DRAFT CONTRACT

For

AMSAC REPLACEMENT (mod. 1194-AM-L)

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. Saša Medaković, 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:

AMSAC Replacement (mod. 1194-AM-L)

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:

AMSAC Replacement (mod. 1194-AM-L)

(hereinafter referred to as "**AMSAC Replacement**")

The following documents shall constitute the Contract:

- **PART I: - General Terms and Conditions (this Document)**
- **PART II – NEK Technical Specification No.: SP-F3021, Rev. 1 for AMSAC Replacement (hereinafter referred to as "TS SP-F3021")**
- **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. Saša Medaković, 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-F3021, Rev. 1 *(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-F3021, Rev. 1 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 channeled.

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

SP-F3021, Rev. 1 *or* ***TS SP-F3021, Rev. 1*** *shall* mean Technical Specification No. SP-F3021, Rev. 1 for AMSAC Replacement

TURN-KEY (for Project, Contract, etc.) shall mean that the required scope shall encompass all required analysis, design engineering work, civil work, material procurement, manufacturing, transportation including on the site unloading,

installation/erection, required system testing activities necessary to perform design, perform removal of the existing system and successfully erect and declare full operability of the new AMSAC system on the PURCHASER site. The scope of services shall be completed physically and functionally in a way that all performance criteria proposed by SELLER and accepted by PURCHASER including other requirements of the Technical Specification and documentation referenced by it are achieved and met.

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 equipment, spare parts, consumables and materials together with required software and firmware 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

1 SELLER'S SCOPE OF SERVICES AND DELIVERY

SELLER shall perform the service and delivery fully in accordance with SP-F3021, Rev. 1 and other contractual documentation. The Scope of Services and Delivery entails but is not limited to the following:

A. Base Scope of Services

a) Engineering and design activities as stated in *SP-F3021, Rev. 1*, Sections 3.2.11 and 3.2.15,
b) Site activities (demolition, installation, commissioning and testing) as stated in *SP-F3021, Rev. 1*, Sections 3.2.12 and 15,
c) Packing, shipping and storage services as stated in *SP-F3021, Rev. 1*, Section 3.2.13,
d) Training as stated in *SP-F3021, Rev. 1*, Sections 3.2.16 and 32.

B. Equipment Delivery

a) Delivery of Hardware and Software in accordance with SP-F3021, Rev. 1,
b) Delivery of spare parts as stated in SP-F3021, Rev. 1, Section 3.2.14.

Detailed description of SELLER's Scope of Services and Delivery is given in SP-F3021, Rev. 1 and contractual documentation.

Personnel

The personnel shall be trained and certified to perform all required tasks as defined by this Turn Key Project and as required in Section 17 of NEK Technical Specification SP-F3021, Rev. 1.

Turnkey principle

SELLER shall perform all engineering, necessary to develop modification packages, components dismantling, installation and modification work including the supply of all necessary hardware and software all in accordance with the SP-F3021, Rev. 1 and provisions of this Contract. SELLER shall be responsible, in compliance with the requirements of SP-F3021, Rev. 1 and all referenced documents including PURCHASER's relevant procedures, listed in SP-F3021, Rev. 1, 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, software or services not specially included in the Contract shall be deemed to be included in SELLER's offer undertaking that their inclusion is required to make the hardware supplied physically or functionally complete meeting all performance criteria in accordance with SP-F3021, Rev. 1 and this Contract.

All modification packages shall comply with the codes and standards approved for use by PURCHASER, affecting the scope of work to be performed.

During engineering and design the SELLER shall 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, removal, erection, quality assurance/quality control, welding, painting/coating, insulation, etc.) as required by the SP-F3021, Rev. 1.

The SELLER shall be responsible for installing turnkey supplied Hardware so that it is complete and integrated with the existing interconnections and structural support system in accordance with SP-F3021, Rev. 1 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 the existing hardware to be replaced and installation of the new equipment, as well as assistance to licensing and operation of the supplied Hardware as required by the SP-F3021, Rev. 1.

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-F3021, Rev. 1 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-F3021, Rev. 1 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 "Rules on radiation and nuclear safety (JV 5)" Article 67 (assessment of subcontractors and suppliers), 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-F3021, Rev. 1 requirements and the contractual documents.

Since SELLER retains full responsibility for all aspects of subcontractors' 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 Design Modification Packages in accordance with NEK procedures.
Such qualified companies (subcontractors) shall ensure support in the engineering phase as well as installation and support phase with 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's 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-F3021, Rev. 1* Section 3.3.

3 QUALITY ASSURANCE, TECHNICAL AND OTHER REQUIREMENTS

SELLER shall meet all quality assurance requirements, design, performance, material, fabrication and technical requirements as well as comply to procedures, codes and standards as stated in SP-F3021, Rev. 1.

4 DELIVERABLES TO BE PROVIDED TO PURCHASER

SELLER shall submit to PURCHASER all deliverables as stated in SP-F3021, Rev. 1.

5 SCHEDULE REQUIREMENTS

Schedule Completion Milestones are given in SP-F3021, Rev. 1, Section 34.1

Critical milestones for the Project are:

Item	***Milestone description***	***Delivery schedule***
1.	Design inputs approval	October 2020
2.	Design review completion	January 2021
3.	DMP submittal	September 2021
4.	DMP approval by NEK	December 2021
5.	IP submittal	January 2022
6.	Factory Acceptance Test	March 2022

7.	Delivery on Site	May 2022
8.	Installation (plant outage – 10 days)	October 2022
9.	TOP submittal	January 2023

6 DELIVERY TERMS AND CONDITIONS

Hardware as well as all other deliverables part 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. The Scope of Delivery items shall be packed and loaded in the manner that allows for easy offloading from the plane or ship to the truck and finally from the truck to NPP Krško warehouse.

Delivery of shipping documents

As soon as possible, but not later than 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 own 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 at SELLER's cost without delay from NEK site and insurance of them also during the stay at NEK site.

Equipment security screening

NEK is unable to accept equipment delivery without security screening onsite. The SELLER is required to provide personnel or an authorized representative to be present during security screening of equipment delivery at NEK site. Equipment presented for delivery without an authorized representative will not be admitted to site. The individual shipping containers should be sealed with security seals and accompanied by a Security Inspection Letter.

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. VAT)

(*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***	***Price / EUR (EU origin)***	***Price / EUR (non EU origin)***
A	**Services**		
1	**Engineering and design activities** (as stated in *SP-F3021, Rev. 1*, Section 3.2.11 and Section 3.2.15)		
2	**Site activities** (as stated in *SP-F3021, Rev. 1*, Section 3.2.12 and Section 15)		
3	**Packing, shipping (DAP) and storage services** (as stated in *SP-F3021, Rev. 1*, Section 3.2.13)		
4	**Training** (as stated in *SP-F3021, Rev. 1*, Section 3.2.16 and Section 32)		
B	**Hardware**		
5	**Hardware (and Software)** (in accordance with SP-F3021, Rev. 1.)		
6	**Spare Parts** (as stated in SP-F3021, Rev. 1, Section 3.2.14)		
	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 fifteen (15) days from the receipt. If the invoice is not rejected within fifteen (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 Invoice Date
1	PMM and PQP submittal	2,5%	October 2020
2	Design inputs approval	2,5%	October 2020
3	DMP submittal	20%	September 2021
4	DMP approval by NEK	10%	December 2021
5	IP submittal	10%	January 2022
6	Factory Acceptance Test	10%	March 2022
7	Installation (plant outage – 10 days)	40%	October 2022
8	TOP submittal	5%	January 2023
	SUM	100	

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.

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

The SELLER shall authorize 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 thirty (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 5% 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 thirty (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 & HANDOVER PROTOCOL

All tests and inspections shall be performed in accordance with SP-F3021, Rev. 1.
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 ten (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;
(iii) no open deficiencies of 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 FOR DELAY

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:

- 1% of the Fixed and Firm Total Contract Price per entire week (7 days) of delay in delivery as per Art. 5, Items 3, 5 or 7 starting after additional grace period (as long as it does not jeopardize the 2022 outage activity of AMSAC system equipment installation and commissioning) that may be granted by PURCHASER.

- 1% of the Fixed and Firm Total Contract Price per entire hour of delay in equipment installation and commissioning window as per Art. 5, Item 5

Liquidated damages for delay as set forth above shall not exceed, in aggregate 10% of the Fixed and Firm Total Contract Price set forth in Article 7.1

Liquidated damages for delay shall be the sole and exclusive remedy for PURCHASER in case of delay.

10.2 Liquidated damages for performance

SELLER warrants to PURCHASER that upon HOP of the Project, the Hardware delivered under this Contract and the services performed shall meet all performance requirements as required per SP-F3021, Rev. 1.

Total liquidated damages with respect to the failure in performance as set forth above shall be limited to 10% of the Total Contract Price as per Article 7.
SELLER shall, at SELLER's cost, repair or supply and install replacement equipment as soon as possible but not later than during the next NEK outage (18 months after installation).

SELLER’s total liability for liquidated damages for delay and performance as per Art.10 shall be limited to 15% of the Total Contract Price as per article 7.

10.3 Liquidated Damages for Violation of Safety at Work (SaW), Fire Protection (FP) and Foreign Material Exclusion (FME) Rules and Regulations

SELLER shall pay liquidated damages for the violation of the Safety at Work and FME rules and regulations as follows:
• 1000 € for each and every evidence of violation of SaW, FP and FME program rules and regulations
• 2000 € for each repeated case of violation of SaW, FP and FME rules and regulations. In cases of repeated violation of the above rules and regulations, disobedience of NEK rules of behavior or instructions and warnings from NEK guards and technical personnel, PURCHASER shall order the violator to leave

NEK Site and ask the SELLER for immediate replacement worker.
Violators will also be removed from NEK Site in cases of violating the provisions of:

- Act on Protection against Ionizing Radiation and Nuclear Safety
- Slovenian Law on Safety and Health at Work,
- NEK outage manual safety provisions
- Provisions of Security Vetting procedures for unescorted access to NEK

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.

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-F3021, Rev. 1 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-F3021, Rev. 1 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 _____ (at least five (5) years) starting 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 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 _____ (at least five (5) 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 shall, without cost to SELLER, 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

12.7 SELLER is obliged to ensure the delivery of required repair/remedy services, replacement parts and software upgrades for the AMSAC system for the period of at least 20 years of operation after system delivery. 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.

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-F3021, Rev. 1. 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 ("Indemnitee") 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 "Indemnitee") harmless from any claim, loss, damage, liability or expense on account of damage to the property of and/or injury (including death) to the Indemnitee 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, loss of or damage to the Plant and to any property at the Site (including third parties or PURCHASER's property), except if the loss of or damage to the Plant and to any property at the Site (including third parties or PURCHASERS's property) was caused willfully or by gross negligence by Indemnified Parties as defined in Article 15.1,
- 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 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.

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 sixty (60) 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 Bank

Guarantee for Good Performance During Warranty Period**.**

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 (excluding negligence), strict liability or otherwise shall in no event exceed 100% of the Total Contract Price.

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**

NEK has proprietary interest in all of the drawings, specifications, documents, information or know-how which may be furnished pursuant this contract execution and in any know-how, improvement, discovery or invention which may be made, developed, or conceived in the performance of the work hereunder or which may arise or result therefrom (hereinafter collectively referred to as the "information"). All such information shall be considered to be proprietary to the NEK. The right to use such information shall be transmitted to the CONTRACTOR only for its personnel use and shall be entirely restricted to the performance of the contract and subject to the confidentiality provision.

PURCHASER agrees 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 thirty (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 (3) 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 Parties when 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 (3) 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 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, SELLER's insolvency or bankruptcy, or other financial inability to carry on the Work.

b) 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.

c) 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. SELLER shall store all the Work in such way that it does not impede or obstruct activities on Site or get damaged or deteriorate. SELLER shall proceed with Work promptly when notified by PURCHASER to resume operations. SELLER shall not be entitled to receive payments for additional costs and expenses as consequence of suspension.

In case of termination PURCHASER shall have the power to complete the Work herein described or such part thereof as it may deem necessary at the expense of the SELLER. Such expense shall be deducted by the PURCHASER from any payments due to the SELLER. If there are no payments due, the SELLER shall reimburse the PURCHASER such amounts. SELLER shall store all the Work in such way that it does not impede or obstruct activities on Site or get damaged or deteriorate 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 and SELLER shall transfer the title of such Work to PURCHASER. SELLER shall be entitled to such part of the Contract price as reasonably allocable to the Scope of Services and Delivery already executed and shall not be entitled to any claim for damages or for loss of anticipated profits.

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.

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

The performance of the Work under this Contract may be suspended or terminated by PURCHASER at any time, for its convenience. Any such suspension or termination shall be by submittal to SELLER of a written Notice of Termination, which shall be effective upon receipt.

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 schedule. Should

such suspension exceed a maximum period of twelve (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 (6) months and be entitled to the reimbursement as stated in article 22.2., 3rd paragraph. During suspension 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.

In case of termination, SELLER shall be entitled to:

1) such part of the Contract price as reasonably allocable to the Scope of Services and Delivery already executed and to
2) to reimbursement of all direct and documented expenses demonstrably incurred, including demobilization costs, in the termination of this Contract and SELLER's supplies and subcontracting arrangements.

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. Use its reasonable efforts to sell, in the manner, at the times, to

the extent, any property of the types referred to in e above; provided, however, that SELLER:

1) Shall not be required to extend credit to any PURCHASER and
2) May acquire any such property under the conditions prescribed and at a price or prices approved by PURCHASER;

   And provided further, that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by PURCHASER to SELLER under this Contract or shall otherwise be credited to the price or cost of the Work covered by this Contract.

g. 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.

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.

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 be entitled to receive all payments set forth in article 22.2., 3rd paragraph.

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 can be 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:
1) 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 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 (applicable only for field services)

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

<u>Documents needed for NEK's cardkey issuance</u>:

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 Entry 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)
- Security Vetting Certificate *****

* ***The security vetting shall be performed by Ministry of the Interior of the Republic of Slovenia in compliance with the provisions of Article 155. of ZVISJV-1 and appendices of ADP-1.8.005, revision 5. The employer sends an application for carrying out a security vetting of his employees to the Ministry of the Interior of the Republic of Slovenia***

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.

SELLER shall also, at SELLER's cost, obtain the approval from Slovenian Nuclear Safety Administration (SNSA) at the Ministry for Environment and Energy that SELLER has obtained license in his country to work in the radiation controlled area under conditions and in accordance with procedures equivalent to conditions and procedures as required under the Slovenian Act on Ionising Radiation Protection and Nuclear Safety.

Documents needed for the Employment Service of Slovenia (applicable only for field services for Contractors from EU)
In accordance with the Transnational Provision of Services Act, the foreign employer from EU is required to register with the Employment Service of Slovenia, before starting to provide services, and provide information about:

1. the company name and seat or the address of the employer;
2. the name and date of birth of the responsible person for the employer;
3. the names, dates of birth and citizenships of the posted workers and the addresses of their residences in the Republic of Slovenia (RS);
4. the name and date of birth of the posted worker who will be a liaison between the foreign employer and the competent supervisory bodies,

when appropriate;
5. the type of service;
6. the duration of performing the service;
7. the address or the location of providing services;
8. the company name, the name and seat or the address of the client.

A foreign employer from EU is required to ensure that when he posts his workers to the RS, the following documents are kept on the location where the activity is carried out and can be provided for inspection at the request of the supervisory body:

a) a copy of the act of posting or a copy of the contract between the client and the service provider and their translation into Slovenian,
b) a certificate of submitted registration of the provision of services,
c) copy from appropriate register showing company's economic activities with translation into Slovenian,
d) certificate of registering trade in accordance with law regulating trades or certificate of company formation in state of employment with their translation into Slovenian,
e) copies of employment contracts and their translations into Slovenian,
f) copies of payroll lists and their translation into Slovenian,
g) register of presence and its translation into Slovenian,
h) documents in the field of Industrial Safety and their translation into Slovenian,
i) proof of wages paid out or copies of equal documents for all posted workers and their translation into Slovenian, and
j) A1 Forms

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./Ms. …….
Phone: 00386/7/4802-…
e-mail: …….@nek.si

For commercial issues:
Ms./Mr. …….
Phone: 00386/7/4802-…
e-mail: …….@nek.si

SELLER:

Attention:

For technical issues:
Mr./Ms. …….
Phone: …….
e-mail: …….

For commercial issues:
Ms./Mr. …….
Phone: …….
e-mail: …….

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

Saša Medaković
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 defense, 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 fulfillment 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 three (3) copies: two (2) for the Principal (who will submit one (1) original to the Beneficiary) and one (1) copy shall be kept by the Guarantor.

Signature and Date : .....
Guarantor:.....

ATTACHMENT B

BANK WARRANTY BOND OR
IRREVOCABLE LETTER OF CREDIT ISSUED BY SELLER'S BANK

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 AMSAC Replacement (mod. 1194-AM-L) 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-F3021, Rev. 1.

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:	Date:
For SELLER	For PURCHASER

ATTACHMENT D

SUBCONTRACTOR'S DATA AND BIDDER'S CONSENT FOR 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
……
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 <u>request to be paid directly</u> 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 <u>do not request to be paid directly</u> by Purchaser and therefore we declare that we are informed that no later than sixty (60) days after signing the hand over protocol we and the SELLER need to submit the Statement Att.E 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 sixty (60) days after the main Contractor issues the final invoice.