond to the result specified in the Contract, to its purpose of use, or if it fails to meet the qualities set out in the Contract or in the generally binding legal regulations or valid technical standards or other obligations of the Contractor pursuant to clause 9.4.7 herein.

14.9 The Contractor shall be held liable for defects of the Performance at the time of its handover and takeover by SE, regardless of when the defect was detected by SE, even if the defect becomes apparent (detected by SE) after this time, if SE notifies such defects to the Contractor no later than the expiry of the warranty period.

14.10 In the event that the Performance shows patent defects at the takeover, SE shall be entitled to refuse to take over the Performance. If takeover of the Performance is refused, SE shall make a record in which it shall state the defects. One counterpart of the record on the refusal to take over the Performance shall be provably handed over to the Contractor. The Contractor is obliged to remove the defects without undue delay, however at latest **within 5 working days,** unless the Parties agree otherwise. After their removal, the Contractor shall be obliged to again call upon SE to take over the Performance pursuant to this clause and to draw up the Takeover Protocol pursuant to clause 9.4.1 herein. If the Parties agree a period longer than 5 working days, the Contractor is obliged to start on removing the defects within 2 working days from drawing up the record pursuant to this clause.



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14.11 SE may take over the Performance with defects that do not prevent its use or unfinished works that are capable of use (hereinafter referred to as "**Minor Defects**"). If this is the case, the Takeover Protocol shall contain a list of Minor Defects. The description of the Minor Defects mentioned in the list shall be definite and clear, and the deadline for removing each Minor Defect shall be agreed with the Contractor. If, for various reasons, no agreement on the deadline is reached, the deadline for removing a Minor Defect shall be **5 working days** following its detection at the Performance takeover.

Should the Parties agree a period longer than 5 working days, the Contractor is obliged to start removing the Minor Defects within 2 working days from drawing up the Takeover Protocol. For the avoidance of doubt also in the case of takeover of the Performance with Minor Defects, the Performance will be deemed duly handed over and the Contractor's obligation duly fulfilled only upon removal thereof.

14.12 The Contractor is liable for defects of the Performance arisen after the Performance handover if these defects were caused by a breach of its obligations or if the defect occurs in the context of SE's action (e.g. defects occurring due to damage to the Performance by SE or by a third party, or due to an act of SE or a third party) that is in accordance with the user manual or other documents supplied by the Contractor pursuant to the Contract (e.g. pursuant to clause 14.6 herein).

14.13 The Contractor is not liable for defects of the Performance that were caused by SE handing over unsuitable or incomplete background documentation by SE if the Contractor was unable to ascertain their unsuitability even when exercising due professional care, except in the case of a breach of declarations or obligations of the Contractor pursuant to clause 12.7 herein; or when the Contractor notified SE of their unsuitability in writing and SE insisted on their use.

14.14 **Claims for defects**

If the Contractor provided a Performance with defect(s), SE may:

a) ask for removal of the defect(s) at the Contractor's expense by alternate performance instead of the Performance with defects;

however, SE is not entitled to require the provision of the alternate performance, if it is not possible to return or hand the Performance over to the Contractor in view of its nature, except for the Performance on the basis of a works Contract, where SE is entitled to require alternate performance even if it is not possible to return or hand the Performance over to the Contractor in view of its nature, unless agreed otherwise by the Parties, or

b) require the removal of the defect(s) by the delivery of missing Performance, or

c) require the removal of defect(s) at the Contractor's expense in the form of repair in the case of reparable defects; or

d) require an appropriate discount off the Price of the Performance; or

e) withdraw from the Contract.

SE shall be entitled to choose from the claims referred to in this clause only if SE informs the Contractor of its choice in the claim.

SE shall be entitled to refuse partial Performance, i.e. Performance that does not contain the agreed scope of the Performance.

All costs connected with defects' removal shall be borne by the Contractor.

14.15 **SE** shall claim defects at the Contractor in writing without undue delay after their detection . SE shall define its requirements and the choice from among the claims mentioned in clause 14.14 herein. SE may also enclose appropriate evidence with its claim. SE may not change the applied claim without the Contractor's approval, except in the following cases:

a) After the lapse of the period of time set by SE or a period defined in clause 14.16 herein, the Contractor has failed to carry out any significant part of acts leading toward satisfaction of SE's claim, or

b) The defects of the Performance are irreparable, i.e. the removal of the defects would be connected with unreasonable cost exceeding 50% of the Price, or

c) Unreasonably extensive cooperation would be required from SE for the removal of the defects, or

d) The removal of the defects would be only possible after the lapse of an inappropriate period of time.

14.16 **Unless** SE stipulates otherwise in its claim, the Contractor shall undertake to start removing defects without undue delay after the filing of the claim by SE in writing, within 3 working days after delivery of the claim to the Contractor at the latest, in case of operation-related failures within 12 hours at the latest (in case of emergencies immediately). The Contractor is obliged to remove the claimed defects in the shortest possible period of time, however, at the latest **within 5 working days** after delivery of the claim to the Contractor, unless SE has stipulated otherwise in its claim. This shall not apply in the cases, when it is not objectively possible, due to technical or technological reasons, to remove the defect within the aforementioned 5-day period (e.g. due to the delivery term of the material) and the Contractor notifies SE of this fact prior to expiry of the aforementioned period along with proper justification, in particular at the latest within 3 working days from the date of delivery of the claim; else, the aforementioned periods shall apply.

14.17 **After** removal of the claimed defect, the Contractor and SE shall execute a protocol on the removal of the warranty defect, where SE shall confirm that the defect has been removed properly and in time. For the avoidance of doubt, a defect shall be deemed to have been properly removed only upon SE's confirmation on removal of the defect in the written protocol pursuant to the preceding sentence.

14.18 If the **Contractor** fails to start removing the defects of Performance immediately or fails to continue with the proper removal of the defects or fails to fulfil its obligation to remove defects of the Performance within the period referred to in this clause, SE may claim from the Contractor a contractual penalty pursuant to clause 15.3 herein.

14.19 The Contractor is not entitled to refuse or in any way postpone removal of **claimed** defect even if, in its opinion, the claim in question is not justified or it is not responsible for the defect. However, the Contractor is entitled to subsequently properly prove the lack of grounds for such claim and, if this is proved, the Contractor shall be entitled to compensation of costs provably incurred in removing such defect, but only on condition that SE was notified of such circumstances by the Contractor within 3 working days from the claim delivery. Until a lawful decision on the claim is taken, all costs shall be temporarily borne by the Contractor. For the avoidance of doubts, the burden of proof that a defect claimed by SE during the warranty period is not a warranty defect and thus not within the Contractor's responsibility, shall be borne fully by the Contractor. SE shall provide, to the appropriate extent, the Contractor with the co-operation necessary for clarifying the justification and nature of the defect.

14.20 SE is entitled to make a unilateral assignment (even without the



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Contractor's consent) of its rights resulting from the warranties provided by the Contractor for Performance, to any third party, or several third parties.

14.21 For the avoidance of doubt, during the warranty period, the Performance shall be fit for use and shall preserve the properties (quality) agreed on herein.

14.22 **Claims for failure to remove defects**

If the Contractor fails to remove the defects within the deadline referred to in clause 14.16 herein or if the Contractor notifies SE prior to the expiration of the deadline for their removal that it will not remove the defects, SE may:

a) remove the defects itself or have them removed by a third party without any influence on the Contractor's warranty, at the Contractor's expense,

b) claim an appropriate discount off the Price for the Performance;

c) withdraw from the Contract.

In such case, SE is obliged to inform the Contractor of its decision in writing and without undue delay.

If SE removes the defects itself or has them removed by a third party, the price of these works will be standard, considering the specific circumstances of the case (time pressure especially), yet irrespective of the Contractor's prices. Such price of works carried out by SE or a third party shall be charged to the Contractor up to the amount of invoiced costs, with a coordination premium equal to 10% of the total net invoiced price.

14.23 **Price discount**

In the case that SE seeks a price discount as a result of defective Performance, the Parties agree that the price discount will be defined on the basis of their written agreement. If the Parties do not agree on an appropriate price discount **within 30 days** from the day of sending of a claim notice, the price discount shall be calculated as a sum of:

a) the difference between the value that the Performance should have without any defects and the value of the defective Performance at the time when the Performance should have been provided, and

b) costs to be outlaid by SE on activities necessary for the Performance to become free of any defects pursuant to the Contract.

The value of the Performance without defects and the value of the Performance with defects as well as the sum of costs outlaid by SE for removing the defects shall be determined by an expert opinion submitted by SE.

In the case that SE applies a price discount before issuing an invoice for the Performance to which the price discount relates, the Contractor shall decrease the invoiced price by the amount of the discount. In the case that SE applies a price discount after issuing an invoice for the Performance, the Contractor shall issue an invoice (credit note) for the correction of the VAT base pursuant to applicable legislation, unless the provision below applies. The Contractor shall be obliged to issue and deliver the corrective invoice (credit note) no later than 15 days from the day when the Parties agreed on the price discount. The provisions of clause 7.2 shall apply to the delivery of the corrective invoice (credit note).

If the Contractor is a VAT payer in the SR and SE applies a price discount pursuant to this clause, the Contractor and SE may specially agree in writing that pursuant to the provision of Section 25(6) of the Act on VAT, the tax base and tax payable shall not be adjusted.

14.24 **Legal Defects**

14.24.1 The Performance shall be deemed to have legal defects if it is encumbered with a third-party right or if the Contractor is obliged to create such third-party rights (e.g. with a right resulting from industrial and intellectual property, lien, etc.). The Performance shall also be deemed to have legal defects in a case pursuant to Section 433(2) of the Commercial Code. The application of Section 434 of Commercial Code shall be excluded for the purposes of this Contract (hereinafter referred to as "**Legal Defects**").

14.24.2 SE shall be obliged to notify the Contractor of the defects in writing after it has learned of the exercise of the third-party right.

14.24.3 If the Performance has any Legal Defect, the SE shall be entitled to require that the Contractor, without undue delay and no later than **5 days** of delivery of SE's written notice of the Legal Defect, begin the necessary steps to remove the Legal Defect at its own expense and to inform SE of this procedure in writing without undue delay. Unless the Contracting Parties agree otherwise, the time limit for removing the Legal Defect is 30 days. If the nature and circumstances of the defect do not allow the removal of the Legal Defect within 30 days, the Contractor may, without undue delay, request an extension of this period. SE shall set a longer appropriate period for removing the Legal Defect, provided that the SE's legitimate interests are not affected, in particular if the extension of the period may not cause SE to incur, or incur increased, damage or loss of production.

14.24.4 If the Contractor fails to remove the Legal Defects of the Performance within the deadline pursuant to preceding clause, SE shall be entitled to:

(i) request a discount on the Price; or

(ii) withdraw from the Contract.

14.24.5 SE is obliged to decide between the claims stated in this point **within 30 days** following the expiry of the deadline pursuant to clause 14.24.3 herein.

Until the Legal Defects have been removed, SE shall not be obliged to pay that part of the Price that would correspond to the SE's right to a discount to be applied if the Legal Defects were not removed.

14.24.6 In the case of Legal Defects of any component of the Performance, the Contractor shall be also obliged to defend SE, at its own expense, against the claims of third parties resulting from a breach of their rights, and to pay all sums, in particular, the costs, damages and costs of legal representation, awarded by a final court decision to the third party, or to which such a third party will be entitled, according to a third party settlement agreement approved by the Contractor, provided that SE notifies the Contractor in writing of the Legal Defects within the deadline pursuant to preceding clause and allows the Contractor to cooperate with SE in the defence and related negotiations on a settlement.

In such case, the Contractor shall have the obligations referred to in this clause also in the case that third-party rights are breached due to the actions of SE, or a third party authorised by SE, made according to the specifications or instructions communicated by the Contractor to SE in advance.



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14.25 Other relations of the Parties related to the warranty for Performance, defects of the Performance or claims arising therefrom, shall be governed by the respective provisions of the Commercial Code.

## XV. CONTRACTUAL PENALTIES AND SANCTIONS

15.1 If the Contractor fails to begin executing the Performance according to this Contract or if it interrupts provision of the Performance, SE may claim from the Contractor a contractual penalty in the amount of **10% of the Price**.

15.2 If the Contractor fails to meet the deadline for the delivery of the Performance agreed in the Contract, SE may claim from the Contractor a contractual penalty in the amount of **0.5% of the Price** for non-delivered Performance for every, even commenced, day of delay. The above shall apply also if the Contractor fails to meet the deadline for a Payment Milestone, or in the case of non-delivery or delayed delivery of documents, that are necessary for the takeover or use of the Performance, or other documents that the Contractor is obliged to hand over to SE under the Contract.

15.3 If the Contractor fails to begin removing the defects of Performance or of Legal Defects without undue delay or to continue with the proper removal of the defects or to meet the duty of removing the defects of the Performance or of Legal Defects pursuant to clause 14.16 or 14.24.3 herein or another deadline agreed between SE and the Contractor, or set in the Takeover Protocol, SE may claim from the Contractor a contractual penalty in the amount of **0.5% of the Price**, for each defect of the Performance or each Legal Defect for every, even commenced, day of delay related to its removal.

15.4 If the Performance has defects not caused by SE, and SE will not be able to properly utilise the Performance during the warranty period, SE is entitled to claim from the Contractor and the Contractor is obliged to pay a contractual penalty in the amount of **2.5% of the Price**.

15.5 If the Contractor fails to fulfil any obligation from those mentioned in clause 8.7 , 12.5 or 12.6 herein, SE may claim from the Contractor a contractual penalty in the amount of **EUR 100** for each breach.

15.6 If the Contractor fails to fulfil any obligations from those mentioned in the Article X herein, SE may claim from the Contractor a contractual penalty in the amount of **1% of the Price** for each breach, with the exception of the case when the Contractor breaches in full its obligation to pay all the Subcontractors for all subcontractor obligations and/or to pay for any additional costs related to these subcontractor relations pursuant to clause 10.11 d), then SE is entitled to apply a contractual penalty from the Contractor in amount of **100% from the part of the Price** that was performed in a form of sub-supply and such subcontracted performance was not paid off in full extent by the Contractor to the Subcontractor for each breach, and/or a contractual penalty in amount of 100% of any additional costs related to this subcontractor relation or parts thereof that were not paid by the Contractor to the Subcontractor, and this for each breach.

15.7 If the Contractor assigns or establishes a lien over receivables resulting from the Contract in contravention of clause 11.1 herein, SE may claim from the Contractor a contractual penalty in the amount of **100%** of the financial volume of such assigned, pledged or sold receivable. For the purposes of this clause, the financial volume shall mean the total value of the principal receivables including the value of accessories to the receivables as at the date of the assignment or sale or other disposal of the receivable.

15.8 If Information of a Confidential Nature (as defined in point 22.1, in particular trade secrets, personal data, confidential information of financial nature, sensitive information pursuant to Section 3(16) and (17) of Act No. 541/2004 Coll. on the Peaceful use of nuclear energy (Atomic Act) and on the amendment of certain acts as amended, sensitive information about critical infrastructure etc.) is leaked on grounds for which the Contractor is liable or if the Contractor breaches any obligation from those mentioned in the Article XXII herein, SE may claim from the Contractor a contractual penalty in the amount of **EUR 20 000** for each breach.

15.9 In the case of a breach of the prohibition of bringing in and taking out prohibited items pursuant to clause 9.1.3 herein, SE may claim from the Contractor a contractual penalty in the amount of **EUR 1 700** per instance, except for cases defined in letter b). A worker for the Contractor who breaches the prohibition will be included in the database of undesirable persons with entry banned for the whole Contract term, at minimum for a period of **12 months** from such violation, and potentially for longer period, depending on the severity of the breach.

15.10 In the case of a breach of the obligation set under point 9.1.5, SE may claim from the Contractor and/or the Contractor's Personnel the following sanctions:

a) If a breathalyser test result is in the extent from 0.01 mg/l to 0.14 mg/l (0.02 – 0.30 per mille) inclusive – the tested Contractor's worker shall be banned from entry to SE; he shall be expelled from SE's premises, escorted by an SBS or an authorised worker of SE and his Entry IDC shall be retained until the following day

b) If a repeated breathalyser test result is 0.15 mg/l or more (above 0.30 per mille or more) or in the event of **reasonable suspicion** that a person – the Contractor's worker is under the influence of narcotic and/or psychotropic substances, or in the case of finding a positive result for the use of narcotic and/or psychotropic substances based on an examination by SE or an examination at a respective health care institution, the Entry IDC of the controlled Contractor's worker shall be taken; he shall be banned from entry and he shall be expelled from SE's premises, escorted by an SBS or an authorised worker of SE. The tested Contractor's worker shall be banned from entry to SE premises for 12 months.

c) In case of refusal to undergo a breathalyser test or an examination for the use of narcotic and/or psychotropic substances – the Entry IDC of the tested Contractor's worker shall be taken; the Contractor's worker shall be banned from entry to SE's premises for the period of 12 months and he shall be expelled from SE's premises, escorted by an SBS or an authorised worker of SE.

15.11 For a demonstrable breach of the OHS and FP legal regulations or rules by the Contractor, SE may claim a contractual penalty from the Contractor:

a) in the amount up to of **EUR 1 500** for each individual case, unless the breach has been classified severe, very severe, or severe according to the Indicative List included at the end of this document,

b) in the amount up to of **EUR 2 500** for each individual case, for a severe breach according to the Indicative List included at the end of this document,

c) in the amount up to of **EUR 5 000** for each individual case, for very severe or extremely severe breach according to Indicative List included at the end of this document.

15.12 In the case of repeated breach of OHS and FP rules by the same person of the Contractor's Personnel or in case of occurrence of a very severe or extremely severe breach present in the Indicative List included at the end of this document, SE is entitled



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to remove this person from SE premises and this person will be included in the database of undesirable persons with entry banned for the whole Contract term, at maximum for the period of **12 months.**

15.13 If the Contractor breaches the OHS and FP legal regulations and rules, resulting in:

a) an accident at work of a member of SE's personnel, the Contractor's Personnel or of a third party, causing the affected person's incapacity for work lasting up to 30 days, SE may claim a contractual penalty from the Contractor in the amount of **1% of the Price**, though not less than **EUR 5 000** per each case,

b) a fatal accident at work of SE's personnel, the Contractor's Personnel or a third party's Personnel, or a serious accident at work of SE's personnel, the Contractor's Personnel or a third party, causing the person's incapacity for work lasting longer than 30 days, SE may claim a contractual penalty from the Contractor in the amount of **2% of the Price**, though not less than **EUR 33 000** per each case.

15.14 For a failure to report a fire, accident or an extraordinary event with an environmental impact pursuant to clause 24.4 herein, SE may claim The contractual penalty from the Contractor in the amount of **EUR 2 000** per each case.

(i) In the case of a breach of applicable legal environmental regulations at the SE's premises by the Contractor's Personnel, SE may claim a contractual penalty from the Contractor in the amount of **EUR 2 000** per each case.

(ii) In the case of a breach of waste management obligations as set out in clause 24.7.1 of these GTC, SE shall be entitled to claim from the Contractor a contractual penalty of **EUR 1 500** per each case.

15.15 [Not applicable.]

15.16 In the event that a penalty or any other type of sanction is imposed on SE by public authorities in connection with a breach by the Contractor related to:

a) notification obligations pursuant to clauses 8.1 or 8.3 herein,

b) issuance of an invoice that does not meet the requirements under the relevant legislation applicable in the country of the Contractor's residence, or the if the invoice does not contain the requirements under the Contract,

c) tax and/or customs obligations,

d) obligations related to nuclear safety,

e) obligations related to OHS and FP, or

f) obligations related to environmental protection,

that are set out in the Contract, SE shall be entitled to a contractual penalty and the Contractor shall be obliged to pay a contractual penalty in the amount of the imposed penalty and/or sanction, and this in its full amount.

If SE is obliged to pay a certain financial sum imposed by state authorities in connection with the Contractor's breach of tax and/or customs obligations pursuant to applicable legal regulations (e.g. additionally levied tax, nonrecognition of entitlement to deduct VAT) in addition to the imposed sanction and/or penalty as stated in the previous sentence, this financial sum shall also be included in the contractual penalty agreed herein.

The Contractor hereby declares in line with Section 401 of the Commercial Code, that the limitation period for SE's right to contractual penalty as stipulated herein, shall not be statute barred earlier than 10 years after the day of the breach of the Contractor's obligation as set out herein, if no special arrangement for the start of the limitation period is defined in special legal regulations.

15.17 Any contractual penalties pursuant to the Contract shall be applied in the form of a **penalty invoice** and be **due within 10 days following the issue date of the penalty invoice**, invitation or other document drawn up by SE, unless the Contract stipulates otherwise.

15.18 The Parties declare that they consider the amount of contractual penalties agreed under the Contract to be appropriate to the liabilities secured.

15.19 A claim for payment of the contractual penalty shall not relieve the Contractor of the obligation to provide the Performance or hand over the documents under the Contract.

15.20 If the amount of contractual penalties that SE has claimed from the Contractor pursuant to the Contract, exceeds the limit of 50% of the Price, SE shall be entitled to withdraw from the Contract.

15.21 SE may, at its own discretion with regard to the circumstances of individual case, decide not to apply the contractual penalty under the Contract in its full amount. Such partial application of a contractual penalty claim shall not result in the lapsing of SE's claim to apply the rest of the unapplied part of the contractual penalty later. The Contractor has no claim for a reduction of the contractual penalty.

## XVI. SUSPENSION OF WORKS AND TERMINATION OF THE CONTRACT

### 16.1 Suspension of works

16.1.1 In the event that

(i) during the course of execution the Performance at SE premises there occurred a breach of the Contractor's obligations regarding OHS, FP, environmental protection, or

(ii) if there occurred an outage on SE's equipment from the side of SE having an impact on execution of the work, or

(iii) if through no fault of SE a state authority has not issued a decision that SE was to have obtained in connection with execution of the Performance, or

(iv) [not applicable]

SE shall be entitled to instruct the Contractor, and the Contractor shall, on the basis of this instruction, be obliged to interrupt (even repeatedly) all or some of the works related to the Performance. SE is obliged to specify to the Contractor the reason for its instruction to suspend works. If the subject matter of the Performance is the manufacture of a work, the Contractor shall take appropriate measures for the correct storage, conservation, protection, and preservation of the work from any decay, impairment, or damage during the suspension. SE shall make a record on the instruction in the Logbook. SE shall inform the Contractor of the estimated duration of the suspension and, in the case of a change in the estimated duration of the suspension, SE shall inform the Contractor of the new estimated date of resuming works. In the event of any suspension of works, the Parties must always meet in order to discuss the scope of the suspension, in particular the demobilisation, scope of conservation works, estimated costs of suspension and other consequences. The Contractor's obligation to interrupt works does not concern the suspension of technological equipment and other



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activities if, pursuant to the Contract, these are to be performed outside SE premises, or if the place of delivery/execution, handover and takeover of the Performance is outside of SE premises.

16.1.2 If:

(i) the instruction to suspend works has been given for a period not longer than **7 calendar days** and in total such instructions for to suspend works do not exceed **20 calendar days**; or

(ii) the Contractor is responsible for the cause of the reason for the instruction to suspend works, or if such suspension was caused by a breach of the Contract by the Contractor,

then all costs incurred with regard to the suspension of works shall be borne by the Contractor.

16.1.3 If the Contractor, due to the suspension, gets into delay, the Contractor shall inform SE. If the on the side of SE, the Contractor shall have the right to an extension of the deadline for execution of the Performance, including the deadlines of Payment Milestones, if any.

16.1.4 The Contractor shall not be entitled to an extension of the deadline for executing the Performance, including the deadlines of Payment Milestones, if the Contractor is responsible for causing the reason why the instruction for suspension was issued, or if this suspension was necessitated for reasons on the side of the Contractor (defective performance, breach of the Contract). Costs connected with recommencement of works shall be borne by the Contractor.

16.1.5 After issuing a permission or instruction to continue works, SE and the Contractor shall together review the subject matter of Performance to which the suspension of works related. The Contractor shall repair or replace any dilapidation, defects, deterioration, or damage in the Performance if these occurred during the suspension of works. Should it be necessary, due to the Contractor error, to perform certain measures to mitigate losses, the Contractor shall take such measures.

16.2 SE **and** the Contractor have agreed that the Contract shall lapse upon:

a) delivery of the Performance and upon fulfilment of the related contractual obligations of the Parties,

b) expiration of the term for which the Contract is concluded,

c) written agreement of the Parties,

d) written notice of termination under clause 16.3 herein,

e) written notice of withdrawal from the Contract pursuant to clause 16.4 herein.

16.3 **Termination of the Contract by notice**

16.3.1 Unless agreed otherwise in the Contract, SE shall have the right to terminate a Contract for recurrent Performance concluded for a fixed term, to terminate by notice without giving reason, by delivery of a written notice of termination to the Contractor.

16.3.2 The notice period is **one month** which shall start to run on the first day of the month following the delivery of the notice to the Contractor.

16.3.3 In the case of a Performance having the nature of a work, the Contractor shall undertake to hand the work over to SE in the condition in which it is at the end of the notice period, and SE shall undertake to pay to the Contractor only the amount to which it is entitled with regard to the degree of the work's completion. The sum shall be set on the basis of an agreement of the Parties. If the Parties do not agree within **15 days** from the termination of the Contract or in the period agreed between the Parties, the sum shall be set by SE.

16.4 **Termination of the Contract by withdrawal**

Any Party is entitled to immediately terminate the Contract in the following cases:

a) pursuant to Section 345(1) of Commercial Code, i.e. in the case of material breach of legal obligations or obligations laid down in the Contract by the other Party, provided that the Party notifies the other Party thereof immediately upon learning of such breach, or

b) pursuant to Section 346(1) Commercial Code, i.e. in the case of a material or minor breach of the Contract, if the other Party breaches any of its legal or contractual obligations and fail to provide remedy even within an appropriate additional period on the basis of a written demand,

c) in which case termination shall be based on a unilateral written notice.

Notwithstanding Section 345(1) of the Commercial Code, the Parties agree that if SE does not specify an additional period of time pursuant to paragraph (b) above, SE shall be entitled to withdraw from the Contract or any part thereof due to a material breach of the Contractor's contractual obligations, even if SE does not promptly do so after becoming aware of such breach..

16.5 **Termination of the Contract by withdrawal due to reasons on the Contractor's side**

A material breach of the Contract by the Contractor shall be considered to mean, in particular, but not limited to:

a) The Contractor being in more than **30 days'** delay with due completion of the Performance,

b) The Contractor's interruption or suspension of the Performance without the instruction or consent of SE, and this for a period exceeding **5 days**,

c) Failure to observe the agreed deadline for the removal of a defect on the Performance, or deadline pursuant to clause 9.2.3 of these GTC, or delay with removing a defect found during the execution of the Performance recorded in the Logbook, in a claim or in another usual record the Contractor was familiarised with,

d) If the Contractor acts in any way whatsoever contrary to the principles of fair business, commits unfair competition, acts contrary to legal regulations on protection of competition, or harms the reputation and legitimate interests of SE through its action,

e) If while providing the Performance for SE, the Contractor breached, circumvented or failed to comply with the provisions of those clauses of the Contract the breach of which is deemed a material breach of the Contract, applicable legal regulations or SE internal rules related to OHS, FP, environmental protection, entries to SE's premises, prohibition of illegal employment or obligations towards SE resulting from the legal regulations valid in the territory of the Slovak Republic governing the area of illegal employment, or terms and conditions specified in the GTT, or SSTC if applicable,

f) If the Contractor is declared bankrupt, the Contractor is in liquidation, a bankruptcy proceeding against the Contractor were discontinued due to lack of assets or bankruptcy was



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cancelled for lack of assets,

g) If the Contractor, the Contractor's statutory body or a member of the Contractor's statutory body has been lawfully sentenced for the criminal offence of corruption, for the criminal offence of harming financial interests of the European Union, for the criminal offence of money laundering, for the criminal offence of setting up, organising and supporting a criminal group, for the criminal offence of setting up, organising and supporting a terrorist group, a criminal offence of terrorism, or some forms of involvement in terrorism or for a criminal offence concerning their professional conduct,

h) If the Contractor has been deprived of authorisation to perform the subject matter of the Contract,

i) Breach of a trade secret or disclosure of information of a confidential nature,

j) If the Contractor has breached any obligation mentioned in the Article X on Subcontractors or if the Contractor has breached a subcontract and in the Customer's opinion, such breach endangers the quality and timely delivery of the Performance or part thereof (e.g. the Contractor fails to pay the Subcontractor's invoices properly and on time),

k) Any other breach of the Contractor's obligations having an impact on proper completion of the Performance,

l) Refusal by the Contractor to start executing the Performance,

m) Refusal by the Contractor to continue executing the Performance according to the instruction from SE to continue executing the Performance, the interruption of which was ordered by SE,

n) If the Contractor assigned a right or established a lien over receivables resulting from the Contract without prior written consent from the Customer, in contravention of clause 11.1 of these GTC,

o) If the Contractor breached the obligation to enable a management system audit to be conducted, according to clause 18.5 of these GTC,

p) If the Contractor breached the obligation and authorisation to use all the things, documents, background data handed over to it by SE exclusively for the purposes agreed on in the Contract according to clause 9.5.2 of these GTC,

q) if the Contractor, with whom the Contract was concluded on the basis of a tender, fails to submit to SE a declaration it is obliged to submit pursuant to the tender conditions, or if the submitted declaration proves to be false, incomplete or distorted, or if there appears a reason on the basis of which it as a tenderer could have been excluded from the tender.

r) If, in the case of a Contract concluded on the basis of the Public Procurement Act, the Contractor or any Subcontractor at the time of concluding the Contract was not recorded in the Register, or if during the life of the Contract it was deleted from the Register,

s) the provision of incomplete or untrue information under point 12.5 of these GTC,

t) [not applicable],

u) if there is a reason to withdraw from the Contract under the Environmental and Social Management Clause,

v) failure to conclude an addendum to the Contract pursuant to 4.4 of these GTC,

w) If the Contractor breached obligations laid down in the provisions of clause 24.7.1 and 24.7.3 of these GTC.

16.5.1 The Contractor is obliged to inform SE without undue delay of the occurrence of any of the aforementioned situations, which may be grounds for SE to withdraw from the Contract.

16.5.2. SE is entitled to withdraw from the entire Contract even if the subject matter of the Contract contains several separate Performances and the breach of the Contract, irrespective of whether material or minor, relates only to any of the separate Performances.

16.5.3 In the event that SE has the right to withdraw from a contract concluded under a framework contract, SE shall also have the right to withdraw from the respective Framework Contract. The same applies, when SE withdraws from the framework agreement, SE shall also have the right to withdraw from Contracts concluded under this framework agreement, whereas in such withdrawal states to which Contracts does the withdrawal applies.

16.5.4 In the event of a withdrawal from the Contract due to reasons on the Contractor's side, SE shall be entitled to require handover of that part of the Performance already executed by the Contractor. In such case, SE shall pay to the Contractor the proportion of the Price corresponding to the Performance executed.

16.5.5 For the avoidance of doubt, the Parties state that withdrawal from the Contract shall not prejudice (i) SE's claim for payment of a contractual penalty under this Contract that arose prior to withdrawal, (ii) an agreement of the Parties regarding dispute resolution, or (iii) SE's claim for compensation of damage incurred prior to withdrawal.

16.5.6 The provisions of this clause shall apply accordingly for any other reasons for withdrawal that may occur under the Contract or its appendices.

16.6 **Termination of the Contract by withdrawal due to reasons on the Contractor's side regarding non-compliance with OHS and FP requirements**

SE shall be entitled to terminate the Contract due to following material breaches of the Contract:

a) If the Contractor breaches any of the requirements concerning the occupational health and safety of the Contractor's employees or persons involved in execution of the Performance, and this in particular:

   (i) Failure to complete/sign/prepare/update/deliver the documents concerning OHS and FP in the way and deadlines pursuant to the Contract or applicable legal regulations,

   (ii) If SE finds out that for execution of Performance the Contractor uses personnel, or persons who do not conform to requirements for the given execution of works, as set out in the Contract or applicable legal regulations,

   (iii) If SE finds that the Contractor has failed to observe the requirements set out in the Contract or applicable legal regulations related to OHS, FP and use of work equipment,

b) in the case of the occurrence of a very severe or extremely severe breach indicated in the Indicative List of Severe, Very Severe and Extremely Severe Breaches of Occupational Safety, found at the end of this document.

c) In the case of a breach of legal regulations and rules concerning OHS and FP by the Contractor, resulting in an



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accident at work of SE personnel, the Contractor's Personnel or of a third party, causing death, grievous bodily harm, or the start of a fire .

16.7 **Unless** otherwise agreed in the Contract, withdrawal shall enter into effect on the day of the delivery of the notice of withdrawal to the other Party and shall not affect the confidentiality of information provision, which shall remain valid and effective.

16.8 In **the** event of withdrawal from the Contract, the Parties shall agree **within 15 days** on the manner of settling the liabilities resulting from the terminated contractual relationship.

If possible and unless agreed otherwise by the Parties, the Contract shall be cancelled from the very beginning and the Parties shall return to one another any provided Performance and payments or other considerations and advances. SE shall waiveall rights to returned items. The costs of removal shall be borne by the Contractor.

If it is not possible or, with regard to the purpose of the Contract, expedient to return a part of the Performance and unless agreed otherwise between the Parties, SE shall not return a part of the Performance and the Contract shall not be cancelled from the very beginning; in which case SE shall pay the Contractor only for the part taken over and invoiced and if such part of the Performance has not been taken over and invoiced yet, SE shall pay the Contractor only the amount to which it is entitled with regard to the degree of completion of the Performance. The sum shall be determined on the basis of an agreement of the Parties. If the Parties do not agree **within 15 days** from delivery of SE's written notice of withdrawal from the Contract, the sum shall be determined by SE. In such case, SE shall pay the Contractor only the amount due for the work, services, or performances carried out, handed over and invoiced before the termination of the Contract came into effect. For the purposes of this point, the fulfilment of a Payment Milestone shall be considered the fulfilment of a part of the Performance only if in connection with the fulfilment of that Payment Milestone there was handed over a part of the Performance that would benefit SE even following withdrawal from the Contract.

16.9 The Contractor shall be obliged to return to SE any documents or materials provided to the Contractor by SE in connection with the Contract, namely immediately after:

a) the Contractor delivered the Performance to SE pursuant to the Contract;

b) withdrawal from the Contract or termination of the validity or effect of this Contract in any other way; or

c) SE requests this.

## XVII. CIRCUMSTANCES EXCLUDING LIABILITY / FORCE MAJEURE

17.1 **Neither** of the Contracting Parties shall be obliged to compensate the other Contracting Party for damage caused by a breach of its contractual obligation, if it proves (while the conditions must be met cumulatively) that:

a) non-fulfillment occurred as a result of extraordinary, unforeseeable or unavoidable events and

b) obstacles or their consequences could not be foreseen at the time of concluding the Agreement, and at the same time

c) obstacles or their consequences could not be prevented, avoided, or overcome.

The above does not apply to the Supplier's obligations to provide SE with information in terms of points 8.1, 8.3, 8.4, 8.7, 12.5 and 12.6 of the GTC.

17.2 Unpredictable and unavoidable obstacles shall not include those which were caused by the non-granting of official permits, licences, or similar authorisations for the purposes of the Performance.

17.3 The Party on whose side a circumstance excluding liability due to force majeure has occurred, is obliged to inform the other Party about such obstacle preventing it from duly fulfilling an obligation, without undue delay after having learned of the obstacle, or having been able to learn of it in view of all the circumstances.

17.4 The Contractor cannot claim the circumstances excluding liability in the cases as follows:

a) Meteorological conditions or phenomena that could have been reasonably anticipated taking into account the Contractor's experience and in this regard it was possible to avoid damaging effects, even if only partially,

b) Failure to secure or delay in securing of materials or workforce, that arose despite the fact that it was reasonably possible, with regard to the Contractor's experience, to foresee this, or it was possible to avert or mitigate the consequences,

c) Strikes at the Contractor or its Subcontractors, with the exception of nationwide strikes,

d) Delay with executing works or services by Subcontractors, unless this was caused due to force majeure,

e) Condition of the area, where the activities hereunder shall be performed, preventing due fulfilment of contractual or legal obligations of the Contractor and which could reasonably have been anticipated, with regard to the Contractor's experience, or which should have been detected by the Contractor during technical inspection of the area.

f) Measures, prohibitions, restrictions by public authorities that exist or can, in exercising due professional care, be reasonably foreseen at the time of concluding the Contract.

g) [not applicable].

17.5 The consequences of circumstances excluding liability are limited to the duration of the obstacle to which these consequences are related.

17.6 The time of Performance shall be extended by the duration of the circumstances excluding liability. During this period, the eligible Party is not entitled to withdraw from the Contract.

17.7 If circumstances excluding liability last longer than **6 months**, either Party shall be entitled to unilaterally withdraw from the Contract; such withdrawal shall be effective on the day of delivery of the notice of withdrawal to other Party.

## XVIII. MANAGEMENT SYSTEMS OF THE CONTRACTOR

18.1 Depending on the nature of the Performance and related activities in terms of quality, environment and occupational health and safety, the Contractor is obliged to have an established, maintained and continuously improved management system in accordance with recognised international standards ISO and world's best practice, which it shall prove to SE in the form and manner pursuant to clauses 18.2 and/or 18.3 and/or 18.4.

If the Contractor is a natural person who carries out the Performance personally, the requirement to have an established and maintained management system during the Contract term does not apply.

18.2 **Quality Management System**

In the case of the Performance that pursuant to the Contract



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belongs to **Quality Category 1**, the following provisions shall apply:

18.2.1. The Contractor shall be obliged to have a functional quality management system conforming to requirements of the international standard ISO 9001 and which concurrently reflects also requirements of the international standard ISO 19443 "Quality management systems – specific requirements for the application of ISO 9001 by organisations in the supply chain for products and services important to nuclear safety". In the case of a Foreign Contractor, an analogous quality management system that meets the specific requirements defined by the respective national body for nuclear safety supervision shall also be accepted. The Contractor shall document the functionality of the quality management system by a valid confirmation on the performance of an audit of the quality management system by SE (pursuant to clause 18.5) or it shall ask SE for an audit. If a Contractor's quality management system has not been verified it must be audited with a successful result, as a rule, before the signing of the Contract. In urgent cases the audit can be performed later, but no later than one (1) month after the effective date of the Contract, or before the deadline for fulfilment of obligations arising from the Contract itself. The condition is that the documents submitted during the tender by such a Contractor demonstrate its competence.

When the validity period of the audit of a verified Contractor's quality management system expires, a repeat audit shall be carried out, depending on previous audit results, of the scope of changes made by the Contractor within its quality management system and the Contractor's current IVR score (Index Vendor Rating) pursuant to Article XXV.

Following the expiry of a three-year period of audit validity (on condition of annual favourable evaluation of the Performance by SE during the Contract term), the submission of confirmation of favourable assessment of the Contractor by the respective national body for nuclear safety supervision, by another nuclear installation operator or by an independent entity (that did not take part in the subject matter of Contract performance and that is not paid by the reviewed Contractor) on behalf of them, or the execution of a review by SE following mutual agreement with the Contractor in a different way, with the prolongation of the audit validity by one to three years, can represent an accepted substitution of the successful audit performed by SE.

If the Contractor is a natural person who carries out the Performance personally, the requirement to have an established and maintained quality management system during the Contract term does not apply. For such a Contractor, a quality management system audit shall not be performed, but SE may verify the fulfilment of selected requirements of the ISO 9001 standard that cover the Contractor's main activities and that guarantee the fulfilment of SE's requirements. The other applicable requirements of these provisions, except for clause 18.2.14 herein, concerning the performance of internal audits, must be observed by the Contractor – natural person, in particular he/she must prove his/her professional competence and sufficient experience by references to past performances (also for other clients) and meet the requirements of the Plan of quality of classified equipment pursuant to the Regulation of the Nuclear Regulatory Authority of the Slovak Republic (hereinafter the "**NRA SR**") No. 431/2011 Coll. on quality management system, as amended (hereinafter referred to as the "**Regulation on the Quality Management System**"), or other document of equal value approved by the NRA SR, or a Quality Plan according to the ISO 10005 standard.

If the Contractor is not the producer of the Performance subject matter, the provisions of this clause shall refer to the producer of the Performance subject matter and the Contractor undertakes to ensure that the producer of the Performance subject matter is contractually bound to meet the requirements of this clause.

The Contractor in the framework of its quality management system, is obliged:

- to develop and implement the requirements and principles defined in the Integrated policy of SE, a.s. published on the website: https://www.seas.sk/quality-and-integrated-management-system that are applicable to the subject of Performance,
- to determine the responsibilities and competences of personnel, their functional responsibilities, and entitlements, including a description of the organisational structure, the impact of a specific job function on nuclear safety, responsibility for quality assurance and managing the quality management system,
- to take into account the requirements of the graded approach (e.g. requirements for qualification and independence of staff performing inspections and tests, specific assembly processes, documenting certificates and attestations, etc.), if the subject of Performance has an impact on nuclear safety.

18.2.2. The Contractor shall be obliged to respect the specific requirements of state supervision and state professional supervision and to reflect them in the necessary scope into its own documentation (documented information) of the management system.

18.2.3. The Contractor shall be obliged to apply the principles of clean assembly and testing of equipment in the phase of production (supplies), as well as during maintenance, to be sure that assembled equipment does not contain foreign materials or loose parts that could be the cause of damage and malfunction of the equipment itself or could be the cause of the release of these parts in an uncontrolled way into other components of systems (pipes, exchangers, valves, pumps …) in the phase of the equipment operation resulting in the malfunctioning or damage to the equipment itself or connected equipment, or restriction of media flow, or loss of reactor cooling.

18.2.4. In cases where the execution of the Contract subject matter includes classified equipment, it must be provably qualified for the required functional competence and expected environmental effects for the design basis conditions including seismic resistance by the respective method of qualification in accordance with Regulation on the Quality Management System. The quality and properties of metallurgical products and welding filler materials used for classified equipment must be proved by the respective inspection document in accordance with the Regulation on the Quality Management System, standard ISO 10204 or other standard applicable for



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the given subject matter of Performance.

18.2.5. If the subject matter of the Performance is classified equipment or if the subject matter of the Performance is connected with classified equipment, the Contractor shall be obliged to ensure the fulfilment of requirements of respective technical documentation, including the plan of quality of classified equipment according to the Regulation on the Quality Management System or other document of the same value, approved by the NRA SR, or technical and delivery conditions of the Performance.

18.2.6. If the Performance is not connected with classified equipment but it can in other ways affect the nuclear safety of a nuclear installation, the Contractor shall be obliged to ensure the fulfilment of requirements of the respective technical documentation, including the Quality Plan pursuant to the ISO 10005 standard, approved by SE, or technical and delivery conditions of the Performance.

18.2.7. In cases where the already completed quality plan of classified equipment or other equivalent document (IPQA – individual programme of quality assurance) is related to the Performance, the Contractor shall be obliged to respect its requirements.

18.2.8. In cases relating to a revision or elaboration of a new quality plan of classified equipment or a quality plan according to ISO 10005, the Contractor shall be obliged to submit it for approval to SE within 30 days from concluding the Contract.

18.2.9. The execution of the Performance on classified equipment can be started only following approval of the quality plan of the classified equipment by the NRA SR. If the Performance is not connected with classified equipment, the execution of the Performance can be started only after the approval of the quality plan pursuant to the ISO 10005 standard by SE.

18.2.10. If the subject matter of the Contract or part of it is the development of documentation, every developer of documentation for SE must, as a part of it, draw up a list – a summary of the generally binding legal regulations used and the normative technical documentation used, including the safety guides issued by the NRA SR and harmonised standards valid in the EU.

When revising the documentation the original list must be assessed as to whether it is up-to-date. Its potential revision must be approved by SE. If there is no such list attached to the existing document, it must be produced additionally by the Contractor during the document revision and be approved by SE together with the revised document.

18.2.11. The Contractor shall be obliged to rate and select its Subcontractors for Performance execution according to their abilities to fulfil the requirements under the Contract with SE. The Contractor shall reflect the requirements under the Contract with SE into the contracts with its Subcontractors, including the requirement for the Subcontractor's quality management system and respecting the quality plan, which the Contractor is obliged to verify at least once during the life of the Contract, however, at least once per three years. The Contractor shall ensure and verify the ability of its Subcontractors to fulfil the requirements under the Contract during the life of the Contract.

18.2.12. The Contractor undertakes to keep the documented information related to the activities affecting the quality of the Performance for the entire duration of the contractual relationship so as to prevent their damage, loss, or destruction in paper or electronic form. Documented information that is not handed over to SE, shall be stored by the Contractor for a period of 10 years following the completion of the Performance under the Contract. Prior to shredding, it shall hand them over to SE.

18.2.13. The Contractor shall be obliged to allow inspectors of the state supervision and state professional supervision, professionally competent personnel of SE or professionally competent personnel of another organisation to perform an audit on its behalf, for the purpose of auditing the quality management system or a review of compliance with only selected requirements of the ISO 9001 standard, including the review of personnel, technical, material and organisational pre-requisites for Performance execution and the audit of the observance of Contractor's quality plans in all premises and facilities of the Contractor and its Subcontractors. A breach of this duty by the Contractor shall be deemed a material breach of the Contract.

18.2.14. The Contractor is obliged to plan and perform internal audits of the quality management system pursuant to ISO 9001 and ISO 19011 standards with the objective of verifying whether the activities in the area of quality assurance and their results are in compliance with the planned requirements and is obliged to verify and evaluate the effectiveness of its quality management system. Internal audits shall be carried out by independent employees with the respective professional competence.

This clause shall not apply if the Contractor is a natural person who carries out the Performance personally on the basis of proving his/her professional competence, and is not required to have an established and maintained quality management system during the Contract term.

18.2.15. If the subject of Performance has an impact on nuclear safety, the inspections and tests at the Contractor, through which the Contractor proves the compliance of the Performance with the requirements, must be carried out by independent professionally competent persons, i.e. other than those, who were executing or directly managing the contractual performances that are subject to the inspections and tests.

18.2.16. The Contractor shall be obliged to provide SE with copies of all reports on the nuclear safety related to nonconformities or non-conformant products found during execution of the Performance, specifying whether it decided to eliminate the nonconformity or non-conformant product by repair or it decided to leave the nonconformity or non-conformant product with an exception. These reports must contain the technical reasoning for how the nonconformity or non-conformant product was dealt with. If classified equipment is the subject of Performance, the Contractor is required, in the framework of the process of continuous improvement, to use feedback from similar performances executed by it in nuclear power plants.

In the case of the Performance that pursuant to the Contract belongs to **Quality Category 2**, the following provisions shall apply:



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18.2.17. The Contractor shall be obliged to have a functional quality management system, conforming to requirements of the standard ISO 9001, and which concurrently reflects also requirements of the international standard ISO 19443 "Quality management systems – specific requirements for the application of ISO 9001 by organisations in the supply chain for products and services important to nuclear safety", which it shall prove to SE on demand in a proper way (by submitting a certificate issued by an independent authority, a description of the management system, e.g. in System Management Guideline etc.).

If the Contractor is a natural person who carries out the Performance personally, on the basis of proving his/her professional competence, he/she is not required to have an established and maintained quality management system during the Contract term but shall prove the personnel, technical, material and organisational prerequisites for executing the Performance.

If the Contractor is not the producer of the Performance subject matter, the provisions of this clause shall refer to the producer of the Performance subject matter and the Contractor undertakes to ensure that the producer of the Performance subject matter is contractually bound to meet the requirements of this clause.

18.2.18. The Contractor shall be obliged to respect the specific requirements of state professional supervision and to reflect them in the necessary scope into its own documentation (documented information) of the management system in accordance with the ISO 9001 standard or by elaborating them in a quality plan according to the ISO 10005 standard. The Contractor shall hand over the quality plan to SE within 30 days of signing the Contract.

18.2.19. The Contractor shall be obliged to rate and select its Subcontractors according to their abilities to fulfil the requirements under the Contract with SE. The Contractor shall reflect the requirements under the Contract with SE in the contracts with its Subcontractors, including the requirement for the Subcontractor's quality management system and for the application of the quality plan requirements. The Contractor shall ensure and verify the ability of its Subcontractors to fulfil the requirements under the Contract during the Contract term.

18.2.20. The Contractor undertakes to keep documented information in paper or electronic related to the activities affecting quality for the entire duration of the contractual relationship so as to prevents their damage, loss, or destruction. Documented information that is not handed over to SE, shall be stored for a period of five years following the completion of the Performance under the Contract. Prior to shredding, it shall hand them over to SE.

18.2.21. The Contractor shall be obliged to allow inspectors of the state supervision and state professional supervision, professionally competent personnel of SE or professionally competent personnel of other organisation to perform audit on its behalf, for the purpose of checking and reviewing quality and related documentation during Performance execution, for auditing the quality management system or reviewing compliance with only selected requirements of the ISO 9001 standard, including the review of personnel, technical, material and organisational pre-requisites for Performance execution and the audit of the observance of Contractor's quality plans in all premises and facilities of the Contractor and its Subcontractors.

18.3 **Health & safety management system**

This clause applies to a Contractor in the event that the requirements for the Contractor or a part of the Contractor's qualification contained a requirement for a health & safety management system that functionally covers the principles and requirements in compliance with the ISO 45001 or equivalent standard/guideline.

Depending on the nature of the Performance and related activities, the Contractor is obliged to have a functional health & safety management system in place corresponding to the ISO 45001 requirements or equivalent standard/guideline, which shall be demonstrated upon SE's request during the effective period of the Contract by:

a) a valid confirmation on the performance of an audit of its health and safety management system by SE (pursuant to clause 18.5) or it shall ask SE for an audit, or

b) valid certificate issued by an accredited certification company, or

c) a documented description of its health & safety management system in place.

18.4 **Environmental management system**

This clause applies to the Contractor in case that the requirements for the Contractor or a part of the Contractor's qualification contained a requirement for a functional environmental management system according to ISO 14001 or equivalent standard/guideline.

Depending on the nature of the Performance and related activities, the Contractor is obliged to have a functional environmental management system corresponding to the ISO 14001 requirements or equivalent standard/guideline, which shall be demonstrated at SE's request during the effective period of the Contract by:

a) a valid confirmation of the performance of an audit of its environmental management system by SE (pursuant to clause 18.5) or it shall request SE for an audit, or

b) a valid certificate issued by an accredited certification company, or

c) a documented description of its environmental management system.

18.5 **Management systems audits**

SE shall be entitled to carry out an audit of a management system pursuant to the clauses 18.2 and/or 18.3 and/or 18.4 herein at the Contractor during the Contract term.

In such case, the Contractor is obliged to allow the technically competent SE staff or technical competent SE staff of another organisation to carry out an audit of the management system.

18.6 If the Contractor is a natural person performing the subject matter of the Contract in person, he/she shall not be obliged to have the management system during the Contract performance.

## XIX. LABOUR LAW, OHS AND FP

Provisions of this article shall apply only in the case that the Contractor enters SE's premises and at SE workplaces.

19.1 **Contractor's obligations regarding OHS and FP**



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19.1.1 Prohibition of smoking

In all working areas of SE, smoking is generally forbidden. Smoking is allowed only in the marked areas (smoking areas) provided for this purpose.

The Contractor agrees to comply with this regulation. The Contractor also undertakes to inform the personnel engaged in the execution of the Contract in the premises of SE about the prohibition of smoking during the execution of the Performance under the Contract.

19.1.2 For the entire duration of the Contract, the Contractor is obliged to:

a) identify among its personnel sufficient number of persons which will be responsible for supervising the work activity and will ensure the implementation of directives received and check the correct execution by personnel (hereinafter referred to as the "**Works Manager**") and their presence at the SE workplaces in accordance with the requirements of SE and of the technical specification;

b) ensure personnel are properly trained and informed in relation to the work to be performed, dangers and threats, the preventive and protective measures to be adopted;

c) ensure personnel have the required qualification and health capacity in relation to the activities to be carried out, and as required by valid and generally binding legal acts and SE internal rules;

d) provide the services and perform activities in full compliance with the Contract, as well as comply with all provisions of applicable law, regulations and technical standards required by the relevant authorities, in force during the execution, as well as all other regulations that could affect the Contract; the Contractor shall directly bear all its obligations and costs;

e) use properly employed personnel in accordance with current legislation, paying the remuneration due to its employees and paying all taxes, insurance, pension and social security contributions prescribed by law and applicable in accordance with collective bargaining agreements;

f) Permit SE and/or third parties appointed by SE to carry out checks provided for in the Contract and/or the applicable legislation for the purpose of ascertaining the professional competence and health capacity of the Contractor's Personnel in relation to the type of work being executed;

g) immediately notify SE in the case of a fatal or severe accident, and, regardless of the prognosis, in the case of electrical accidents or accidents due to a fall from height that occurred during the execution of activities under the Contract, and to send the investigation report to SE within 10 calendar days of the accident;

h) notify by the 10$^{th}$ of each month, the number of hours worked (ordinary and extraordinary) in the preceding month in the framework of the Contract, specifying separately the hours worked by freelancers, if any (in the case that a Logbook is not kept).

19.1.3 Prior to entering an SE workplace, which means a place of rendering a work, performing works, construction site, a place of performing repairs, place of maintenance, repairs and alteration of thing, providing services under the Contract or other written request of SE which is taken over from SE by the Contractor based on the protocol in a form of minutes, the Contractor shall take over the workplace from SE (Contract Manager on behalf of SE in cooperation with the object administrator), recording the OHS and FP status in the Logbook or in a separate Record on the handover and takeover of the workplace or in another provable way and submit all data needed for SE's reporting/notification obligation towards state and supervisory bodies (e.g. pursuant to Section 3(3) of Regulation of the Government of the Slovak Republic No. 396/2006 Coll. on the minimum safety and health requirements for construction sites, as amended.

19.1.4 When preparing and performing the subject matter of the Contract, the Contractor undertakes to comply with all regulations and requirements in order to ensure OHS and FP, set out in legal regulations and technical standards applicable in the territory of the SR and to comply with the agreed work procedures and technological discipline. The Contractor is responsible for specifying and implementing safe working and technological procedures, the organisation of contractual performances, setting the planned works schedule and, in the case of change of conditions that may have an impact on the works schedule, updating it, marking out the spatial boundaries of the workplace, for the safe state of workplaces, premises, communications and social spaces taken over from SE in the minutes.

19.1.5 The Contractor is responsible for the safe condition of the mechanisms, machinery, devices, tools, equipment, materials, and structures it uses. The Contractor is obliged to operate and to keep these facilities and structures in such technical condition and to behave in the SE's premises so that no damage occurs. In the event of finding shortcomings on the Contractor's technological equipment or structures, SE shall be entitled to suspend the operation of that equipment or to order its removal from SE premises. Any delay in performance shall not be deemed a delay caused by SE.

19.1.6 When carrying out activities associated with increased fire risk, the Contractor is obliged to establish a fire assistance patrol at its own expense and to equip the workers carrying out this activity with an orange warning waistcoat with the inscription "Fire Assistance Patrol" conforming to the standard EN ISO 14116 or EN ISO 11612.

19.1.7 The Contractor is obliged to ensure that the Contractor's Personnel use only those entrances and exits designated for them for this purpose, that they remain within the workplace connected with the execution of the contractual performance and that they keep the workplace and other SE premises they use clean and tidy during the whole execution of the Performance. Upon completion of the contractual performance, the Contractor is obliged to hand the SE's workplace over in clean and flawless state.

19.1.8 The Contractor is responsible for the professional and medical capability and sufficient training in OHS and FP of its personnel, also including freelancers and the personnel of subcontractors. The Contractor is obliged to conduct and manage the Performance so as to



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prevent injury of SE personnel, its own personnel as well as third-party personnel and to prevent damage to property and the environment. The Contractor is obliged to ensure that the Contractor's Personnel do not execute the Performance under the influence of alcohol or narcotics and psychotropic substances, do not remain on SE's premises under the influence of alcohol or narcotics and psychotropic substances, and that they do not use alcohol or narcotics and psychotropic substances at the workplace.

19.1.9 The Contractor shall equip its personnel with the necessary personal protective equipment (hereinafter referred to as "**PPE**") and ensure it is used. The Contractor shall ensure labelling of its personnel's working clothes with the Contractor's or Subcontractor's name, so that the identification is visible, distinct, and permanent.

19.1.10 The Contractor, in performing the Contract, shall ensure, pursuant to the technical specification requirements, by way of a sufficient number of professionally competent persons and, in the required scope, the performance of a safety coordinator and a documentation coordinator at the workplace according to SR Government Regulation No. 396/2006 Coll. on the minimum safety and health requirements for a construction site, as amended. This obligation applies also in the case of activities ensured by means of freelancers.

The Contractor, in performing the Contract, shall ensure, pursuant to the technical specification requirements, by way of a sufficient number of professionally competent persons and, in the required scope, the performance of a safety technician. The Contractor is obliged to ensure that the workplaces taken over by protocol have safety and health signage conforming to Regulation of the Government of the Slovak Republic No. 387/2006 Coll. on the minimum requirements for the provisions of safety and health signs at work, as amended and Regulation of the Government of the Slovak Republic No. 396/2006 Coll. on the minimum safety and health requirements for construction sites, as amended and SE internal rules.

19.1.11 The Contractor shall ensure a sufficient number of first-aid kits during the performance of its activities at its workplaces in SE premises and ensure a sufficient number (at minimum, though, 10%) of professional persons trained for providing first aid.

19.1.12 The Contractor is obliged to fulfil duties connected with occurrence of incidents (accidents, fire, emergencies, near misses, first aid, etc.) toward competent public authorities and to report to them, as well as to SE, the occurrence of all incidents immediately (within 30 minutes) for the purposes of objective investigation and adopting preventive measures. The Contractor is obliged to notify SE of any injury occurring during the execution of activities under the Contract, whatever the outcome of the accident, and subsequently to provide SE with information, including a detailed description of the incident. The Contractor is obliged to investigate these accidents, and provide the results of the investigation to SE, together with measures adopted on the side of the Contractor, and this no later than 10 days from the accident occurring.

19.1.13 In the event of an injury, if the injured worker could not be tested for alcohol, the Contractor is obliged to carry out such test at the earliest opportunity (breath test, blood test for the purpose of ascertaining the presence of alcohol). A record of the test shall be immediately submitted to SE.

19.1.14 In the case of a fire and its subsequent extinguishing by the fire units using their fire extinguishers, if the fire started at the Contractor's fault, the Contractor undertakes to pay the costs connected with extinguishing the fire.

19.1.15 The Contractor is obliged to label all containers holding flammable substances, heavy heating oils, vegetable and animal fats and oils in accordance with Decree of the Ministry of Interior of the SR No. 96/2004 Coll., regulating the principles of fire safety in handling and storage of flammable liquids, heavy heating oils and of vegetable and animal fats and oils as amended and containers with flammable gases and combustion-supporting gases pursuant to Decree of the Ministry of Interior of the SR No. 124/2000 Coll. regulating the principles of fire safety in operations with flammable gases and combustion-supporting gases, as amended, found in the Contractor's workplace.

19.1.16 The Contractor is obliged, according to the nature of the contractual performances, to process and submit to SE its technological procedures, safe working procedures, OHS plan, works schedule and document on risk analysis for the working activities performed.

19.1.17 The Contractor is obliged to inform SE in advance regarding any changes in the technology of the Performance execution and regarding changes in the documentation referred to in the preceding clause and in clause 9.4.5 herein.

19.1.18 The Contractor undertakes not to use any materials and articles containing asbestos in the course of works under this Contract. If asbestos is found in the assigned work area or if there are grounds to suspect its presence, the Contractor shall be obliged to stop work and notify the competent supervisor, so as to ensure compliance with the correct procedure. All other activities relating to the situation shall be carried out in accordance with Regulation of the Government of the Slovak Republic No. 253/2006 Coll. on the protection of workers from the risks related to exposure to asbestos at work .

19.1.19 **Additional provisions relating to SE plants**

The Contractor is obliged to ensure that its personnel remain only in the designated workplace and related premises.

The Contractor shall equip its personnel with the necessary PPE and ensure it is used. The minimum equipment of the personnel with PPE comprises (i) protective helmet with fixing strap pursuant to EN 397, (ii) protective glasses pursuant to EN 166, EN 170, (iii) safety shoes pursuant to STN EN ISO 20345 in version at least S3, or S1P and (iv) working clothes (on external construction site equipped with reflective components, or also a reflective vest), in technological areas in antistatic version complying with the requirements of EN 1149-5. If it is necessary to comply with requirements for other prescribed PPE in order to perform the working activities, the Contractor shall ensure such PPE is assigned and used beyond the minimum requirements from SE. The obligation to use the minimum PPE applies to technological areas and construction sites of SE. Basic PPE in terms of the minimum requirements necessary for workers to enter the controlled area of the NPP shall be provided by SE.



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The Contractor undertakes that the Contractor's Personnel will not use yellow and red helmets when performing work at nuclear power plants (these colours are intended for use in the controlled zone of the nuclear power plants).

The Contractor is obliged to equip workers carrying out the activity of "load binder" with an orange warning waistcoat with inscription "Load Binder" and with a helmet sleeve with the inscription "Load Binder".

Unless agreed otherwise in the Contract, the Contractor shall ensure, at its own cost, safety and fire protection measures in activities posing an increased danger of fire in places with a risk of fire or explosion, performed by the Contractor. The Contractor is obliged to inform SE of these activities in sufficient time advance.

## XX. INSURANCE

20.1 The Contractor's insurance Contract must be valid for the entire duration of the Contract, concluded in the scope and with a limit that sufficiently covers all damage that the Contractor may cause by its activity. In the case that the Contractor provides a warranty on the Performance, the insurance Contract shall be valid in the aforementioned range also during the warranty period.

20.2 In the event the Contract subject matter is to execute the Performance related to SE's assets and, for this purpose, the Contractor takes over and relocates SE's assets outside SE's premises, the Contractor must have a damage liability insurance policy sufficient to cover the new value of the relocated assets belonging to SE.

Assets may be relocated only with the consent of SE in writing, given either in the form of an entry in a Logbook signed by the SE's Contract Manager or a record on takeover or in the form of any other record on handover and takeover of SE's assets for the purpose of relocation outside SE's premises.

## XXI. INDUSTRIAL AND INTELLECTUAL PROPERTY

21.1 The Parties take note that, under Section 558 et seq. of the Commercial Code, if the subject of Performance results to anactivity that is protected by law of industrial or intellectual property (hereinafter referred to as a "**Copyright Work**"), SE is entitled to use it for the purposes arising from the Contract in manners necessary for the proper use of the Performance, in particular for the use according to Section 19 of Act No. 185/2015 Coll. the Copyright Act, as amended (hereinafter referred to as the "**Copyright Act**"), for the duration of the copyrights under Section 32 of the Copyright Act. The remuneration for the use of a copyright work pursuant to this clause is included in the Price.

Purposes arising from the Contract and under the preceding point shall be understood to include the following manner of using the copyright work: (i) processing of the copyright work for the purposes of future repairs, maintenance, reconstructions, changes or enhancements to SE assets, (ii) the provision of the copyright work for processing to SE contractual partners for the purpose of maintaining the value of SE assets, which includes not just maintenance, but also maintaining the functionality, as well as adding new functions and improvements.

If a result of the Performance of the Contract is the supply of project documentation, studies, diagrams or other documentation (hereinafter referred to as "**Documentation**"), the Contractor hereby grants consent to the use of the respective Documentation, and this (i) for all manners of use of the copyright work that are known at the time of concluding the Contract (including processing or provision of the copyright work for processing to an SE contractual partner), (ii) for an unlimited territorial and substantive scope, (iii) for the duration of property rights to the copyright work, and (iv) SE shall have the right to transfer the licence agreement to another person or to grant a third party a sublicence without the need for additional consent from the Contractor.

The Parties have agreed that if the copyright work is to be used also in a manner other than that set out above, the Contractor undertakes to promptly, within five days of a demand from the side of SE, to conclude with SE a Contract, the subject matter of which will be:

(i) assignment of the exercise of all copyright ownership rights to SE; or in the case that it is not possible to conclude such Contract,

(ii) the granting of consent to SE for the exercise of ownership rights forming the copyright to the copyright work, and on the basis of which the Contractor shall grant to SE an **exclusive licence** in unlimited scope, and the provision of prior consent to SE for granting licences during the life of the copyright ownership rights pursuant to § 32 of the Copyright Act, on the basis of which SE will be able to use the copyright work, in particular, in the manner referred to in § 19(4) of the Copyright Act.

If, pursuant to § 87 of the Copyright Act (a computer program), arises under the Contract, the Contractor undertakes to assign to SE the exercise of ownership rights to such computer program. Where applicable, the Contractor also undertakes that, concurrently with the handover of Performance under the Contract, it shall hand over to SE also the source codes and respective Documentation necessary for using them. Any failure to hand over the source codes or any handover of Documentation that is incomplete or difficult to understand, shall be considered a defect of Performance.

21.2 If, during the course of executing the Performance, the Contractor creates a work meeting the definition of

a) a patentable invention in compliance with the respective provisions of Act No. 435/2001 Coll. on Patents and Supplementary Protection Certificates and on the amendment of certain acts **(the Patents Act),** as amended and applies for a patent for the work, or

b) a technical solution protected by a utility model in compliance with the respective provisions of Act No. 517/2007 Coll. on Utility Models and on the amendment of certain acts as amended and applies for protection of the work by a utility model, or

c) a design in compliance with respective provisions of Act No. 444/2002 Coll. on Design as amended and applies for registration of the work as a design, or

d) other subject matter of industrial property

(hereinafter jointly referred to as "**Subject Matter of Industrial Property**"),

the Contractor, as the provider, undertakes to conclude a licence agreement with SE, as the licensee, without undue delay but no later than **within 15 days** from acquisition of the right to the Subject Matter of Industrial Property in accordance with Section 508 et seq. of the Commercial Code, the subject of which is the granting of consent to use the work protected as the Subject Matter of Industrial Property (hereinafter referred to as a "**Licence**"). The Contractor undertakes to grant an exclusive and territorially unlimited Licence to SE for its Performance in the extent of SE's entire activity, for the duration of the validity of the right to the Subject Matter of Industrial Property. The Remuneration for granting the Licence under this clause is included in the Price.

21.3 The Contractor undertakes to settle all legal relations with third parties that created or supplied the Performance content, namely



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by concluding relevant copyright and other contracts so that such parties cannot invoke any claims resulting from moral, copyright, industrial rights, copyright-related rights or other similar rights related to the due performance of the Contractor's obligations to SE resulting from the Contract. In the event of the winding up of a Contractor without a legal successor, the Contractor shall, before its cancellation, provide SE with source data related to the created work or to the Subject Matter of Industrial Property.

## XXII. CONFIDENTIALITY OF INFORMATION AND CYBER SECURITY

22.1 The Contractor undertakes to treat any data, information and documents obtained in connection with the tender, the preparation, conclusion or performance of the Contract as confidential information, and to protect this information from disclosure, misuse, damage, unauthorised reproduction, destruction, loss, theft, dissemination, or other unauthorised use, where SE shall consider confidential information to mean any information provided to the Contractor that is not publicly known or publicly available, until such time as it becomes publicly known and available (other than in the case of a breach of an obligation under the Contract. In the case of doubt, information shall always be considered to be of a confidential nature (hereinafter referred to as "**Information of a Confidential Nature**"). The Contractor undertakes to use Information of a Confidential Nature only for the purposes of performing the Contract. Information of a Confidential Nature may not be disclosed to third parties without prior written consent from SE, nor may it be used at variance with the purpose for which it was provided, and this neither for the Contractor's own needs.

22.2 Unless agreed otherwise in the Contract, the Contractor undertakes to keep secret Information of a Confidential Nature even after the expiry of the Contract. The limitations stated in this clause shall not apply to the disclosure of Information of a Confidential Nature to dependent persons of SE according to the Income Tax Act, i.e. to persons close economically, personally or otherwise connected with SE (hereinafter referred to as an "**SE-Connected Company**") and the Party's consultants (e.g. auditors, attorneys), provided that the SE-Connected Company and the aforesaid consultants are bound by a non-disclosure duty of at least the same extent as set forth in this clause. Neither the provision of Information of a Confidential Nature at the justified request of a public body or other state authority, nor the provision of Information of a Confidential Nature by a Party required by generally binding legal regulation shall be considered a breach of the provisions of this clause.

22.3 The Contractor is obliged to verifiably bind by confidentiality all persons to whom, in connection with performance of the Contract, Information of a Confidential Nature is disclosed. The duty of confidentiality under the preceding sentence must last also beyond the end of the contractual relationship, employment relationship or analogous labour relationship. The Contractor is obliged, at SE's request, to prove the fulfilment of this obligation.

22.4 In the event of leakage of Information of a Confidential Nature or trade secret for reasons for which the Contractor is liable or in the case of a breach of the Contractor's obligation under clause 22.1, 22.2, or 22.3 SE shall be entitled to claim from the Contractor a contractual penalty pursuant to clause 15.8 herein.

22.5 Unless agreed otherwise in the Contract, the Contractor shall not be entitled to present SE as its trading partner or use the SE trade name or logo in promoting itself or its activity or in statements for the media in any form whatsoever without prior written consent. If the Contractor breaches the obligation laid down in this clause, SE may claim from the Contractor the contractual penalty pursuant to clause 15.8 herein.

22.6 The Contractor takes note that pursuant to Act No. 69/2018 Coll. on cyber security and on the amendment of certain acts, as amended (hereinafter referred to as the "**Cyber Security Act**") SE is an operator of basic services pursuant to Section 3(l)(k) of the Cyber Security Act.

22.7 In the event that SE provably delivers SE's security standards and/or security policies in the field of cyber security to the Contractor, the Contractor is obliged to observe them and ensure that its personnel observe them.

22.8 In the case that the Performance subject matter is the performance of activities that are directly related to availability, confidentiality and integrity of operation of networks and information systems for SE, the rights and duties of the Parties in the field of cyber security shall be further regulated in a separate Contract on ensuring the performance of security measures and notification obligations. In the case of the Performance subject matter under the preceding sentence, the Contractor is obliged to conclude without delay a Contract on ensuring the performance of security measures and notification obligations with SE anytime at SE's request and in accordance with the Cyber Security Act and related generally binding legal acts.

22.9 SE shall, under condition of ensuring confidentiality from the information recipient, be entitled to make available contractual documents, information related to the Contract or Performance under the Contract, or information about the Contractor, at the request of a bank or financial institution providing SE credit or otherwise involved in SE's financing.

## XXIII. PERSONAL DATA PROTECTION

23.1 The Contractor undertakes to maintain confidentiality on personal data that the Contractor comes into contact with during the Performance according to the Contract, and to ensure processing and protection of such data in accordance with the requirements of applicable legislation. The confidentiality obligation under the preceding sentence shall continue to apply also following the termination of the Contract.

23.2 The Contractor is required to bind to maintaining personal data confidentiality any and all individuals who come into contact with personal data at the Contractor's premises. The confidentiality obligation under the preceding sentence shall continue to exist following the termination of the employment relationship or similar relationship of such natural person.

23.3 In the case that the Contractor is to process personal data on behalf of SE, the Contractor shall be required, prior to the start of processing the personal data on behalf of SE and/or at latest promptly following a demand by SE, to conclude a separate data processing Contract with SE according to Regulation of the European Parliament and of the Council (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) as amended, or pursuant to Act no. 18/2018 Coll. on the protection of personal data and on the amendment of certain acts, as amended (a processor Contract).

23.4 SE processes personal data of the Contractor's employees, persons authorised to act on behalf of the Contractor and persons cooperating with the Contractor for the purpose of preparation and implementation of contractual relations, including determination of authorised and contact persons. SE shall also process the personal data of the Contractor's employees, persons authorised to act on behalf of the Contractor and persons cooperating with the Contractor for other processing purposes if this is necessary for the ensuring of the subject matter of the Performance. Further information on the processing of personal data for individual purposes and information on the

rights of data subjects can be found on SE's website at https://www.seas.sk/gdpr, under the tab "Contractor and subcontractor of Slovenské elektrárne". The Contractor undertakes to inform the relevant data subjects about the processing of their personal data by SE and about their rights by referring the data subjects to the Terms and Conditions for the processing of personal data of SE published at https://www.seas.sk/gdpr, under the tab "Contractor and subcontractor of Slovenské elektrárne".

## XXIV. ENVIRONMENTAL PROTECTION

24.1 In the preparation and implementation of the subject matter of the Contract, the Contractor undertakes to comply with all environmental protection regulations set out in legal regulations and technical standards applicable in the territory of the SR.

24.2 The Contractor is obliged to operate and maintain its mechanisms, machinery, devices, tools, equipment, and materials, as well as the warehouses and workshops that it uses in such technical conditions and to conduct itself on SE premises so that no environment harm occurs.

24.3 The Contractor is obliged to respect an order to suspend performance of the Contract issued by the SE Contract Manager due to a danger to the environment, until further notice. The SEs Contract Manager issuing such order is obliged to make an entry in the Logbook on the order. If the SE Contract Manager issues an order to suspend the Contract performance due to reasons on the side of the Contractor, any resulting delay in the Performance shall not be considered as delay caused by SE.

24.4 The Contractor is obliged to fulfil obligations related to incidents with an environmental impact, toward the competent public authorities and to immediately report such an event also to SE for the purpose of objective investigation and adoption of preventive measures.

24.5 In the event of a threat to the environment on the side of the Contractor, the Contractor is obliged to eliminate the cause and consequences as well as to pay any applicable financial compensation for damages in full.

24.6 **Handling Chemical Substances and Chemical Mixtures**

24.6.1 The Contractor is obliged to handle CS and CM in accordance with the Chemicals Act No. 128/2015 Coll. on Prevention of Major Industrial Accidents on the amendment of certain acts as amended, Regulation (EC) No. 1907/2006 of the European Parliament and of the Council concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) and establishing the European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No. 793/93 and Commission Regulation (EC) No. 1488/94, Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC as amended and Regulation (EC) No. 1272/2008 of the European Parliament and of the Council EC) on Classification, Labelling and Packaging of substances and compounds and establishing the European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No. 793/93 and Commission Regulation (EC) No. 1488/94, Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (CLP).

(i) Sufficiently in advance of commencing performance of the subject matter of the Contract (min. 14 days before the start of Performance), the Contractor is obliged to submit to the SE Contract Manager, or to a person authorised by him, a list of CS and CM to be used in its activity on SE premises under this Contract. Along with the CS and CM to be used, the Contractor is obliged to submit the Safety Data Sheet ("**SDS**"), the presence of which must also be ensured at the Contractor's workplace and to indicate upon request the pre-registration or registration numbers of the CS and CM in compliance with the REACH regulation. The SDS must be in Slovak. At SE's request, the Contractor is also obliged to submit the technical certificate of the CS and CM, user manual and technological process for working with the respective CS and CM.

(ii) The Contractor may only use the CS and CM found in the list of CS and CM approved for use at SE. The list of CS and CM approved for use at SE shall be provided on request to the Contractor by the SE's Contract Manager, or a person authorised by him. The Contractor is entitled to ask for approval and addition of the CS and CM used in the aforementioned list only via the SE technical supervisor or the SE Contract Manager, who shall proceed pursuant to the internal managing regulation for chemicals management. For this purpose, the Contractor is obliged, in addition to the SDS, to provide SE with further additional data in order to document the selected critical CS and CM parameters.

(iii) SE is entitled not to approve the use of the Contractor's CS and CM, if there is a suitable equivalent or if there is a risk of environmental danger in its use, or if problems may occur in liquidation thereof.

(iv) The packaging of all CS and CM used by the Contractor must be marked with a label pursuant to clause 9.3.3 in Slovak in compliance with applicable legislation.

(v) If the Contractor uses CS and CM other than agreed, or the packaging thereof does not contain a label pursuant to clause 9.3.3, SE shall be entitled to interrupt or completely suspend the Contractor's contractual performance.

(vi) The Contractor is obliged to provide information about the amounts of the CS and CM stored with prescribed periodicity (min. 1x on a monthly basis), in the form set out by SE.

24.6.2 In connection with the Performance execution, the Contractor is obliged to enable the qualified SE personnel (Environment Department) to inspect the handling of CS and CM in order to verify the correctness of the procedures used.

24.7 **Waste Management**

24.7.1 The Contractor is obliged and undertakes to manage waste in compliance with the applicable Act on Wastes, especially:

(i) To prevent or reduce the adverse impacts of waste production and waste handling pursuant to the waste management hierarchy;

(ii) In the performance of Contractor activity related to waste generation, to follow the instructions of the competent SE technical supervisor in compliance with the internal regulations applicable for wastes at the respective SE plant;

(iii) To collect waste sorted according to the waste types in designated containers and secure it against degradation, theft, or other undesired leakage; the locations for waste collection shall



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be assigned to the Contractor by SE (the competent SE technical supervisor);

(iv) To collect hazardous waste separately by type, to label them as prescribed (name of waste, graphic symbol of hazardous properties and waste identification sheet), to handle the waste in compliance with Waste Act and related legislation, to protect the place of collection of hazardous waste against leakage of pollutants into the soil, water and air;

(v) maintain and keep a record of the quantity of waste on a waste record sheet;

(vi) provide assistance to SE in keeping records of the types and quantities of waste and their management;

(vii) upon request, provide full and truthful information on the waste management practices to SE, not later than 30 days from the date of receiving a written request; and provide copies of documents proving the above upon request from SE.

24.7.2 In relation to the Performance, the Contractor is obliged to enable the qualified SE personnel (SE Environment Department and SE Technical Supervision) to inspect the waste disposal in order to check the procedures used.

24.7.3 In the event that, as a result of the contract, the Supplier is obliged to dispose of or recover the waste generated during performance on the premises of the SE, the Supplier undertakes to:

(i) before starting waste management and at any time during the duration of the Agreement, prove to SE that it manages waste in accordance with Act no. 79/2015 Coll. on waste as amended (hereinafter referred to as the "**Waste Act**") as well as in accordance with the conditions stated in this article.

(ii) before starting waste management, prove to SE that he is a person authorized to manage waste precisely specified in Appendix no. 1 to the Decree of the Ministry of the Slovak Republic no. 365/2015 Coll., which establishes the Waste Catalog as amended (hereinafter referred to as the "**Decree establishing the Waste Catalog**") and in accordance with the Waste Act, or prove that he has a valid contract with a person authorized to dispose with waste in accordance with the Waste Act.o odpadoch.

(iii) that the person authorized to dispose of waste arising from the fulfillment of obligations arising from the subject of performance will have authorizations and permits in accordance with the Waste Act during the entire period of waste disposal.

24.8 **Handling of hazardous substances, ozone depleting substances and fluorinated greenhouse gases**

24.8.1 In its activity, the Contractor is obliged to handle hazardous substances (oil substances, chemicals, etc.) in accordance with Act No. 364/2004 Coll. on Waters and on the amendment of the Act of Slovak National Council No. 372/1990 Coll. on offences as amended (the Water Act), so as to avoid endangering and polluting waters, to prevent extraordinary deterioration or endangering of water quality and, in cases when the Contractor's activity causes pollution of surface or ground waters, to report this situation to SE without undue delay and to perform measures necessary to prevent further deterioration of the water quality.

24.8.2 In its activities, the Contractor is obliged to handle

(i) ozone depleting substances in compliance with Act No. 321/2012 Coll. on protection of the Earth's ozone layer and amending certain laws as amended, and the Regulation (EC) No. 1005/2009 of the European Parliament and of the Council on Substances that Deplete the Ozone Layer as amended,

(ii) fluorinated greenhouse gases in compliance with Act No. 286/2009 Coll. on fluorinated greenhouse gases and amending certain laws as amended.

24.8.3 Organic solvents may be used by the Contractor only in compliance with requirements of the Act No. 146/2023 Coll. on air protection and amending certain laws as amended.

24.8.4 In case of transporting the SE's assets containing hazardous substances, where the assets are the subject of the Performance, the Contractor undertakes to comply with the provisions of the European Agreement concerning the International Carriage of Dangerous Goods by Road (ADR) (Decree of the Ministry of Foreign Affairs No. 64/1987 Coll.) as amended and Act No. 56/2012 Coll. on Road Transport as amended.

24.8.5 The Contractor is obliged to store hazardous substances in the premises designated for such purpose by SE, or in its own premises, created for such purpose, as a part of the construction site premises, with prior consent from SE.

## XXV. VENDOR RATING

25.1 The **Contractor** takes note that it may be evaluated by SE from the date of signing the Contract. **Rules** relating to the evaluation of Contractors are published on the website: https://www.seas.sk/vendor-rating.

## XXVI. LIST OF SE SUPPLIERS

26.1 The Contractor takes note that upon signing the Contract they will be included in the internal list of SE suppliers (hereinafter referred to as the "**List of SE Suppliers**").

26.2 The Contractor may be suspended from the List of SE Suppliers or excluded from the List of SE Suppliers and included in the list of SE excluded suppliers (hereinafter referred to as "**List of SE Excluded Suppliers**").

26.3 The rules governing the suspension and exclusion of a Contractor from the List of SE Suppliers and its inclusion in the List of SE Excluded Suppliers are published on the website: Vylúčenie dodávateľov | Slovenské Elektrárne, a.s. (seas.sk).

## XXVII. RULES OF ETHICAL CONDUCT

27.1 The Contractor is aware of the fact that the business activities and internal activities of SE are governed by principles stipulated in the SE Code of Ethics and in the Zero Tolerance of Corruption Plan, the wording of which is published on the website: https://www.seas.sk/code-of-ethics (hereinafter referred to as the "**Principles**"). The Contractor shall apply equivalent Principles in conducting its business activities and in the

management of its relationships with third parties.

## XXVIII. APPLICABLE LEGAL REGULATIONS

28.1 The Contract and relations resulting from the Contract or related to the Contract have been entered into in compliance with the provisions of the Commercial Code and other generally binding legal regulations applicable in the Slovak Republic with the exclusion of the application of the United Nations Convention on Contracts for the International Sale of Goods. Unless otherwise provided for by the Contract, the mutual relationships of the Parties arising from the Contract and not explicitly regulated therein shall be governed by the relevant provisions of the Commercial Code and by other generally binding legal regulations of the Slovak law.

## XXIX. DISPUTES

29.1 The Contractor hereby declares that, as of the date of entering into the Contract, it is not party to any litigation or arbitration proceedings against SE.

29.2 All disputes arising from the Contract, including disputes concerning its validity, interpretation or cancellation, or disputes about extra-contractual claims shall be submitted for decision to the competent court in accordance with the provisions of Act No. 160/2015 Coll. Civil Procedure Code as amended.



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**ANNEX 1**

**INDICATIVE LIST OF SEVERE, VERY SEVERE AND EXTREMELY SEVERE BREACHES OF OCCUPATIONAL SAFETY**

| Category | Breach | Severity |
|---|---|---|
| **Accident and incident reporting** | Failure to notify SE (within 3 hours from the event) of an accident resulting in death or grievous bodily harm, or any injuries relating to electrical accidents or accidents due to a fall from height, or into depth irrespective of the prognosis. | III. |
| | Failure to notify SE (within 3 hours from the event) of registered accidents or recorded accidents. | II. |
| | Failure to notify SE without any delay (at latest within 30 minutes) of the occurrence of an accident or dangerous incident. | I. |
| **General provisions** | Failure to attend coordination meetings (if mandatory according to OHS regulations or SE procedures). | I. |
| | Failure to appoint/identify a Works Manager. | II. |
| | Failure to appoint or perform the activity of the safety coordination representative / documentation coordination representative, safety technician in accordance with the requirements of SE (failure to apply the safety / documentation coordination institute). | II. |
| | Insufficient or absent control or supervision of the performed work. | II. |
| | Failure to perform “Pre-work check” (if applicable). | II. |
| | Consumption of alcohol, narcotic and/or psychotropic substances at the workplace. | III. |
| | Employment or use of personnel not notified to SE or not approved by SE. | III. |
| | Employment or use of personnel without professional profiles / qualification / training required for performing the activities or without required health capacity in compliance with OHS and FP regulations and SE rules and requirements (such as works on electrical installations, works in confined spaces, works at height, underwater works). | III. |
| | Start of activities before obtaining authorisation from SE. | III. |
| | Use of special vehicles/machinery/equipment not in compliance with applicable regulations and technical standards. | II. |
| | Use of special vehicles/machineries/equipment not previously declared to SE (e.g. loads hoisting/lifting equipment, bucket truck). | II. |
| | Unauthorised use of special vehicles/machinery/equipment owned by SE. | II. |
| | Lack of relevant documentation to certify controls/tests on the Contractor’s special vehicles/machinery/equipment, used during works for SE, according to OHS regulations. | II. |
| | Failure to respect regulations relevant to Traffic Code. | II. |
| | Use of tools, equipment, machines, and chemical substances whose use has not been approved by SE or is non-compliant with technical standards and legislative requirements. | II. |
| | Handling of scaffolding / temporary structures / protective measures belonging to SE or other contractors. | III. |
| | Failure to use temporary equipment and fencing on construction site and insufficient maintenance thereof. | I. |
| | Lack of contractors’ procedures related to activities important for safety to be executed (e.g. absent safe work procedures, technological procedures. | II. |
| | Insufficient or absent documentation necessary for OHS and FP inspections as prescribed by SE or legislation. | I. |



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| | | |
|---|---|---|
| | Failure to comply with and observe SE emergency plans and procedures | II. |
| | Failure to use PPE or the use of PPE that are non-compliant with OHS standards or damaged (e.g. CE conformity marking relevant to European Community). | I. |
| | Failure to mark out the workplace with signage or to place adequate barriers to fence/enclose the area where necessary. | II. |
| | Deficiencies in arrangements for work at the open reactor or other open technology and in foreign material exclusion (FME). | I. |
| | Presence of a person under the influence of alcohol or other narcotics and/or psychotropic substances at the SE workplaces and in the premises of SE or at the workplace outside the premises of SE and bringing such substances to SE premises or to a workplace outside SE premises. | III. |
| | Failure to respect the safety and health labelling, instructions, and prohibitions. | I. |
| | Missing/incorrect/incomplete safety signage. | I. |
| | Use of working equipment, the technical condition or version of which does not comply with safety regulations. | II. |
| | Inadequate arrangement / storage of materials at the construction/workplace of maintenance sites and power plant. | I. |
| | Failure to keep order and cleanness at the construction/workplace and other SE premises used. | I. |
| | Lack of adequate measures concerning emergency management. | II. |
| | Damage to SE property. | II. |
| **Electrical risks** | In case of live working, failure to apply / incorrect application / incomplete application of relevant OHS procedures. | III. |
| | Failure to use PPE and Collective Protective Equipment for electrical risks. | III. |
| | Use of PPE and Collective Protective Equipment for electrical risks not compliant with OHS regulations. | III. |
| | In case of works on live electric equipment, the use of equipment owned by the Contractor that is unchecked and uninspected (by the persons responsible for the given field). | III. |
| | In case of works with live electric equipment, insufficient checking (by the persons responsible for the area in question) of work equipment owned by the Contractor and non-existence of valid certificates. | III. |
| | Non-compliance / incomplete compliance with other OHS regulations and SE regulations regarding prevention of electrical hazards. | II. |
| | Insufficient earthing and protection of manual tools used at the workplace. | III. |
| **Work at heights and above free depth** | Failure to use PPE and Collective Protection against falls from height and into free depth. | III. |
| | Use of PPE and Collective Protection against falls from height and into free depth not in accordance with OHS regulations. | III. |
| | Non-compliance / incomplete compliance with other OHS regulations relevant to work at heights. | III. |
| **Mechanical load lifting** | Incorrect use of load-lifting equipment / use of incorrect procedures for load lifting. | II. |



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| | | |
|---|---|---|
| | Lack of procedures for load-lifting operations by mechanical equipment. | II. |
| **Works with exposure to chemical risks** | *Carcinogenic – Mutagenic – Acute Toxic Substances* | |
| | Failure to notify SE of bringing such chemicals into SE sites. | III. |
| | Non-compliance / incomplete compliance with OHS regulations and SE regulations regarding labelling and safety data sheet in handling, transporting, using, and storing chemicals. | II. |
| | Deficiencies and breaches of rules regarding works with a risk of exposure to dust from asbestos or from materials containing asbestos. | II. |
| | ***Other chemicals*** | |
| | Failure to notify SE of bringing such chemicals into SE sites. | II. |
| | Non-compliance / incomplete compliance with OHS regulations and SE provisions regarding labelling and safety data sheet in handling, transporting, using, and storing chemicals. | I. |
| **Physical factors** | Failure to implement protective measures at works with exposure to physical factors. | II. |
| **Fire protection and works with increased danger of fire / explosion** | Deficiencies and breaches of rules regarding fire protection (legal regulations and SE internal regulations). | II. |
| | Non-compliance / incomplete compliance with FP regulations and SE regulations on protection measures in explosive atmosphere (ATEX). | III. |
| | Violation of the prohibition of smoking. | II. |
| | Works performed not in compliance with OHS regulations and SE regulations regarding works with increased danger of fire. | II. |
| **Excavations** | Absent / insufficient measures for ensuring OHS related to excavations. | II. |
| **Work in confined places** | Absent / insufficient measures for ensuring OHS at works in confined spaces. | III. |
| **Works above water/with hydraulic risk** | Works performed not in compliance with OHS regulations and SE provisions concerning risks related to works above water. | II. |
| | Works performed not in compliance with OHS regulations and SE provisions concerning hydraulic risk. | III. |
| **Underwater work** | Works performed not in compliance with OHS regulations and SE provisions concerning works under water. | III. |

**KEY**

| | |
|---|---|
| III. | Extremely severe breach |
| II. | Very severe breach |
| I. | Severe breach |



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**ANNEX 2**

**SANCTIONS CLAUSE**

**VERSION 16/07/2025**

## 1. INTRODUCTORY PROVISIONS

1.1. These Sanctions Terms (hereinafter referred to as the "**Sanctions Clause**") form an integral part of the Contract and in the event of any conflict between them, the provisions of the Sanctions Clause shall prevail over the provisions of the Contract. The Sanctions Clause shall be governed by the laws of the Slovak Republic.

## 2. DEFINITIONS

Any capitalised terms used in this Sanctions Clause (whether in singular or plural) shall have the meaning ascribed to them in article 2 or elsewhere in the Sanctions Clause.

2.1. "**Applicable Sanctions Programmes**" means any international sanctions or restrictive measures (e.g. in the form of orders, prohibitions, restrictions or other sanctions measures or programmes) issued and/or applied by the Sanctioning Authorities.

2.2. "**CN Code**" means a code attributable to any particular good pursuant to goods nomenclature established by Council Regulation (EEC) No. 2658/87 (and first published as Annex 1 thereto), as amended from time to time by relevant Implementation Regulations (EU) of the European Commission, or any other code or other designation to be used by any Applicable Sanctions Program to identify Sanctioned Goods defined thereunder.

2.3. "**Contract**" means a contractual document, typically in the form of a contract or purchase order, including its amendments and annexes.

2.4. "**Delivery Protocol**" means a delivery note, takeover protocol (in Slovak: *preberací protokol*) or another written document confirming the takeover (in Slovak: *prevzatie*) of the Performance or a part thereof.

2.5. "**Goods Subject to SE's Control**" means each of the goods forming part of the Performance, except for:

i) goods with the Origin of Goods in the European Union; or

ii) goods that are, or should be, delivered to SE according to the Contract as a structural or other functional component of the Performance or a part thereof (e.g. as a part of independently functional technological equipment); this exception does not apply to spare parts or other goods that are to be delivered (in Slovak: *dodané*) to SE according to the Contract separately (i.e. as stand-alone items);

while at the same time, regardless of the exceptions mentioned above, "*Goods Subject to SE's Control*" shall mean goods that are so designated in the KYC Questionnaire (as defined in clause 3.1v) below) and/or that are so designated by SE in any subsequent written communication with the Partner concerning the Contract.

2.6. "**Origin of Goods**" means the country of origin of the goods and the country from which the goods are imported.

2.7. "**Partner**" means any party to the Contract, excluding SE.

2.8. "**Performance**" means all contractually agreed performances of the Partner (e.g. services provided, works carried out, including deliveries of goods and activities performed) related to the subject-matter of the Contract.

2.9. "**Sanctioned Goods**" means each of the goods to which any of the measures under the Applicable Sanctions Programme apply.

2.10. "**Sanctioned Person**" means a person who:

i) is listed in any of the Sanctions Lists by any of the Sanctioning Authorities, or is a target of, or subject to, any Applicable Sanctions Programme, or

ii) is directly or indirectly owned, controlled or managed by a person referred to in clause 2.10i) or by a person referred to in clause 2.10iii), or whose representative, or any person acting on its behalf, is a person referred to in clause 2.10i) or a person referred to in clause 2.10iii),

iii) has its registered office, place of business or income, or any business activities in any Sanctioned Territory, and to the extent or in a manner that brings this person under the application of the relevant Applicable Sanctions Programme applicable with respect to that Sanctioned Territory.

2.11. "**Sanctioned Territory**" means a sanctioned state or territory included in the list of relevant sanctioned states or territories published or updated on the website: https://www.seas.sk/en/about-us/international-sanctions/.

2.12. "**Sanctioning Authorities**" means sanctioning authorities included in the list of relevant sanctioning authorities published or updated on the website: https://www.seas.sk/en/about-us/international-sanctions/.

2.13. "**Sanctions Lists**" means any lists of sanctioned persons or other sanctions lists or sanctions programmes or decisions maintained or issued by any of the Sanctioning Authorities.

Furthermore, for avoidance of any doubt, reference in this Sanction Clause to any "*person*" or "*entity*" includes any individual, corporation, company, firm, partnership, joint venture, association, authority, trust, government or any of its bodies, state or any other legal entity.

## 3. DECLARATIONS AND OBLIGATIONS OF THE PARTNER

3.1. The Partner declares and undertakes to ensure that the following Partner's declarations are true and will remain true at all times throughout the entire term of the Contract:

i) neither the Partner, nor any of its ultimate beneficial owners, nor any significant member (in Slovak: *spoločník*) and shareholder (in Slovak: *akcionár*) of the Partner (i.e. a person or an entity that owns or otherwise controls more than 50% of the ownership interests (in Slovak: *obchodné* podiely) or shares (in Slovak: *akcie*) in the Partner), nor any member of the statutory body of the Partner, nor any member of the statutory body of any of the aforementioned entities, is a Sanctioned Person;

ii) neither the conclusion of the Contract, nor any performance, act and/or exercise of rights under the Contract, will cause a breach of any Applicable



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Sanctions Programme for any reason on the part of the Partner (which also includes a reason on the part of any of the persons referred to in clauses 3.1i) and 3.1iii) as well as a reason relating to any part of the Performance);

iii) no Partner's subcontractor (in Slovak: *subdodávateľ*) involved in the Performance, no ultimate beneficial owner of that subcontractor, no significant partner or shareholder of that subcontractor (i.e. a person or an entity that owns or otherwise controls more than 50% of the ownership interests or shares in that subcontractor), and no member of the statutory body of the subcontractor, nor any member of the statutory body of any of the aforementioned entities, is a Sanctioned Person;

iv) if the Performance involves delivery of any Sanctioned Goods, the Partner has acquired the Sanctioned Goods by lawful means and holds all necessary exemptions or permits applicable to such Sanctioned Goods (e.g. for the purposes of acquisition, purchase, sale, trade, transfer, importation into EU of the Sanctioned Goods by the Partner, whichever is applicable). The falsity of this declaration shall be also deemed a legal defect in the Performance (in addition to the consequences of the Partner's breach of the obligation to ensure its truthfulness);

v) the information provided by the Partner in the documentation and communication that collectively constitute the SE's "KYC" process in relation to the Contract (herein referred to as "**KYC Questionnaire**"), as well as the information provided in the Delivery Protocol concerning the Origin of Goods delivered under the Contract and their respective CN Code (if required), or any information provided by other means, is complete, true and correct;

vi) the Partner acknowledges that the information provided by the Partner, including also the information provided or confirmed by the Partner in the KYC Questionnaire and/or in the Delivery Protocol, is important for the performance of review of the compliance of the conclusion of the Contract, as well as the implementation of the Performance, with the Applicable Sanctions Programmes, and further acknowledges also the possible consequences of incorrectness or falsity of the provided information;

vii) the Partner has mechanisms in place to prevent breaches of Applicable Sanctions Programmes, including the identification of the Origin of Goods or the Sanctioned Goods, as applicable;

viii) the Performance or its part, in respect of which an invoice, or other document constituting the Partner's right to receive a payment from SE under the Contract, is issued and/or delivered to SE, has been, is, and will be (as applicable) delivered (in Slovak: *dodané*) to SE in full compliance with the provisions of this Sanctions Clause and Applicable Sanctions Programmes.

## 4. OTHER OBLIGATIONS OF THE PARTNER

4.1. Partner undertakes to:

i) refrain from engaging in any activities prohibited by any Applicable Sanctions Programme throughout the entire term of the Contract;

ii) specify, at the latest in the Delivery Protocol or documentation related to the Delivery Protocol, inter alia, the respective Origins of Goods of all goods forming part of the Performance and listed therein, and for each of the Goods Subject to SE's Control also their respective CN Code;

iii) ensure that, where the delivery of any Sanctioned Goods is subject or part of the Performance, the Partner shall reliably identify such Sanctioned Goods and comply with the following:

(A) in sufficient advance time, the Partner shall notify SE of the delivery of any Sanctioned Goods and request SE to approve the delivery of each such Sanctioned Goods; and at the same time, the Partner shall provide information on the relevant Applicable Sanctions Programmes, their CN Code, if assigned to the goods, and their Origin of Goods;

(B) the Partner shall provide all necessary assistance and cooperation to obtain the exemption for SE, as well as for any other steps to ensure compliance of the implementation of the Performance itself, and SE, with the Applicable Sanctions Programmes;

(C) the Partner shall specify the Origin of Goods and the CN Code, if assigned to the goods, in the Delivery Protocol;

whereas the Partner also undertakes not to deliver the Sanctioned Goods or demand payment for (or in any respect of) the Sanctioned Goods from SE without SE's consent.

4.2. Any breach of any of the obligations under sections (A), (B) or (C) of clause 4.1iii), as well as any breach of any obligation under clauses 4.1i) or 4.1ii) above, will also be deemed a legal defect in the Performance, in addition to other consequences of Partner's breach of any such obligation.

## 5. INFORMATION OBLIGATION

5.1. The Partner undertakes to notify SE and provide SE with all information and documentation regarding

i) any claim, action (filing), lawsuit, proceeding or investigation against the Partner, a subcontractor or persons referred to in clauses 3.1i) or 3.1iii) in connection with any Applicable Sanctions Programme;

ii) any fact that could constitute a breach of the declaration or obligation of the Partner under this Sanctions Clause;

iii) any circumstance that gives rise to grounds for (a) SE to be in breach of any Applicable Sanctions Programme and/or for (b) SE to become a Sanctioned Person (any of the consequences set forth in (a) and (b) hereinafter referred to as a "**Sanctions Breach**");

iv) any missing information not provided by the Partner before, during or subsequently in connection with the conclusion of the Contract in the KYC Questionnaire and/or any changes to the information previously provided by the Partner in these documents;

v) the fact that, for the Performance, the Partner will use a subcontractor (or rely upon the capacity of another entity) which will account for more than 10% of the Contract value and which has relevant connection



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with Russia (as provided for under section 5k(1) of the Council Regulation (EU) No. 833/2014 as amended);

and in each case, the Partner shall do so without delay upon becoming aware of any of the above or, in the case of supplementing missing information in the KYC Questionnaire, immediately after the conclusion of the Contract.

5.2. The Partner also undertakes to provide SE without delay with all information and documentation that SE may request in order to fulfil SE's undertakings to ensure compliance with Applicable Sanctions Programmes (including prevention of the breach thereof) even after the termination of the Contract.

## 6. SUSPENSION OF THE PERFORMANCE

6.1. If (a) SE has reasonable grounds to suspect that a circumstance referred to in clause 5.1iii) may arise as a result of a potential falsity of any of the declarations under article 3 or a potential breach of any of the obligations under articles 3, 4 or 5, or a potential occurrence of any of the cases referred to in clause 7.1 under which the Contract may be terminated, or (b) a Sanctions Breach has occurred, SE shall be entitled to instruct the Partner to suspend the Performance. In such a case, the Partner must suspend the provision of any Performance under the Contract, regardless of its type or the place of delivery/execution, handover and/or takeover, even if these are carried out outside the SE's premises.

6.2. Upon request, the Partner shall provide SE with all information and explanations that may be needed for complex assessment of the scope and severity of a potential or an occurred Sanctions Breach.

6.3. The Partner shall take appropriate measures to ensure the proper storage, preservation, protection, and safeguarding of the subject matter of the Performance, and to protect, preserve and secure it against any deterioration, spoilage, or damage while the Performance is suspended.

6.4. All costs incurred in connection with the suspension of the Performance shall be borne by the Partner, unless it is proven that the reason for the suspension of the Performance under clause 6.1 did not occur. If the Partner incurs delay as a result of the suspension of the Performance, the Partner shall inform SE thereof. The Partner shall not be entitled to an extension of the deadline for carrying out of the Performance by the period during which the Performance is suspended under this article 6. The Partner shall bear the costs associated with the resuming the Performance in this case.

6.5. Upon the issuance of an instruction to resume the Performance, SE and the Partner shall jointly inspect the subject matter of the Performance affected by the suspension. The Partner shall repair or replace any deterioration, defects, degradation, or damage to the subject of the Performance at their own costs, if these occurred during the suspension of the Performance. If due to the Partner's fault any measures are required to mitigate any damage, the Partner shall be obliged to implement them.

6.6. SE's right to suspend the Performance under this article 6, or SE's exercise or non-exercise thereof, shall not in any way replace or restrict SE's right to withdraw from the Contract under article 7 nor any other SE's potential rights resulting from other provisions of this Sanctions Clause (e.g. claims resulting from legal defects in the Performance) or under law (including the right not to act contrary to the law).

## 7. WITHDRAWAL FROM THE CONTRACT

7.1. SE shall be entitled to withdraw from the Contract, inter alia,

i) in the event of a breach on the part of the Partner (which shall include also the persons referred to in clauses 3.1i) or 3.1iii)) of any of the obligations under article 3 or article 4, or

ii) if any of the declarations made by the Partner under clause 3.1 proves to be false, or

iii) if the Partner fails to fulfil the information obligation or any other obligations specified in clauses 5.1 or 5.2 or 6.2 or 8.3 or 8.4, or

iv) if the circumstance referred to in clause 5.1iii) or a Sanctions Breach occurs, or

v) if, with respect to any performance, act and/or exercise of rights under the Contract, SE has not been granted an exemption pursuant to generally binding legal regulations applicable in or to the Slovak Republic which is necessary to ensure that a Sanctions Breach is not threatened or has not occurred;

whereas, each of the above cases is deemed a material breach of the Contract by the Partner, or in the cases referred to in clauses 7.1iv) or 7.1v) (if they occur for reasons not attributable to the Partner) this constitutes another circumstance giving SE the right to withdraw from the Contract, as agreed by the parties to the Contract in this Sanctions Clause.

7.2. SE shall be entitled to withdraw from the entire Contract even if the subject matter of the Contract comprises of several separate Performances and the breach relates only to one of the individual Performances (or any of the parts thereof). If SE has the right to withdraw from the Contract concluded under a framework agreement, SE shall also have the right to withdraw from the respective framework agreement. Likewise, upon withdrawal from the framework agreement, SE may also withdraw from any contracts concluded pursuant to that framework agreement; in the event of such a withdrawal, SE will specify which contracts are so affected.

7.3. In the event of withdrawal from the Contract pursuant to this article, SE shall be entitled to:

i) require handover of any part of the Performance already carried out by the Partner; in such a case, SE will pay the Partner a proportionate part of the consideration corresponding to the portion of the Performance already carried out unless such payment conflicts with any Applicable Sanctions Programme; and/or

ii) withhold and not pay to the Partner any part of the consideration for the Performance, as well as not provide the Partner (and/or any other person) with any performance which SE would otherwise be obliged to do; and/or

iii) withhold and not release to the Partner (and/or any other person) any financial funds or other economic resources (including also materials, technologies, etc.) located on SE's premises and owned, held, or otherwise controlled by the Partner; and/or

iv) have everything provided by SE in connection with the Contract (e.g. documents or materials) returned to



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SE;

and the Partner is obliged to respect all of the above SE's rights and to take all steps to fulfil them in the extent they have been exercised by SE against the Partner, without undue delay after the Partner becomes aware of their exercise.

7.4. If no agreement on the settlement of the obligations of the parties to the Contract is reached even within 15 days upon the delivery of the written notice of withdrawal from the Contract to the Partner, the manner of settlement of the obligations will be determined by SE.

**8. TAKEOVER AND TRANSFER OF OWNERSHIP OF THE SANCTIONED GOODS**

8.1. If (a) the delivery of Sanctioned Goods is the subject of or part of the Performance and (b) SE's takeover (in Slovak: *prevzatie*) of such Sanctioned Goods and/or SE's acquisition of ownership of such Sanctioned Goods would constitute a breach of Applicable Sanctions Programme, SE's takeover of such Sanctioned Goods, as well as SE's acquisition of ownership of such Sanctioned Goods (with all rights and obligations arising therefrom), shall only occur at the moment when SE confirms and/or countersigns the Delivery Protocol confirming or documenting the delivery (in Slovak: *dodanie*) of such Sanctioned Goods.

8.2. If, during the takeover (in Slovak: *prevzatie*) of the subject matter of the Performance (or a part thereof) SE discovers that SE's takeover or acquisition of ownership of such subject matter of the Performance could result in a Sanctions Breach, or if during such takeover it is not possible to exclude based on the documentation the possibility that the Performance could concern Sanctioned Goods the delivery of which could result in a Sanctions Breach, SE shall have the right to delay the confirmation and/or countersigning of the Delivery Protocol and will inform the Partner thereof.

8.3. If the confirmation and/or countersigning of the Delivery Protocol is delayed, SE shall have the right to carry out an inspection to determine whether the acquisition constitutes acquisition of Sanctioned Goods, and whether such acquisition of those Sanctioned Goods is in compliance with Applicable Sanctions Programmes. In this respect, the Partner shall provide SE with requested cooperation.

8.4. If, based on the procedure specified under clause 8.2 and/or 8.3, SE comes to reasonably suspect that any part of the Performance constitutes Sanctioned Goods and SE's takeover (in Slovak: *prevzatie*), and/or acquisition of ownership by SE thereto, could result in a Sanctions Breach, then SE shall be entitled not to confirm and/or countersign the relevant Delivery Protocol, and if the Sanctioned Goods have been already physically placed on SE's premises in the meantime, SE is entitled to request that the Partner removes the Sanctioned Goods and the Partner shall be obliged to remove such Sanctioned Goods from SE's premises without delay, and in any case within five working days of receiving the request. Other claims arising from defects in the Performance, as well as rights and obligations arising from the Contract, this Sanctions Clause, or Applicable Sanctions Programmes shall not be affected.



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**ANNEX 3**

**ENVIRONMENTAL AND SOCIAL MANAGEMENT CLAUSE**

## 1. INTRODUCTORY PROVISION

This **Environmental and Social Management Clause** (hereinafter referred to as the "**Clause**") is an integral part of the General Terms & Conditions for Goods of Slovenské elektrárne, a.s. the (GTC), which are an integral part of and annex to the order/contract (Contract).

The Environmental and Social Governance Clause regulates obligations in the areas of compliance with generally binding legislation, ethical business conduct, human rights, decent working conditions, health and safety at work and environmental protection.

## 2. COMMITMENTS OF THE CONTRACTOR

The Contractor undertakes to comply with the following throughout the term of the Contract:

a) generally binding legal regulations valid in the territory of the Slovak Republic, as well as international agreements binding on the Slovak Republic;

b) human rights as defined in the Universal Declaration of Human Rights;

c) minimum standards for the following aspects of good working practice:

   a. free choice of occupation, ensured in particular by legal employment, without coercion, as well as the possibility to leave employment freely on the basis of a reasoned notice of resignation;

   b. freedom of association and the right to collective bargaining, ensured in particular by an accommodating approach to the exercise of these rights;

   c. safe and hygienic working conditions, ensured in particular by compliance with occupational health and safety standards resulting from generally binding legal regulations;

   d. a ban on child labour, ensured by preventing the use of child labour;

   e. wages for a dignified life, ensured in particular by their payment in accordance with generally binding legal regulations, so as to include discretionary income of employees;

   f. reasonable working hours, ensured by the fact that employees do not work overtime exceeding limits set by generally binding legal regulations;

   g. non-discrimination, ensured in particular by equal treatment in the recruitment process, in remuneration, training, improvement of working conditions, termination of employment, as well as in old-age retirement;

   h. a proper employment relationship, ensured by the performance of dependent work on the basis of a proper employment relationship in accordance with generally binding legal regulations;

   i. a ban on ill-treatment and inhumane treatment, ensured in particular by the absence of any form of physical abuse or punishment, the threat of physical abuse, sexual or other harassment, verbal assault and other forms of intimidation;

d) environmental regulations, and ensure the minimum impact of services and products on the environment, the implementation of environmental management systems and adopt appropriate standards. At the same time, it is committed to values relating to the efficient use of natural resources, energy efficiency, waste management, the control of emissions and greenhouse gases, as well as the protection and conservation of biodiversity;

e) measures to prevent any form of corruption, including bribery and extortion;

f) conventions of the International Labour Organization.

## 3. WITHDRAWAL FROM THE CONTRACT

SE is entitled to immediately withdraw from the Contract if on the side of the Contractor (which also includes any person in the ownership or control structure of the Contractor or in any of its bodies or managerial positions) breaches any of the Contractor's obligations under Article 2 of the Clause.

In the event of withdrawal from the Contract pursuant to this Article, SE shall be entitled to:

a) keep the Performance already delivered by the Contractor; in such case, SE shall pay the Contractor a proportional Price corresponding to the Performance, unless this is contrary to any applicable generally binding legal regulation, and/or

b) withhold and not pay any part of the Price to the Contractor, as well as refrain from performing any type of performance against the Contractor (and / or any other person) and further dispose of such funds or resources in accordance with generally binding legal regulations (if applicable), and / or

c) withhold and not release to the Contractor (and / or any other person) any funds or other economic resources (including material, technology, etc.) located on the premises of the SE and owned, held or otherwise under the control of the Contractor, and further dispose of such funds or resources in accordance with generally binding legal regulations.

The provisions of the GTC and the Contract concerning withdrawal from the Contract are unprejudiced by this Article.



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