



Slovenské elektrárne, a.s.

GENERAL TERMS & CONDITIONS (goods)

SE as the CUSTOMER
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I. INTRODUCTORY PROVISIONS

1.1 These are the General Terms & Conditions of Slovenské elektrárne, a.s. (hereinafter referred to as the "**GTCG**"), which form an integral part and annex of the order / contract whose subject matter is an agreement on rights and obligations related to the supply of goods (hereinafter referred to as the "**Contract**") and enter into force together with the Contract. Individual provisions of the GTCG shall not apply only if agreed otherwise in the Contract (pursuant to Section 273(2) of Act No. 513/1991 Coll., the Commercial Code as amended, hereinafter referred to as the "**Commercial Code**" or the "**CC**"), or if their use is expressly excluded in the Contract.

II. DEFINITIONS

2.1 For the purposes of these GTCG, the company Slovenské elektrárne, a.s. is identified as "**SE**", regardless of the term assigned to it in the Contract.

2.2 For the purposes of these GTCG, all contractually agreed performances, deliveries of goods and performances of Supplier's activities related to the subject-matter of the Contract, are identified as the "**Performance**".

2.3 The "**Supplier**", according to the GTCG, is considered the supplier of the Performance, as indicated in the header of the Contract. Provisions of the GTCG that contain the designation "Supplier" shall apply to both domestic and foreign suppliers. The Supplier's personnel shall mean all employees of the supplier (hereinafter referred to as the "**Supplier's Personnel**").

2.4 For the purposes of the GTCG, a "**Party**" shall mean SE or the supplier, according to the meaning of the respective provision in which this phrase is used; "**Parties**" shall mean SE and the Supplier together.

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 Supplier's request by a confirmation of its issuance;
- 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 Supplier:

- 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 inspection 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 Supplier.

2.7 Each of the Parties is entitled to **change or delegate** any the authorisations and powers of the **Contract Manager**, or **Contact Person** 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 these GTCG, the price of the Performance (hereinafter the "**Price**") shall mean:

- a) the total price of the Performance, exclusive of value-added tax (hereinafter referred to as "VAT"), agreed in the Contract,
- b) the price of an individual Performance, exclusive of VAT, agreed in the Contract, if the subject matter of the Contract 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 subject matter of the Contract is a recurrent Performance,
- d) the price of the Performance, exclusive of VAT, on the basis of a written request, if the subject matter of the Contract is the provision of Performance on the basis of written requests,
- e) the price of the Performance, exclusive of VAT, on the basis of a specific order if the subject matter of the Contract is the provision of 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 GTCG, 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 An integral part of these GTCG and the Contract is:

- a) **Annex No. 1 of these GTCG Sanction clause** (hereinafter referred to as the "Sanction Clause").
- b) **Annex No. 2 of these GTCG Environmental and Social Management Clause.**

III. LANGUAGE

- 3.1 The decisive version of all contractual documents shall be that in the English language.
- 3.2 If the GTCG or the Contract are executed in both Slovak and English language, in the case of a 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 Supplier has its registered seat abroad and the Parties have not agreed on a different communication language in the Contract, the communication language shall be Slovak.
- 3.4 The Supplier may also use Czech as a communication language. Nevertheless, in the case of ambiguities arising, the Supplier shall be obliged to provide a translation into Slovak at the SE Contract Manager's request.

IV. AMENDMENTS TO THE CONTRACT

- 4.1 Any changes or amendments to the Contract may be done only by agreement of both Parties, in the form of written and numbered amendments to the Contract, signed by the authorised representatives of both Parties, other than a change or addition to the persons of the Contract Manager or Contact Persons, which the Party makes unilaterally, by written notification to the Contract Manager of the other Party. This does not apply in the case of a change of address for delivery according to Article VI. of these GTCG, in that case it is not necessary to conclude an addendum to the Agreement.
- 4.2 In the event of any changes resulting from valid legal regulations of the Slovak Republic, EU legal acts, obligations arising from SE agreements or membership in international organisations, or other regulations of a binding or recommendatory nature, which affect the performance of the Contract, the Supplier is obliged, within a reasonable period of time, which SE shall determine, to conclude with the SE an Amendment to the Agreement, which shall reflect the new regulation in the relevant area.

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 Supplier'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 Supplier.

- 5.3 If these GTCG or the Contract contain references to relevant legal regulations valid at the time of issue of this version of these GTCG or at the time of concluding the Contract, which were changed or replaced by other legal regulations during the validity of the Contract, these references shall be deemed to be references to those legal regulations by which they have been replaced, in their valid and effective wording.

- 5.4 Unless expressly stated otherwise in these GTCG, references to articles or points are references to articles or points of these GTCG. A reference to any point includes the whole of that point, including any and all its sub-points and / or paragraphs included in it, even if they are not indicated by a number or letter.

VI. COMMUNICATION

- 6.1 All notices and all communications between the Parties under the Contract shall be done in writing, and that by registered mail, express courier service, or e-mail and are deemed to be duly delivered by their delivery to the respective Party to the addresses stated by the Parties in the header of the Contract, unless the addresses are stated in the Contract text therein below, unless agreed otherwise.

A document shall be considered delivered also 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 its depositing at the post office. 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.

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 If the Supplier is a VAT payer, the application of VAT to the Price shall be governed by the provisions of legal regulations valid on the day the tax liability arises, if the duty to add VAT to the Price arises from the Act on VAT.

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

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

- a) transport costs,
- b) the cost of unloading the Performance at the place of delivery,
- c) insurance costs for the Supplier's damage liability insurance,
- d) insurance costs for the transport of the Performance, if stipulated in the Contract,
- e) customs,
- f) other taxes and customs duties,
- g) other import-related fees,
- h) product certification-related fees,
- i) administration and similar fees collected by any public authority body,
- j) price of the documentation necessary for or related to use of the Performance,
- k) remuneration for the granting of a licence as well as the transfer of property rights
- l) remuneration for the use of the copyright work, the granting of a licence, as well as the transfer of property rights pursuant to clause 18.1

7.1.4 If during the import of the Performance, the Supplier ensures transportation of the Performance (to the state border with the SR or to the place of destination in the SR) and SE ensures the customs clearance of the Performance, the Supplier 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 the transport charges are specified in the Contract.

7.1.5 Unless otherwise agreed in the Contract, the Price under the Contract is fixed, complete, unchangeable, and binding; and the Supplier guarantees its completeness until delivery of the Performance, even if during delivery of the Performance there is a need for such 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 Supplier and delivered

to SE. An invoice must be issued in accordance with valid legislation and shall contain the agreed particulars pursuant to clause 7.2.10.

7.2.2 Not applicable.

7.2.3 The Supplier'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 All Performances provided by the Supplier 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.

7.2.5 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 Supplier 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 Supplier.

7.2.6 The basis for issuing an invoice for delivered Performance is a delivery note drawn up in accordance with clause 9.4.1 which is an integral part of the invoice.

7.2.7 The Supplier is obliged to issue an invoice for the delivered Performance as follows:

- (i) no later than 15 days from the delivery of the Performance. The date of delivery of the Performance shall be stated on the delivery note, which shall be confirmed by the representatives of both Parties; or
- (ii) no later than 15 days **after the receipt of the payment** by the Supplier before delivery of the Supplier.

7.2.8 For several separately delivered Performances during one calendar month, the Supplier is entitled to issue a summary invoice in accordance with the VAT Act, no later than 15 days after the end of the invoiced calendar month.

7.2.9 In the case that the Supplier provides the Performance also to an organisational branch of SE, the Supplier is obliged to issue a separate invoice for the Performance provided to the SE branch. The separate invoice must contain the VAT number assigned to the SE branch.

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

- (i) Number of the SE Contract / order
- (ii) Common Customs Tariff code,
- (iii) invoice issue date,
- (iv) the invoice payment term pursuant to clause 7.3.1,
- (v) the banking institution name and the Supplier's bank account no.,
- (vi) the signature of the representative authorised to act on the Supplier's behalf.

7.2.11 The Supplier is obliged to deliver the invoice to SE



within 5 days of its issue.

If the Supplier has concluded a valid Agreement on Electronic Delivery of Invoices with SE, the delivery of invoices (and documents defined in such agreement) shall be governed by that special agreement. Otherwise, the Supplier shall be obliged to send invoices to 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.

Further information on the conclusion of an Agreement on Electronic Delivery of Invoices as well as the form for the Agreement are published on the web page: [Invoices | Slovenské Elektrárne, a.s. \(seas.sk\)](https://seas.sk)

7.2.12 In the event that the Supplier sends the invoice to an address different from the address according to clause 7.2.11, the invoice payment term shall not start to run until the invoice is delivered to the address specified or determined according to the clause above.

7.2.13 The Supplier shall be obliged to deliver to SE to the address pursuant to clause 7.2.11 **no later than 14 days prior** to the invoice due date, a written notification of any 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.),

in which case the authenticity of the signature of the Supplier's representative in the notification must be officially verified.

7.2.14 If the Supplier fails to fulfil its notification duty according to clause 7.2.13 properly and on time, 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 Supplier's bank account.

7.3 Payment Terms

7.3.1 The **invoice due date is 60 days from the date of delivery of the invoice** to SE. The date of delivery of an invoice is the date marked by the SE presentation stamp at the address according to clause 7.2.11. If an invoice is delivered according to the Agreement on the Electronic Delivery of Invoices, the invoice delivery date shall be determined according to the provisions of that agreement. The invoice payment term 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 weekend or public holiday, the invoice shall be payable on the next business day. Payment shall be made in full to the account number stated on the invoice or in the notification pursuant to clause 7.2.13, and this no later than on the invoice due date. The financial obligation shall be deemed fulfilled on the day when the amount owing is debited from 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/GTCG, SE shall be entitled to return the invoice to the Supplier without payment. In such case, the period of maturity of the invoice shall be suspended. SE shall be obliged to state the reason for returning the invoice. The term to the invoice due date 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 / GTCG.

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

7.3.4 If SE is in delay with the invoice payment, the Supplier 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 always be entitled to set off any of its claims against the Supplier's claims, including the set-off of outstanding claims against due claims.

VIII. TAX CONDITIONS

8.1 During the life of the Contract the Supplier 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 **promptly** 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 8.30 and 8.4 relate to a **Foreign Supplier**. A **Foreign Supplier** shall mean a Supplier who has a seat outside the territory of the SR. In case the Foreign Supplier has an established organisational part, establishment, or permanent establishment in the territory of SR, the seat shall mean a seat of the Foreign Supplier abroad.

8.3 If the correctness, completeness or veracity of the facts stated in the form of the Declaration on Tax Position and Interconnection, as provided upon signing the Contract, changes during the life of this Contract due to any facts that can or cannot be influenced (especially establishment/closure of a branch as regards VAT; establishment/closure of a permanent branch as regards income tax; advance payments of income tax), the Foreign Supplier undertakes to inform SE thereof in writing, without undue delay, no later than within 5 working days after the change, else, SE shall consider them valid, true and complete also as on the date of the Foreign Supplier's tax liability arising.

8.4 If the Foreign Supplier is a resident of a country outside of the EU and has a permanent branch in the Slovak Republic and pays income tax advance 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 Supplier is obliged to submit the Confirmation in each subsequent calendar year, during which it provides Performance to SE. In the event that the Foreign Supplier fails to submit this document, SE shall apply tax security pursuant to Act No. 595/2003 Coll. on Income Tax, as amended (hereinafter referred to as the “**Income Tax Act**”).

IX. DELIVERY OF PERFORMANCE

9.1 Place for delivering Performance

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

9.2 Inspections and examinations

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

9.3 Conditions of Delivery and Takeover of the Performance

9.3.1 Period of Delivery and Takeover of the Performance

In the event there arises a risk that the Supplier 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 all measures to expedite delivery of the Performance. The notice shall specify the causes of the delay and the expected day of delivery of the

Performance.

If the Supplier fails to carry out the measures under this clause 9.3.1, or the Supplier'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 delivery of the Performance, including withdrawal of the provision of any part of the Performance from the Supplier and assigning its provision to a third party, whereupon the eligible costs in connection with this measure shall be borne by the Supplier. SE shall have the right to claim or set off these costs on the basis of a separate invoice delivered to the Supplier. 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 delivery 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 that was subsequently newly assigned, the damage incurred, other resultant costs, any penalties etc.).

Any costs incurred by the Supplier as a result of non-compliance with the deadline for delivery of the Performance shall always be borne by the Supplier. In such cases, the Price shall not change.

In the event that the Supplier duly delivers the Performance or part of it in accordance with the Contract and its annexes before the agreed date of Performance, SE is entitled, but not obliged, to take over the Performance or part of it at an earlier date proposed by the Supplier.

Even in cases where the delivery of the Performance has been delayed for reasons other than reasons exclusively attributable to the SE, the deadline for delivery of the Performance must be duly met, or complied with, without any right to increase the agreed Price.

9.3.2 Conditions for delivery of Performance

The Supplier shall be obliged to pack the Performance or prepare it for transport in the way customary for such Performance in commercial relations or, if that way cannot be determined, then in the way necessary to preserve and protect the Performance. The Supplier undertakes to remove and dispose of the packaging from the Performance if SE requests so.

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 delivery specified in the Contract.

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

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 Supplier shall be obliged to obtain such permits at its own expense.

SE is entitled to request an extension to the deadline for delivery of the Performance. In such case SE and the Supplier shall agree on the share

in which they will bear the costs connected with further storage.

9.3.3 Conditions for the supply of chemicals and chemical mixtures

The provision of this clause 9.3.3 applies only to suppliers delivering chemical substances or chemical mixtures (hereinafter referred to as "**CS** or **CM**") to SE.

A supplier who delivers 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 Supplier 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 Supplier. 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 from se, the Supplier is obliged, within 10 days from the delivery of the written request, to deliver to the Contract Manager for SE additional supplementary documents specified in SE's written request (e.g. attestations, technical specification, data sheet, certificate, purpose of use, authorisation, other specific quality and purity requirements, or type of product).

The Supplier shall ensure labelling of the CS or CM packages is in compliance with applicable legislation (Act No. 67/2010 Coll. on Conditions for the Marketing of Chemical Substances and Chemical Mixtures 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 delivery note, which shall contain:

- (i) list of individual items delivered pursuant to the Contract, stating the production number of the Performance and the respective quantities, certifying the takeover of the delivery by SE showing the date of Goods takeover by SE and handover of the Goods by the Supplier, and which shall contain the data of the Performance codes according to the Common Customs Tariff,
- (ii) in the case of a delivery of Performance from outside the Slovak Republic the delivery note

shall contain:

- a) Common Customs Tariff code,
- b) country of origin of the Performance,
- c) net weight of the Performance,
- d) date and place of loading the Performance by the Supplier,
- e) date of handover of the Performance by the Supplier at the place of Performance,

The delivery note signed by SE and the Supplier is the document proving the fulfilment of the subject matter of the Contract, i.e. it confirms that the delivery has been made in the quantity and quality defined in the Contract.

The delivery note shall be executed in at least two originals and at least one of them shall be retained by the Supplier and one original shall be retained by SE.

9.4.2 Any statement by the Supplier regarding the handover of the Performance shall be recorded on the delivery note. The Supplier is obliged, no later than at acceptance of the Performance by SE, to hand over to SE:

- (i) documents necessary for taking over the Performance and using the Performance, as well as other documents specified in the Contract, and in the technical specification, if this forms an annex to the Contract (e.g. all conformity declarations, protocols, and certificates on equipment tests), and this in the Slovak language at least in the extent specified by the respective legal legislation of the SR,
- (ii) manuals for operation, repair and maintenance in the scope specified by the respective legal legislation of the SR; all the manuals and labels of control panels of equipment shall 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 nature of the Performance.

9.4.3 For the avoidance of doubt, SE undertakes to take over the Performance and to prepare the delivery note only if

- (i) the Performance can be used for the specified purpose without any limitations, completely safely and in compliance with respective legal legislation,
- (ii) the Supplier has fulfilled all its obligations under the Contract and GTCG and handed over to SE the documentation pursuant to clause 9.4.2,
- (iii) The Performance was done in accordance with the Contract and GTCG, free of any

defects or shortcomings.

9.4.4 If takeover of the Performance does not occur due to the fact that not all the conditions listed in clause 9.4.3 above have been fulfilled, the Performance has defects, and the procedure pursuant to article XIII shall apply.

9.5 Transfer of the Ownership Right to the Performance

9.5.1 Performance that is the subject matter of takeover shall pass into SE's ownership with all rights and obligations resulting therefrom at the moment of taking over the Performance on the basis of signing the delivery note. At the moment of Performance takeover, the risk of damage to the Performance also passes to SE.

X. TRANSFER OF RIGHTS AND RECEIVABLES

10.1 The Supplier undertakes that it shall not, without prior written consent of the SE, assign or otherwise dispose of, or trade, whether in return for payment or free of charge, receivables arising from the Contract, nor establish liens 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 Supplier a contractual penalty pursuant to clause 14.5.

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 Supplier undertakes to inform SE of such fact without undue delay.

If pursuant to this clause 10.1, the Supplier establishes a lien over receivables from SE under the Contract, the Supplier undertakes to inform SE without undue delay of any change or extinction of the lien established over the receivables from SE under the Contract.

10.2 The Supplier shall not be entitled to transfer its obligations arising from the Contract without the prior written consent of the SE. Otherwise, any such transfer shall be deemed invalid.

XI. SUPPLIER'S OBLIGATIONS

11.1 The Supplier declares that:

- a) The delivered Performance is not encumbered by any third-party right, in particular, but not limited to, a third-party lien or pre-emptive right,
- b) the delivered Performance is not leased to a third party,
- c) there is no legal regulation or decision of a public authority that would in any way prevent the supplier from disposing of the Performance.

11.2 During the life of the Contract, the Supplier 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 Supplier entering liquidation;
- b) the commencement of enforcement on the Supplier's assets; or
- c) initiation of proceedings pursuant to Act no. 7/2005 Coll. on Bankruptcy and Restructuring, and on the amendment of certain acts, as amended.

In the event of a breach of the Supplier's obligations under this clause 11.2, SE shall be entitled to exercise a contractual

penalty against the Supplier in accordance with clause 14.4.

11.3 The Supplier 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) All information or changes concerning 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 parties,
 - 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).

In the event of a breach of the Supplier's obligations under this clause 11.3, SE shall be entitled to exercise a contractual penalty against the Supplier in accordance with clause 14.4.

11.4 The Supplier 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 delivery of Performance and that the delivery of the Performance is in accordance with its line of business,
- b) is able to deliver the Performance properly and on time in accordance with the conditions of the Contract and its annexes,
- c) in the event of damage occurring during the implementation of the Contract in connection with its activity, the Supplier undertakes to compensate SE for the damage in the proven amount,
- d) the Supplier is aware of the scope of the Performance as well as of other circumstances affecting the fulfilment of the Contract and delivery of the Performance. In this regard, the Supplier confirms that it cannot plead an error or an action by mistake or a 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 SE did not draw attention to them prior to the signing of the Contract,
- e) the Supplier 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 respect, the Supplier is obliged to check with due professional care also any other things, documents, background documentation provided to it by SE for the purposes of executing the Performance, and the Supplier shall notify SE without undue delay (no later than within 7 days after the date of takeover) in writing by registered mail, of any discrepancy, ambiguity, error or incompleteness or imperfectness that results or could result in defects, or affect the Price of the Performance; else, any claims the Supplier has in connection with the incompleteness or imperfectness of the background documentation handed over to it by SE shall be deemed void.
- f) [not applicable].

11.5 The Supplier undertakes, in delivering the Performance under

the Contract, inter alia, to comply with all obligations incumbent upon it:

- a) from generally binding legal regulations of the SR,
- b) from the Sanction Clause.
- c) from the Environmental and Social Management Clause.

11.6 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 addressed 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 Supplier 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 proves to be incorrect shall bear the costs connected with resolving this conflict.

11.7 If, during the course of delivering the Performance, any conflicts arise between SE and the Supplier, delivery of the Performance must not be suspended, interrupted, or delayed or otherwise affected from the side of the Supplier.

11.8 In the case of the deliveries of spare parts, equipment, and goods (hereinafter referred to only as "**material**") for technological equipment there must be applied the rules for preventing penetration of foreign objects into the equipment (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 Supplier is responsible for delivering material free of foreign objects. The Supplier 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 not permitted to use as a barrier: paper, insufficiently solid plastic foil, foam, or polystyrene.** If 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.

11.9 In the event that the provisions of Act no. 343/2015 Coll. on Public procurement and on amendments to certain acts as amended (hereinafter referred to as "Public Procurement Act"), the Supplier declares that as at the date of concluding the Contract it is entered in the Register of Public Sector Partners (hereinafter referred to as "**Register**") in accordance with Act no. 315/2016 Coll. on the Register of public sector partners and on amendments to certain acts, as amended, and shall be entered in the Register for the entire duration of

the Agreement.

XII. LIABILITY FOR DAMAGE

12.1 The Supplier 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, unless he proves that the breach of duty was caused by circumstances excluding liability under Article XVI. of these GTCCG.

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

12.3 If during the course of fulfilling the Contract damage is caused to SE due to the Supplier's activities, the Supplier undertakes to compensate for the damage caused to SE in the extent provable under this Article. The Supplier is obliged to compensate SE for the damage **within 10 days** from the date of delivery of the statement of damage to the Supplier.

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

12.5 SE and the Supplier shall not be liable for damage suffered as a result of circumstances excluding liability pursuant to Article XVI.

XIII. WARRANTY AND LIABILITY FOR DEFECTS

13.1 The Supplier 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 Supplier guarantees that the Performance will be free of legal defects.

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

13.3 The warranty period shall start to run on the day of the delivery note 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 Supplier 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 Supplier may unilaterally extend the warranty period by making a statement of warranty extension.

If a quality warranty is provided, the warranty period shall start to run at the moment of the risk of damage to the Performance passing to SE.

13.4 The warranty period shall not apply for the period when SE is unable to use the Performance due defects on it for which the Supplier 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 case of defects to the Performance, for which removal is possible only through the exchange of the part or replacement thereof, the warranty period shall recommence on the day following the date of removal of such

defects repaired in this way and its written takeover by SE.

- 13.5 The warranty shall also apply to any defects resulting from defects of material or defective components of the Performance. The Supplier is responsible for defects of material, defects caused by the manufacturer, sub-supplier, or any other defects.
- 13.6 The Supplier shall notify SE in writing, at the latest on takeover of the Performance, of any specifics of the Performance delivered 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 special servicing or review inspections are required by the manufacturer or supplier, the Supplier is obliged to provide SE with a written service plan or a plan of mandatory review inspections during the warranty period, along with drafts of the relevant servicing contracts with entities authorised to carry out such servicing or review inspections.
- 13.7 If Performance purchased by the Supplier 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 13.2, which begins to run from the Performance takeover. The Supplier is obliged to inform SE of any circumstances that could possibly influence the filing of claim for 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.
- 13.8 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 does not have the attributes set out in the Contract or in the generally binding legal regulations or valid technical standards or other obligations of the Supplier pursuant to clause 9.4.3.
- 13.9 The Supplier 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 visible (detected by SE) after this time, if SE notifies such defects to the Supplier no later than the expiry of the warranty period.
- 13.10 In the event that the Performance shows visible 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 Supplier. The Supplier 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 Supplier is obliged to request the SE to take over the Performance in accordance with clause 9.4.1. In the event that the Parties agree on a longer period than 5 working days, the Supplier is obliged to start to remove the defects within 2 working days from the issuance of the registration in accordance with this clause.
- 13.11 The Supplier 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 Supplier pursuant to the Contract (e.g. pursuant to clause 13.6).
- 13.12 The Supplier is not liable for defects of the Performance that

were caused by SE handing over unsuitable or incomplete background documentation by SE if the Supplier would have been unable to ascertain their unsuitability even when exercising due professional care, except in the case of a breach of declarations or obligations of the Supplier pursuant to clause 11.4, or when the Supplier notified SE of their unsuitability in writing and SE insisted on their use.

13.13 Defect claims

SE is obliged to complain about defects in writing to the Supplier without unnecessary delay after they have been discovered.

If the Supplier delivered a Performance with defect(s), SE may:

- require removal of the defect(s) at the Supplier's expense through delivery of replacement Performance instead of the defective Performance, or
- require the removal of the defect(s) through delivery of missing Performance, or
- require the removal of defect(s) at the Supplier's expense in the form of repair in the case of reparable defects; or
- require an appropriate discount off the Price of the Performance; or
- withdraw from the Contract.

The choice between the claims mentioned in this point belongs to SE only if they notify the Supplier in the complaint or without unnecessary delay after the complaint is made.

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

All costs connected with removing a defect shall be borne by the Supplier.

- 13.14 SE shall claim from defects at the Supplier in writing without undue delay after their detection. SE shall define its requirements and the choice from among the claims mentioned in clause 13.13. SE may also attach appropriate means of proof to its claim. SE may not change the applied claim without the Supplier's approval, except in the following cases:

- After the lapse of the period of time set by SE or a period defined in clause 13.15, the Supplier has failed to carry out any significant part of acts leading toward satisfaction of SE's claim, or
- The defects of the Performance are unremovable, i.e. the removal of the defects would be connected with unreasonable cost exceeding 50% of the Price, or
- Unreasonably extensive cooperation would be required from SE for the removal of the defects, or
- The removal of the defects would be only possible after the lapse of an inappropriate period of time.

- 13.15 Unless otherwise stated in the SE complaint claim, the Supplier undertakes to start removing defects without undue delay from the delivery of SE's claim in writing, but no later than within a maximum of 3 working days from filing the claim. The Supplier 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 Supplier, unless SE has stipulated otherwise in its claim. This shall not apply in the cases, when it is not objectively possible, for technical or technological reasons, to remove the defect within the aforementioned 5-day period and the Supplier

notifies SE of this fact prior to expiry of the aforementioned period along with proper justification, in particular at latest within 3 working days from the date of delivery of the claim. Otherwise, the aforementioned periods shall apply.

13.16 After removal of the claimed defect, the Supplier and SE shall prepare 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.

13.17 If the Supplier fails to start removing the defects of Performance without undue delay, or fails to continue in the properly commenced removal of the defects or fails to fulfil its obligation to remove defects of the Performance within the period referred to in clause 13.15, SE may claim against the Supplier a contractual penalty pursuant to clause 14.2.

13.18 The Supplier is not entitled to refuse or in any way postpone removal of claimed defect even if, the Supplier is of the opinion that the claim is not justified, or that it is not liable for the defect. However, the Supplier is entitled to subsequently properly prove the lack of grounds for such claim and, if this is proved, the Supplier 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 Supplier within 5 working days from the claim being delivered. Until a lawful decision on the claim is taken, all costs shall be temporarily borne by the Supplier. For the avoidance of doubt, the burden of proof that a defect claimed by SE during the warranty period is not a warranty defect and thus not within the Supplier's responsibility, shall be borne fully by the Supplier. SE shall, to the extent appropriate, provide the Supplier with the co-operation necessary to clarify the justification and nature of the defect.

13.19 SE is entitled to make a unilateral assignment (even without the Supplier's consent) of its rights resulting from the warranties provided by the Supplier for Performance, to any third party, or several third parties.

13.20 For the avoidance of doubt, during the warranty period, the Performance shall be fit for use and shall retain the attributes (quality) specified in the Contract.

13.21 Claims in the case of failure to remove defects

If the Supplier fails to remove the defects within the deadline referred to in clause 13.15 or if the Supplier notifies SE prior to the expiration of the deadline for their removal that it will not remove the defects, SE may:

- remove the defects itself or have them removed by a third party without any effect on the Supplier's warranty, and this at the Supplier's expense,
- require an appropriate discount off the Price of the Performance,
- withdraw from the Contract.

In such case, SE is obliged to notify the Supplier in writing of its decision without undue delay.

In the event that SE itself remove the defects or have them removed by a third party, the price of such work will be that which is customary, taking into account the specific circumstances of the case (especially time constraints), but will not be influenced by the Supplier's prices. This price of works carried out by SE or a third party shall be charged to the Supplier up to the amount of invoiced costs, with a coordination surcharge equal to 10% of the total net invoiced

price.

13.22 Discount off the Price

In the event that the SE requires a discount off the Price of defective Performance, the Parties have agreed that the discount off the Price shall be determined by written agreement of the Parties. In the event that the Parties fail to agree on a reasonable discount off the Price **within 30 days** from the date of delivery of the claim to the Supplier, it shall be calculated as the sum of:

- the difference between the value of the Performance that the Performance free of defects should have had, and the value of the defective Performance at the time when the Performance was to be delivered, and
- costs that SE will have to outlay on activities necessary for the Performance to become free of any defects as pursuant to the Contract.

The value of the Performance free of defects and the value of the Performance with defects, as well as the amount of costs outlaid by SE for removing the defects, shall be determined by an expert opinion submitted by SE.

In the event that the discount off the Price was applied before the invoice was issued for the delivered Performance to which the discount from the Price relates, the Supplier is obliged to reduce the invoiced Price by the amount of the discount. In the event that the discount off the Price is applied only after the invoice for the delivered Performance has been issued, the Supplier is obliged to issue an SE invoice for the correction of the VAT base in accordance with applicable legal regulations. The Supplier is obliged to issue and deliver the corrective invoice no later than 15 days from the day when the discount off the Price was agreed according to the conditions specified above. The provisions of clause 7.2 shall apply to the delivery of a corrective invoice.

If the Supplier is a VAT payer in the SR, and SE applies a price discount pursuant to this clause 13.22, the Supplier 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 corrected.

13.23 Legal Defects

13.23.1 The Performance shall be deemed to have legal defects if it is encumbered with third-party rights or if there exist obligations on the Supplier to set up such third-party rights (e.g. industrial and intellectual property rights, lien's, 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 the Commercial Code is excluded for the purposes of the Contract (hereinafter referred to as "**Legal Defects**").

13.23.2 SE is obliged to notify the Supplier in writing of legal defects after learning of a third party right being exercised.

13.23.3 If the Performance has any Legal Defect, SE shall have the right to require the Supplier to begin the necessary steps, without undue delay, **within 5 days** from the delivery of the written notice of the Legal Defect, towards removing the Legal Defect at its own costs and to promptly inform SE about this procedure in writing. Unless the Parties agree otherwise, the time limit for eliminating 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 Supplier 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.

- 13.23.4 In the event that the Supplier has not removed the Legal Defects of the Performance within the period specified in the preceding clause, SE shall be entitled to:

- (i) request a discount off the Price, or
- (ii) withdraw from the Contract.

- 13.23.5 SE shall decide between the claims referred to in this clause **within 30 days** of the expiry of the period referred to in clause 13.23.3.

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

- 13.23.6 In the event of Legal Defects of any part of the Performance, the Supplier shall also be obliged to defend SE at its own expense against third-party claims for violation of their rights and to pay all amounts, especially costs, damages and legal representation costs, which the court in its final decision awards to the third party, or to which a third party becomes entitled, in accordance with a settlement agreement with the third party agreed by the Supplier, provided that SE notifies the Supplier of the Legal Defects in writing within the period specified in the preceding clause, and allows the Supplier to cooperate with SE in the defence and related negotiations.

The Supplier shall have the obligations set out in this clause even if the infringement of third party rights occurred as a result of actions of SE or a third party authorised by the SE in accordance with the specifications or instructions notified in advance by the Supplier to SE.

- 13.24 Other relations of the Parties concerning the warranty for the Work, defects on the Work and claims arising therefrom shall be governed by the respective provisions of the Commercial Code.

XIV. CONTRACTUAL PENALTIES AND SANCTIONS

- 14.1 If the Supplier fails to meet the deadline for the delivery of the Performance agreed in the Contract, SE may claim from the Supplier a contractual penalty in the amount of **0.5%** of the price for undelivered Performance for every, even commenced, day of delay. This also applies in the event of non-delivery or delayed delivery of documents that are necessary for taking over or using the Performance, or other documents that the Supplier is obliged to hand over to the SE under the Contract.

- 14.2 In the event that the Supplier fails to begin with removing defects of the Performance or Legal Defects without undue delay, or fails to continue with a properly commenced removal of defects, or fails to comply with the time limit for removing a defect of the Performance or Legal Defect pursuant to clause 13.15 or 13.23.3, or within another period agreed between the SE and the Supplier, SE may claim a contractual penalty against the Supplier in the amount of **0.5%** of the Price, for each individual defect of the Performance or Legal Defect and for each even commenced day of delay in removing it.

- 14.3 In the event that the Performance has defects that were not

caused by SE, and SE will not be able to use the Performance properly during the warranty period, SE shall be entitled to claim from the Supplier, and the Supplier is obliged to pay, a contractual penalty in the amount of **2.5% of the Price**.

- 14.4 In the event that the Supplier fails to comply with any of the obligations set out in clause IX, 11.2 or 11.3, SE shall be entitled to claim from the Supplier a contractual penalty in the amount of **€100** for each individual breach.

- 14.5 In the event that the Supplier assigns or establishes receivables from the Contract in violation of clause 10.1, SE shall have the right to claim a contractual penalty from the Supplier in the amount of **100%** of the financial volume of the receivable assigned, established or sold. For the purposes of this clause, the financial amount means the total value of the principal, including the value of the receivable's accessories at the date of assignment or sale or other disposal of the receivable.

- 14.6 If Information of a Confidential Nature (as defined in clause 19.1, in particular trade secrets, personal data, confidential information of a 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 on critical infrastructure, etc.) is leaked for reasons for which the Supplier is liable, or if the Supplier breaches any obligations referred to in Article XIX, SE may claim from the Supplier a contractual penalty in the amount of **€20 000** for each breach.

- 14.7 In the event a public authority imposing a penalty or any other type of sanction against SE in connection with a breach by the Supplier, concerning:

- a) notification obligations under clause 8.1 and 8.3 of these GTCC,
- b) issuing an invoice that does not meet the requirements in accordance with the relevant legislation in force in the country of the Supplier's registered office, or if the invoice does not contain the requisite particulars in accordance with the Contract or these GTCC,
- c) tax and/or customs obligations, or

that arise to it from the Contract, SE shall be entitled to apply against the Supplier, and the supplier shall be obliged to pay, a contractual penalty in an amount corresponding to the amount of the imposed sanction and/or fine, in the full amount.

In the event that the SE is obliged to pay a certain financial amount determined by a state authority in connection with a breach of the Supplier's tax and/or customs obligations under applicable legal regulations (e.g. additional tax levied, non-recognition of a VAT deduction claim), such financial amount shall be included in the financial penalty in addition to the imposed sanction and/or fine pursuant to the preceding sentence.

The Supplier hereby declares in accordance with the provision of Section 401 of the Commercial Code that it extends the limitation period for SE's right to a contractual penalty in accordance with the above, and this right shall not expire until 10 years from the date of the Supplier's breach of an obligation under this clause, unless special provisions are laid down in specific legislation for the start of the limitation period.

- 14.8 Any contractual penalties under the Contract shall be applied in the form of a **penalty invoice, demand or other document issued by the SE**, and are **payable within 10 days from the date of issue** of the penalty invoice,



demand, or other document executed SE, unless the Contract provides otherwise.

- 14.9 The Parties declare that they consider the amount of contractual penalties agreed in accordance with the Contract and/or these GTCG to be appropriate to the secured obligations.
- 14.10 The application of a claim for payment of a contractual penalty shall not release the Supplier from the obligation to provide the Performance or hand over documents under the Contract or these GTCG.
- 14.11 If the amount of contractual penalties that SE has claimed against the supplier pursuant to the Contract or these GTCG, exceeds the limit of 50% of the Price, SE shall be entitled to withdraw from the Contract.
- 14.12 SE may, in the circumstances of the individual case, decide at its own discretion not to apply the contractual penalty in the full amount of the contractual penalty under the Contract and/or these GTCG. 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 Supplier has no legal claim for a reduction of the contractual penalty.

XV. TERMINATION OF THE CONTRACT

- 15.1 SE and the Supplier have agreed that the Contract shall lapse:
- a) upon delivery of the Performance and upon fulfilment of the related contractual obligations of the Parties,
 - b) upon expiration of the term for which the Contract is concluded,
 - c) by written agreement of the Parties,
 - d) by written notice of termination under clause 15.2, or
 - e) by written withdrawal from the Contract under clause 15.3

For the avoidance of doubt, the Parties have expressly agreed that if the subject of the Contract is several separate Performances, SE is entitled to terminate either the entire Contract (as a whole) or also only an individual specific Performance. In the event of withdrawal from the Contract, SE shall be entitled to terminate the Contract regardless of whether the breach of the Contract, whether material or immaterial, concerns only any one individual Performance.

15.2 Termination of the Contract by notice

Unless otherwise stated in the Contract, SE has the right to terminate the Contract by notice even before the expiry of its validity period, without giving a reason, by delivering a written notice to the Supplier.

The notice period is **1 month** and starts to run on the first day of the month following the delivery of the notice to the Supplier.

15.3 Withdrawal from the Contract

Either Party is entitled to immediately withdraw from the Contract:

- a) pursuant to Section 345(1) of Commercial Code, i.e. if the other party materially violates legal obligations or obligations laid down in the Contract, provided that the Party notifies the other Party thereof immediately upon

learning of such violation, or

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

and this on the base of a unilateral written notification.

15.3.1 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.

15.4 Withdrawal from the Contract due to reasons on the Supplier's side

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

- a) The Supplier being in more than **30 days'** delay with due completion of the Performance,
- b) non-compliance with the agreed deadline for removing a defect of the Performance,
- c) if the Supplier 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,
- d) If the Supplier is declared bankrupt, the Supplier is in liquidation, bankruptcy proceedings against the Supplier were discontinued due to lack of assets or bankruptcy was cancelled due to lack of assets,
- e) If the Supplier, the Supplier's statutory body or a member of the Supplier'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,
- f) If the Supplier has been deprived of authorisation to perform the subject matter of the Contract,
- g) breach of trade secret or disclosure of information of a confidential nature,
- h) any other breach of the Supplier's obligations having an impact on proper completion of the Performance,
- i) refusal by the Supplier to start executing the Performance,
- j) if the Supplier assigned a right or established a lien over receivables resulting from the Contract without prior written consent from SE, in contravention of clause 10.1,
- k) if the Supplier breached the obligation to allow a management system audit to be conducted pursuant to clause 17.3,
- l) if the Supplier, with whom the Contract has been concluded on the basis of a tender, fails to submit to SE



a declaration that the Supplier is obliged to submit under the terms of the tender, or if the submitted statement proves to be false, incomplete, or distorted, or if it reveals grounds for which the tenderer could have been excluded from the competition.

- m) if, in the case of a Contract concluded on the basis of the Public Procurement Act, the Supplier was not entered in the Register at the time of concluding the Contract, or if it was deleted from the Register during the life of the Contract,
- n) the provision of incomplete or untrue information under clause 11.2,
- o) [not applicable],
- p) if there is a reason to withdraw from the Contract under the Environmental and Social Management Clause,
- q) failure to conclude an amendment to the Contract pursuant to clause 4.2

The Supplier 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.

For the avoidance of doubt, the Parties have expressly agreed that the SE is entitled to withdraw from the entire Contract even if the subject of the Contract is several separate Performances and the breach of the Contract, whether material or immaterial, concerns only any individual Performance.

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.

In the event of a withdrawal from the Contract due to reasons on the Supplier's side, SE shall be entitled to keep the Performance already delivered by the Supplier. In such case, SE shall pay the Supplier the Price corresponding to the Performance delivered.

For the avoidance of doubt, the Parties state that withdrawal from the Contract shall not prejudice (i) SE's claims 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, and/or (iv) provisions, the contents of which indicate that they are intended to survive the termination of the Contract and that the Parties intend to continue to be bound by them even after the termination of this Contract.

Provisions of this clause 15.4 shall apply accordingly to any grounds for withdrawal which may exist under the Contract or its annexes.

- 15.5 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.

15.6 Effects of Contract Termination

In the event of early termination of 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 all provided Performances and payments or other considerations and advances. The cost of removal shall be borne by the Supplier.

If it is not possible or, with regard to the purpose of the Contract and SE's interests, expedient to return the Performance, and unless the Parties agree otherwise, SE shall not return the Performances and the Contract shall not be cancelled from the very beginning, in which case SE shall pay for the delivered and invoiced Performance.

For the avoidance of doubt, the Parties state that withdrawal from the Contract shall not prejudice (i) SE's claims 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, and/or (iv) provisions, the contents of which indicate that they are intended to survive the termination of the Contract and that the Parties intend to continue to be bound by them even after the termination of this Contract.

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

- a) the Supplier has 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.

XVI. CIRCUMSTANCES EXCLUDING LIABILITY / FORCE MAJEURE

- 16.1 Neither of the Contracting Parties is obliged to compensate the other Contracting Party for damage caused by breach of its contractual obligation, if it is proven (cumulatively by the fulfilment of all conditions) that:

- a) such failure was caused by extraordinary, unforeseeable, and unavoidable events; and
- b) neither the obstacles nor their consequences could have been foreseen at the time of concluding the Contract; and also
- c) neither the obstacles nor their consequences could have been prevented, avoided, or overcome.

The above does not apply to the Supplier's obligations to provide SE information in terms of points 8.1, 8.3, 8.4 and 11.2 GTCG.

- 16.2 Unforeseeable and irremovable obstacles shall not include those caused by the non-granting of official permits, licences, or similar authorisations for the purposes of the Performance.

- 16.3 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.

- 16.4 The Supplier cannot claim circumstances excluding liability in the following cases:

- a) meteorological conditions or phenomena that could reasonably have been anticipated taking into account the Supplier's experience, and in this regard it was

possible to avoid the harmful effects, even if only partially,

- b) failure to secure or delay in securing materials or workforce, that arose despite the fact that it was reasonably possible, with regard to the Supplier's experience, to foresee this, or it was possible to avert or mitigate the consequences,
- c) strikes at the Supplier or its sub-suppliers, with the exception of nationwide strikes,
- d) delay with executing works or services by sub-suppliers, unless this was caused in consequence of force majeure,
- e) measures, prohibitions, restrictions by public authorities that exist or can, in exercising due professional care, have been reasonably foreseen at the time of concluding the Contract.
- f) [not applicable].

16.5 The consequences of circumstances excluding liability are limited to the duration of the obstacle to which these consequences are connected.

16.6 The time for Performance under the Contract 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.

16.7 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.

XVII. MANAGEMENT SYSTEMS OF THE SUPPLIER

17.1 Depending on the nature of the Performance and related activities in terms of quality, environment and occupational health and safety, the Supplier 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 clause 17.2.

If the Supplier 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.

17.2 Quality management system

In the case of Performance that, pursuant to the Contract, belongs to **Quality Category 1**, the following provisions apply:

- 17.2.1 The Supplier is obliged to have a functional quality management system that meets the requirements of the international standard ISO 9001, and which also takes into account the requirements of the international standard ISO 19443 "Quality management systems. Application of ISO 9001 by organizations in the supply chain of the nuclear energy sector supplying products and services important to nuclear safety". In the case of a Foreign Supplier, an analogous quality management system meeting the specific requirements defined by the relevant national nuclear safety oversight body will be accepted. The Supplier 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 (according to clause 17.3) or it shall ask SE for an

audit. The quality management system of an unverified Supplier must be audited with a successful result, as a rule prior to conclusion 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 itself for fulfilment of obligations arising from the Contract. A condition is that the documents submitted during the tender by such a Supplier demonstrate its competence.

When the validity period of the audit of a verified Supplier'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 Supplier within its quality management system and the Supplier's current IVR score (Index Vendor Rating) pursuant to Article XXI.

An accepted substitute for a successful audit performed SE may, following the expiry of the three-year period of audit validity (on condition of annual favourable evaluation of the Performance on the basis of the Contract from the side of SE during the life of the Contract), the submission of a confirmation of favourable assessment of the Supplier by the respective national nuclear safety supervisory authority, by another nuclear operator, or by an independent entity (one not involved in the subject-matter of the Contract, and not paid by the Supplier under review) on their behalf, or alternatively the performance of a review by SE following mutual agreement with the Supplier in a different way, extending the audit's validity by one of the audit by one to three years.

If the Supplier 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 Supplier, 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 Supplier's main activities and that guarantee the fulfilment of SE's requirements. A Supplier who is a natural person must comply with other applicable requirements of these provisions, except for clause 17.2.12, concerning the performance of internal audits, in particular he must prove his professional competence and sufficient experience by references to past performances (also for other customers) and meet the requirements of the Quality Plan for Classified Equipment according to 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 Quality Management System**"), or other equivalent document approved by the NRA SR, or a Quality Plan according to the ISO 10005 standard.

If the Supplier is not the producer of the Performance subject-matter, the provisions of this clause 17.2.1 shall apply to the producer of the Performance subject-matter, and the Supplier undertakes to ensure that the producer of the Performance subject-matter is contractually bound to meet the requirements of this clause 17.2.1.

The Supplier in the framework of its quality

management system, is obliged: • to elaborate and implement the requirements and principles defined in the Integrated policy of SE, a.s. published on the web page: https://www.seas.sk/quality-and-integrated-management-system which are applicable to the subject-matter of Performance, • to determine the responsibilities and competences of personnel, their functional responsibilities, and authorisations, including a description of the organisational structure, the impact of a specific job function on nuclear safety, responsibility for quality assurance, and management of 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, documenting of certificates and attestations, etc.), if the subject of Performance has an impact on nuclear safety. 17.2.2 The Supplier is 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. 17.2.3 The Supplier is obliged to apply the principles of clean assembly and testing of equipment in the stage of production (deliveries) to be sure that assembled equipment does not contain foreign materials, substances, or loose parts that could be a cause of damage and malfunction of the equipment itself, or could be the cause of a release of these parts in an uncontrolled way into other components of systems (pipes, exchangers, valves, pumps, ...) in the stage of the equipment's operation resulting in malfunctioning or damage to the equipment itself or connected equipment, or restriction of media flow, or loss of reactor cooling. 17.2.4 In cases where the execution of the Contract subject-matter includes classified equipment, these must be provably qualified for the required functional competence and expected environmental effects for the design basis conditions, including seismic resistance by the respective qualification method accordance with the Regulation on 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 Quality Management System, or other standard applicable for the given subject matter of Performance. 17.2.5 If the subject matter of the Performance is classified equipment or if the subject matter of the Performance is connected with classified equipment, the Supplier shall be obliged to ensure the fulfilment of requirements of the respective technical documentation, including the quality plan for classified equipment according to the Regulation on Quality Management System or other equivalent document approved by the NRA SR. 17.2.6 If the Performance is not connected with classified equipment but it can in other ways affect the nuclear	safety of a nuclear installation, the Supplier shall be obliged to ensure the fulfilment of requirements of the respective technical documentation, including the Quality Plan according to the ISO 10005 standard, approved by SE. 17.2.7 In cases where an already elaborated quality plan for classified equipment or other equivalent document (IPQA – individual programme of quality assurance) is related to the Performance, the Supplier shall be obliged to respect its requirements. 17.2.8 In cases relating to a revision or elaboration of a new quality plan for classified equipment or a quality plan according to ISO 10005, the Supplier shall be obliged to submit it for approval to SE within 30 days from signing the Contract. If the subject matter of the Contract or part of it is the elaboration of documentation, every elaborator 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. In the case of revising documentation, the original list must be assessed as to whether it is up-to-date. Any revision to it must be approved by SE. If there is no such list attached to the existing document, it must be produced additionally by the Supplier at the time of revising the document and be approved by SE together with the revised document. 17.2.9 The Supplier shall be obliged to rate and select its sub-suppliers for Performance execution according to their abilities to fulfil the requirements under the Contract with SE. The Supplier shall reflect the requirements under the Contract with SE into the contracts with its sub-suppliers, including the requirement for the sub-supplier's quality management system and respecting the quality plan, which the Supplier is obliged to verify at least once during the life of the Contract, however, at least once per three years. The Supplier shall ensure and verify the ability of its sub-suppliers to fulfil the requirements under the Contract during the life of the Contract. 17.2.10 The Supplier undertakes to keep the documents 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 are not handed over to SE, shall be stored by the Supplier 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. 17.2.11 The Supplier 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 prerequisites for Performance execution and the audit of the compliance with the Supplier's quality plans in all
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- premises and facilities of the Supplier and its sub-suppliers. A breach of this duty by the Supplier shall be deemed a material breach of the Contract.
- 17.2.12 The Supplier is obliged to plan and perform the internal audits of the quality management system pursuant ISO 9001 and ISO 19011 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 Supplier is a natural person who carries out the Performance personally on the basis of proving his professional competence and is not required to have an established and maintained quality management system during the life of the Contract.
- 17.2.13 If the subject of Performance has an impact on nuclear safety, the inspections and tests at the Supplier, through which the Supplier 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.
- 17.2.14 The Supplier is 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 Supplier 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 Performance that, pursuant to the Contract, belongs to **Quality Category 2**, the following provisions apply:
- 17.2.15 The Supplier is obliged to have a functional quality management system that corresponds to the requirements of the standard ISO 9001, and which also takes into account the requirements of the international standard ISO 19443 "Quality management systems. Application of ISO 9001 by organizations in the supply chain of the nuclear energy sector supplying products and services important to nuclear safety", which shall be demonstrated at Se's request in an appropriate manner (submission of a certificate issued by an independent authority, a description of the management system e.g. in the Management System Manual, etc.).
- If the Supplier is a natural person who carries out the Performance personally, on the basis of proving his professional competence, he is not required to have an established and maintained quality management system during the life of the Contract but shall prove the personnel, technical, material and organisational prerequisites for executing the

Performance.

If the Supplier is not the producer of the Performance subject-matter, the provisions of this clause 17.2.15 shall apply to the producer of the Performance subject-matter, and the Supplier undertakes to ensure that the producer of the Performance subject-matter is contractually bound to meet the requirements of this clause 17.2.15.

- 17.2.16 The Supplier shall be obliged to respect the specific requirements of state professional supervision and to reflect them in the necessary scope in its 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 Supplier shall hand over the quality plan to SE within 30 days of signing the Contract.
- 17.2.17 The Supplier shall be obliged to rate and select its sub-suppliers according to their abilities to fulfil the requirements under the Contract with SE. The Supplier shall reflect the requirements under the Contract with SE in the contracts with its sub-suppliers, including the requirement for the sub-supplier's quality management system and for the application of the quality plan requirements. The Supplier shall ensure and verify the ability of its sub-suppliers to fulfil the requirements under the Contract during the life of the Contract.
- 17.2.18 The Supplier undertakes to keep the documents related to the activities affecting the quality, 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 are not handed over to SE, shall be stored for a period of 5 years following the completion of the subject-matter of Performance under the Contract. Prior to shredding, it shall hand them over to SE.
- 17.3 Audits of management systems
- SE is entitled to carry out an audit of a management system pursuant to clause 17.2 at the Supplier during the effective life of the Contract.
- In such case, the Supplier is obliged to allow the technically competent SE staff or technically competent SE staff of another organisation to carry out an audit of the management system.
- 17.4 If the Supplier is a natural person performing the subject-matter of the Contract in person, he is not subject to the requirement to have a management system established during Contract performance.

XVIII. INDUSTRIAL AND INTELLECTUAL PROPERTY

- 18.1 The Parties acknowledge that if the subject of the Performance is the result of activity that, under Section 558 et seq. of the Commercial Code, is protected by law of industrial or intellectual property (hereinafter referred to as a "copyright work"), SE shall be entitled to use it for the purposes of the Contract in ways necessary for the proper use of the Performance, in particular for a use pursuant to Section 19 of Act No. 185/2015 Coll. the Copyright Act, as amended (hereinafter the "**Copyright Act**"), for the duration of the author's property rights in accordance with 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

paragraph shall be understood to include the following ways 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.

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

- (i) the assignment of the exercise of all proprietary rights in the copyright work to SE; or in the case that it is not possible to conclude such a contract,
- (ii) the granting of consent to SE for the exercise of proprietary rights forming the copyright to the copyright work, and on the basis of which the Supplier shall grant to SE an **exclusive licence** in unlimited scope, and the provision of prior consent to SE for granting sublicences for the duration of the author's proprietary rights pursuant to Section 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 Section 19(4) of the Copyright Act.

XIX. CONFIDENTIALITY OF INFORMATION AND CYBER SECURITY

- 19.1 The Supplier undertakes to treat any data, information or documents obtained in connection with the tendering procedure, preparation, concluding, or performance of the Contract as confidential information, and to protect them from disclosure, misuse, damage, unauthorised reproduction, destruction, loss, theft, dissemination or other unauthorised use; whereby SE shall consider as confidential any information provided to the Supplier that is not publicly known or publicly available, until such time as it becomes publicly known and accessible (other than in 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 Supplier 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 the prior written consent of the SE, nor may it be used contrary to the purpose for which it was provided, not even for its own needs.
- 19.2 Unless agreed otherwise in the Contract, the Supplier undertakes to maintain the confidentiality of Information of a Confidential Nature also beyond the end of the Contract. The limitations set out in this clause do not apply to the provision of Information of a Confidential Nature to dependent persons of SE under the Income Tax Act, i.e. persons close economically, personally or otherwise connected with SE (hereinafter "**SE Affiliate**") and advisers to the Party (e.g. auditors, lawyers) under the condition that the SE Affiliate and the advisers will be bound by a confidentiality obligation at least to the same extent as set out 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.
- 19.3 The Supplier shall be obliged to bind by a confidentiality obligation in a demonstrable manner all persons to whom, in connection with performance of the Contract, it discloses

Information of a Confidential Nature. The confidentiality obligation under the preceding sentence must last also beyond the end of the contractual relationship, employment relationship or analogous labour relationship. The Supplier is obliged, at SE's request, to prove the fulfilment of this obligation.

- 19.4 If a leak of Information of a Confidential Nature occurs for reasons for which the Supplier is liable, or in the event of a breach of the Supplier's obligations under clauses 19.1, 19.2 or 19.3, SE shall be entitled to claim a contractual penalty against the Supplier pursuant to clause 14.6.
- 19.5 Unless otherwise agreed in the Contract, the Supplier may not, without the prior written consent of SE, name SE as its business partner, or use SE's trade name or logo in promoting itself or its activities, or in media statements, in any form whatsoever. In the event of a breach of the obligation under this clause, SE may apply against the Supplier a contractual penalty pursuant to clause 14.6.
- 19.6 The Supplier 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) and (k) of the Cyber Security Act.
- 19.7 In the event that SE provably delivers SE security standards and/or security policies in the field of cyber security to the Supplier, the Supplier is obliged to comply with them and ensure that its personnel comply with them.
- 19.8 SE shall, under condition of ensuring confidentiality from the information recipient, be entitled to disclose contractual documents, information related to the Contract or Performance under the Contract, or information about the Supplier, at the request of a bank or financial institution providing SE credit or otherwise involved in the financing of SE.

XX. PERSONAL DATA PROTECTION

- 20.1 The Supplier undertakes to maintain confidentiality on personal data that the Supplier comes into contact with during the Performance according to the Contract, and to ensure the 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 end of the Contract.
- 20.2 The Supplier is required to bind by an obligation to maintain the confidentiality of personal data any and all individuals who come into contact with personal data at the Supplier. The confidentiality obligation under the preceding sentence shall continue to exist also beyond the end of the employment or analogous relationship of such natural person.
- 20.3 SE processes the personal data of data subjects for the purpose of the preparation and implementation of contractual relationships, including the identification of authorised and contact persons. Further information on the processing of personal data for this purpose and information on the rights of data subjects can be found on SE's website at <https://www.seas.sk/en/gdpr>, business area "Ensuring the operation and activities of the Company"
- 20.4 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".

XXI. SUPPLIER RATING

- 21.1 The Supplier acknowledges that it may be evaluated by the SE from the date of signing the Contract. Rules relating to the evaluation and rating of suppliers are published on the website: <https://www.seas.sk/vendor-rating>.

XXII. LIST OF SE SUPPLIERS

- 22.1 The Supplier acknowledges that, upon signing the Contract, the Supplier will be included in the internal list of SE suppliers (hereinafter referred to as the "**List of SE Suppliers**").
- 22.2 The Supplier 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**").
- 22.3 The rules governing the suspension and exclusion of a supplier 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. \(seas.sk\)](#).

XXIII. RULES OF ETHICAL CONDUCT

- 23.1 The Supplier is aware that the business activities and internal activities of SE are governed by principles codified in the SE Code of Ethics and in the Zero Tolerance of Corruption Plan, the texts of which are published on the website: <https://www.seas.sk/code-of-ethics> (hereinafter referred to as the "**Principles**"). The Supplier shall apply equivalent Principles in conducting its business activities and in governing its relationships with third parties.

XXIV. APPLICABLE LEGAL REGULATIONS

- 24.1 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 UN Convention on International Purchase of Goods. Unless otherwise specified in 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 Slovak law.

XXV. DISPUTES

- 25.1 The Supplier hereby declares that, as at the date of entering into the Contract, it is not party to any litigation or arbitration proceedings against SE.
- 25.2 All disputes arising from the Contract, including disputes concerning its validity, interpretation or cancellation, or disputes about non-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.

ANNEX 1

SANCTION 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 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 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 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.

ANNEX 2

ENVIRONMENTAL AND SOCIAL MANAGEMENT CLAUSE

1. INTRODUCTORY PROVISION

This **Environmental and Social Management Clause** (hereinafter the “**ESM Clause**”) is an integral part of the General Terms & Conditions (Goods) of Slovenské elektrárne, a.s. (GTCC), which are an integral part and annex of the order/contract (Contract).

The Environmental and Social Management Clause covers commitments to compliance with generally binding legal regulations, ethical business conduct, human rights, decent working conditions, occupational health & safety, and environmental protection.

2. COMMITMENTS OF THE SUPPLIER

The Supplier undertakes that it shall continuously throughout validity period of the Contract comply with:

- i) generally binding legal regulations valid in the territory of the Slovak Republic, as well as international agreements by which the Slovak Republic is bound;
- ii) human rights as defined in the Universal Declaration Of Human Rights
- iii) minimum standards in the following aspects of good working practice:
 - (i) free choice of occupation, ensured in particular by legal employment, free from coercion, as well as the freedom to leave employment on the basis of reasoned notice;
 - (ii) freedom of association and the right to collective bargaining, ensured in particular by an accommodating approach to the exercise of these rights;
 - (iii) safe and hygienic working conditions, ensured in particular by compliance with occupational health and safety standards resulting from generally binding legal regulations;
 - (iv) a ban on child labour, ensured in particular by preventing the use of child labour;
 - (v) wages for a dignified life, ensured in particular by their payment in accordance with generally binding legal regulations, so as to include the discretionary income of employees;
 - (vi) appropriate working time, ensured in particular by the fact that employees do not work overtime that exceeds the limits set by generally binding legal regulations;
 - (vii) 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 retirement;
 - (viii) a regular employment relationship, ensured by the performance of dependent work on the basis of a regular employment relationship in

accordance with generally binding legal regulations;

- (ix) a ban on ill-treatment and inhuman 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;
- iv) environmental regulations and ensure the minimum impact of services and products on the environment, the implementation of environmental management systems and adopt appropriate standards. It is also committed to values relating to the efficient use of natural resources, energy efficiency, waste management, control of emissions and greenhouse gases, as well as the protection and preservation of biodiversity;
- v) measures to prevent any form of corruption, including bribery and extortion.
- vi) Conventions of the International Labour Organization.

3. WITHDRAWAL FROM THE CONTRACT

SE shall be entitled to immediately withdraw from the Contract if there occurs on the side of the Supplier (which includes any person in the ownership or control structure of the Supplier or in any of its bodies or managerial positions) a violation of any of the Supplier's commitments under Article 2 of the ESM Clause.

In the event of withdrawal from the Contract under this clause, SE shall be entitled to:

- (i) to keep the Performance that the Supplier has already delivered; in such case SE shall pay the Supplier a proportionate part of the Price corresponding to the Performance, unless this is in conflict with any applicable generally binding legal regulations, and/or
- (ii) to withhold and not pay to the Supplier any part of the Price, as well as to refrain from providing any type of consideration to the Supplier (and/or any other person) and to further handle such means or resources in accordance with applicable generally binding legislation (if applicable), and/or
- (iii) to withhold from and not issue to the Supplier (and/or any other person) any funds or other economic resources (also including materials, technological equipment, etc.) located in SE and owned, held, or otherwise controlled by the Supplier and further handle such means or resources in accordance with the provisions of applicable generally binding legal regulations.

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