



NEK



DRAFT CONTRACT

For

DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING

concluded on _____ by and between:

NUKLEARNA ELEKTRARNA KRŠKO d.o.o.
Vrbina 12, 8270 Krško, Slovenia,

represented and duly authorized by

**Mr. Stanislav Rožman, President of the Management Board and
Mr. Hrvoje Perharič, Member of the Management Board.**

(hereinafter referred to as "PURCHASER" or "NEK" or "NPP Krško")

on one part

and

.....

represented and duly authorized by

Mr.

(hereinafter referred to as "SELLER" or "Contractor")

on the other part

Whereas, SELLER represents that it is fully qualified to provide PURCHASER with:

DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING

and shall do so in accordance with the terms and conditions herein specified, and

Whereas, the representatives of SELLER and PURCHASER possess proper and sufficient authority to agree, and

Now therefore, SELLER and PURCHASER have agreed as follows:

Subject of the Contract:

DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING

(hereinafter referred to as "DOORS FOR OSC BUILDING")

The following documents shall constitute the Contract:

- PART I: - General Terms and Conditions (this Document)
- PART II – NEK Technical Specification No.: SP-ES1307 for
DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING
(hereinafter referred to as "SP-ES1307")
- PART III: Quotation No.

PART I - GENERAL TERMS AND CONDITIONS

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0 DEFINITIONS AND ABBREVIATIONS

As used throughout the Contract, the following terms shall have the meaning set forth hereinafter:

PURCHASER shall mean NUKLEARNA ELEKTRARNA KRŠKO (NPP Krško), Vrbina 12, 8270 Krško, Slovenia, represented by Mr. Stanislav Rožman, President of the Management Board and Mr. Hrvoje Perharić, Member of the Management Board

SELLER or CONTRACTOR shall mean

PARTY or **PARTIES** shall mean PURCHASER or/and SELLER as herein under referred to individually or collectively.

CONTRACT shall mean the agreement between PURCHASER and SELLER consisting of General Terms and Conditions of the Contract (*PART I*), Technical Specification SP-ES1307 (*PART II*) and Quotation No: (PART III).

The Contract documents are complementary, and what is called for by anyone of them shall be binding as if called for by all. Any conflicts in the Contract documents shall be reasonably resolved by PURCHASER after mutual discussion with SELLER. The validity dates of documents commence with the Effective Date of Contract .

SCOPE OF SERVICES AND DELIVERY/PROJECT as defined in Technical Specification SP-ES1307 and other contractual documents.

TECHNICAL REPRESENTATIVES shall mean the PURCHASER's and the SELLER's designated representatives through whom all technical, commercial, Quality Assurance and matters shall be channelled.

COMMERCIAL REPRESENTATIVES shall mean the PURCHASER's and the SELLER's designated representatives through whom commercial matters will be evaluated.

SP-ES1307 shall mean Technical Specification No. SP-ES1307 for DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING

QUOTATION shall mean SELLER's Quotation No.: .dated

PLANT, SITE, NE Krško, NEK, NPP Krško shall mean Nuclear Power Plant Krško.

APPROVED shall mean the status of any document to be furnished by the

SELLER to PURCHASER under the Contract which is approved by PURCHASER with or without comments but which is not rejected by PURCHASER. The date for the resolution of PURCHASER's comments shall be mutually agreed upon prior to the approval. In no circumstances the approval can relieve SELLER from the responsibility for failures within SELLER's Scope of Services and Delivery.

HARDWARE shall mean all doors, spare parts, consumables and materials together with required tools needed for the completion of the Project and as defined in the contractual documents.

TOTAL CONTRACT PRICE shall mean all inclusive total price to be paid to the SELLER as per Article 7.1 of the Contract.

DAP shall mean Delivered at Place NPP Krško Site as per Incoterms 2010

QA shall mean Quality Assurance

VAT shall mean Value Added Tax

OSC shall mean Operational Support Centre

PMM shall mean Project Management Manual

IP shall mean Installation Package

FD CR shall Field Design Change Request

AQ shall mean Augmented Quality

PDR shall mean Project Deficiencies Reports

SAT shall mean Site Acceptance Test

HOP shall mean Handover Protocol

1 SELLER'S SCOPE OF SERVICES AND DELIVERY

SELLER shall perform the service fully in accordance with SP-ES1307 and other contractual documentation. The Scope of Services and Delivery entails but is not limited to the following:

A. Base Scope of Services

- a) Preparation of design drawings and analyses as stated in SP-ES1307, Section 2.2.
- b) Qualification and functional testing as stated in SP-ES1307, Section 2.3.
- c) Shop fabrication and delivery as stated in SP-ES1307, Section 2.4.
- d) Preparation of Installation Package (IP) as stated in SP-ES1307, Section 2.5.
- e) Installation works including supervision as stated in SP-ES1307, Section 2.6.
- f) Preparation of FDCRs (if required) as stated in SP-ES1307, Section 2.6.1.
- g) Preparation of Final Report as stated in SP-ES1307, Section 2.7.

B. Delivery of Hardware

Delivery of Hardware shall be in accordance with SP-ES1307, Section 2.4 and delivered DAP NP Krško.

C. Turnkey principle

SELLER shall perform all engineering, necessary to develop the new doors, disassembly of already installed doors, installation and modification work including the supply of all necessary hardware all in accordance with the agreed upon SP-ES1307 and provisions of this Contract. SELLER shall be responsible, in compliance with the requirements of SP-ES1307 and all referenced documents including PURCHASER's relevant procedures, listed in SP-ES1307, for the detailed design, product quality assurance, materials procurement, fabrication, testing, certification, code stamping prior to shipping, examination, inspection, receiving inspection, and pre-service inspection, cleaning.

Any hardware or services not specially included in the Contract shall be deemed to be included in SELLER's undertaking if their inclusion is required to make the hardware supplied physically or functionally complete meeting all performance criteria in accordance with SP-ES1307 and this Contract.

During engineering and design the SELLER will check the as-built status for all important locations.

The SELLER will develop and provide all necessary construction activities (procedures, organization, material handling, rigging and transportation, erection, quality assurance/quality control, welding, painting/coating, insulation) when required by the SP-ES1307.

The SELLER shall be responsible for installing turnkey supplied Hardware so that it is complete with the existing piping and structural support system in

accordance with SP-ES1307 and other contractual documents.

The SELLER shall be responsible for developing and providing to the PURCHASER all documentation, drawings, equipment lists, schedules, stress analyses, seismic analyses and other documents necessary for the dismantling of hardware to be replaced and the installation, assistance to licensing, and operation of supplied Hardware as required by the SP-ES1307.

Transfer of title and risk of loss shall pass from SELLER to PURCHASER upon the Handover Protocol signature (Attachment C) by both the Parties.

SELLER's Responsibility

The SELLER's Scope of Services and Delivery shall be completed in a way which will achieve and meet all performance criteria according to SP-ES1307 and other requirements of contractual documentation.

Nothing shall relieve SELLER of the responsibility to perform analyses, tests, inspections and other activities that through the process become necessary to ensure that the design and materials, as well as the product quality, shall meet the requirements in accordance with the contractual documents.

SELLER shall be responsible for compliance with all detailed requirements of SP-ES1307 its referenced documents and other contractual documents.

Subcontractors

For a part of the Scope of Services and Delivery SELLER may engage the subcontractors which have been listed in the Quotation and accepted by PURCHASER. If SELLER upon signature of this Contract wants to change or select new subcontractor(s), this shall be subject to PURCHASER approval, which shall not be unreasonably withheld. Based on the law of ZVISJV (Act on Protection against Ionizing Radiation and Nuclear Safety) and based on "Pravilnik o dejavnikih sevalne in jedrske varnosti (JV 5)" Article 67, PURCHASER is responsible for establishing surveillance on SELLER and its subcontractors to ensure high quality and nuclear safety for the public.

SELLER shall ensure that all subcontractors meet high standards of competence, experience and capacity in relation to the tasks to be entrusted to them and that they fully comply with the SP-ES1307 requirements and the contractual documents.

Since SELLER retains full responsibility for all aspects of subcontractor's performance including quality and schedule, SELLER shall ensure that adequate periodic audit and surveillance of the subcontractors is maintained. SELLER shall identify to all subcontractors all applicable Quality Assurance

and Quality Control requirements imposed by PURCHASER's specifications on SELLER and shall ensure compliance thereto. All subcontractors shall be on SELLER's Approved Suppliers List. NEK's right of access to SELLER's subcontractors' facilities for the purpose of inspection or audit shall be imposed by SELLER's documents.

During the engineering phase of the Project, the SELLER shall engage qualified companies with a proven experience record of the development of doors in accordance with NEK procedures.

Such qualified companies (subcontractors) shall ensure support in the engineering phase and installation and support phase response time less than eight (8) hours to ensure timely preparation and processing of potential FDCR (Field Design Change Request) per NEK ESP-2.609 procedure, provided that "response time" shall not mean "resolution time".

SELLER shall not subcontract any portion of the Work without the written approval of PURCHASER Responsible Engineer, which shall not be unreasonably withheld. The absence of any reply from the PURCHASER within three (3) weeks is considered as approval under the condition that SELLER sends prior notification to PURCHASER within two weeks. Subcontractors performing augmented quality service will need to have either quality assurance program approved by PURCHASER or work in conjunction with SELLER Quality Assurance Program.

Full overall responsibility always remains on SELLER's side concerning participation of SELLER's subcontractors.

2 PURCHASER'S RESPONSIBILITIES

PURCHASER's responsibilities are given in SP-ES1307 Section 12.

3 QUALITY ASSURANCE, TECHNICAL AND OTHER REQUIREMENTS

SELLER shall meet all quality assurance requirements, design, performance, material, fabrication and technical requirements as well as procedures, codes and standards as stated in SP-ES1307.

4 DELIVERABLES TO BE PROVIDED TO PURCHASER

SELLER shall submit to PURCHASER all deliverables as stated in SP-ES1307.

5 SCHEDULE REQUIREMENTS

Schedule Completion Milestones are given in SP-ES1307, Section 10.

Critical milestones for the Project are:

<i>Item</i>	<i>Milestone Description</i>	<i>Delivery Schedule</i>
1.	Contract signature	T ₀
2.	Delivery of Project Management Plan and Project Quality Plan	T ₀ + 3 weeks
3.	Delivery of Design Drawings and Analysis	T ₀ + 8 weeks
4.	Start of manufacturing process	T ₀ + 10 weeks
5.	Delivery of Installation Package	18.12.2017
6.	Delivery of doors, spare parts, installation material and tools	(12.2.2018 at the latest)
7.	Delivery of Qualification Reports	12.2.2018
8.	Start of installation	19.2.2018
9.	Functional testing - SAT	21.5.2018
10.	Final Walk Down	4.6.2018
11.	Delivery of preliminary Final Report	11.6.2018
12.	Exit meeting	15.6.2018
13.	Final Report	16.7.2018

T₀ * = Effective Date of Contract

6 DELIVERY TERMS AND CONDITIONS

Hardware as well as all other deliverables of SELLER's Scope of Services and Delivery as stated in Art. 1 above shall be delivered DAP NPP Krško Site as per Incoterms 2010.

Delivery of shipping documents

As soon as possible, but not later than on three days before the day of delivery of goods, in order to ensure timely receipt and customs clearance, SELLER or its forwarding agent shall send to PURCHASER the following information and documents:

- estimated time of arrival of shipment at NEK site
- shipping invoice with description of goods, quantity, unit and total price per each item and total price
- packing list

- copy of AWB or RWB or B/L, etc. (relative to means of transportation)

The use of EUR-1 Form for optimizing of customs formalities shall be mandatory whenever feasible.

Temporary Import to NPP Krško site

SELLER shall organize and perform at its cost all transportation and insurance of all temporarily imported equipment, instruments, material, etc. necessary to perform SELLER's Scope of Services and Delivery under this Contract to NPP Krško site, return from NEK site and insurance of them also during the stay at NEK site.

7 PRICE

- 7.1 The total all-inclusive fixed and firm Total Contract Price for the whole contractual Scope of Services and Delivery as per Art. 1 above under the terms and conditions of this Contract is:

EUR(excl. V.A.T.)

(in words:Euros)

All labor, materials, equipment, parts, components, and services like engineering and documentation as well as living, traveling and similar costs of SELLER's personnel, etc. necessary for SELLER to fulfill its obligations as stated in Art. 1. of this Contract are included in the above Total Contract Price.

- 7.2. The *price structure* is given below:

Item	Base Scope of Services and Delivery	Quantity (pcs)	Price per pcs / EUR	Subtotal
A	Services			
1	Design			
2	Disassembly of doors: Z-1, Z-2, Z-13, Z-14 and Z-16			

3	Installation			
4	Documentation			
B	Hardware – Door No.			
5	V-1	1		
6	V-7	1		
7	V-8	1		
8	V-9	1		
9	V-10	1		
10	V-11	1		
11	V-12	1		
12	V-16	1		
13	V-19	1		
14	V-20	1		
15	V-21	1		
16	V-22	1		
17	V-23	1		
18	V-24	1		
19	V-25	1		
20	V-26	1		
21	V-27	1		
22	V-28	1		
23	V-33	1		
24	V-34	1		
25	V-35	1		
26	Z-9	1		
27	Z-15	1		
28	Z-17	1		
C	Spare Parts			
D	Tools			
E	Transportation DAP			
	TOTAL:			

8 PAYMENT TERMS AND SCHEDULE

8.1. Payment terms

All payments under this Contract will be made by means of a bank transfer, net due thirty (30) days upon receipt of the goods at NEK site. The invoice shall be approved or rejected within 15 days from the receipt. If the invoice is not rejected within 15 days from the receipt, it is considered to be approved.

Payment instalments

Payment will be made against commercial invoices and upon receipt of deliverables as described in the table provided below:

Item	Description of Payment Milestones	Payment Amount (% of Total Contract Price)	Estimated Date
1	Design drawings and analyses approved by NEK;	10	T ₀ + 8 weeks
2	Installation Package (IP) approved by NEK;	15	18.12.2017
3	Delivery of hardware to NPP Krško;	20	12.2.2018
4	Successful functional testing approved by NEK (SAT);	10	21.5.2018
5	Signed Handover Protocol	40	15.6.2018
6	Final Report approved by NEK	5	16.7.2018
SUM		100	

T₀ * = Effective Date of Contract

If the Bidder engages a subcontractor who wants to be paid directly and they submit the Attachment D - Subcontractor's Data and Bidder's Consent for Direct Payment, NEK is obliged to pay the subcontractor directly.

Beside the invoice submitted by the SELLER to the PURCHASER with total amount of the payment due including the value of subcontractor work specified separately, the SELLER shall also approve and submit the invoice and specifications of its subcontractors for each payment milestone.

The SELLER authorizes the PURCHASER to make direct payments to the subcontractors for their services and supplies, based on the approved invoices

addressed to SELLER.

If a subcontractor is replaced after the conclusion of the Contract or if the SELLER concludes a contract with a new subcontractor which is subject to direct payment, the SELLER that concluded the Contract with the PURCHASER must submit to the latter, within 5 days of change.

- The statement that all non-disputed liabilities have been settled to the original subcontractor; authorization for the payment of provided and delivered work or products directly to the new subcontractor, and the consent of the new subcontractor to the acceptance of direct payment

The payment will be made in accordance with the payment terms and conditions above and based on the signed Subcontractor's Data and SELLER's Consent for Direct Payment in the form and content according to Attachment D.

8.2 Guarantees

The Bank Good Performance Guarantee to the amount of 10% of the Total Contract Price as per Art. 7.1 in the form and content according to Attachment A, shall be submitted to PURCHASER not later than three (3) weeks after the Contract signature with a validity of 30 days upon signature of the Handover Protocol.

If SELLER fails to perform its contractual obligations as to the quantity, quality and schedule, due to reasons attributable to SELLER, PURCHASER shall be entitled to call for the Good Performance Guarantee up to its total amount. PURCHASER shall notify SELLER of disputed contractual obligations and its intent to call for the Guarantee.

The Warranty Bond/ Guarantee to the amount of 10% of the Total Contract Price as per Art.7.1 shall be submitted to PURCHASER in the form and content according to Attachment B, with a validity of 30 days after the end of warranty period as stated in Art. 12.3 below.

If SELLER does not fulfill its obligations under Art. 12 within reasonable mutually agreed period of time in no case exceeding the warranty period as stated in Art.12.3, PURCHASER is then entitled to call for the Warranty Bond/ Guarantee issued by SELLER's bank up to its total amount. PURCHASER shall notify SELLER of disputed contractual obligations and its intent to call for the Guarantee.

All here above mentioned Guarantees shall be issued at SELLER's cost by a first class bank and shall be returned by PURCHASER to SELLER on their date of expiry.

9 INSPECTIONS, TESTS

All tests and inspections shall be performed in accordance with SP-ES1307. After successful completion of the Project, the Parties, SELLER and PURCHASER, shall sign the Handover Protocol as per Attachment C if no significant faults are counteracting. Minor remaining issues such as open Project deficiencies reports of category C and D to be taken care of by SELLER or PURCHASER shall be registered in the Handover Protocol and the signing of the Handover Protocol shall not be withheld for such minor remaining issues.

The prerequisites to sign the Handover Protocol are successfully performed Site Acceptance Tests with completed resolution of all open items (non-conformances and deficiency reports category A and B) and NEK receipt of Test Reports.

The Parties shall sign the Handover Protocol within 10 days after the preconditions in the previous paragraph are fulfilled. The protocol shall include at least:

- (i) the date on which all the requirements of Article 9 have actually been met and consequently the date and exact hour on which the warranty period commences;
- (ii) a list of all open Project deficiencies reports of category C and D. No open deficiencies category A and B (as defined in PMM) are allowed.

Signing of the Handover Protocol does not interfere with the rights of PURCHASER related to warranty for hidden defects for which SELLER is responsible.

10 LIQUIDATED DAMAGES

10.1 Liquidated damages for delay

In case of delay in the delivery of SELLER's Scope of Services and Delivery in completion of the following critical milestones as defined in Article 5 of the Contract, due to reasons solely attributable to SELLER, SELLER shall pay to PURCHASER liquidated damages as follows:

- [REDACTED] (min 10%) of the Total Contract Price per entire week (7 days) of delay in the delivery/completion of the milestone No. 6, Delivery of hardware, as stated in Article 5, starting after the first day of delay, but maximum up to [REDACTED] (min 20%) of the Total Contract Price (excl. VAT)
- [REDACTED] (min 10%) of the Total Contract Price per entire week (7 days) of delay in the delivery/completion of the milestone No. 9, Completed SAT, as stated in Article 5, starting after the first day of delay, but maximum up to [REDACTED] (min 20%) of the Total Contract Price (excl. VAT)

The sole liability of SELLER and the exclusive remedy of PURCHASER with respect to any such delay as set forth above shall be liquidated damages limited to [REDACTED] (min 10%). of the Total Contract Price as per Article 7.

11 SAFETY AND HEALTH AT WORK AND PROTECTION AGAINST IONIZING RADIATION

In order to ensure safety and health at work, SELLER shall follow the provisions of the Law on Safety and Health at Work (Official Gazette of RS No.43/11), ADP procedure 1.1.033 Safety and Health at Work at NPP Krško and in compliance with provisions of a separate written Agreement concluded in accordance with Article 39 of the Law on Safety and Health at Work of the Republic of Slovenia.

SELLER shall make sure that the performance of Work be in accordance with internal procedures and instructions issued by responsible PURCHASER's employees.

In order to fulfill the provisions of the Act on Protection against Ionizing Radiation and Nuclear Safety, the contractual parties shall adhere to the Agreement on Protection against Ionizing Radiation (applicable for suppliers performing services in the controlled area). Based on the provisions of this Agreement, SELLER shall provide all necessary data and signed statements of workers by which they allow transferring the information on their personal dose rates for further use.

SELLER shall test his subcontractor workers on their knowledge of safety rules and document such in-house testing by signing Statement on Complying with Act on Ionizing Radiation Protection and Nuclear Safety.

12 WARRANTY

- 12.1 SELLER warrants that all the hardware furnished under this Contract shall be new and free from liens, encumbrances and defects in title and shall be free from defects in design, workmanship and material and that the Hardware delivered under this Contract shall achieve the performance and functional requirements as stipulated in SP-ES1307 and other contractual documents. Approval of material, test results, suppliers and schedules by PURCHASER shall not in any way limit or diminish the SELLER's warranties hereunder.
- 12.2 SELLER warrants that all services he provides shall be in full conformity with the Contract; shall comply with all applicable codes, standards, laws, rules, and regulations; shall be performed in a highly professional and workmanlike manner which would be exercised by those who perform similar services at the time the services are performed and shall be free from defects in design, material and workmanship; shall conform to applicable specifications, and shall be free from all liens and encumbrances and shall achieve the design, performance and functional requirements as stipulated in SP-ES1307 and other contractual documents. Warranties shall survive acceptance or payment for any and all services required pursuant hereto but shall end with the elapse of the pertinent warranty period as per Article 12.3.
- 12.3 The warranty mentioned in paragraphs 12.1 and 12.2 above shall be for the period of (minimum 5 years) years from the date of signature of the Handover Protocol.
- 12.4 SELLER shall remedy at his own cost all faults and hardware and software deficiencies pursuant to Article 12.1 above, other than normal wear and tear or faults or deficiencies not attributable to PURCHASER detected and reported in writing claim to SELLER by PURCHASER provided that such PURCHASER's claim has been received by SELLER within the warranty period. The reporting shall be made within thirty (30) days after the detection of the fault or deficiency. The remedy shall be made by (i) replacement or repair of the faulty or deficient unit (spare part or equipment) at SELLER's option approved by PURCHASER, such approval being not unreasonably withheld, and within shortest reasonable period of time to be determined between the Parties or (ii) repeat of the defective services.

SELLER's obligations to remedy faults or deficiencies under the warranty shall be deemed to have been fulfilled when SELLER has either made the remedy at the Site or delivered and installed the replacement unit to PURCHASER and PURCHASER has inspected and accepted it. A refusal shall be for justified reasons only. SELLER shall pay the transportation and insurance cost from Krško Site to the designated facility and back to DAP

Krško Site.

A fresh warranty period shall commence for the repaired or replaced material/equipment. The duration of the fresh warranty shall be years after the remedy. SELLER shall, however, have no warranty obligations anymore after years following the starting date of the warranty period as stated in Art. 12.3 above.

- 12.5 If SELLER does not fulfil his obligations under Article 12.4 above within a mutually agreed upon period of time, PURCHASER shall be entitled to correct the defective pieces of Hardware or services at the expense of SELLER provided that such expense shall not exceed the price of the above defective pieces/services as reasonably evaluated by PURCHASER and SELLER on the basis of the current international market prices.
- 12.6 If it becomes necessary for SELLER to repair or provide replacement Hardware under these warranties, PURCHASER, without cost to SELLER, shall, to the extent necessary for SELLER to perform its warranty obligations,
- (i) provide reasonable access to the defective part(s)
 - (ii) make available to SELLER, PURCHASER's facilities, equipment and tools available on Site, and (iii) perform any necessary decontamination.
- 12.7 SELLER is obliged to ensure the delivery of required repair/remedy services and replacement parts for all the doors for the period of at least 5 years following the expiration of Warranty Period. SELLER shall be entitled to appropriate remuneration in accordance with SELLER's standard rates.
- 12.8 The express warranties and remedies set forth in this Article 12 shall constitute the sole and exclusive warranties, guarantees and remedies made to the PURCHASER and are exclusive and in lieu of all other warranties, guarantees and remedies of any kind. Any further rights and claims arising from warranty are excluded except as provided under this Article.

13 TAXES

- 13.1 SELLER shall be responsible for the payment of all taxes, duties, tariffs, fees and other like charges of SELLER arising from or in connection with the subject matter of the Contract
- 13.2 SELLER shall register with Slovenian Taxing Authorities and obtain Slovenian VAT Number. In that case SELLER's invoices to PURCHASER shall include Slovenian VAT. SELLER is responsible for calculation and payment of

Slovenian VAT according to Slovenian VAT. In no case shall the SELLER impose his Slovenian subcontractors VAT in his invoices to PURCHASER.

13.3 If SELLER does not register with Slovenian Taxing Authorities and has no Slovenian VAT number, PURCHASER will pay VAT and apply »Reverse Charge according to Article 196 Council Directive 2006/112/EC as amended by Council Directive 2008/8EG.

13.4 PURCHASER shall be responsible only for the payment of Slovenian import tax (payable at Slovenian boarder) and relevant Slovenian V.A.T.

14 LICENSES, PERMITS, AND AUTHORIZATIONS

14.1 If required, SELLER shall assist PURCHASER in all its own dealings with the Government Agencies, Licensing Bodies/Authorities and independent inspection agencies in Slovenia. This shall be limited to assistance in obtaining and maintaining licenses, permits and authorizations that may be required for SELLER's performance under the Contract. To the extent requested, SELLER shall make any necessary presentations to, participate in meetings with, and furnish required information to the competent Slovenian authorities.

SELLER shall be responsible for all dealings with Government Agencies outside Slovenia. This shall include but not necessarily be limited to obtaining, maintaining and paying for licenses, permits and authorizations that may be required for SELLER's performance under this Contract concerning manufacturing, export and transportation of Hardware within SELLER's Scope of Services and Delivery.

14.2 **Licensability**
SELLER shall make sure that the design of the Hardware supplied as far as the SELLER's Scope of Services and Delivery is concerned meets the applicable licensing standards existing in Slovenia at the time of Contract signature and (defined in the SP-ES1307) PURCHASER shall be responsible for any and all licensing activities related to the Hardware with necessary support of the SELLER as defined hereabove.

15 INSURANCE AND INDEMNITY

15.1 PURCHASER's Insurance at PURCHASER's Cost

PURCHASER represents that it is the responsible operator of the Plant. Therefore, in no event and under no circumstances shall SELLER, its

subcontractor, suppliers, directors, agents and the personnel employed by any of them, (hereinafter collectively referred to as the "Indemnified Parties"), irrespective of their activities under this Contract be considered as being the nuclear operator of the Krško Nuclear Power Plant. For its own protection and the protection of the Indemnified Parties, the PURCHASER has in effect and shall maintain in force Material Damage Insurance Policy including machinery break down covering also nuclear and fire perils, and Third Party Liability Insurance Policy against liability and risks arising out of or resulting from a Nuclear Incident (as defined in the Convention on Third Party Liability in the Field of Nuclear Energy of 29th July 1960, as amended by the Additional Protocol of 28th January 1964 and by the Protocol of 16th November 1982 - the Paris Convention) provided in accordance with Slovenian Nuclear Liability Legislation and available within the Slovenian Insurance Market.

15.2 **SELLER's Insurance at SELLER's Cost**

Equipment Insurance. SELLER shall procure and maintain in full force and effect, until their removal, insurance of SELLER's materials, equipment, tools and other objects on Site.

Liability Insurance. SELLER shall procure and maintain in full force and effect until leaving the Site insurance against damage to or loss of the property of PURCHASER and damage or loss and injury to third parties (including without limitation PURCHASER's subcontractor and suppliers and its or their employees), occasioned by any negligent act or omission of SELLER, its subcontractor and suppliers and its and their employees.

Scope of Services and Delivery Insurance. SELLER shall procure and maintain in full force and effect until leaving the Site Insurance of the Scope of Services and Delivery for its full replacement value insofar as it relates to equipment and material, at any time against damage or loss howsoever caused. PURCHASER shall be a named insured under such insurance. Any proceeds under such insurance shall be applied towards the repair or replacement of any part of the Scope or Services and Delivery damaged or lost.

Personnel insurance. SELLER in respect of all personnel employed by SELLER and its subcontractors for work on Site shall procure and maintain such insurance against occupational injury as is lawfully required from employers in the relevant jurisdiction(s).

Insurance arranged in pursuance of the above Articles shall be with a recognized international insurer. SELLER upon request shall submit to PURCHASER certificates of insurance policies.

16 LIABILITY

- 16.1 SELLER's Liability and Indemnity. SELLER shall be liable in respect of, and hereby agrees to indemnify and hold PURCHASER and its subcontractor and all of its or their officers, agents, servants and employees ("Indemnatee") harmless from any claim, loss, damage, liability or expense on account of damage to the property of PURCHASER and of damage to the property of, and injury (including death) to, any third party (such term including employees of PURCHASER's and SELLER's subcontractor and suppliers of any tier) to the extent that such claim, loss, damage, liability or expense arises out of or results from acts or omissions attributable to SELLER, its subcontractor and suppliers of any tier and their respective directors, officers, agents, servants or employees during their performance of the Work or from defects in design, workmanship and material of the Scope of Services and Delivery.
- 16.2 PURCHASER's Liability and Indemnity. PURCHASER shall be liable in respect of, and hereby agrees to indemnify and hold SELLER, its subcontractor and suppliers and all of its or their directors, officers, agents, servants and employees (hereinafter referred to as the "Indemnatee") harmless from any claim, loss, damage, liability or expense on account of damage to the property of and/or injury (including death) to the Indemnatee or any third party which arises out of or results from acts or omissions attributable to PURCHASER or its subcontractors, or any of its or their respective directors, officers, agents, servants or employees.
- 16.3 The Indemnified Parties as defined in Article 15.1 shall in no event be liable with respect to any loss of, damage to property and/or injury (including death), caused by or resulting from a Nuclear Incident and PURCHASER shall indemnify, hold harmless and waive any and all claims and rights of recourse against SELLER.
- 16.4 Definition. For purposes of this Contract, "Nuclear Incident" shall have the meaning assigned to it by the Paris Convention on Third Party Liability in the field of Nuclear Energy of 1960 as amended by the Protocol of 1964 and 1982, including any nuclear risks such as contamination as provided with Slovenian Nuclear Liability legislation and available within Slovenian Insurance Market.
- 16.5 A party to the Contract who employs a subcontractor to perform its obligations under the Contract shall be liable to the other party, as for its own actions, for the non-performance or improper performance of the party's obligations by the subcontractor.
- 16.6 Damages, to which parties to the Contract are entitled in accordance therewith, shall be paid against the indemnified party's invoice thirty (30) days net. If SELLER fails to pay damages in accordance with the Contract against said PURCHASER's invoice, the PURCHASER is entitled to demand the payment

out of the guarantee valid at that time SELLER's Bank Good Performance Guarantee or Warranty Bond/ Guarantee.

- 16.7 The total and cumulative liability of the SELLER, including any claim, warranty, cost and expenses of any kind arising out of or resulting from any cause whatsoever, whether based on contract, tort (including negligence), strict liability or otherwise shall in no event exceed 100% of the Total Contract Price. In no event and under no circumstances shall SELLER and PURCHASER be liable for indirect or consequential damages, unavailability of plant, plant outage, plant shutdowns or services interruptions, loss of use of equipment or replacement power, costs of capital, loss of profits or revenues or loss of use thereof, arising at any time, whether founded on contract, tort (including negligence), strict liability or otherwise as well as any indirect or consequential losses or damages of any nature.

The limitations under this Article shall not apply for damages which are caused willfully or by gross negligence on the part of SELLER, its subcontractors and all of their directors, officers, agents, servants and employees.

- 16.8 SELLER shall only be liable for damages occurring up to the end of the pertinent Warranty Period if such damages are reported to the SELLER immediately after occurrence or discovery of the damage.

17 PROPRIETARY INFORMATION

17.1 PURCHASER's Information

Information such as but not limited to all originals of engineering and related data, plans, maps, drawings, computer programs, and specification furnished in any form by PURCHASER in connection with the Scope of Services and Delivery under this Contract shall remain PURCHASER's property. SELLER agrees not to use or release to any third party such Information except for purposes of performance of SELLER's obligations under the Contract unless prior written consent of the contrary is given by the PURCHASER. With respect to such information being disclosed to a subcontractor of SELLER, SELLER shall cause the subcontractor to execute such undertakings as are necessary to give effect to this provision. SELLER shall give PURCHASER a receipt for property furnished by PURCHASER and shall be responsible for safekeeping and return to PURCHASER upon request, upon termination of the Contract, or upon termination of the services to which such property applies.

17.2 SELLER's Information

Information such as but not limited to all originals of engineering and related data, plans, maps, drawings, computer programs, and specification furnished in any form by SELLER or its subcontractor in connection with the Scope of

Services and Delivery under this Contract shall remain SELLER 's or its subcontractor's proprietary information.

PURCHASER agrees not to use such information only for purposes of verification of the design of the Scope of Services and Delivery, for commissioning, operation, testing, analyses, maintenance, and repairs and the installations at Site and the design and execution of any modification therein or extension thereof and agrees to disclose such information to third parties only for obtaining licenses, permits and other official approvals or as required by mandatory law.

In case of disclosure to third parties, PURCHASER shall cause the party to which information is to be provided to execute such undertakings as are necessary to give effect to this provision, save in the case of disclosure to public authorities where PURCHASER shall limit as far as practicable the scope of information so furnished.

SELLER's proprietary information may not be disclosed to any competitor of SELLER in the field of design and/or construction without SELLER's prior approval.

The ownership for SELLER's software shall remain with SELLER. SELLER grants the PURCHASER a non-exclusive, non-transferable, personal right to use the software and firmware supplied under the Contract for operation, maintenance and repairing the deliveries of the SELLER under this Contract.

SELLER shall have the right to call for arbitration in the event PURCHASER violates Section 17.2, and also to seek and receive provisional ruling awaiting the valid arbitral decision.

- 17.3 The provision of this Article 17. shall not apply to Information, notwithstanding any confidential designation thereof, which is known to the receiving Party without any restriction as to disclosure or use at the time it is furnished, which is or becomes generally available to the public without breach of any agreement, or which is received from a third party without limitation or restriction on said third party or to the receiving Party at the time of disclosure.

18 CLAIMS

Any claim of a Party to the Contract shall be in writing, justified in detail and shall be immediately submitted by the Party through a letter or fax, to the authorized representative of the other Party and in no event later than thirty (30) days after discovery of basis for such claim. In case the basis of the claim is of such a nature that it requires longer claim submittal period, then

this period will be adequately prolonged. The claiming Party will inform the other Party thereof in advance. No claim shall be valid under the Contract if submitted to the other party 30 days after the expiry of the respective warranty period. The Party against whom the claim has been made shall notify the claiming Party of its acceptance or dismissal of the claim within thirty (30) days after the receipt of the claim. If no such notification is received by the claiming Party within the said time, the claim is deemed to have been accepted by the other Party.

All claims shall be resolved satisfactorily within mutually agreed time period.

19 ARBITRATION

- 19.1 Any differences or disputes arising from or in connection with this Contract shall be settled by an amicable effort on the part of both the Parties to the Contract. An attempt to arrive at a settlement shall be deemed to have failed as soon as one of the Parties to the Contract so notifies the other Party in writing.
- 19.2 If an attempt by the parties to arrive at a settlement has failed, any differences or disputes arising out of or in connection with the Contract shall be finally settled in accordance with the Arbitration Rules of the International Chamber of Commerce (Paris) by three arbitrators appointed in accordance with the said Rules. Any such arbitration shall take place in Zurich (Switzerland) and shall be conducted in the English language. The procedural law of this place shall apply where the Rules are silent.
- 19.3 Any arbitral award shall be rendered in writing and be final and binding upon the Parties. To enforce compliance with such arbitration decision, it may be entered in the appropriate court in either SELLER's country or Slovenia, assuming the country otherwise has jurisdiction over the Parties. The arbitral tribunals shall decide on the matter of costs of the arbitration.
- 19.4 All disputes shall be settled in accordance with the provisions of this Contract. Arbitration under this Article is the sole remedy for disputes arising out of the Contract, its performance or the enforcement thereof.
- 19.5 Performance under this Contract shall continue if reasonably possible during any disagreement or court proceeding, and no funds payable to either Party under the Contract shall be withheld on account of such disagreement or proceeding.

20 SUBSTANTIVE LAW

All differences, disputes or claims shall be settled in accordance with the provisions of the Contract, otherwise in accordance with the substantive law in force in Switzerland, without reference to any Swiss conflict of laws and connexity rules incompatible with such choice of law.

21 FORCE MAJEURE

- 21.1 Neither Party to the Contract shall be considered to be in default in the performance of its obligations to the extent that the performance of any such obligation is hindered, prevented or delayed by a Force Majeure circumstance, occurred after entering into the obligations, and which could not be foreseen by the Party in entering into obligations.
- 21.2 A force majeure circumstance shall mean any circumstance existing which is beyond a Party's reasonable control and which is not a result of its fault or negligence, including but not limited to: acts of God, such as storm, flood, or earthquake; acts or omissions of civil or military authority,; war (declared or undeclared), acts or omissions of governmental authority, such as quarantine, embargo, priorities of trade, delay or failure to issue Construction Permit; civil disturbances, such as revolution, rebellion, riots, or insurrection; sabotage, transport accident, fuel or energy shortage, or any other circumstances beyond reasonable control of the Party, which may interfere with the commencement or progress of the Scope of Services and Delivery. The deficiency of labour force and/or defects in material and/or strike of local character with SELLER's suppliers and subcontractors will not be deemed as Force Majeure.
- 21.3 Upon the discovery of the occurrence of any such Force Majeure circumstance, the Party affected by it shall within thirty (30) days of becoming known notify the other Party thereof, and of its estimated effect, by a registered letter, shall use diligent efforts to eliminate such circumstance and mitigate its effects, and shall keep the other Party fully informed of the progress of its efforts. In the notice of the Force Majeure circumstance, the Party shall indicate the cause of the Force Majeure circumstance, its beginning date and anticipated duration with the confirmation by a competent authority, such as Chamber of Commerce, of the validity of the notice. The affected Party shall also notify in the same way the other Party of the termination of the Force Majeure circumstance. However, this communication is dispensed with if the impact of the conditions of Force Majeure on compliance with the contractual obligations becomes obvious to the other Party in any other way. If the circumstances of Force Majeure also affect the postal routes, the thirty (30) days period for notification shall be deemed to

apply only after termination of the obstacles in postal transmission.

- 21.4 The time for the performance of the obligation of the affected Party shall be extended by a time equal to the duration of the Force Majeure circumstance. Any exceptions to the above shall be mutually agreed upon by the Parties.
- 21.5 If either Party is prevented from performance of the Contract for a continuous period in excess of three weeks because of Force Majeure either Party may suspend the Scope of Delivery. If furthermore a Force Majeure impediment exceeds one (1) month individually or three (3) months in aggregate due to Force Majeure the Contract may be terminated if both the Parties agree in writing with such decision provided that neither Party is entitled to any profit on the account of the other Party. The termination shall take effect at the date mutually agreed by the Parties. In case the Scope of Services and Delivery is suspended or terminated, the SELLER shall be paid for the Scope of Services and Delivery performed up to the date of suspension or termination.
- 21.6 Under Force Majeure circumstances, each Party bears its own costs.

22 SUSPENSION OF WORK AND TERMINATION

22.1 Suspension of Work and Termination of Contract by PURCHASER for Default

PURCHASER shall have the right to suspend the Work or any portion of the Work or to terminate the Contract for material default, except for a case of Force Majeure as defined in Art. 21, which shall include the following:

- a) Significant discontinuances and disturbances of SELLER in the progress of the Work which seriously delays the Project Time Schedules provided that termination of Contract may only be possible if the cap of liquidated damages set forth in article 10 is reached, and failure of SELLER to initiate within a reasonable time after PURCHASER's notice to do so the corrective measure to minimize such delays.
- b) SELLER's insolvency or bankruptcy, or other financial inability to carry on the Work.
- c) Failure on the part of SELLER to observe any material requirements of the Contract (not limited to schedule, quality and technology of work), having a direct consequence on the performance of the Contract.
- d) Collusion for the purpose of illegally procuring a contract or perpetrating fraud on PURCHASER in the construction of the Work under this Contract.

PURCHASER shall give SELLER written notice of any default which may be a basis for suspension or termination hereunder, and shall provide SELLER the opportunity to cure or institute acceptable action to cure such default in a period not to exceed thirty (30) days from receipt of such notice. Such suspension or termination notice, if issued, will be by a written order to SELLER whereupon SELLER shall immediately comply therewith. When the Work is suspended for any of the causes itemized above; or for any other cause or causes constituting a material default of SELLER, SELLER shall discontinue the Work or such part thereof as PURCHASER shall designate.

In case of termination PURCHASER shall have the power to complete by Contract or otherwise, as it may determine, the Work herein described or such part thereof as it may deem necessary, and PURCHASER shall have the right to take possession of or use the whole or any portion of the Work completed or then in progress. The expense so charged shall be deducted by PURCHASER out of such monies as may be due or may at any time thereafter become due SELLER under and by virtue of the Contract or any part thereof. PURCHASER shall not be required to obtain the lowest bid for the Work of completing the Contract, but the expenses to be deducted shall be reasonable under the circumstances.

In case such expense is less than the sum which would have been payable under the Contract, if the same had been completed by SELLER, then in such case PURCHASER shall pay to SELLER the difference in the cost, provided that SELLER shall not be entitled to any claim for damages or for loss of anticipated profits. In case such expense shall exceed the amount which would have been payable under the Contract if the same had been completed by SELLER, then SELLER shall pay the amount of the excess to PURCHASER on notice from PURCHASER for excess due. Such amount to be paid by SELLER shall in no event exceed 100% of the Total Contract Price portion of the relevant portion of the Scope of Services and Delivery terminated.

When any particular part of the Work is being carried on by PURCHASER by Contract or otherwise under the provisions of this section, the SELLER shall continue the remainder of the Work in conformity with the terms of the Contract and in such manner as not to hinder or interfere with the performance of workmen employed as above provided by PURCHASER.

SELLER shall not suspend Work without written direction by PURCHASER order of a court, or governmental agency and will not be entitled to additional compensation by virtue of such order. Neither will it be liable to PURCHASER in the event the Work is suspended by such order.

PURCHASER shall have the authority to suspend the Work wholly or in part for such period or periods as it may deem necessary as a result of causes beyond the reasonable control of PURCHASER. If it should become necessary to stop Work for an indefinite period, SELLER shall store all materials in such manner that they will not obstruct or impede activities at the

Site unnecessarily nor become damaged in any way, and it shall take every precaution to prevent damage or deterioration of the Work performed. SELLER shall proceed with the Work promptly when notified by PURCHASER to resume operations. Suspension under this clause shall constitute a change for which SELLER shall be entitled to receive payment for the part of the Works performed up to the date of suspension including all additional costs and expenses demonstrably accruing to SELLER and its subcontractors as consequence of the suspension and shall be entitled to an equitable adjustment of price and schedule. In case the suspension under the present article exceeds 3 months in cumulated, the SELLER shall be entitled to terminate the Contract pursuant to provisions set forth in article 22.2 first paragraph.

22.2 Suspension of Work and Termination of Contract for Convenience by PURCHASER

1. The performance of the Work under this Contract may be terminated by PURCHASER at any time, for its convenience. Any such termination shall be by submittal to SELLER of a written Notice of Termination, which shall be effective upon receipt. In such case, SELLER shall be entitled to such part of the Contract price as reasonably allocable to the Scope of Services and Delivery already executed and to the reimbursement of all expenses demonstrably incurred in the termination of this Contract and subcontracting arrangements..
2. After receipt of a Notice of Termination, and except as otherwise directed by PURCHASER, SELLER shall:
 - a. Stop Work under the Contract on the date specified in the Notice of Termination.
 - b. Place no further orders or subcontracts for materials, services or facilities.
 - c. Terminate all orders and subcontracts.
 - d. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts, with the approval or ratification of PURCHASER to the extent it may require, which approval or ratification shall be final for all purposes of this clause.
 - e. Transfer title to PURCHASER and deliver in the manner, at the times, and to the extent, if any, directed by PURCHASER:
 - 1) The fabricated parts, work in process, completed work, supplies, and other material produced as a part of, or

acquired in connection with the performance of the Work terminated by the Notice of Termination; and

- 2) The completed, or partially completed plans, drawings, information, software and other property (except for SELLER proprietary software) which, if the Contract had been completed, would have been required to be furnished to PURCHASER.
- f. Take such action as may be necessary, or as PURCHASER may direct, for the protection and preservation of the property related to the Contract which is in the possession of SELLER and in which PURCHASER has or may acquire an interest.

At any time after thirty (30) days after the termination date specified in the Notice of Termination, SELLER may submit to PURCHASER a list, certified as to quantity and quality; of any or all items of termination inventory not previously disposed of, exclusive of items the disposition of which has been directed or authorized by PURCHASER, and may request PURCHASER to remove such items or enter into a storage agreement covering them. Not later than fifteen (15) days thereafter, PURCHASER will accept title to such items and remove them or enter into a storage agreement covering the same; provided, that the list submitted shall be subject to verification by PURCHASER upon removal of the items or, if the items are stored, within forty-five (45) days from the date of submission of the list, and any necessary adjustments to correct the list as submitted, shall be made prior to final settlement.

3. After receipt of a Notice of Termination, SELLER shall submit to PURCHASER his termination claim. Such claim shall be submitted promptly but in no event later than five (5) months from the effective date of termination, unless one or more extensions in writing are granted by PURCHASER upon request of SELLER made in writing with such five (5) months period or authorized extension thereof. Upon failure of SELLER to submit his termination claim within the time allowed, PURCHASER may determine, on the basis of information available to it, the amount, if any, due to SELLER by reason of the termination and shall thereupon pay to SELLER the amount so determined, which shall be the sole amount to which SELLER shall be entitled as a result of such termination.
4. Subject to the provisions of paragraph 3 above, SELLER and PURCHASER may agree upon the whole or any part of the amount or amounts to be paid to SELLER by reason of the termination of Work pursuant to this clause, which amount or amounts may include a reasonable allowance for profit on work done; provided that such agreed amount or amounts, exclusive of settlement costs, shall not exceed the

Total Contract Price as reduced by the amount of payments otherwise made and as further reduced by the Contract price of work not terminated. The Contract shall be amended accordingly, and SELLER shall be paid the agreed amount.

5. PURCHASER shall have the authority to suspend the Work wholly or in part for such period or periods as it may deem necessary. For the suspension under this clause SELLER shall be entitled to receive payment for the part of the Works performed up to the date of suspension including all additional costs and expenses demonstrably accruing to SELLER and its subcontractors as consequence of the suspension and shall be entitled to an equitable adjustment of price and schedule. Should such suspension exceed a maximum period of 12 months, SELLER and PURCHASER shall mutually agree how to proceed. If the agreement is not reached SELLER shall be entitled to terminate the Contract within next six months and be entitled to the reimbursement as stated in article 22.2., first paragraph. If it should become necessary to stop Work for an indefinite period, SELLER shall store all materials in such manner that they will not obstruct or impede activities at the Site unnecessarily nor become damaged in any way, and it shall take every precaution to prevent damage or deterioration of the Work performed. SELLER shall proceed with the Work promptly when notified by PURCHASER to resume operations.
 6. Nothing contained in this section shall limit or alter the rights which PURCHASER may have for termination of this Contract under the article hereof entitled Suspension of the Work and Termination of Contract by PURCHASER for Default or any other right which PURCHASER may have for default or breach of Contract by SELLER.
- 22.3 In case of material breach of the Contract by PURCHASER including but not limited to PURCHASER's failure to make payment or PURCHASER's insolvency and if PURCHASER fails to make good such material breach within reasonable time after having been informed by SELLER in writing of such material breach, SELLER may suspend and terminate the Contract. In case of termination, SELLER shall have the remedies available under the applicable law.

In the event of termination as per article 22.3 above, SELLER shall be entitled to receive all payments set forth in article 22.2.1.

23 CHANGES

In case that certain services and supplies are not included in the original Contract, but have become necessary for the completion of the Project and

without difficulties cannot be performed separately from the Contract, according to the Slovenian Public Procurement Act (Article 46) the Contractor is invited for negotiation in accordance with provisions hereunder.

The SELLER shall, at the PURCHASER's request, make changes in design or equipment, material or services, not included in the original Contract, if changes in design, equipment, material or services become necessary for the completion of the Project and cannot be performed separately from the Contract without significant difficulties. In such a case the PURCHASER shall invite the SELLER to negotiations by means of a formal letter, while the negotiations shall be subject to the rules provided in this Article.

Any changes to this Contract shall not have any effect until the SELLER and the PURCHASER have agreed on the price to be paid to the SELLER, the delivery or the performance schedule, Quality Assurance conditions and other affected terms and conditions, so as to reflect any changes in (i) SELLER's efforts which may be required, 2) the scope of work, 3) the time of the performance and the impact on the schedule, 4) the warranties, and 5) the costs to complete.

Upon receipt of the formal letter with the invitation for negotiations, which must include a description of the object of the change and the reasons for such a change, the SELLER shall prepare and submit to the PURCHASER a proposal for a Change Order in written form, which shall:

- a) describe the scope of the proposed change,
- b) quote in term of man-hours, rates, prices or otherwise as appropriate, the estimated increase or decrease in the total price that would result from the implementation out of the requested change,
- c) specify those terms and conditions which are affected by the change, including time for performance and warranties, and
- d) if appropriate, indicate the date on which the SELLER would proceed with the change.

If changes are to be required by any Governmental Agency or Authority, including the United States Nuclear Regulatory Commission, prior to institution of the changes, SELLER and PURCHASER shall agree on the price to be paid to the SELLER for the changes. Such a requirement will constitute an obligation for the PURCHASER to initiate the new public procurement procedure as required and an equitable adjustment shall be made in the Project schedule.

The PURCHASER and the SELLER agree that negotiations for change of this Contract shall be considered an independent procedure in which the SELLER may submit reservations with a technically viable justification or other conditions, insofar as they apply only to the object of the change.

In the event negotiations regarding changes requested by the PURCHASER do not lead to a Change Order but do have an impact on the schedule, the project schedule will be extended appropriately.

The SELLER may propose changes to the PURCHASER, but may not implement them without the prior written consent of the PURCHASER, which the PURCHASER may not deny without well founded grounds if such changes would not adversely affect the SELLER's warranties, the technical soundness of the Work, the safety or the operability of the Plant or the Project Time Schedule.

Any changes to this Contract shall be made in writing; the Parties agree that changes in any other form shall be considered void.

23.1 Change in laws

Any amendment, enforcement or change of interpretation of any Slovenian Government laws, rules, regulations and decrees or other decision and their requirements for compliance as the same shall relate to the Scope of Services and Delivery, whatsoever issued, amended or enforced by any competent authority (including codes and standards and safety regulations) after the date of signature of the Contract will result in an equitable adjustment of price and schedule.

24 ANTI-CORRUPTION CLAUSE

The Contracting Parties shall undertake not to give, promise or receive any present or payment in cash or in any other valuable object to or from each other either directly or indirectly or through any official, officer or any other individual employed in the government or any authority (division, department, agency) or through any political party or any candidate of any political party with the intention of bribing so that any official, officer or any other employee, party or candidate would be tempted to abuse his/her position or to exert influence on any law or any decision made by government or any other competent government department with the purpose to obtain or retain a deal or to direct a deal to a commission agent or to any of his assistants, representatives, distributors, subsidiary companies or any other associated companies. In case the act stated in this paragraph has been committed or attempted to be committed, the Contract that had been concluded or had come into force already shall become null and void. In case the Contract is not valid yet, it shall be deemed not to be concluded.

25 SOCIAL CLAUSE

During their involvement in this public procurement order, economic subjects

shall fulfil all applicable obligations in the field of environmental, social and labour laws, as they are set out in the European Union legislation, national legislation, collective agreements or the rules of international environmental, social and labour regulations and if they do not fulfil the above stated obligations, the Contract will be terminated.

Applicable international social and environmental conventions are listed in Attachment X of EU Directive 2014/24/EU and Attachment XIV of EU Directive 2014/25/EU.

26 OTHER PROVISIONS

Documentation to be submitted for SELLER Team

The documents to be submitted to PURCHASER at the latest 30 days before arrival of SELLER's personnel, including his subcontractors at NEK site are as follows:

Documents needed for NEK's cardkey issuance:

For registration of SELLER's and his subcontractor(s)'s personnel and security vetting of them SELLER shall fill in, sign and submit to PURCHASER the following documents to be previously provided by PURCHASER:

- Request for Entrance Card (6.5-C)
- Written Agreement on Ensuring Collective Occupational Health and Safety, Fire Protection and Environmental Management
- Statement on complying with Act on Ionizing Radiation Protection and Nuclear Safety (6.3-C)
- Agreement with Safety Verification **(6.1-C) ***
- Security Vetting Questionnaire **(6.2-C) ***

**** These documents, completed and signed, should be kept in the personal file of the worker in SELLER's company for five years after the service/work performed at NEK. These forms (including the required attachments) are not requested to be submitted to PURCHASER but should be available at PURCHASER request.***

Labor Permits and Visas

SELLER shall obtain, at SELLER's cost, Slovenian labor permits and visas

required by Slovenian authorities to permit SELLER's personnel to perform the services under this Contract.

27 ASSIGNMENT

No Party shall assign this Contract in whole or in part without the prior written consent of the other Party, which consent shall not be unreasonably withheld.

28 ENTIRE AGREEMENT

The Contract shall constitute the entire and definitive agreement between Parties thereto with respect to the terms and conditions which shall govern. The Contract will supersede all prior written or oral communications between the Parties concerning the subject matter of the Contract which communication upon signature of the Contract by both Parties shall become null and void.

No waiver, alteration or modification of the Contract shall be binding to the Parties unless made in writing and signed by duly authorized representative of the Parties.

29 LANGUAGE

SELLER and PURCHASER agree that the official version of the Contract, the Appendices and the Technical and Quality Requirements shall be in English.

All notices, communications or approvals contemplated hereunder shall be in English.

All Technical Documentation, specifications, drawings, reports specified in the Technical and Quality Requirements and all other documents referred to by this Contract and any of its constituting part are required to be in English.

All SELLER's identified personnel shall be capable to communicate in one of the three languages (Slovenian, Croatian or English). Please, be aware that the knowledge of one of these three languages is a prerequisite to attend and pass the General Employee Training as a precondition for working at NEK.

30 EFFECTIVE DATE OF CONTRACT

The effective date of the Contract shall be the date of the Contract signature by the Parties as provided on the first page of the Contract.

31 NOTICES

Any notice pursuant to this Contract shall be deemed to have been duly made when sent to the following address:

PURCHASER:

Nuklearna Elektrarna Krško
Vrbina 12
8270 Krško
Slovenia
Attention:
For technical issues:

Mr. Jože Kerin
Phone: 00386/7/4802-138
e-mail: joze.kerin@nek.si

Mr. Darijan Vukas
Phone: 00386/7/4802-876
e-mail: darijan.vukas@guest.nek.si

For commercial issues:

Ms. Andreja Deržič
Phone: 00386/7/4802-348
e-mail: andreja.derzic@nek.si

SELLER:

Attention:

For technical and commercial issues:

32 ATTACHMENTS

The following Attachments are constituent integral parts of this Document Part I General Terms and Conditions, as listed below, and are attached hereto.

- ATTACHMENT A:** Bank Good Performance Guarantee or Irrevocable Letter of Credit Issued by SELLER's Bank
- ATTACHMENT B:** Bank Warranty Bond or Irrevocable Letter of Credit Issued by SELLER's Bank
- ATTACHMENT C:** Handover Protocol upon Successful Completion of the Project
- ATTACHMENT D:** Subcontractor's Data and Bidder's Consent for Direct Payment (in case there are any subcontractors and they request direct payment)
- ATTACHMENT E:** Statement of Received Payment for Subcontractor's Part of Services or/and Delivery (if applicable)

In witness thereof the Parties have signed this Contract in two (2) identical originals of which each Party hereto retains one (1).

For SELLER

For PURCHASER:

Nuklearna Elektrarna Krško d.o.o.

Stanislav Rožman
President of the Management Board

Hrvoje Perharić
Member of the Management Board

ATTACHMENT A

BANK GOOD PERFORMANCE GUARANTEE

Bank:.....
.....

having its registered office at (hereinafter referred to as
»Guarantor«) upon request of(hereinafter referred to as »Principal«)
as of this date and based on the decision number
..... hereby issues the following:

GOOD PERFORMANCE GUARANTEE NO.

Contract between Nuclear Power Plant Krško, Vrbina 12 (hereinafter referred to as
»Beneficiary«) and the Principal to which the Guarantee relates:

.....

Total Contract Price: EUR.....

(in words:)

covering schedule, quantity, quality and other terms of the Contract No....

In accordance with the Contract hereby we are issuing to the Beneficiary the Guarantee
to the amount of EUR..... as a guarantee for good performance of the
contractual obligations.

Aggregate maximum amount of the Guarantor's liability:

EUR

(in words:)

Based on the Principal's request, we, the undersigned being the Guarantor under the
present guarantee hereby guarantee that the Principal shall perform its contractual
obligations as to the quantity, quality and schedule.

If the Principal fails to perform its above contractual obligations, we undertake, subject to
no other conditions than those specified in this document, waiving expressly all rights of
objection and defence, to pay to the above Beneficiary upon his first written request the
amount of:

EUR

(in words:)

Our obligation to pay is valid also in cases of partial fulfilment of contractual obligations when the guaranteed quality, quantity and schedule have not been met completely.

The payment shall be made within fifteen (15) days from receipt by the Bank of the first written request accompanied by a copy of the letter sent to the Principal giving him notice that he is in breach of its obligations under the Contract.

The Guarantee shall be valid from the date of issuance of this Guarantee till

After the expiry of the Guarantee validity, the Guarantee becomes null and void regardless its return to the Guarantor.

The Guarantee can be used by the Beneficiary only or his legal successor.

The Guarantee is governed by the ICC Uniform Rules for Demand Guarantees No. 758.

The Guarantee has been issued in 3 copies: 2 for the Principal (who will submit one original to the Beneficiary) and one copy shall be kept by the Guarantor.

Signature and Date :
Guarantor:.....

ATTACHMENT B

TYPE OF GUARANTEE: Warranty Bond/ Guarantee

GUARANTEE NO.: (draft)

THE GUARANTOR:

THE APPLICANT:

THE BENEFICIARY:

THE UNDERLYING RELATIONSHIP: The Applicant's obligation during warranty period in respect of the Agreement No. dated concluded between Beneficiary and the Applicant for at a total price of EUR
According to the Conditions of the above Agreement a Warranty Guarantee in the amount of% of the total contractual price, i.e. EUR, is required.

GUARANTEE AMOUNT AND CURRENCY: EUR
(in words: Euro/100)

ANY DOCUMENT REQUIRED IN SUPPORT OF THE DEMAND FOR PAYMENT, APART FROM THE SUPPORTING STATEMENT THAT IS EXPLICITLY REQUIRED IN THE TEXT BELOW: none

FORM OF PRESENTATION: Paper presentation only by registered mail or any courier service. The demand must be presented through the intermediary of your bank confirming that your signature(s) on your demand for payment appear to conform to specimen(s) held in your bank's records.

PLACE FOR PRESENTATION:

EXPIRY:

As Guarantor, we hereby irrevocably undertake to pay the Beneficiary any amount up to the Guarantee Amount upon presentation of the Beneficiary's complying demand, in the form of presentation indicated above, supported by such other documents as may be listed above and in any event by the Beneficiary's statement, whether in the demand itself or in a separate signed document accompanying or identifying the demand, indicating in what respect the Applicant is in breach of its obligations under the Underlying Relationship.

Beneficiary's statement must state, that the Applicant after the receipt of request to make good a deficiency in the warranty period under the Underlying Relationship, hasn't fulfilled his contractual warranty obligations under the Underlying relationship.

Any demand under this Guarantee must be received by us on or before Expiry at the Place for presentation indicated above.

This guarantee is subject to the Uniform Rules for Demand Guarantees (URDG) 2010 Revision, ICC Publication no. 758.

Name and address of the Beneficiary

Date

Or

**IRREVOCABLE LETTER OF CREDIT ISSUED BY SELLER'S BANK
(SPECIMEN FORM FOR CONTRACT PERFORMANCE GUARANTEE)**

With the same obligations as stated in the above bank guarantee.

ATTACHMENT C

HANDOVER PROTOCOL UPON SUCCESSFUL COMPLETION

We hereby certify that the Project DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING at NPP Krško has been successfully completed fully in line with the scope, schedule, delivery time and other terms and conditions stipulated in the Contract No.....- and is operationally and functionally satisfying the requirements as stated in Technical Specification SP-ES1307.

The list of all open Project deficiencies reports (no deficiency shall affect general operability of the system) is attached hereto (if applicable).

The list of remaining non-installed items of hardware with relevant technical/QA documentation and part numbers and other details necessary for warehouse acceptance which shall be moved to PURCHASER's warehouse with the transfer of Title and Risk of Loss is attached to this Protocol (if applicable).

The date on which all the requirements as stated in Art. 9 of the Contact No. have actually been met and consequently the date and exact hour on which the warranty period commences is:.....

Date:

For SELLER

Date:

For PURCHASER

ATTACHMENT D

SUBCONTRACTOR'S DATA AND BIDDER'S CONSENT FOR DIRECT PAYMENT (in case there are any subcontractors and they request direct payment)

Bidder.....

We declare that we will engage below stated subcontractor for the part of the Scope of Services and Delivery under the Contract for DELIVERY AND INSTALLATION OF DOORS FOR OSC BUILDING

.....
Name and head office:

.....
TAX number:

.....
Registration number:

.....
IBAN:

Statutory representative:
.....

Scope of Services and Delivery to be performed by subcontractor:

.....
Value of the services and delivery to be performed by subcontractor:

.....without VAT..... with VAT

Place of performance of work:
.....

Deadline for performance of work:
.....

We declare to be engaged in above stated Scope of Services and Delivery performance as subcontractor to the SELLER.

Please indicate your option:

1. We request to be paid directly by Purchaser at our account number, for our part of performed scope of Services and Delivery based on the invoice approved by the SELLER.
2. We do not request to be paid directly by Purchaser and therefore we declare that we are informed that no later than 60 days after signing the hand over protocol we and the SELLER need to submit the Statement Att.11 of this Bidding Documentation to Purchaser that we have been reimbursed for the performed services, delivery and/or civil works

With signature of this statement we declare the fulfillment of the following conditions:

- subcontractor fulfills all the conditions requested with this Bidding Documentation for his part of the work, delivery or civil works.

We authorize the Purchaser to acquire the necessary data for this public procurement process, which will confirm the fulfillment of the above conditions.

Place and date:

Stamp:

Bidder's Signature:

Subcontractor's Signature:

ATTACHMENT E

**STATEMENT OF RECEIVED PAYMENT FOR SUBCONTRACTOR'S PART OF
SERVICES, DELIVERY OR/AND CIVIL WORKS (if applicable)**

CONTRACTOR:_____

and

SUBCONTRACTOR:_____

hereby declare that the Subcontractor stated above has received all payments
due for his part of the services, delivery and/or civil works under the Contract
No._____

for the_____.
(subject of the public tender)

Place and Date:

Stamp:

Bidder's Signature:

Subcontractor's Signature:

In accordance with article 94.6 of ZJN-3, the Purchaser shall receive this statement in 60
days after the main Contractor issues the final invoice.