

## D) CONDITIONS OF CONTRACT

### GENERAL CONDITIONS OF CONTRACT

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Zvolenská teplárenská, a.s.

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Zvolen District Heating Project

Procurement of DH plant rehabilitation works, supply and installation of biomass and gas boilers

The Conditions of Contract, Part A: General Conditions shall be those forming Volume II.i of the “Conditions of Contract for Plant & Design-Build (First Ed., 1999) – Yellow Book” prepared by the *Fédération Internationale des Ingénieurs-Conseils* (FIDIC). These Conditions are subject to the variations and additions set out in Volume II.ii hereof entitled “Particular Conditions of Contract” (PCC).

Copies of the FIDIC Conditions of Contract can be obtained from:

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P.O. Box 86  
1000 Lausanne 12  
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Facsimile: 41 21 653 5432  
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And the FIDIC official web site

[WWW.FIDIC.ORG](http://WWW.FIDIC.ORG)

## **Particular Conditions of Contract (PCC)**

The following Particular Conditions of Contract shall supplement the GCC. Whenever there is a conflict, the provisions herein shall prevail over those in the GCC.

### **Sub-Clause 1.13 Compliance with Laws**

(a) the Employer shall have obtained (or shall obtain) the planning, zoning or similar permission for the Permanent Works, and any other permissions described in the Employer's Requirements as having been (or being) obtained by the Employer; and the Employer shall indemnify and hold the Contractor harmless against and from the consequences of any failure to do so; and

(b) the Contractor shall give all notices, pay all taxes, duties and fees, and obtain all permits, licences and approvals, as required by the Laws in relation to the design, execution and completion of the Works and the remedying of any defects; and the Contractor shall indemnify and hold the Employer harmless against and from the consequences of any failure to do so. The Contractor's obligation does not apply to the construction permit and environmental impact assessment (EIA) in relation to the Works, where the Employer already undertook to obtain said permit and EIA before the contract award, unless the Contractor in his designs deviates from the initially prepared designs to the degree that amendment to or re-issuance of the construction permit and EIA process are required.

### **Sub-Clause 3.1a Management Meetings**

The Engineer or the Contractor's Representative may require the other to attend a management meeting in order to review the arrangements for future work. The Engineer shall record the business of management meetings and supply copies of the record to those attending the meeting and to the Employer. In the record, responsibilities for any actions to be taken shall be in accordance with the Contract.

### **Sub-Clause 4.2 Performance Security**

At the end of the second paragraph of Sub-Clause 4.2, insert:

If the Performance Security is in the form of a bank guarantee, it shall be issued either (a) by a bank located in the Country, or (b) directly by a reputable foreign bank acceptable to the Employer and located in the European Union. If the Performance Security is not in the form of a bank guarantee, it shall be furnished by a financial entity registered, or licensed to do business, in the Country.

### **Sub-Clause 4.3 Contractor's Representative**

At the end of Sub-Clause 4.3, add:

The Contractor's Representative and all these persons shall also be fluent in Slovak (fluency in Czech as a mutually intelligible language is an acceptable substitute).

#### **Sub-Clause 4.4                      Subcontractors**

At the end of Sub-Clause 4.4, add:

(d) The Engineer shall give the Employer not less than 14 days' notice of the intended date of the commencement of each Subcontractor's work; the Engineer shall not provide consent stipulated under letter (b) until the Employer had at least 5 days' time to advise or object.

#### **Sub-Clause 4.18                  Protection of the Environment**

At the end of Sub-Clause 4.18, add:

The Contractor shall acquaint themselves with the Environmental and Social Action Plan developed for the Zvolen District Heating Project by an independent consultant in October 2019, and shall observe all prescribed actions and limitations related to the Works, the Equipment and the Site, and to other aspects of the project where the Contractor's cooperation and compliance may be required.

The Contractor shall acquaint themselves with the environmental and social policies and provisions stipulated in the Facility Agreement between Zvolenská teplárenská a.s. and the International Investment Bank related to the Zvolen District Heating Project and observe them throughout preparation, execution, and commissioning of the Works, to the extent that these policies and provisions apply to the scope of Works and the Contractor's obligation of reasonable care and protection of the Employer's interests.

#### **Sub-Clause 5.1                      General Design Obligations**

At the end of Sub-Clause 5.1, add:

The Contractor will be presumed to have acquainted themselves with the designs prepared by an independent engineer for the originally intended project implementation approach under Red FIDIC. The Contractor shall not deviate from these designs in preparing their own detailed designs (based on the Employer's Requirements) in a way that would invalidate the construction permit and environmental permit (EIA) that will be in the process or already issued by the Base Date. If changes are required to these permits or the ongoing approval processes because the Contractor's proposed designs would deviate materially from the designs that were the basis for requesting the permits, the additional time and cost shall not constitute basis for a variation order and shall be entirely the risk and responsibility of the Contractor.

#### **Sub-Clause 5.2                      Contractor's Documents**

At the end of Sub-Clause 5.2, add:

Those designs and Contractor's Documents that are required for communication with authorities of the Slovak Republic, such as toward obtaining regulatory approvals, shall be also prepared in Slovak language irrespective of language of communication in this Contract. It is understood that in case of these documents, their Slovak version shall prevail.

**Sub-Clause 6.7                      Health and Safety**

At the end of Sub-Clause 6.7, add:

The Contractor shall acquaint themselves with the Environmental and Social Action Plan developed for the Zvolen District Heating Project by an independent consultant in October 2019, and shall observe all prescribed actions and limitations related to the Works, the Equipment and the Site, and to other aspects of the project where the Contractor's cooperation and compliance may be required.

**Clause 7                                      Plant, Materials and Workmanship**

All Goods, except those already offered in the Contractor's technical proposal in response to the tender and not objected by the Employer, shall have their origin in a member country of the International Investment Bank, unless exempted by the Employer or the Bank in writing on the basis of potential excessive costs or delays. Surety, insurance and banking services beyond those defined by the Contractor in its technical proposal in response to the tender, shall be provided by insurers and bankers from the Bank's member countries.

**Sub-Clause 8.1                              Commencement of Work**

Replace "42" with "21". The corrected sentence shall read as follows:

The Commencement Date shall be within 21 days after the Contractor receives the Letter of Acceptance.

**Sub-Clause 8.3                              Programme**

Replace "28" with "14" in the first sentence. The corrected sentence shall read as follows:

The Contractor shall submit a detailed time programme to the Engineer within 14 days after receiving the notice under Sub-Clause 8.1.

Replace "21" with "7" in the 2<sup>nd</sup> paragraph. The corrected sentence shall read as follows:

Unless the Engineer, within 7 days after receiving a programme, gives notice to the Contractor stating the extent to which it does not comply with the Contract, the Contractor shall proceed in accordance with the programme, subject to his other obligations under the Contract.

**Sub-Clause 8.7                              Delay Damages**

There are 2 types of delays when the Employer shall be entitled to be compensated for the delay damages.

- a) Delay in completing of the intermediate milestones.

In case of delay of the Contractor in completing milestones as defined below, the Employer shall be entitled to demand payment of the contractual penalty by the Contractor in the following amount:

No.	Milestone event	Milestone completion date	Document evidencing completion	Contractual penalty
1.	Basic Design provided for Approval to the Employer		Basic Design documents package compliant with requirements of ANNEX A4 handed over by Contractor (hand over protocol signed by Employer )	0.01 % of the Contract Price for each full week of delay
2.	Input documentation for the permit to put the Plant in temporary operation		Acceptance protocol signed by the Employer	0.05 % of the Contract Price for each full week of delay
3.	Mechanical completion of the Works reached		Mechanical completion confirmed by Completion Acceptance Certificate signed by the Employer	0.4 % of the Contract Price for each full week of delay
4.	TEST ON COMPLETION - start of the Complex Testing			0.5 % of the Contract Price for each full week of delay

Contractual penalties accrued and/or paid by the Contractor as per this Article a) shall be cancelled/returned back to the Contractor in case the signature of the TAKING OVER CERTIFICATE is achieved without delay.

b) Delay in completing the Works till the of signature of the TAKING- OVER CERTIFICATE

The Employer shall be entitled, without prejudice to its other remedies under the Contract, to demand payment of the contractual penalty by the Contractor in the amount of 0.7 (point seven) % of the Contract Price for each full week of Contractor's delay with completing the Works (i.e., signature of the TAKING-OVER CERTIFICATE by the Employer).

#### **Sub-Clause 9.4 Failure to Pass Tests on Completion**

See Annex A 6 Guarantees, which becomes integral part of the PCC under this sub-clause.

**Sub-clause 11.4****Failure to remedy Defects**

If a defect results in an shutdown of the Plant or cause shutdown or limits the ability to operate the Works, the time of the Contractor's reaction to the reported defect, i.e. the time period after which the Contractor takes its position regarding the reported malfunctioning and provides the Employer with the procedure to follow, by electronic mail, shall not exceed 12 hours from receipt by the Contractor of the Employer 's notification by electronic mail with the description of the defect.

In the event described in this Article, the Contractor shall commence remedial action to remove the defect within a maximum of 24 (twenty four) hours from the Employer's notification in electronic form and shall remedy the defect as soon as possible, however in any case not longer than the time-limit for commencing removal of defects or time-limit for removal of defects agreed between the Parties. If the Contractor does not remove the defect by the deadline, the Contractor shall be required to pay the contractual penalty referred to in Article c) hereof.

**Contractual Penalties**

The Employer shall be entitled to demand payment of contractual penalties by the Contractor in each of the following cases due to fault of the Contractor:

- a) In case of failure to present way of removal of defects, failure to commence remedial action to remove a defect in performed Works, failure to carry out a reparation of or failure to replace a defective element within the time-limits set forth in Article to Sub-Clause 11.4 hereof, the Employer shall be entitled to demand payment of the contractual penalty by the Contractor in the amount of 0.005 (point double o five) % of the Contract Price for each commenced hour of delay. Contractual penalties in compliance with this c) shall be calculated as a sum of all accrued contractual penalties for whole duration of the DEFECT NOTIFICATION PERIOD and shall fall due upon expiry of the DEFECT NOTIFICATION PERIOD .

## PENALTIES FOR GUARANTEE

In case of failure to achieve the GUARANTEED PERFORMANCE PARAMETERS of the Plant by the Contractor, the following contractual penalties shall be payable by the Contractor

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
1.1	Thermal Output District Heating Station – Part Heat Exchangers	EUR 50 000 per each 100KW below guaranteed value	less than 39,499 MW <sub>t</sub>

### 1.2 Steam boilers – biomass firing

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.2.1	Each Boiler Nominal Steam Power (BMCR)	EUR 50,000 per each 0.1 t/h below of the guaranteed value	2 percentage points lower than guaranteed
1.2.2.	Nominal pressure at BMCR	n/a	
1.2.3	Nominal steam temperature for the range 50 -100 % BMCR	EUR 50 000 per each 5°C outside of guaranteed value range	
1.2.4	Each Steam boiler efficiency (range 75 - 100%)	EUR 50,000 for each full 0.2 percentage point below guaranteed figure	Less than 85,5
1.2.5	Maximal surface blow down % of FW flow to keep quality of the water -steam cycle at BMCR	EUR 25,000 per each full 0.1 percentage point of exceeding guaranteed max. surface blow down	
1.2.6	Each boiler unburned Carbon Loss in Bottom Ash for the range 60 -100% BMCR	EUR 15,000 per each full 0.1 percentage point of exceeding guaranteed value	
1.2.7	Maximum temperature of bottom Ash at boiler discharge for each boiler	EUR 100 000 per each 20°C exceeding guaranteed value	
1.2.8	Maximum Oxygen content in flue gas	EUR 10,000 per each full 0.1 percentage	

	downstream of Fly ash precipitator ( dry gas ) for each boiler	point of exceeding guaranteed value	
1.2.9	Minimal flue gas temperature above flue gas dew point for the range 25 -100% BMCR for each boiler	EUR 100,000 per each 5°C below of the guaranteed value	
1.2.10	Maximal flue gas temperature downstream of economiser	EUR 100,000 per each 5°C above of the guaranteed value	
1.2.11	Average Specific Consumption of the reagent ( specification by TENDERER ) to steam production for 24 hour of operation at BMCR ( IF ANY )	EUR 10,000 per each 5 % of the consumption	

### 1.3 Nominal Steam Power of One Boiler firing NG

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.3.1	Boiler Nominal Steam Power (BMCR)	EUR 50 000 per each full 0,1 t/h below of the guaranteed value	2 percentage points lower than guaranteed
1.3.2.	Nominal pressure at BMCR	n/a	
1.3.3	Nominal steam temperature for the range 50 -100 % BMCR	EUR 50,000 per each 5°C outside of guaranteed value range	
1.3.4	Steam boiler efficiency (range 75 -100%)	EUR 70,000 for each full 0.1 percentage point below guaranteed figure	2 percentage points lower than guaranteed
1.3.5	Maximal surface blow down % of FW flow to keep quality of the water -steam cycle	EUR 25,000 per each full 0.1 percentage point of exceeding guaranteed max. surface blow down	



#### 1.4 Each Boiler Minimal Steam Power without stabilization

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.4.1	Boiler Nominal Steam Power (25% BMCR)	EUR 50 000 per each 0.1 t/h above of the guaranteed value	5 percentage points higher than guaranteed
1.4.2.	Nominal pressure at BMCR	n/a	
1.4.3	Steam temperature at 25 % BMCR	EUR 50 000 per each 5°C outside of guaranteed value range	
1.4.4.	Maximum Oxygen content in flue gas downstream of Fly ash precipitator ( dry gas)	EUR 10,000, - per each full 0.1 percentage point of exceeding guaranteed value	
1.4.5	Maximal flue gas temperature downstream of economiser	EUR 100,000 per each 5°C above of the guaranteed value	

#### 1.5 Hot Water Boilers

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.5.1	Each Boiler Nominal Thermal output	EUR 70,000 per each full 0,1 MW below of the guaranteed value	3 percentage points lower than guaranteed
1.5.2	Nominal DH water outlet temperature	EUR 150,000 per each full 2°C below of the guaranteed value	Less than 125
1.5.3	Boiler efficiency (range 60 -100%) of Nominal output	EUR 70,000 for each full 0.1 percentage point below guaranteed figure	Less than 93
1.5.4	Max. flue gas temperature downstream of boiler	EUR 100,000 per each 3°C above of the guaranteed value	

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.6.1	Maximal Oxygen Content in Feedwater	100,000 EUR	More than 21

	At BMCR both steam boilers at outlet FW Tank		
1.6.2	Maximal Oxygen Content in Feedwater At 25 % BMCR of one steam boiler in operation at outlet FW Tank	100,000 EUR	More than 21

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
1.7	District Heating Circulating Pumps Efficiency	EUR 10,000 per each full 0.5 percentage point above guaranteed value per each pump	more than 81 %
1.8	Own Electricity Consumption of the Heating Plant	EUR 30,000 per each 5 % of the consumption	

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Limit Value/Not acceptable value</b>
1.9.1	Plant Availability	0.25 % of the Contract Price for each full 0.5 percentage point less availability than guaranteed for each boiler	
1.9.2	Plant Guaranteed Reliability from 8550 hours per each period of 12 consecutive months during DEFECT NOTIFICATION PERIOD	0.15 % of the Contract Price for each full 1 percentage point less reliability than guaranteed for each boiler	3 percentage points lower than guaranteed
1.9.3	Each Biomass Boiler guaranteed Reliability 8350 hours per each period of 12 consecutive months during DEFECT NOTIFICATION PERIOD	0.1 % of the Contract Price for each full 1 percentage point less reliability than guaranteed for each boiler	3 percentage points lower than guaranteed
1.9.4	Limitation one period unplanned outages	5,000 EUR per full day	

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
1.10.1	Make-up Water Quality of District Heating System	EUR 25,000	
1.10.2	Make-up Water Mass Flow of District Heating System	EUR 25,000	
1.11.1	Water / Steam Biomass Boiler Island Quality Feed Water Quality	EUR 25,000	
1.11.2	Water / Steam Biomass Boiler Island quality - Boiler Water Quality	EUR 25,000	
1.11.3	Water / Steam Biomass Boiler Island quality - Superheated Steam Quality	EUR 25,000	

### **1.12 Emission Limits into the Air from the Combustion**

Emissions Limits shall be fulfilled. Failure to comply with this parameter will result in the cancellation of the Contract and penalty of 10% of the Contract price.

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
1.13	Mechanical Vibration	EUR 10,000 per case	

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
1.14.1	Equipment Noise Level	EUR 10,000 per case	
1.14.2	Plant Noise Level	EUR 200,000	

	<b>Parameter</b>	<b>Contractual Penalty</b>	<b>Not acceptable value</b>
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1.15	Raw Water Consumption	EUR 5,000 per each m3 /hour	
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**1.16 Operating Capacity of Biomass Fuel and Ash Handling Systems**

Penalty is not applicable

**1.17 Surface Temperature of Thermal Insulation**

Penalty is not applicable

**1.18 Steam Boiler Refractory and Brick/Tile Cladding**

50 000 EUR if the damage effects more than on 4% of the refractory surface

**Sub-Clause 12.1 Procedure for Tests after Completion**

See Annex A\_5 Acceptance procedures

**Sub-Clause 13.8 Adjustments for Changes in Cost**

Replace the entire sub-clause with the following:  
No adjustments for changes in cost shall be permitted under this Contract.

**Sub-Clause 14.2 Advance Payment**

At the end of Sub-Clause 14.2, add:  
The advance payment shall be deducted from the instalments of the lump sum Contract Price according to the table under Sub-Clause 14.4 Schedule of Payments.

**Sub-Clause 14.4 Schedule of Payments**

At the end of Sub-Clause 14.4, add:  
The lump sum Contract Price shall be divided into the following instalments:

**Schedule No. 1 Plant and Equipment supplied from abroad**

In respect of Plant and Equipment supplied from abroad, the following payments shall be made:

Thirty (30) percent of the total CIF or CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment shipped FOB or delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total FOB or FCA amount upon Incoterm “FOB” or “FCA,” within forty-five (45) days after receipt of invoice and shipping documents. In the event that shipping is delayed upon the written instruction of the Employer for more than twenty-eight (28) days beyond the date shown in the programme of performance provided in accordance with Appendix 2. Time Schedule, the Contractor may make application for this part of the payment against warehouse receipts, provided always that the Plant and Equipment are ready for shipment on the date shown in the said programme.

Sixty (60) percent of the total CIF or CIP amount upon Incoterm “CIF” or “CIP”, upon delivery to Site within forty-five (45) days after receipt of invoice, less eighty (80) percent of the FOB amount already paid or authorised for payment.

Five (5) percent of the total CIF or CIP amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total CIF or CIP amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

## **Schedule No. 2      Plant and Equipment Supplied from within the Employer’s Country**

In respect of Plant and Equipment supplied from within the Employer’s country, the following payments shall be made:

Thirty (30) percent of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total EXW amount upon Incoterm “Ex-Works,” upon delivery to the Site within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

## **Schedule No. 3      Local Transportation**

In respect of local transportation for both the foreign currency (where applicable) and the local currency portions, the following payments shall be made:

Thirty (30) percent of the total local transportation amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in

proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Seventy (70) percent of the total local transportation amount upon delivery to the Site within forty-five (45) days after receipt of invoice.

#### **Schedule No. 4          Installation Services**

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Thirty (30) percent of the total installation services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Sixty (60) percent of the measured value of work performed by the Contractor, as identified in the said programme of performance, during the preceding month, as evidenced by the Employer's authorisation of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

If adjustments to Accepted Contract Amount are made during the Contract term, these shall be reflected in Interim Payment Certificates.

#### **Sub-Clause 14.5          Plant and Materials Intended for the Works**

The entire sub-clause does not apply.

#### **Sub-Clause 14.7          Payment**

In sub-paragraph (a), delete "42" and substitute "21", delete "21" and substitute "14".

In sub-paragraph (b), delete "56" and substitute "28".

In sub-paragraph (c), delete "56" and substitute "28".

**Add Sub-Clause 18.5 Insurance for Design**

The Contractor shall effect professional indemnity insurance, which shall cover the risk of professional negligence in the design of the Works. This insurance shall be for a limit of not less than one million EUR (1,000,000.00 EUR). The Contractor shall use his best endeavours to maintain the professional indemnity insurance in full force and effect until the end of the Defects Notification Period for the Works. The Contractor undertakes to notify the Employer promptly of any difficulty in extending, renewing or reinstating this insurance.

**Delete Sub-Clauses 20.2 and 20.3.**

**Delete Sub-Clause 20.4 and substitute the Sub-Clause 20.4 published in FIDIC’s “Conditions of Contract for Construction” First Edition 1999, and then delete the second paragraph of such substituted Sub-Clause 20.4 and insert the following paragraph:**

The Engineer shall act as the DAB in accordance with this Sub-Clause 20.4, acting fairly, impartially and at the cost of the Employer. In the event that the Employer intends to replace the Engineer, the Employer's notice under Sub-Clause 3.4 shall include detailed proposals for the appointment of a replacement DAB.

## Appendix to Tender

Conditions	Sub-Clause	Data
<b>Employer's name and address</b>	1.1.2.2 & 1.3	Zvolenská teplárenská, a.s. Lučenecká cesta 25 960 01 Zvolen Slovak Republic
<b>Contractor's name and address</b>	1.1.2.3 & 1.3	Energyco, s.r.o. of with its registered seat at MR Štefánika 13 048 01 Rožňava, Slovakia
<b>Engineer's name and address</b>	1.1.2.4 & 1.3	e.mcc energy, s.r.o. of with its registered seat at Kpt. Jána Nálepku 78, 934 01 Levice on behalf of Consortium EMCC AF ZVT
<b>Bank's name</b>	1.1.2.11	<b>International Investment Bank</b>
<b>Borrower's name</b>	1.1.2.12	<b>Zvolenská teplárenská, a.s.</b> Lučenecká cesta 25 960 01 Zvolen Slovak Republic
<b>Time for Completion</b>	1.1.3.3	Completion of Works: 52 weeks Tests including individual and complex tests: 7 days
<b>Defects Notification Period</b>	1.1.3.7	For building and documentation 60 months, for the rest 365 days.
<b>Electronic transmission systems</b>	1.3	Fax and E-mails. E-mails to be confirmed in writing
<b>Governing Law</b>	1.4	Laws of the Slovak Republic
<b>Ruling language</b>	1.4	English
<b>Language for communications</b>	1.4	Slovak and English
<b>Time for access to the Site</b>	2.1	7 days after Commencement Date
<b>Engineer's Duties and Authority</b>	3.1(b)(ii)	Variations resulting in an increase of the Accepted Contract Amount shall require approval of the Employer and the Bank
<b>Performance Security</b>	4.2	The performance security will be in the form of a demand guarantee in the amount of 20 % of the Accepted Contract Amount and in the same currency of the Accepted Contract Amount
<b>Normal working hours</b>	6.5	6.00 a.m. to 18.00 p.m.



<b>Delay Damages for Parts of the Works</b>	8.7	<p>Delay in completing of the intermediate milestones.:</p> <ul style="list-style-type: none"> <li>- Basic Design provided for approval to the Employer - 0.01 % of the contract price for each full week of delay</li> <li>- Input documentation for the permit to put the PLANT in temporary operation - 0.05 % of the contract price for each full week of delay</li> <li>- Mechanical completion of the Work reached - 0.4 % of the contract price for each full week of delay</li> <li>- Test on Completion - start of the Complex Testing - 0.5 % of the contract price for each full week of delay</li> </ul>
<b>Delay Damages for the Works</b>	8.7	<p>Delay in completing the Works till the of signature of the Taking over Certificate: The Employer shall be entitled, without prejudice to its other remedies under the Contract, to demand payment of the contractual penalty by the Contractor in the amount of 0.7 (point seven) % of the contract price for each full week of Contractor 's delay with completing the Works (i.e., signature of the Taking over Certificate by the Employer).</p>
<b>Maximum amount of Delay Damages</b>	8.7	25% of the final Contract Price
<b>Adjustments for Changes in Cost</b>	13.8	The tender price is fixed for the entire time period during which the Contract is performed
<b>Total Advance Payment</b>	14.2	30 % Percentage of the Accepted Contract Amount payable in the currencies and proportions in which the Accepted Contract Amount is payable
<b>Number and timing of instalments</b>	14.2	One instalment after receipt of the Advance payment guarantee by the Employer.
<b>Currencies and proportions</b>	14.2	The advance payment shall be paid in the currency in which the Accepted Contract Amount is payable to the Contractor according to Sub-Clause 14.15

<b>Start repayment of Advance payment</b>	14.2 (a)	When payments reach 40 % of the Accepted Contract Amount less Provisional Sums
<b>Repayment amortisation rate of advance payment</b>	14.2 (b)	25 %
<b>Percentage of Retention</b>	14.3	10 %
<b>Limit of Retention Money</b>	14.3	10 % of the Accepted Contract Amount
<b>Minimum Amount of Interim Payment Certificates</b>	14.6	5 % of the Accepted Contract Amount
<b>Currency/Currencies of Payment</b>	14.15	The Contract Price shall be paid in EURO
<b>Periods for submission of insurance:</b>	18.1	
a. evidence of insurance		7 days
b. relevant policies		28 days
<b>Maximum amount of deductibles for insurance of the Employer's risks</b>	18.2 (d)	10,000.00 EURO
<b>Minimum amount of third party insurance</b>	18.3	100,000.00 EURO per occurrence with the number of occurrences unlimited
<b>Appointment of DAB shall be by the date</b>	20.2	14 days after a Party gives notice to the other Party of its intention to refer a dispute to a DAB in accordance with Sub-Clause 20.4
<b>The DAB shall be comprised of</b>	20.2	Single Member appointed by the Engineer
<b>Appointment (if not agreed) to be made by</b>	20.3	The Engineer
<b>Place of litigation</b>	20.6 (a)	Paris, France
<b>Language of litigation</b>	20.6.	English

## **Appendix 1. Terms and Procedures of Payment**

In accordance with the provisions of GCC 14 (Contract Price and Payment), the Employer shall pay the Contractor in the following manner and at the following times, based on the price breakdown given in Volume I (Price Schedules). Payments will be made in the currencies quoted by the tenderer unless otherwise agreed between the parties. Applications for payment in respect of part deliveries may be made by the Contractor as work proceeds.

### **TERMS OF PAYMENT**

#### **Schedule No. 1 Plant and Equipment supplied from abroad**

In respect of Plant and Equipment supplied from abroad, the following payments shall be made:

Thirty (30) percent of the total CIF or CIP amount as an advance payment against receipt of invoice and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment shipped FOB or delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total FOB or FCA amount upon Incoterm "FOB" or "FCA," within forty-five (45) days after receipt of invoice and shipping documents. In the event that shipping is delayed upon the written instruction of the Employer for more than twenty-eight (28) days beyond the date shown in the programme of performance provided in accordance with Appendix 2. Time Schedule, the Contractor may make application for this part of the payment against warehouse receipts, provided always that the Plant and Equipment are ready for shipment on the date shown in the said programme.

Sixty (60) percent of the total CIF or CIP amount upon Incoterm "CIF" or "CIP", upon delivery to Site within forty-five (45) days after receipt of invoice, less eighty (80) percent of the FOB amount already paid or authorised for payment.

Five (5) percent of the total CIF or CIP amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total CIF or CIP amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

#### **Schedule No. 2 Plant and Equipment Supplied from within the Employer's Country**

In respect of Plant and Equipment supplied from within the Employer's country, the following payments shall be made:

Thirty (30) percent of the total EXW amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Sixty (60) percent of the total EXW amount upon Incoterm "Ex-Works," upon delivery to the Site within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total EXW amount upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

### **Schedule No. 3 Local Transportation**

In respect of local transportation for both the foreign currency (where applicable) and the local currency portions, the following payments shall be made:

Thirty (30) percent of the total local transportation amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of the Plant and Equipment delivered to the Site, as evidenced by shipping and delivery documents.

Seventy (70) percent of the total local transportation amount upon delivery to the Site within forty-five (45) days after receipt of invoice.

### **Schedule No. 4 Installation Services**

In respect of installation services for both the foreign and local currency portions, the following payments shall be made:

Thirty (30) percent of the total installation services amount as an advance payment against receipt of invoice, and an irrevocable advance payment security for the equivalent amount made out in favour of the Employer. The advance payment security may be reduced in proportion to the value of work performed by the Contractor as evidenced by the invoices for installation services.

Sixty (60) percent of the measured value of work performed by the Contractor, as identified in the said programme of performance, during the preceding month, as evidenced by the Employer's authorisation of the Contractor's application, will be made monthly within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the Completion certificate, within forty-five (45) days after receipt of invoice.

Five (5) percent of the total value of installation services performed by the Contractor as evidenced by the Employer's authorisation of the Contractor's monthly applications, upon issue of the operational acceptance certificate, within forty-five (45) days after receipt of invoice.

## Appendix 2. Time Schedule

No.	Item	Date of Start	Finish Day
1	CONTRACT Signature & Effective Date	November 2019	15. Jan. 2020
2	CONTRACTOR mobilization		January 2020
3	SITE Handover		22.1.2020
4	Temporary site Facilities erection	January 2020	
5	Placement Order - Boilers	January 2020	
6	Valid Building Permit		April 2020
7	Civil works start	February 2020	
8	Boiler House Civil Readiness for Technology assembly	May 2020	May 2020
9	Technological assembly completion		September 2020
10	TEST ON COMPLETION - Cold Commissioning	October 2020	
11	Trial Operation as per Building Act	October 2020	
12	TEST ON COMPLETION - Hot Commissioning	November 2020	November 2020
13	TEST ON COMPLETION – Trial Operation & Guarantee Test		December 2020
14	TAKING OVER CERTIFICATE issuance		January 2021
15	SITE Demobilization		January 2021
16	DEFECT NOTIFICATION PERIOD (extended)	January 2021	January 2023
17	Building Statutory Approval	Based on Authorities req.	
18	TEST AFTER COMPLETION	NA	
19	PERFORMANCE CERTIFICATE		February 2022

## Appendix 3. List of Subcontractors

### Part 1 Nominated Subcontractors

In the event that the Employer wishes to nominate any particular subcontractor for the undertaking of any part or parts of the Facilities, such subcontractor shall be identified and named by the Employer in the following schedule prior to the issue of the tender documents.

Full details shall be given of the part of the Facilities to be executed, and the names and addresses of the subcontractors to whom the part of the Facilities will be subcontracted by the Contractor. Where more than one name is given for any part of the Facilities, the tenderer shall be free to select any of the named subcontractors for that part.

The Employer shall be responsible for ensuring that any nominated subcontractor comply with the requirements of the provisions regarding country of origin in the General Conditions of Contract, but the Contractor shall be responsible for ensuring that any supply, work or installation services to be provided by the nominated subcontractor comply with the similar requirements regarding country of origin.

Item of Facilities	Nominated Subcontractor
<i>Delivery of Boilers</i>	<i>LEROUX &amp; LOTZ TECHNOLOGIES, 10, rue des Usines-BP 88509 44185 Nantes Cedex 4 – France</i>
<i>Civil Works</i>	<i>MARCUS INDUSTRY, A.S. Dunajská, 10 040 01 Košice, Slovakia</i>
<i>Project Activities</i>	<i>ECONS ENERGY, A.S. Zádielska 3 040 01 Košice, Slovakia</i>
<i>Electric Wiring Part – HV</i>	<i>SIEMENS, S.R.O. Lamačská cesta 3 / A 841 04 Bratislava - Karlova Ves, Slovakia</i>
<i>Electric Wiring Part – IaCs and Instrumentation</i>	<i>M – D – J, SPOL. S R.O. Juhoslovanska I 040 01 Kosice, Slovakia</i>

## Part 2 Approved Subcontractors

The following subcontractors are approved for carrying out the item of the Facilities indicated. Where more than one subcontractor is listed, the Contractor is free to choose between them, but it must notify the Employer of its choice in good time prior to appointing any selected subcontractor. In accordance with GCC, the Contractor is free to submit proposals for subcontractors for additional items from time to time. No subcontracts shall be placed with any such subcontractors for additional items until they have been approved in writing by the Employer and their names have been added to this list of approved subcontractors.

Item of Facilities	Approved Subcontractors	Nationality
<i>Delivery of Boilers</i>	<i>LEROUX &amp; LOTZ TECHNOLOGIES</i>	<i>French</i>
<i>Civil Works</i>	<i>MARCUS INDUSTRY, A.S.</i>	<i>Slovak</i>
<i>Project Activities</i>	<i>ECONS ENERGY, A.S.</i>	<i>Slovak</i>
<i>Electric Wiring Part – HV</i>	<i>SIEMENS, S.R.O.</i>	<i>Slovak</i>
<i>Electric Wiring Part – IaCs and Instrumentation</i>	<i>M – D – J, SPOL. S R.O.</i>	<i>Slovak</i>