

RWE Gas Storage, s.r.o.

RWE Gas Storage, s.r.o. - Control panels

CONTRACT FOR SUPPLIES

11/2013

Control panels 2013-2017
CONTRACT FOR SUPPLIES

This Contract for Supplies is made on the day stated below.

Between

RWE Gas Storage, s.r.o.

Prosecka 855/68, Prague, 190 00, Czech Republic

Bank connection: ČSOB, a.s. Praha 5, Account No.17805243/0300

Reg. No.: 27892077

Tax reg. No: CZ27892077

Registered: Companies Register kept by the Municipal Court in Prague, Section C, file 124711

Acting by: Andreas Frohwein, Executive
Ing. Lubor Veleba, Executive

(hereinafter referred to as the "**Buyer**") on the one part

and

[Insert the business name, registered office, ID, and details of Commercial Register entry of the Supplier]

(hereinafter referred to as the "**Supplier**") on the other part,

(Buyer and Supplier shall be individually referred to as a "**Party**" or jointly as the "**Parties**").

NOW THIS CONTRACT WITNESSES AS FOLLOWS

1. SCOPE AND CONDITIONS OF SUPPLY

1.1 Scope of Supply

- 1.1.1 The Supplier shall sell and the Buyer shall purchase the goods to be supplied hereunder as specified in the respective Annex Nr. 1 (hereinafter referred to as "**Goods**") in accordance with the terms of this Contract and the terms of Tendering documentation, dated Sep 30, 2013.
- 1.1.2 The Supplier shall provide the Buyer with and the Buyer shall accept the services to be provided hereunder as specified in the respective Annex 1 (hereinafter referred to as "**Services**") in accordance with the terms of this Contract and the terms of Tendering documentation dated Sep 30, 2013.
- 1.1.3 The Goods shall be supplied and the Services rendered on the delivery deadline as set out in Article 2.1(i) as regards the Goods and Article 2.1(ii) as regards the Services (hereinafter referred to as the "**Delivery Deadline**") and in accordance with the document entitled "Specifications" forming Annex No. 1 of this Contract for Supplies (hereinafter referred to as the "**Specifications**").
- 1.1.4 The ownership title to Goods passes from the Supplier to the Buyer upon the moment the Goods are taken over by the Buyer.
- 1.1.5 The price to be paid by the Buyer for the Goods supplied and the Services rendered shall be specified in the document entitled "Schedule of Prices/Rates/ Quantities" forming Annex No. 2 of this Contract for Supplies (hereinafter referred to as the "**SPRQ**").
- 1.1.6 The Supplier will have fulfilled its contractual obligations in respect of each supply of Goods including the relevant documentation by the Supplier to the Buyer (hereinafter referred to as the "**Delivery**") provided in Annex No. 1 or Tendering documentation.

1.2 Terms of Delivery

The Goods shall be delivered to certain location specified in point 1.3 under DDP condition (according to Incoterms 2010)

1.3 Place of Supply

The required place of delivery for goods is RWE Gas Storage, s.r.o., UGS Tvrdonice (stock Hrusky), 691 53 Tvrdonice, South Moravia Region, Czech Republic

Together with material 1 copy of relevant documents to the material and shipment must be sent.

The place of services performance any of the location below:

RWE Gas Storage, s.r.o., UGS Stramberk, 742 66 Stramberk, Czech Republic

RWE Gas Storage, s.r.o., UGS Lobodice, 751 01 Lobodice 224, Czech Republic

RWE Gas Storage, s.r.o., UGS Tvrdonice, 691 53 Tvrdonice, Czech Republic

RWE Gas Storage, s.r.o., UGS Dolní Dunajovice, 691 85 Dolni Dunajovice, CR

RWE Gas Storage, s.r.o., UGS Tranovice, 739 52, Tranovice, Czech Republic

The place of documentation delivery (meaning of 1 original and 1 copy of documents):

RWE Gas Storage, s.r.o., Prosecka 855/68, 190 00 Prague, Czech Republic

1.4 Time of Supply, Handover Protocol

The Goods shall be supplied on the Delivery Deadlines. The Buyer is not obliged to take over Goods prior to the commencement of the delivery period determined in accordance with this Contract for Supplies. If the Buyer takes over Goods before the Delivery Deadlines, all costs incurred by either Party caused by such premature Delivery shall be borne by the Supplier, unless the Parties explicitly agree otherwise. Each executed Delivery shall be evidenced by a Handover Protocol or, as the case may be, by another document replacing the Handover Protocol as agreed by the Parties.

1.5 Intellectual Property Rights

The Supplier represents to the Buyer that it has obtained all necessary licenses and/or other intellectual property rights in respect of the Goods. The Supplier shall transfer to the Buyer all licenses other intellectual property rights which are necessary or advisable to be at disposal to the Buyer for its due and undisturbed use of the Goods, if any. The above mentioned transfer shall be done immediately after the mutual signature of this contract.

1.6 Technical Inspection, Additional Information

1.6.1 The Buyer reserves the right to inspect the manufacturing process by himself or by Third Party during normal working hours and to carry out the technical inspection of the production and of the quality carried out in accordance with Article 1.6 hereof (hereinafter referred to as the "**Technical Inspection**"). In this respect, the Supplier will grant the Buyer full access to its premises and provide all reasonably required facilities.

1.6.2 The Supplier shall provide the Buyer's representatives with access to the facilities where the ordered product are manufactured in order to carry out the Technical Inspection. This shall not interfere with the production process. The Supplier will provide personal protection equipment, if necessary.

1.6.3 The material and laboratories necessary for the testing shall be made available to the Buyer's representatives free of charge.

1.6.4 The Supplier is entitled to supply the ordered product without prior Technical Inspection only with the Buyer's consent in written form.

1.6.5 The material cost related to the Technical Inspection shall be borne by the Supplier.

- 1.6.6** The expenses of the Buyer's representatives carrying out the Technical Inspection incurred in connection with such inspection shall be borne by the Buyer.
- 1.6.7** The Supplier shall invite the Buyer to carry out the Technical Inspection not later than 30 days before the scheduled inspection. Should the Buyer fail to carry out the Technical Inspection in time or fully in spite of the timely notice of the possibility to carry out the Technical Inspection the Supplier shall be entitled to dispatch the goods without the Technical Inspection.
- 1.6.8** In such case the Goods shall be deemed to have been supplied in accordance with this Contract for Supplies.
- 1.6.9** Should the Buyer's representative arrive, upon the Supplier's invitation, on the designated date to carry out the Technical Inspection and the Technical Inspection cannot be carried out for reasons which are the Supplier's fault the Supplier shall then bear all the costs associated with the Technical Inspection at an alternative date (travel expenses, accommodation, per diem allowances).
- 1.6.10** The Supplier shall inform the Buyer about the actual commencement of delivery of Goods to the storage locations.
- 1.6.11** In addition to any other information required to be made by the Supplier hereunder the Supplier shall inform without undue delay the Buyer in respect of any material matters relating to the Goods, the delivery of the Goods and the Contract. Such information shall include notice of delay of delivery of the Goods, notice of modifications of parameters of the Goods, readiness to deliver the Goods before the Delivery Deadline, etc.

1.7 Acceptance

The fulfillment of the Goods delivery will be finished after accomplishment of the following:

- (i) all tests as required by the Contract have been satisfactorily carried out;
 - (ii) all test results are within the tolerances as stipulated in the Contract;
 - (iii) the documents specified in Annex Nr. 1 of this Contract, relating to the relevant Goods have been duly delivered to the Buyer.
 - (iv) the Buyer or a third party assigned by the Buyer performed the visual inspection of the Goods at the agreed places of supply as set forth in the Article 0;
 - (v) the technical documentation to be delivered by the Supplier to the Buyer under this Contract (hereinafter the "**Technical Documentation**") has been duly supplied with complete lists of contents, original documentation produced by the Supplier, including approval stamps and signatures; and
 - (vi) the Goods have been taken over by the Buyer or third party, based on the handover and takeover protocol.
- (hereinafter together referred to as the "**Acceptance**")

1.8 Provision of Services

In case any provision of this Contract for Supplies concerning supply of Goods cannot be applied in respect of provision of the Services, Sections 1151 to 1164 of the Austrian Civil Code (ABGB) shall apply to the Services.

1.9 Personnel

The Supplier shall ensure that all employees of the Supplier and any of its sub-suppliers engaged in the performance of the Services comply with (i) all applicable laws including, but not limited to safety and health protection laws, i.e. wear determined protective aids; and (ii) safety regulations of the Buyer, provided that such regulations have been made available to the Supplier.

2. DELIVERY DEADLINE AND INDIVIDUAL ORDERS

2.1 The Goods shall be delivered no later than 28 weeks(lead time) after receiving the individual order, unless such Delivery Deadline is postponed in accordance with Article 3.1 hereof.

The services will be performed no later than 10 days after receiving the request (call off).

The Order for 2013 is ment, that Bank guaranty and relevant invoice must be issued no later than Dec 19, 2013 and delivered to the Buyer. Advanced payment will be released once the invoice with Bank guaranty will be delivered to the Buyer. The Goods will be delivered according time period as in article 2.1.

The quantity estimation is as follows (exact qty shall be adjusted and specified for each particular year, or period):

(i) **Goods**

2013 - 50 pcs

2014 - 50 pcs

2015 - 25 pcs

2016 - 25 pcs

2017 - 25 pcs

(ii) **Services**

The estimated qty for service is the same as for Goods.

2.2 The Supplier shall notify the Buyer in writing of the dispatch of the respective Goods from the manufacturer's plant two days prior such dispatch (the "**Advice of Dispatch**").

2.3 Supplier's Default on Delivery

2.3.1 The Supplier hereby acknowledges that compliance by it with the Delivery Deadlines is an important condition of this Contract for Supplies and is as well aware of the possible Buyer's projects relating to, and dependent upon, the due and timely delivery of the Goods pursuant to this Contract.

- 2.3.2 If the Supplier defaults on Delivery, the Buyer will have the right to claim a contractual penalty from the Supplier set out herein.
- 2.3.3 The Supplier is obliged to pay the contractual penalty to the Buyer no later than 15 days following the day the Buyer requests the Supplier to pay the contractual penalty. The contractual penalty shall be paid by a bank transfer to the Buyer's bank account specified herein, unless otherwise specified by the Buyer to the Supplier.
- 2.3.4 The payment of any contractual penalty shall not relieve the Supplier of its obligation to supply the Goods in accordance with this Contract for Supplies.

2.4 Individual orders

- 2.4.1 The Supplier undertakes to perform the deliveries for the Buyer always based on individual orders issued and delivered by the Buyer to the Supplier and accepted by the Supplier (specific contracts). For the purpose of this Contract the term "order" shall mean simple order issued by the Buyer and delivered to the Supplier or specific contract concluded when the acceptance of the order is delivered to the Buyer depending on the context. An order issued by the Buyer must specify namely the following information:
 - a) Detailed designation of the goods or service which is the subject of the order,
 - b) Reference to this Contract stating the Contract Registration Number.
 - c) Place and required time of delivery

(example: the process should be as follows: while this Contract is valid and from Buyer's side a need for either service or goods exists, the demand shall be send to Supplier. An exact quotation with maximal prices defined in Annex. 2 of this Contract will be issued by him and send to Buyer's responsible person. Buyer should accept offer or ask for adjustment, if needed. After mutual agreement order is issued).
- 2.4.2 An order shall be delivered to the Supplier by the Buyer by e-mail. In addition, an order may be delivered to the Supplier by regular mail. Thus delivered order shall be accepted (confirmed) by the Supplier. As to orders delivered by electronic mail, by fax, or in person, the time of delivery of an order shall coincide with the time of handover/sending.
- 2.4.3 The Supplier undertakes to accept an order delivered to the same in person or by mail by confirming the acceptance of the Buyer's order and returning a confirmed copy of the same to the Buyer or by confirming the acceptance thereof by electronic mail, that being no later than two days after receiving the order. An order shall also be deemed accepted if it is confirmed by the Supplier by means of electronic mail. In such a case, the Supplier shall subsequently deliver to the Buyer without undue delay a confirmed copy of the order.
- 2.4.4 An order (specific contract) shall be deemed entered into by and between the Supplier and Buyer upon the Supplier's acceptance of the order and the delivery of a confirmed copy of the order to the Buyer.
- 2.4.5 Only an order confirmed (accepted) by the Supplier and returned to the Buyer shall be considered a binding arrangement establishing the Supplier's

obligation to provide a service and/or material and the obligation of the Buyer who placed the order to accept the duly provided performance and to pay the agreed price.

2.4.6 The Supplier acknowledges that the rights and obligations arising in connection with orders placed in accordance with this Contract shall be subject to the following individual documents in the following order:

- the provisions of orders (specific contracts), where any deviation from the provisions of this Contract must be expressly outlined in a specific contract, stating the provision where such a deviation applies,
- the provisions of this Contract, including annexes hereto.

3. TRANSPORT, RISK OF DAMAGE

3.1 Transport of Goods

3.1.1 The Supplier shall transport the Goods to the place agreed upon in this Contract for Supplies. The Supplier shall, however, be bound by instructions given to it by the Buyer at any time after the conclusion of this Contract for Supplies as regards the place of destination and such instructions shall take precedence over this Contract for Supplies. Additional cost, if any, incurred by the Supplier as a result of complying with such instructions shall be borne by the Buyer.

3.1.2 Any and all costs related to the transportation of the Goods, particularly, but not exclusively, freight fees, packaging costs, insurance and customs duties, are fully borne by the Supplier. The Supplier is further responsible for any permits, licenses and formalities relating to the transport of the Goods including parking of trucks or any arrangements relating to transport by railway. All cost relating to the foregoing shall be borne by the Supplier.

3.2 Risk of Damage to Goods

The risk of damage to Goods passes from the Supplier to the Buyer upon the moment the Goods are taken over by the Buyer as evidenced by the Handover Protocol or, as the case may be, by another document replacing the Handover Protocol as agreed by the Parties.

3.3 Subcontracting

To the extent the Supplier uses a third party for the purpose of delivery of the Goods, the Supplier shall remain liable for such supplies as if the Goods were supplied by the Supplier itself. Notwithstanding anything to the contrary contained herein the Supplier shall not use or retain any subsupplier without prior written consent of the Buyer which shall not be unreasonably withheld or delayed.

4. MANUFACTURE OF GOODS

4.1 Manufacture of Goods

4.1.1 The Supplier shall cooperate with the Buyer and individuals authorized by him/her during manufacturing process in all matters relating to this Contract for Supplies.

4.1.2 The Supplier shall, in a timely manner, obtain and maintain all authorizations and permits as may be necessary for the manufacture of the

Goods which are required to be or can be obtained in the name of the Supplier. The Buyer shall, upon request, provide reasonable assistance in this regard. The Buyer shall, in a timely manner, obtain and maintain all other authorizations and permits that it needs. If so requested by the Buyer, the Supplier shall assist at its own expense in obtaining such authorizations and permits relating to the Goods which can only be obtained in the name of the Buyer.

- 4.1.3** The Supplier shall, upon request and at its own expense, give the Buyer such information regarding the manufacturing of the Goods and about the Supplier's Group which the Buyer is bound to provide to any state or governmental agency.
- 4.1.4** The Buyer, its personnel and any third party authorized by him/her shall have the right to undertake quality control and verification of the Supplier's and any sub-supplier's quality system including the inspection of the Supplier's plant where the Goods shall be manufactured at any working day upon a prior written notice which shall be sent to the Supplier at least two working days in advance.
- 4.1.5** The Supplier shall elaborate and deliver to the Buyer at the Buyer's request written report on the progress of the manufacturing of the Goods. The Buyer may request such progress report every two weeks after individual order is send to the Supplier. The progress report shall contain information upon quality issues of the production of the Goods, description of production phases, any deviation from the manufacturing schedule etc. Where necessary the report shall contain drawings and pictures.

4.2 Progress

- 4.2.1** If the Supplier believes for any reason that the supply of the Goods cannot be completed in accordance with the Contract for Supplies within the Delivery Deadlines, the Supplier shall immediately give written notice to the Buyer of such possible delay. The Supplier shall, within 5 days after such notice, inform the Buyer in writing about the following:
 - (i) the cause of the delay;
 - (ii) the estimated effect on the Delivery Deadlines and other parts of the Contract for Supplies; and
 - (iii) the measures which the Supplier considers appropriate to avoid, limit or recover the delay.
- 4.2.2** If the Supplier's measures to avoid or recover the delay are not sufficient, the Buyer may require additional or alternative measures. The Supplier shall immediately take the necessary steps at its own expense to remedy the situation.
- 4.2.3** These provisions shall not limit the Buyer's right to take other measures provided for herein for the event of delay in supplies.
- 4.2.4** Time schedule of production with milestones.

Main required milestones

1. Material ordering
2. Incoming inspection of material

3. Starting production
4. Finalization of produced parts
5. Assembly
6. Pressure tests & export inspection
7. Documentation completion
8. Packing & shipping

Supplier shall send time schedule (according 4.2.4) to the Buyer not later than 21 days after the individual order receipt.

5. CORRESPONDENCE

- 5.1 All correspondence addressed to the Buyer shall be clearly marked with the package name and sent by courier or first class mail to the below addresses.
- 5.2 The Supplier shall send all correspondence concerning contractual matters to:
Delivery address:
RWE Gas Storage, s.r.o. Prosecká 855/68, Prague, 190 00, Czech Republic
Attention:
Ing. František Janáč, Frantisek.janac@rwe.cz, phone +420 739 535 984
- 5.3 The Supplier shall send all correspondence concerning technical matters to:
Delivery address:
RWE Gas Storage, s.r.o. Prosecká 855/68, Prague, 190 00, Czech Republic
Attention:
[will be announced to the winner]
- 5.4 All information submitted, handed over or otherwise communicated to the Buyer, including all test result documents, shall be submitted in writing and in English. If the original document is in another language, an English translation shall be attached to it. In such case, the English version shall prevail if there are any discrepancies between the original and the translation.
- 5.5 Any correspondence or documents failing to meet the requirements of these Articles 5.1 through 5.4 shall be considered undelivered.
- 5.6 The Buyer shall send all correspondence related to this Contract to:
Delivery address: **[to be filled in by the Supplier if different than referred to at the beginning of this Contract]**
Attention: **[to be filled in by the Supplier - name, e-mail address, telephone number]**
All correspondence delivered to the address indicated above shall be deemed duly delivered to the Supplier.

6. WARRANTY

- 6.1** The Supplier warrants that the Goods will, at the time of delivery, conform to the Specifications and to such of the Buyer's quality standards and technical specifications as may be agreed in writing from time to time between the Parties.
- 6.2** The warranty period for the Goods shall be 36 months from the date the Goods were duly handed over to the Buyer or third party. The warranty period for services shall be 14 days trouble free operation after installation - from the date the protocol of finishing services was duly handed over to the Buyer (hereinafter referred to as the "Warranty Period").
- 6.3** The Supplier is liable for warranty defects (both factual and legal including any rights of third person and particularly relating to intellectual property) of the Goods under the terms of the applicable law, unless the nature of the issue clearly indicates otherwise or unless stipulated otherwise by agreement of the Parties. The Supplier warrants that the Goods will be in full conformity with the requirements of this Contract for Supplies. As the Specifications have been prepared by the Buyer, no implied warranty of fitness for purpose shall apply.
- 6.4** The Parties further agree that the Buyer will be entitled to an extension of the warranty period under the following rules, provided that the rule that is more advantageous to the Buyer shall always apply:
- 6.4.1** The warranty period for replaced Goods shall be extended as if it was starting from the beginning, with the same warranty as determined for the original Goods;
- 6.4.2** The warranty period applicable to repaired Goods shall be extended by the time taken for the repair of the Goods; and
- 6.4.3** The warranty period applicable to the Goods (or any part of them) shall be extended by the time during which the Goods (or any part of them) cannot be used for their intended purposes due to the warranty defect for which the Supplier is responsible provided that such time in aggregate exceeded one week.
- 6.5** The Supplier will be released from its liability for warranty defects only if the Supplier proves that the warranty defect was caused by incorrect information provided by the Buyer.
- 6.6** Unless the Supplier is released from this liability, the Supplier is obliged to remove or repair, at Supplier's option, the detected warranty defect at the Supplier's costs.
- 6.7** The costs borne by the Supplier pursuant to Article 6.6 hereof shall include the following costs :
- (i) Seeking and finding the defective item of the Goods;
 - (ii) Excavation and removal of the defective item of the Goods;
 - (iii) Installation of the replacement or repaired item of the Goods;
 - (iv) Testing of the replacement or repaired item of the Goods; and
 - (v) All transportation related to the replacement or repair procedure.
- 6.8** The Supplier undertakes to commence works on the removal of warranty defects without undue delay and in no case later than 10 (ten) working days after the defects were notified to it. The Supplier undertakes to remedy, upon a best effort basis, the claimed warranty defect as soon as possible and in any case within a

deadline agreed by the Parties. In case the deadline is not agreed by the Parties within 15 (fifteen) working days since the defect was notified to the Supplier, such deadline shall be fairly determined by the Buyer who shall take into account the technical nature of the warranty defect, the defected part or the technical requirements for removal of such warranty defect. The Buyer may require, and the Supplier shall comply with, a specific schedule for remedy of warranty defects if the defect can be repaired only under certain operational conditions.

- 6.9** If the Supplier breaches its obligation to remove any defect of the Goods within the time determined in accordance with Article 6.8 above, the Supplier will pay to the Buyer the contractual penalty in the amount set out in this Contract for Supplies.
- 6.10** The Parties agree that in some cases it may be more practical, convenient, or operationally efficient (including in the event of an emergency) for the Buyer to repair or correct warranty defects than for the Supplier to repair or correct such warranty defects. The Buyer may therefore elect to repair or correct such warranty defects and the Supplier shall reimburse the Buyer for the reasonable costs incurred by the Buyer in connection with repair of such warranty defects immediately after demand from the Buyer. The amount of such reimbursement shall be determined on the basis of the calculation of cost agreed during the Acceptance and Repair Procedure meeting under the Contract for Supplies. The limitation of costs set out in Article 6.7 shall apply accordingly. The Supplier agrees and acknowledges that the Buyer is qualified to perform such repair or correction. The Supplier may supervise and/or inspect the repair or correction in process. The warranty obligations of the Supplier shall remain in full force and effect for the remainder of the Warranty Period, notwithstanding that the repair or correction was performed by the Buyer.

7. TERMS OF PAYMENT

7.1 Payment Conditions

The agreed contract price is exclusive of any value added tax or any similar charges.

7.2 Invoicing

7.2.1 All payments of the contractual price shall be made by the Buyer against an invoice delivered by the Supplier to the Buyer in accordance herewith.

7.2.2 The Supplier is obliged to issue to the Buyer the relevant invoice within 15 days from the date when either individual order request Advance payment or after successful delivery or performance of services.

Advanced payment must be secured against the Bank guarantee. The original irrevocable Bank Guarantee must be part of the Invoice the Supplier is obliged to deliver the original invoice to the Buyer's registered office within 15 days of issue.

7.2.3 The invoice must contain the following information: (a) Buyer's order number; (b) Buyer's Contract for Supplies reference number; (c) subject matter of the Contract for Supplies; (d) unit price; (e) aggregate total price; and (f) account details of the bank account to which the Buyer is supposed to credit the payment.

7.2.4 If the invoice does not contain the stipulated or agreed prerequisites and/or if the Supplier failed to deliver the Bank Guarantee in due manner, the

Buyer has the right to return the invoice to the Supplier within the maturity period of 60 days for a correction or completion. In such case the Buyer will notify the Supplier of the reason for returning the invoice.

- 7.2.5** In case of Advance payment the Supplier must attach to the invoice the original of Bank Guarantee. The Buyer shall not be obliged to provide payment under the invoice until the Supplier discharges the said duty.
- 7.2.6** The invoice must be drawn up on A4 size standard office paper, weight 80 g/m², with one-sided print, the color of the text in the invoice black and delivered in one original counterpart.

If sending tax documents electronically, the electronic documents must be issued in accordance with Czech Act No. 235/2004 Coll., on Value Added Tax, Sections 29 and 34. Email electronic invoices to: el.faktury@rwe.cz

- 7.2.7** In addition, to the information referred to above any invoice involving supplies within the European Union (supplies of goods between taxable persons established in any European Union member state but not in the same country) must contain for value added tax purposes: (a) the full name, address and VAT identification number of the Buyer and the Supplier, (b) date of issue, (c) sequential number based on one or more series which uniquely identifies the invoice, (d) the quantity and nature of the good supplied, (e) the taxable amount, unit price and any discounts or rebates if not included in the unit price, (f) reference to the appropriate provision of the VAT directive 2006/112/EC, to the corresponding provisions of national laws and regulations, or to indication that the supply in question is exempt or subject to the reverse charge procedure.
- 7.2.8** Notwithstanding anything to the contrary contained herein, the Supplier shall issue all invoices in such way and with such content as will enable the Buyer to claim or submit a claim for reimbursement in respect of any input VAT in relation to such invoice.
- 7.2.9** The Buyer will provide reasonable assistance with import clearance of the Goods to a Supplier with a registered office outside the European Union. Such Supplier undertakes to provide reasonable assistance to the Buyer so that the Buyer can fulfill its obligations towards the tax authorities.

7.3 Payment

- 7.3.1** The contract price, as well as any other payment to be made pursuant to this Contract for Supplies, is payable no later than 60 days following the day of delivery of the invoice, duly issued in compliance with Article 7.2. The maturity period is suspended on the day the invoice is returned to the Supplier by the Buyer pursuant to Article 7.2.4 and a new maturity period of 60 days starts to run on the day the corrected invoice is delivered by the Supplier to the Buyer.
- 7.3.2** The contract price is considered to be paid, and the duty of the Buyer to pay the contract price thus fully discharged, on the day the funds for payment of the contract price are debited from the Buyer's account for the benefit of the Supplier's account.
- 7.3.3** Payment of the contract price by the Buyer to the Supplier hereunder shall not constitute waiver of the rights acquired on the basis of a default on part

of the Supplier, or acknowledgment that the relevant Goods were ordered or that they did not suffer from defects.

7.3.4 The payment option will be indicate in each individual order either:

100% of the Contract value will be paid as Advance payment on presentation of Advance payment Letter of Guarantee issued by the first class Bank. Advance payment Letter of Guarantee will be valid until the all requested service and delivery will be successfully performed by Supplier and accepted by the Contracting Entity in written.

Bank guarantee must be valid till 30 days upon last installation with no obligation for withdraw and Supplier agree to prolong bank guarantee if he is asked by Supplier Entity with respect of the work.

The Expenses arising in connection with issuing of Advance payment Letter of Guarantee will be included in the contractual price.

The bank guarantee must be issued as irrevocable, irreligable and payable upon Buyer's first request. The wording of the bank guarantee is a subject of Buyer's approval

An adequate ensuring shall mean a guarantee in cash or the provision of guarantees issued by entities rated by Standard & Poors at least A-, respectively. BBB+ in the case of guarantees received up to the amount of 25 mio. EUR or equivalent rating agency Moody's or Fitch. The guarantee must be exposed long enough and must be irrevocable."

or

80 % of the Contract value for delivery of goods will be paid after its full and complete delivery. 20 % of the Contract value for delivery of goods will be paid after execution of the works and 14 days trouble free operation after installation.

100 % of the Contract value for performance of services/installation will be paid after execution of the works, based on total service price per job plus mileage from Hrusky starting point to final destination (particular UGS) based unit prices.

In case that more installation are to be performed in one time, the mob/demob costs will be charged only once. In case that the execution of the works is done in different locations, only the charge for re-location will be applicable.

The delivery of documentation is the essential condition of both payments execution both for goods and works.

7.3.5 Bank Guarantee will be returned to the Supplier on request or in case of standart payment the invoice will be paid upon delivery of following :

Successful delivery of material and installation service and

- 1x commercial invoice
- 2x packing list
- 2x Record confirming that the Installation and pressure testing were finished successfully, signed by the authorized person of the Buyer
- 3x Documentation, certificates or any other requested documents, if applicable and if not specified elsewhere otherwise in

accordance with Tender Documentation or their Annexes dated Sep 30,2013.

7.3.6 The Supplier shall procure that title to all Goods vested in the Buyer is free and remains free from any lien, charge or any other security interest and that no person other than Buyer shall have any claim to title to such Goods. If, notwithstanding this, any such Goods are subject to any lien, charge or other security, Buyer may discharge the lien, charge or security and recover all costs and expenses thereby incurred from the Supplier as a debt immediately due and payable.

7.3.7 The payment condition might be subject of Discount (allowance) as follows (if payment is released before due date):

60 days payment 0 % discount
45 days payment 1% discount
30 days payment 2 % discount
15 days payment 3 % discount

The Total price of the contract does not include this Discount (allowance).

7.4 Requests for Information/TARIC

7.4.1 If the Supplier needs additional information or background materials in order to be able to fulfill this Contract for Supplies, the Supplier shall immediately send a written request of information to the Buyer. The Buyer shall respond to such request within a reasonable time and provide such additional information or background materials, unless the Buyer believes, acting reasonably, that such information or background materials are not necessary for Supplier's performance of the Contract.

7.4.2 The Supplier shall print certain statistical codes which have to be reported to the Intrastat system of the European Union as set forth by Regulation of Council of the European Union No. 2658/87 of July 1987 on tariff and statistical nomenclature and on common Custom Tariff (hereinafter referred to as "**TARIC Codes**") on each and every invoice, Handover Protocol, another document replacing the Handover Protocol as agreed by the Parties and/or packing list. Further, the Supplier shall specific the country of origin of the Goods on each and every document referred to in the immediately preceding sentence.

8. CONTRACTUAL PENALTIES

8.1 Supplier's Default

8.1.1 Subject to the exception set out in Article 8.1.2 hereof, the contractual penalty under Article 2.3.2 shall amount to 2 % of the price of the delayed Goods or Service per each week of the delay. Such contractual penalties shall not exceed 20% of the price of the delayed Goods.

8.1.2 In case the Supplier fails to comply with its obligations set forth in Article 7.4.2 of this Contract for Supplies by not printing the TARIC Codes as required by Article 7.4.2 hereof, the Supplier shall pay to the Buyer the contractual penalty in the amount of EUR 100 per every item of Goods per week of delay until due delivery of such TARIC Codes, the same contractual penalty shall apply should the Supplier fail to specify to the Buyer the country of origin of the Goods pursuant to Article 7.4.2.

- 8.1.3 If the Supplier fails to deliver the Advice of Dispatch in due timely manner, the Supplier shall pay to the Buyer the contractual penalty in the amount of EUR 1000.
- 8.1.4 In case the Supplier breaches its confidentiality obligation set forth in Article 9 of this Contract for Supplies the Supplier shall pay to the Buyer contractual penalty of 5000 EUR for each and every such breach.
- 8.1.5 If the Supplier fails to deliver the copy of the insurance certificate as set in article No. 13.4, Supplier shall pay to the Buyer the contractual penalty in the amount of EUR 2500/per each case. The penalty is applicable after the first Buyer's written warning.
- 8.1.6 The contractual penalty under Article 6.9 shall amount to 2 % of the price of the defective component for each commenced day of delay until its removal.
- 8.1.7 The contractual penalty for any unspecified breach of this contract of Supplies is a subject of penalization 500eur/each case. The penalty will be applied if no measurements are taken within 15 days after first written wording.

8.2 Buyer's Default on Payment

In case of default on the payment of the contract price, the Buyer is obliged to pay to the Supplier a default interest amounting to 0.1 % of the unpaid amount per each day of the default.

8.3 Compensation for Actual Damages

The Supplier shall compensate the Buyer for any damages regardless and in addition to the amount of any paid contractual penalties as set forth in this Clause 7 of the Contract for Supplies if and to the extent that the actual damages suffered exceed the amount of the contractual penalties agreed, up to 100% of the total estimated value of this contract.

9. CONFIDENTIAL INFORMATION

- 9.1 The Parties shall be obliged to keep confidential all information in relation to the subject matter of, and with connection to, the Contract for Supplies. The confidential information within the meaning of the Contract for Supplies shall include:
 - (i) all information of commercial, technical and financial character relevant to the Buyer;
 - (ii) information concerning of the Buyers' business and the Goods,
 - (iii) any other information in whatever form designated by the contracting partner as confidential.
- 9.2 The confidentiality obligation shall remain valid throughout the whole term of the Contract for Supplies as well as after its termination, until the confidential information becomes public, such information becoming public in a manner other than through a breach of this confidentiality obligation, this Contract for Supplies by either Party.
- 9.3 The Supplier is obliged to conclude an open-ended confidentiality agreement with all its employees and officers and any and all third parties who shall be provided with confidential information for the purpose of the fulfilment of the Contract for Supplies.

- 9.4** However, nothing hereinabove contained shall deprive the Party of the right to disclose any information which: (a) is, at the time of receipt, or becomes at a later date, known to the trade or the public through no fault of the Supplier and then only after said date; or (b) is possessed by the Supplier before receipt thereof from the Buyer, developed by the Supplier independently out of the confidential information, as evidenced by the Supplier's written records, or disclosed to the Supplier in good faith by a third party with an independent right to such information; or (c) required to be disclosed by the Party pursuant to an order of a court of competent jurisdiction or other governmental agency having the power to order such disclosure, provided such Party shall use its best efforts to provide timely notice to the other Party of such order to permit the non-disclosing Party an opportunity to contest such order.

10. RWE CODE OF CONDUCT

The Supplier acknowledges the fact that the Buyer conducts its business in compliance with the rules set out in the RWE Code of Conduct and may be viewed at the following web address: <http://www.rwe.com/web/cms/en/90780/suppliers/code-of-conduct/> and undertakes to support compliance with the rules and principles contained therein. The Supplier further undertakes to implement the principles defined within the scope of the Global Compact Initiative of the United Nations on human rights, working conditions and the environment, as well as corruption (www.unglobalcompact.org). The Supplier agrees to ensure that any of its subSuppliers shall support compliance with the rules and principles contained in the RWE Code of Conduct as well as implement the principles defined within the scope of the Global Compact Initiative of the United Nations on human rights, working conditions and the environment, as well as corruption.

11. DISPUTE RESOLUTION

- 11.1** The Parties undertake to attempt to solve any dispute, controversy or claim arising out of or in connection with this Contract for Supplies, including but not limited to its performance or the breach, termination or invalidity thereof as well as the pre and post contractual obligations, even if the dispute, controversy or claim is based on other legal grounds than the Contract for Supplies, first by amicable settlement through negotiations on the level of their statutory bodies.
- 11.2** If such settlement is not achieved within 60 days since the receipt of the written request of either Party to start such negotiations, the matter shall be referred to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce (ICC). The place of arbitration shall be Vienna, Austria. The language to be used in the arbitral proceedings shall be English. The law governing this arbitration agreement is Austrian law.
- 11.3** Notwithstanding this arbitration agreement, each party may seek interim relief before the state courts.

12. WITHDRAWAL

- 12.1** The Buyer has the right to withdraw from the Contract for Supplies if:
- (i) the Supplier becomes subject to a decision on winding up of the Supplier with liquidation without any legal successor;

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- (ii) the Supplier is declared insolvent by a court of law or any similar competent public authority;
- (iii) the Supplier's assets are affected by enforcement (execution) proceedings;
- (iv) the Supplier defaults on the Delivery or the Supplier is persistently and materially in breach of its obligations under the Contract for Supplies and the default exceeds 10 weeks; and
- (v) the Goods supplied suffer from a defect which cannot be removed and which prevents the Buyer from using the Goods in a manner anticipated.
- (vi) in 1Q of operation will failure rate greater than 10 on the 50% of control panels which were delivered for given year,
- (vii) in 2Q of operation will failure rate greater than 5 on the 50% of control panels which were delivered for given year,
- (viii) in 3Q of operation will failure rate greater than 2 on the 50% of control panels which were delivered for given year.

12.2 The Supplier has the right to withdraw from the Contract for Supplies if the Buyer is in default on the payment of contract price for a period of time exceeding 30 days, provided a written warning of intended withdrawal was delivered to the Buyer by the Supplier at least 15 days prior to expiry of such time period and the Buyer did not remedy the situation.

12.3 The withdrawal from the Contract for Supplies under this Article 12 shall be notified by the Party withdrawing from the Contract for Supplies to the other Party in writing. The notification must be delivered to the other Party to its registered office. The withdrawal takes legal effect at the moment the notification of the withdrawal from the Contract for Supplies is delivered to the other Party.

12.4 This Contract for Supplies is set for undefined time period with prediction of supplies for 2013-2017. Both parties are entitled to cancel this Contract for Supplies by a written notice with a notice period of 6 months. The notice period shall start to run one day following the day of notice delivery. In case of doubts of the delivery term, is shall be decisive a tenth (10th) day following the proven dispatch of the notice. Nevertheless, both parties are obliged from the Individual orders placed by the Buyer and confirmed by the Supplier. These Individual orders shall be governed by this Contract for Supplies. No other fulfillment will be paid by Buyer and Supplier declares that it is aware of such a fact.

In case of contract termination, the Buyer shall redeem the value of safety stock (material) at supplier, s premises. The supplier shall deliver the safety stock material under contractual condition within 30 days prior termination become effective.

13. MISCELLANEOUS

13.1 The Force Majeure Clause 2003 of the International Chamber of Commerce (Publication 650) shall form a part hereof.

13.2 The documents forming the contractual documentation are listed in this Article below. These documents are to be taken as mutually explanatory. In case of discrepancies between these documents, priority shall be given to them in the following order:

- (i) this Contract for Supplies;
- (ii) tender documentation;
- (iii) the SPQR; and
- (iv) the document entitled "Drawings" forming Annex No. 3 of this Contract for Supplies (hereinafter referred to as the "**Drawings**").

(together referred to as the "**Contract**").

13.3 Any technical documentation to be delivered with the Goods shall be delivered by the Supplier to the Buyer in 3 counterparts in English language in writing (1 original and 2 copies) and in 1 counterpart in electronic form on CD ROM in English language.

13.4 The Supplier is obliged to have valid insurance certificate for 100,000EUR. In case the insurance certificate is not valid for the whole period of contract validity he is obliged to submit new certificate 15 days prior to the expiration of the currently valid.

13.5 ATEX Certification of the panel will be provided by (***the Bidder fill in name of the 3rd party and the name of the person who will perform it***).

PED certification on pressure equipment – Statutory declaration about Certification by (***the Bidder fill in name of the 3rd party and the name of the person who will perform it***).

CE certification of the panel will be provided by (***the Bidder fill in name of the 3rd party and the name of the person who will perform it***).

In case of any changes within the assigned parties or responsible persons the Seller is obliged to announce it to the Buyer. It is subject of Buyers approval.

14. FINAL PROVISIONS

14.1 Legal relations under this Contract shall be governed by the laws of Austria with the exclusion of its choice of law rules.

14.2 The Contract of Supplies is set for undefined period.

14.3 The United Nations Convention on Contracts for the International Sale of Goods of 1980 shall not apply to this Contract even in case the Supplier's place of business is located in the contracting state to the above convention.

14.4 This Contract may be amended with the express agreement of all parties involved and shall be evidenced in writing.

14.5 Any provision of this Contract which is invalid or unenforceable or partly invalid or unenforceable shall, where possible, be severed to the extent necessary to make the Contract valid and enforceable, unless this would materially change the intended effect of the Contract.

14.6 The following documents shall form annexes to this Contract for Supplies:

Annex 1: Specifications;

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Annex 2: SPRQ;

Annex 3: Drawings; and specification

In witness whereof the Parties have caused this Contract for Supplies to be executed in 4 (four) counterparts of equal legal force, out of which each Party shall receive 2 (two) counterparts.

Authorized signature(s) of Buyer

Date:

In the presence of:

Andreas Frohwein

Executive

Ing. Libor Veleba

Executive

Authorized signature(s) of Supplier

Date:

In the presence of:

Name:

Signature:

ANNEX NO. 1 – SPECIFICATIONS

- 1) TECHNICAL SPECIFICATION OF BUYER
- 2) Fill supplier

ANNEX NO. 2 – SCHEDULE OF PRICES / RATES / QUANTITIES

Fill supplier

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ANNEX NO. 3 – DRAWINGS

Fill supplier