

**AGREEMENT ON PROVISION OF CONSULTANCY SERVICES
FOR
REVIEW OF FEASIBILITY STUDY AND DESIGNS**

1) Zvolenská teplárenská, a.s.

with its registered seat at Lučenecká cesta 25, Zvolen 961 50, Slovak Republic, company identification number (*IČO*): 36 052 248, registered in the commercial register of the District Court Banská Bystrica, section Sa, insert No. 686/S;
Bank: Všeobecná úverová banka, bank account IBAN No.: SK47 0200 0000 0035 9641 7758.

(hereinafter referred to as "**ZVT or Client**"),

2) AF-Consult Czech Republic s.r.o.

with its seat at Magistrů 1275/13, 140 00 Prague 4, Czech Republic, company identification number (*IČO*): 45306605, registered with the Commercial Register of of the Regional Court in Praha, Section: C, Insert No. 8073;
Bank: CSOB Praha , bank account IBAN No.: CZ79 0300 0000 0001 8980 1476, BIC/SWIFT, CEKOCZPP

(hereinafter referred to as the "**Consultant**")

(ZVT and the Consultant together hereinafter referred to as the "**Parties**" and separately as the "**Party**")

following the mutual discussions, pursuant to the § 269 (2) et seq. of the Act No. 513/1991 Coll., the Commercial Code, as amended the Parties enter into this Agreement on provision of consultancy services No.: 0098T19, dated 16.5.2019 (hereinafter referred to as the "**Contract**"):

1 PREAMBLE

The International Investment Bank (the "IIB" or the "Bank") is providing a loan of up to EUR 30.9 million to the Zvolenska teplarenska, a.s. ("ZVT") in the City of Zvolen ("Zvolen" or the "City"), located in the Central Slovakia, the Facility Agreement was signed on the 15th of April 2019.

The Bank's financing will be aimed to replace existing coal-powered CHP plant ceased to meet emission limits with wooden biomass fired heating plant including rehabilitation works, supply and installation of biomass and gas boilers. The Company plans to construct a new biomass-based district heating plant of total capacity currently planned at 77.5 MWt consisting of several heat-only boilers. The new DH plant will be located in already existing, but unused building on the main land of the Company near the existing heating plant and will be connected to the existing heat distribution network.

The rationale for the investment stems from the need to decrease the emission of SO₂, NO_X and dust in accordance with Directive 2010/75 / EU of the European Parliament and Decree of the Ministry of the Environment of the Slovak Republic No 410/2012. Continuing operations requires rebuilding the plant and installing modern technology, making it operational no later than on 30.6.2020. Since that date, the Company will no longer be able to use coal for heat generation because of regulatory constraints.

All contracts tendered under the project which are to be financed from Bank's loan proceeds, will be executed according to the Bank internal procurement procedures compliant to the best international practices (in this case Procurement Rules for Projects Financed by International Investment Bank).

In this regard the international open tender procedure according to IIB Procurement Rules for selection of the Consultant for Review of feasibility study and designs has been published in February 2019 with deadline in March 2019. Overall 6 companies submitted their tenders.

The expected objective of the Consultant is to review the feasibility study for the new heating plant, confirm technical parameters of the project of new heating plant, proposed technical solutions and detailed designs of new heating plant (prepared for the project by separate engineering consultant) and provide reports on the review.

2 SUBJECT MATTER OF THIS CONTRACT

- 2.1 Under this Contract the Consultant undertakes to provide ZVT with consultancy services (hereinafter referred to as the "**Services**") closely specified in Schedule A of this Contract (Specification of the Project and the Services).
- 2.2 The Consultant shall provide the Services in accordance and under the conditions stipulated in this Contract and its Schedules.
- 2.3 ZVT undertakes to pay the Consultant remuneration for the Services duly provided under this Contract. The remuneration is closely specified in Schedule B of this Contract (Remuneration, Staffing and Breakdown of Costs).

3 DECLARATIONS, RIGHTS AND OBLIGATIONS OF THE CONSULTANT

- 3.1 The Consultant shall make available for the Project the expert(s) named in Schedule B (hereinafter referred to as the "**Expert(s)**"). The Consultant and the Expert(s) shall perform the Services in accordance with this Contract and its Schedules, especially with the Schedule C (General Conditions of this Contract), with a due care, in time and in an economic manner.
- 3.2 The Consultant hereby declare that he is fully aware of ZVT's obligations arising from the IIB Loan Agreement and undertakes to provide ZVT with all the necessary cooperation in order to fulfill the obligations arising for ZVT from the IIB Loan Agreement, especially the anti-fraud and anti-corruption obligations, the confidentiality obligations and the reporting obligations. Furthermore, the Consultant undertakes to assure that the Expert (s) shall follow the obligations of the Consultant according to this Contract in the same range.
- 3.3 The Consultant hereby declare that it is a legal entity duly incorporated and existing under the laws of an IIB Member State and therefore shall be deemed as a legal person coming from an IIB Member State in accordance with the IIB Procurement Rules.
- 3.4 The Consultant is entitled to request from IIB cooperation necessary for the fulfillment of the Services under this Contract.

4 TERM OF ENGAGEMENT

- 4.1 Except as ZVT may otherwise agree, the Consultant shall commence the Services on 16.5.2019 (the "**Start Date**") at latest. It is presently envisaged that the Services will be completed on or before 16.8.2019 (the "**End Date**"), and the period between the Start Date and the End Date, inclusive, shall be referred to as the "**Term of Engagement**"). The Consultant shall be engaged

by ZVT for the Term of Engagement, provided that ZVT may at any time upon giving the Consultant notice in writing, suspend or terminate this Contract with immediate effect.

4.2 The Term of Engagement might be closely specified in Schedule A of this Contract.

5 PAYMENTS AND INVOICES

5.1 ZVT shall pay to the Consultant the remuneration in respect of the Services satisfactorily and timely performed during the Term of Engagement, and shall reimburse approved expenses, as set out in Schedule B. Invoices shall be prepared and submitted in accordance with the Rules for the Preparation of Invoices set out in Schedule B.

5.2 ZVT shall pay the Consultant the remuneration for due rendering of the Services and reimbursement of approved expenses in ***lump sums for deliverables*** starting on the effective date of this Contract ("**Payment Option C - Payment in Arrears**"). ZVT shall pay the sum according to the invoice(s) for Services submitted to ZVT by the Consultant in the relevant period.

Deliverable	Sum
Feasibility Study Review Report (to be submitted 2 weeks after contract signature)	35% of the contract price (of which 85% to be invoiced upon submission of draft report and 15% upon submission of final report)
Design Review Report (delivered within 2 weeks after receiving detailed designs and technical documentation)	15% of the contract price (of which 85% to be invoiced upon submission of draft report and 15% upon submission of final report)
Zero Report (delivered within 1 month after signature of the Contract for this Assignment)	50% of the contract price (of which 85% to be invoiced upon submission of draft report and 15% upon submission of final report)

5.3 All payments under this Contract shall be made in EUR upon submission by the Consultant of an original invoice and ***deliverable for which the lump sum payment is to be made.***

- 5.4 Any Payments to the Consultant will be made solely to the following bank account, unless instructed otherwise by the Consultant in writing:

Československá obchodní banka, a.s.
IBAN: CZ09 0300 0000 0004 8274 7683
BIC/SWIFT: CEKOCZPP

6 REPORTING

- 6.1 Except as ZVT may otherwise agree, the Consultant shall provide Mr. Miroslav Duplinský, Technical Director, ZVT, the work, findings or reports as set out in Schedule A. All reports or documents produced for ZVT shall be created in the version of Microsoft's "Word for Windows" and/or "Excel" software, and shall be compatible with "Acrobat" unless the Consultant is instructed otherwise by ZVT and/or the nature of deliverables presumes a certain specific format (such as DWG in case of technical drawings). ZVT will not accept reports or documents formatted in other software and such are deemed as not submitted for the purposes of this Contract.

7 MAXIMUM CONTRACT AMOUNT

- 7.1 Except as ZVT may otherwise agree, total payments, including fees, per diem allowances, expenses and any other payment, to the Consultant under this Contract or in connection with it shall not exceed EUR 150,000.00 or its equivalent in another currency if applicable (hereinafter referred to as the "**Maximum Contract Amount**"). The VAT shall be governed separately between the Consultant and ZVT based on applicable national laws. The Bank loan proceeds shall not be used to pay VAT in whatsoever form.

8 CONSULTANT'S LIABILITY AND INDEMNITY

- 8.1 Subject to Clauses 8.2, 8.3, 8.4 and 8.5 of this Contract, the Consultant shall be liable for and indemnify and hold harmless ZVT, its directors, officers, employees and agents in respect of:
- i. any act or omission, whether negligent, tortuous or otherwise, of the Consultant, its Expert(s), directors, officers, employees, subcontractors or agents relating to or arising from the provision of the Services or the matters contemplated in this Contract;
 - ii. any breach by the Consultant, its Expert(s), directors, officers, employees, subcontractors or agents of any of the Consultant's or Expert(s)' obligations under this Contract;
 - iii. any death or injury or non-material damage to a person resulting from the Consultant's, its Expert(s)', directors', officers', employees', subcontractors' or agents' negligence;
 - iv. the infringement or alleged infringement by the Consultant, its Expert(s), directors, officers, employees, subcontractors or agents of any patent, copyright, registered design or trademark right of any third party (hereinafter referred to as the "**Intellectual Property Infringement**"); or
 - v. any failure of the Consultant, its Expert(s), directors, officers, employees, subcontractors or agents to comply with any applicable law, rule or regulation.
- 8.2 The Consultant shall indemnify, hold harmless and defend ZVT against all claims, damages, costs (including legal costs), expenses, taxes, penalties, liabilities, proceedings, losses arising from, out of or in connection with Clause 8.1 (i) or (ii) of this Contract up to an amount equal to the

Maximum Contract Amount, except that such ceiling shall not apply to actions, claims, losses or damages caused by the Consultant's or Experts' reckless conduct or fraudulent behavior where the Consultant shall fully indemnify ZVT.

- 8.3 The Consultant shall fully indemnify, hold harmless and defend ZVT, against all claims, damages, costs (including legal costs), expenses, taxes, penalties, liabilities, proceedings, losses arising from, out of or in connection with Clauses 8.1 (iii), (iv) or (v) of this Contract.
- 8.4 ZVT agrees to give the Consultant no less than 15 calendar days (following notification by ZVT) in which to remedy any breach by the Consultant, its Experts, directors, officers, employees, permitted subcontractors or agents of any of the Consultant's or Experts' obligations under this Contract which is, in the discretion of ZVT, capable of being remedied.
- 8.5 In respect of the indemnification referred to in paragraph 8.1 (iv), ZVT shall provide the Consultant with notice of the Intellectual Property Infringement forthwith upon becoming aware the same.

9 INSURANCE

- 9.1 The Consultant shall maintain within the duration of this Contract at its own cost a comprehensive insurance policy including professional liability insurance (for amount of up to the Maximum Contract Amount) in respect of any liability which may arise under Clause 8 or any other provision of this Contract or under the applicable law and shall ensure that the minimum amount of cover per claim under such policy shall not be less than the Maximum Contract Amount.
- 9.2 Upon request the Consultant shall provide ZVT with a copy of the Certificate of Insurance without undue delay and allow ZVT to inspect such document. However, neither inspection nor receipt of such Certificate copy shall constitute acceptance by ZVT of the terms therefor nor a waiver of the Consultant's obligations hereunder.
- 9.3 All types of insurance are the sole responsibility of the Consultant who shall ensure that appropriate cover is in place before starting to perform the Services. ZVT reserves the right to require evidence that the Consultant has taken out the necessary insurance.
- 9.4 The Consultant's obligations in respect of insurance are further described in Clause 11 of Schedule C (General Conditions of this Contract).

10 NOTIFICATIONS

- 10.1 Any notice or request required or permitted to be given or made under this Contract shall be in writing. Such notice or request shall be deemed to be duly given or made when it shall have been delivered by hand, mail, cable, e-mail or fax to the Party to which it is required to be given or made at such Party's address specified below:

For ZVT: Zvolenská teplárenská, a.s., Lučenecká cesta 25, Zvolen 961 50, Slovak Republic

Attention: **Mr. Miroslav Duplinský**

E-mail: **miroslav.duplinsky@zvtp.sk**

For the Consultant: AF-Consult Czech Republic s.r.o., Magistrů 1275/13, 140 00 Prague
4, Czech Republic
Attention: **Petr Šlemr**
E-mail: petr.slemr@afconsult.com

- 10.2 The notice or request is deemed to be delivered also if the recipient refuses to collect it - the day of refusal to collect (regardless of whether or not he was informed of this fact) or if the notice or request is returned as undelivered due to other reason - the day when the shipment delivered by mail to the Party is a provably marked note made by the post saying the "addressee unreachable", the "addressee is unknown" or another note of similar meaning.

11 CONTRACT SCHEDULES

- 11.1 The Schedules to this Contract are incorporated in this Contract by reference and shall have the same force and effect as if fully set forth herein and constitute its inseparable part. In the event of any inconsistencies between this Contract and the Schedules attached, the following order shall prevail: this Contract; Schedule A (Specification of the Project and the Services); Schedule B (Remuneration, Staffing and Breakdown of Costs, Rules for the Preparation of Invoices); and Schedule C (General Conditions of this Contract). Any reference to this Contract shall include, where the context permits, a reference to its Schedules.

12 TAXATION

- 12.1 The Consultant shall determine whether any indirect taxes, including VAT, are chargeable by the Consultant in respect of the Services or this Contract in advance. The Consultant shall advise ZVT of its determination and the basis upon which it was formed, if applicable, accompanied by the statement of the respective authority. If such indirect taxes, including VAT, are chargeable, ZVT shall pay such indirect tax.

13 EFFECTIVENESS OF THIS CONTRACT

- 13.1 This Contract shall become effective as of the date of its signing by both ZVT and the Consultant and shall continue in full force and effect, subject to Clause 14, until (i) the Services and all payments therefore have been completed, or (ii) the earlier termination of this Contract.

14 SURVIVAL CLAUSE

- 14.1 Termination of this Contract will not relieve ZVT of any claims against the Consultant that arise under this Contract before this Contract is terminated or expires. Especially Clauses 8, 12 and 15 above and Clauses 1.3, 7.1, 7.3, 7.7, 7.8, 7.11 and 9, 15 and 17 of Schedule C (General Conditions of this Contract) shall survive the termination or expiry of this Contract.

15 CONFIDENTIALITY

- 15.1 The Consultant undertakes not to, except when required by applicable law or final order of a court, without prior written consent of ZVT disclose directly or indirectly to any person or entity, or copy, reproduce or use, any information learned, known or acquired in connection to providing the Services under this Contract. The Consultant shall also without prior written consent of ZVT not disclose terms and conditions of this Contract to third parties. The above obligation of the Consultant lasts after the termination of this Contract within the unlimited period of time.

2

15.2 The Consultant's confidentiality obligations are further described in Clause 7 of Schedule C (General Conditions of this Contract).

16 SEVERABILITY

16.1 If any term or provision of this Contract or its Schedules is determined by a court of competent jurisdiction through the final order or by virtue of law to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other terms, provisions and conditions of this Contract and its Schedules shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Contract so as to effect the original intent of the Parties as closely as possible to the fullest extent permitted by applicable law.

17 COUNTERPARTS

17.1 This Contract has been executed in 2 counterparts, each of which shall be deemed an original, while one (1) counterpart shall be delivered to each of the Parties.

Enclosed

- Schedule A - Specification of the Project and the Services
- Schedule B - Remuneration, Staffing and Breakdown of Costs,
Rules for the Preparation of Invoices
- Schedule C - General Conditions of this Contract

SCHEDULE A

Specification of the Project and the Services

Terms of Reference for

Slovakia: Zvolen District Heating Project - Review of Feasibility Study and Designs

This Open Tender and all issues related to it shall be subject to the relevant law of the EU, Slovakia and the Procurement Rules for Projects Financed by International Investment Bank (“Procurement Rules”)

- 1. BACKGROUND

The International Investment Bank (the “IIB” or the “Bank”) is considering to provide a loan of up to EUR 30.9 million to the Zvolenska teplarenska, a.s. (the “ZVTP” or “Company”) in the City of Zvolen (“Zvolen” or the “City”) in the Central Slovakia.

The Bank’s financing is aimed to replace existing coal-powered combined heat and power plant (further as “CHP plant”) ceased to meet emission limits with wooden biomass fired heating plant including rehabilitation works, supply and installation of biomass and gas boilers. The Company plans to construct a new biomass-based district heating plant of total capacity currently planned at 77.5 MWt consisting of several heat-only boilers. The new district heating plant (further as “DH plant”) will be located in already existing, but unused building on the main land of the Company near the existing heating plant and will be connected to the existing heat distribution network.

The rationale for the investment stems from the need to decrease the emission of SO₂, NO_x and dust in accordance with Directive 2010/75 / EU of the European Parliament and Decree of the Ministry of the Environment of the Slovak Republic No 410/2012. Continuing operations requires rebuilding the plant and installing modern technology, making it operational no later than on 30.6.2020 (the technical and commercial completion date of the new DH Plant). Since that date the Company will no longer be able to use coal for heat generation because of regulatory constraints.

The Company and the Bank have now agreed that the assistance of an experienced firm (the “Consultant”) is required in order to speed up project preparation – mainly in area of review of feasibility study and verification of technical parameters of the project and review of detailed designs.

- 2. OBJECTIVES

The overall objective of this Assignment is to review the feasibility study for the new DH plant, confirm technical parameters of the project of new DH plant, proposed technical solutions and detailed designs of new DH plant (prepared for the project by separate engineering consultant) and provide reports on the review.

The project work and reports should provide comments and advice and/or confirmation to the Company in terms of:

- Company’s technical needs and parameters in relation to supply and demand of heat,
- Recommended capacity and type of the boilers,
- Investment costs and financials for the repayment,
- Biomass supply, storage and handling system,
- Review of detailed designs of new DH plant,
- Fulfilment of standard requirements for designs to be included in tenders run under Multilateral Development Bank procurement rules (further as “MDB”) ,

- Preparation of Zero Report for the Bank.

Zero Report means, in relation to the Project, an initial written report by the Consultant addressed to the Bank.

- 3. SCOPE OF WORK

The Consultant will review the data available from the Company, all previous studies and the data collected and prepared during the Feasibility Study phase during project preparation done in 2017 and 2018.

Following the review of available data and reports, the Consultant will revisit the site as needed, to obtain any supplemental information needed to complete the assessment and carry out the activities necessary to confirm the project requirements.

Following completion of the review and site visits the Consultant will deliver a summary of key findings in Feasibility Study Review Report, Design Review Report and Zero Report.

3.1 Review of the feasibility study

The consultant shall namely focus during the review of the feasibility study on the following areas:

- Source data, requirements and conditions of the project and its location (City of Zvolen)
- Methodology selection and its application for finding the optimal heating solution
- Analysis of historical technical parameters and conditions of heat supply and demand and of the heating plant
- Analysis of shortlisted technical solutions
- Analysis and review of the proposed project location, proposal for placement of new technology,
- Analysis and review of suggested project parts related to:
 - o Transport, storage and fuel manipulation
 - o Heating sources
 - o Water treatment
 - o Taking out heat energy from the source
 - o Turbines
 - o Control systems
 - o Metering
 - o Buildings and planned construction
 - o Investment costs
- Timeline for project implementation
- Legislation framework (related to emissions, etc.)
- Environmental permits and related obligations
- Economic and financial analyses for the project and suggested solutions/technologies

The review of the feasibility study shall provide comments and answers to the Company and the Bank for the areas named above whether all relevant areas of the project analysis and preparation have been fully taken into account and whether there are areas which require additional attention. During the course of preparation the Company and/or the Bank may submit additional requests to include in the analysis and related report.

The outcome of this exercise shall serve as a basis for preparation of Feasibility Study Review Report.

3.2 Review of detailed designs

The consultant shall analyse all detailed designs which are to be prepared by specialised consultant.

The analysis and verification shall be made in accordance with best international practise for preparation of detailed designs which are used in procurement procedures under rules of Multilateral Development Banks (such as EBRD, IIB, WB, EIB, etc.).

As the heating plant construction contract will be tendered on Supply and Installation concept while using Red FIDIC Book (The International Federation of Consulting Engineers, commonly known as FIDIC, acronym for its French name Fédération Internationale Des Ingénieurs-Conseils) as a form of contract (in full “Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer: The Construction Contract, First edition 1999”), the Consultant shall review the detailed designs and technical specifications and provide comments/suggestions to improve them in the sufficient detail for inclusion in tender documents (including all technical aspects of the design). All design specifications shall meet requirements of Slovak / EU Laws and international standards, where appropriate. The Consultant shall provide review to ensure that the final design of the new DH plant meets the requirement of the local construction legislation.

The Consultant shall review the technical specifications and Bill of quantities in accordance with the “*Guidelines for Preparation of Technical Specifications and Bill of Quantities*”, or similar equivalent guideline or standard tender document guidance (e.g. Standard Tender Documents for Works by EBRD

- <https://www.ebrd.com/cs/Satellite?c=Content&cid=1395278648964&d=&pagename=EBRD%2FContent%2FDownloadDocument>, page 45-46 and 73-74) generally used in projects funded and procured under MDB rules.

The outcome of the work will be Design Review Report, summarising suggested changes, advice and proposals to improve/update the detailed designs, technical requirements and other documentation.

3.3 Preparation of the Zero Report

The objective of the Zero Report is to provide clear understanding and confirmation to the Bank in relation to the project, namely that:

- a) All necessary project documents, permits and approvals for construction of new DH plant by the respective authorities are obtained;
- b) Calculated Project budget costs are confirmed on the market level;
- c) Calculated Project budget costs are sufficient to finalize the project;
- d) Confirmation of the technical characteristics of the Project;
- e) Confirmation of the reality of the provided forecast of cash flow for the Project, including savings costs from using cheaper raw materials and announced reduction of staff;

A Zero Report shall include the following information/conclusions:

- Analysis of the initial permit documentation, permits of the authorized bodies for the right to use land plots, permits for construction/reconstruction/modernization, conclusion of the Consultant regarding availability, completeness and compliance of the current permit documentation to the current legislation;
- Analysis of the capital investments in the Project, the contractual base with the main future contractor, correspondence of the cost of services/equipment to the budget of the Project and the average prices on the market, conclusion of the Consultant regarding budget of the Project and compliance the budget of the Project to the market prices;
- Market analysis including assessment of risks of growth of competition, sufficiency of raw materials/inventories in the region, analysis of possible markets for the purchase of raw materials/inventories in order to assess the possibility of continuous work of the Company for the term of the loan (including risk of insufficient raw materials for the term of the loan) also an analysis of the Company’s contractual base with

suppliers/customers of products/services, assessment of the main risks, conclusion of the Consultant regarding possible market risks for the Company, regarding influences counterparties on the business of the Company (e.g. dependence the activity of the Company from specific suppliers/customers);

- Analysis of the legislation of Slovakia regarding tariff regulation for heat, assessment of possible regulatory risks for the Company in the short/medium and long-term perspectives, assessment of possible reduction of tariffs, analysis of the financial model of the Project provided by the Company, analysis of the Company's competitive position, conclusion of the Consultant regarding the realistic of the provided by the Company financial model and proposals of the Consultant for minimizing of possible risks;
- a confirmation that the submitted specifications contain all the permits and that all these permits are final and conclusive (*právoplatné*) and in form and substance sufficient for the new DH Plant and its completion and further operation in accordance with the other specifications;
- a confirmation that the supply documents contain such terms, which (in the context of the Specifications) will ensure that the new DH Plant will be completed in accordance with the specifications;
- a confirmation that the Plant will be capable of permanent operation and constant production of heat at the minimum acceptable to the Bank once the technology is installed at the Plant;
- a confirmation that the Project is capable to generate cashflow which at least at the level of the cashflow projections once the technology is installed at the Plant;
- a confirmation that the budgeted costs or their part:
 - have been, having regarded all specifications, calculated accurately and realistically;
 - are based on prices standard on the relevant market at the relevant time; and
 - cover all supplies and works that will be required for completion of the new DH Plant in accordance with the specifications;
- a confirmation on potential savings in budgeted costs (if any) resulting from using of a cheaper raw materials and considering any announced reduction of employees and other staff of the Company;
- a confirmation on potential savings in costs of operating of the Plant (if any) resulting from using the technology (which is, or which is to be, installed within the new DH Plant) calculated by comparing the financial performance of the Company, anticipated following the practical completion, with the financial results of the Company set out in the original financial statements;
- confirming that the timetable of the new DH Plant (being part of the specifications), having regarded all the other specifications and the relevant supply documents, is realistic for the practical completion to take place on or before the required completion date;
- evaluating potential technical and construction risks of the new DH Plant;
- evaluating the existing suppliers (with respect to their qualifications) and the existing supply documents (in particular whether the supply contracts: (i) have a guaranteed maximum price in line with the budgeted costs or their part and fixed delivery date in line with the timetable, (ii) provide for safeguards and warranties customary and reasonable for the particular type of supply contract, providing an overview of performance bonds or other guarantees for the performance of the suppliers' obligations, and outlining the potential suppliers and supply contracts that will need to be concluded in the later stages of the development; and
- a confirmation that the cashflow projections:
 - have been, having regarded all specifications, calculated accurately and realistically; and
 - are based on prices standard on the relevant market at the relevant time.

The Consultant shall closely cooperate also with other consultant providing support the Company in obtaining the permits for the construction.

- **4. IMPLEMENTATION ARRANGEMENTS AND DELIVERABLES**

- **4.1 Implementation Arrangements**

The Consultant will report to the Company on all aspects of this Assignment. The Consultant will sign the contract with the Company. The Assignment is expected to start in May 2019 and have duration of 3 months.

The Consultant will be responsible for arranging accommodation and local and international transportation. The Consultant will be responsible for all salaries, fees, allowances, insurance, leave pay and taxes.

The Consultant including its engineering staff (where relevant) shall hold relevant licences, certifications, permits in relation to perform engineering, design or other specialised services within Slovakia / European Union related to the Project.

It is expected that the Company will provide the Consultant free of charge with furnished, office accommodation and access to telephones, fax and internet. All calls and internet service costs are to be paid by the Consultant.

All available project information, reports, and documents will be made available for the Consultant by the Company at the start of the assignment.

All documentation related to the contract will remain the property of the Company after completion of the assignment. The Consultant shall not publish, use or dispose of this documentation without the written consent of the Company.

The Company may from time to time request the Consultant to produce an ad hoc report. The reports shall be prepared in both English and Slovak.

The Consultant shall cooperate closely with other consultants in the project, as the inputs like detailed designs are yet to be prepared by another specialised consultant under assignment "Preparation of detailed designs".

- **4.2 Deliverables**

In the course of the assignment the Consultant shall prepare the following Reports:

- **1. Feasibility Study Review Report**

The draft report to be provided 2 weeks after signature of contract for this Assignment. The report shall include and provide information described in the 2.1 above. The comments of the Company and the Bank shall be incorporated within 1 week and Final version of the report shall be delivered.

- **2. Design Review Report**

The draft report shall be delivered within 2 weeks after receiving detailed designs and technical documentation prepared by the Consultant responsible for Preparation of detailed designs. The comments of the Company and the Bank shall be incorporated within 1 week and Final version of the report shall be delivered.

- **3. Zero Report**

The draft of Zero Report shall be delivered within 1 month after signature of the Contract for this Assignment and deliver it to the Company and the Bank. The comments of the Company and the Bank shall be incorporated within 1 week and Final version of the report shall be delivered.

- **4.3 Consultant**

The Consultant shall provide adequate staff in terms of expertise and time allocation, as well as needed equipment in order to complete the activities required under the scope of work and to finally achieve the objectives of the project in terms of time, costs and quality.

The Consultant shall be responsible for mobilisation of qualified project manager, engineers and designers with proven experience in the preparation and review of designs in infrastructure projects financed by MDBs. The experts shall be experienced in preparation and review of feasibility studies, including district heating. Where staff does not speak the local language, interpretation and translation will be the responsibility of the Consultant. All proposed experts of the Consultant shall have valid work permits applicable for Slovakia or to be citizens of EU Member States, or shall reasonably demonstrate at the time of bid submission that such work permits will be obtained by the time of contract signature without causing delays in the Assignment.

It is anticipated that the Consultant's team shall include the following expertise:

- Team leader/Project Manager;
- Local Project Manager;
- Financial / Economic Expert;
- Engineers/Designers:
 - Civil;
 - Mechanical;
 - Electrical;
 - SCADA (Supervisory Control and Data Acquisition);
 - District heating;
- Environmental and Social Expert.

All experts shall preferably have a minimum of 5 years' experience of the activity which they are proposed for, except for Team leader/Project Manager and Engineers where 8 years of experience is required. The experts shall also have the following experience for positions they are proposed, including:

- have design and project management experience gained in countries with conditions similar to Slovakia;
- have experience with DH plant construction/rehabilitation, or DH plant construction supervision or DH plant operations of at least 1 DH plant in managerial position;
- have experience in preparation and review of feasibility studies for infrastructure projects financed by various MDBs (preferably to have work experience from both sides – working for MDBs for preparation/review of FS and also for final beneficiaries/investors.)
- have experience in review and validation of infrastructure engineering projects incl. district heating rehabilitation and upgrade projects;
- have experience in design and design review of infrastructure engineering projects incl. district heating rehabilitation and upgrade projects;
- have experience in (i) planning, design and design review activities; (ii) assistance with planning and design activities; (iii) project management; (iv) project management assistance; (v) engineering; (vi) preparation / review of feasibility studies in projects financed by various MBDS; (vii) financial / economic appraisals of infrastructure projects;

- have a good knowledge of requirements for designs and technical documentation from projects tendered under procurement procedures and rules of Multilateral Development Banks, such as the IIB, EBRD, World Bank, EIB
- have a good knowledge of FIDIC Red Book;
- have a good knowledge of requirements of Slovak legislation concerning designs, construction, engineering, environmental and social issues.
- be able to work proficiently in English, fluency in Slovak would be an advantage.

SCHEDULE B**Remuneration, Staffing and Breakdown of Costs**

Slovakia: Zvolen District Heating Project - Review of Feasibility Study and Designs (All amounts to be exclusive of indirect taxes, including VAT and in the currency of EUR)

1 Fees:**EUR**

Name of Expert	Job Title		Total
Tomáš Urbánek	Project manager	Lump sum fee – inclusive of all expenses	150,000.00
TBD	Local Project manager		
Michal Hryciow	Mechanical Lead Engineer		
Jaroslav Nohejl	Civil Lead Engineer		
Jan Fejt	I&C Engineer		
Pavel Cellar	Electrical Engineer		
Karel Břinda	DH engineer		
TBD	Environmental engineer		
Jiří Staník	Financial expert		
Total Fees:			150,000.00

(the above-mentioned persons collectively referred as to the “Experts”)

2 Per Diem Allowance:

Place	Number	Rate Period	Per Diem	Total
Total per Diem:				0

3 Reimbursable expenses, may include indirect taxes, such as VAT, if not otherwise recoverable by the Consultant:**Air Travel**

(Full Economy Class or Equivalent)

Routing	Air Fare	No. of Flights	Total
Total Air Travel:			0

Local Travel

Journey	Cost	No. of Journeys	Total
Total Local Travel:			0

Miscellaneous

[•]	[•]	Total
[•]	[•]	[•]
Total Miscellaneous:		0

4 Contingencies

Utilization only after prior approval in writing by IIB.

[•]	[•]	Total
[•]	[•]	[•]
Total Contingencies:		0

TOTAL MAXIMUM CONTRACT AMOUNT (Contract Ceiling Amount)	150,000.00 EUR
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Invoices must be prepared according to the attached **Rules for the Preparation of Invoices** and according to the applicable law. ZVT shall not be responsible for delays in paying invoices if the Consultant's invoices do not comply with the attached Rules. Unless otherwise stated, any equipment included in this Contract and purchased by the Consultant shall be disposed of at the end of this Contract in accordance with ZVT's directions.

RULES FOR THE PREPARATION OF INVOICES

The following points shall be observed when submitting invoices for payment. For lump sum-based invoices, the points relevant to structure of the invoice and listed costs shall be disregarded.

- **All invoices shall be addressed and sent to:**
 - Zvolenská teplárenská, a.s.**
 - Lučenecká cesta 25, Zvolen 961 50,**
 - Slovak Republic**
- This Contract number 0098T/19 and RNDr. Miroslav Duplinský (see Clause 6. *Reporting of this Contract*) shall be quoted on the invoice.
- Invoices shall be marked to show the Consultant's business address, identification number, registration with the respective Commercial Register, invoice number and date. The name and telephone number of a person who may be contacted in case of need to raise queries shall be quoted on the invoice.
- ZVT will only make payments after the original signed copy of this Contract has been returned to ZVT and only on submission of original invoices and original supporting receipts (no faxes or copies shall be acceptable).
- Invoice payments will be made by direct transfer to the bank account referred to in Clause 5 of this Contract, unless agreed otherwise.
- Full details of the bank account, where payment shall be made, as set out in this Contract must be supplied on the invoices, including currency of the account.
- Period during which Services were provided must be stated.
- Invoices shall be itemized in the order set out in Schedule B – Remuneration, Staffing and Breakdown of Costs.
- Fees and Per diem must be invoiced as per Clause 3.2 of Schedule C.
- Reimbursable expenses, including Air Travel, Local Travel and Miscellaneous costs must be invoiced in the currency of this Contract, according to Clause 3.2 of Schedule C.
- Exchange rates for reimbursable expenses should be stated in the invoice. Conversions shall be made at the rates published the European Central Bank on the first Monday of the relevant month (the month that the invoice was prepared) if it is convertible or against submission of evidence of the exchange rate applied when purchasing local currency for the corresponding reimbursable expenses.
- Any change to this Contract necessitating an amendment to this Contract should be completed prior to submission of an invoice.
- The last of the invoices (or, as the case may be, the only invoice) issued by the Consultant for the Services shall be called the "**Final Invoice**" and shall be indicated as such. The Final Invoice shall not be issued and paid by ZVT until all the Consultant's obligations for performing the Services have been satisfactorily fulfilled. The Final Invoice must be submitted within three months of the earlier of the completion of the Services and the End date of this Contract.
- For reimbursement of air travel costs, original ticket stubs must be submitted, together with boarding cards and travel agency receipts.
- A numbered list detailing each reimbursable item shall be submitted, with correspondingly numbered original receipts for each item attached.

- Prior to issuing the first invoice, in accordance with Clause 12 of this Contract, the Consultant should confirm with ZVT whether VAT can be charged or whether the invoice(s) should be zero rated for VAT purposes due to ZVT's tax status.
- Any applicable VAT charged by the Consultant shall be separately itemized on the invoices.
- Any questions regarding these Rules should be addressed to RNDr. Miroslav Duplinský.

SCHEDULE C**General Conditions of this Contract****1 FEES**

- 1.1 Where the fee is expressed in terms of a daily rate, the time spent in performing the Services shall be determined based on the number of days actually spent by the Expert(s) in performing the Services including necessary travel time.
- 1.2 Where the fee is paid as a fixed fee or lump sum it shall include all ancillary services such as secretarial services and research, as may be incurred for the purposes of the Services as specified in this Contract. Unless otherwise specified in this Contract, per diem allowances and travel expenses and all other miscellaneous expenses shall be deemed to be included in the fixed fee or lump sum payment.
- 1.3 The fees specified in this Contract shall be deemed to include provision for all leave, insurance, tax, social welfare charges or contributions to which the Consultant may be or may become liable to pay (by law or by agreement) during the Term of Engagement. The Consultant has full and sole responsibility for complying with any applicable law, regulation, administrative rule or guidance in this respect and shall fully indemnify ZVT against any claim for non-compliance thereof, whether made before or after the termination or expiry of this Contract. Except as may be otherwise specified in this Contract the fees shall also be deemed to include all administrative expenses and other overheads of the Consultant.
- 1.4 Except as otherwise agreed between IIB and the Consultant, no fees shall be paid in respect of work performed other than during the Term of Engagement as specified in this Contract.

2 ALLOWANCES AND EXPENSES

Where this Contract is not a lump sum or fixed fee Contract, ZVT shall pay the following allowances, costs, and expenses if so provided in schedules, subject to the provisions of this Contract:

- 2.1 Per diem: a per diem allowance when an Expert is requested by ZVT to be away from the usual place of residence. The per diem allowance shall cover the cost of hotel room, food and incidental expenses, but not local travel. To the extent provided in this Contract, the per diem allowance will be paid for each night spent away from the seat of the Consultant or the Expert's usual place of residence. No per diem allowance shall be paid for periods of leave or day of return.
- 2.2 An accommodation allowance when the Expert is required by this Contract to be away from the usual place of residence and to reside in the place and country of assignment for a period of three (3) months or more. For the purpose of determining this period as well as the entitlement to the allowance, short absences from the place and country of assignment shall not be counted.
- 2.3 Travel expenses: all travel expenses actually and properly incurred by the Expert(s) in travelling for the purposes of the Services including the cost of local transport by an appropriate means of public transport between the Expert's usual place of residence and the nearest convenient international airport when travelling away from the seat of the Consultant. All travel should be via the most cost-effective routes and methods available. Air travel shall be made at fares no higher than full Economy Class fare (commonly designated as fare basis Y). Travel by train may be made in second class. Travel by private car shall only be made if provided for in this Contract.

The cost for a private car shall be reimbursed at the kilometer rate applied at the time by ZVT for reimbursement of such cost.

- 2.4 Miscellaneous expenses: expenses of the Expert(s) arising directly out of the Services as ZVT may in its sole discretion determine. Each miscellaneous expense shall be specifically itemized in Schedule B.
- 2.5 Except as otherwise provided for in this Contract, travel expenses and miscellaneous expenses are reimbursable at cost to the Consultant, inclusive of any applicable VAT paid if such VAT are not otherwise recoverable by the Consultant.

3 PAYMENT OF FEES AND EXPENSES

- 3.1 The fees and per diem allowance shall be invoiced and paid in the currency specified in this Contract. Reimbursable expenses shall be invoiced and paid in the currency of this Contract after conversion from the currency in which they were incurred to this Contract currency, at a conversion rate set out by the European Central Bank on the first Monday of the month of the invoice, if it is convertible, or against submission of evidence of the exchange rate applied when purchasing local currency for the corresponding reimbursable expenses.

4 COOPERATION

- 4.1 ZVT shall make all reasonable endeavors to ensure that the Experts receive necessary cooperation from ZVT's employees and agents in order that the Consultant is able to provide the Services.

5 REPLACEMENT OF EXPERT(S)

- 5.1 The engagement of the Consultant by ZVT is conditional upon the Expert(s) being in good health and not subject to any physical or mental disability which may interfere with the performance of the Services.
- 5.2 The Consultant shall also ensure that every Expert, employee or agent who may have access either a) to ZVT's IT facilities or b) to ZVT's headquarters or resident offices has had his or her references in respect of previous employment history critically reviewed and subsequently confirmed by the Consultant prior to the granting of such access. The Consultant confirms that it, or a suitably qualified third party agency, has performed a background check regarding each Expert's criminal record, an employment and education verification, and that the Consultant is satisfied that the background check has not revealed any material discrepancies or issues. The Consultant shall supply a summary of its findings to ZVT upon ZVT's request.
- 5.3 ZVT, at any time, and at its sole discretion, may review the Consultant's or the Expert(s)' references, background checks, criminal records, employment and education records in respect of any previous employment history. The Consultant grants ZVT its consent for the processing of the above listed personal data by ZVT and assures the identical consent of Expert(s) with processing of such personal data whereas both consents shall be valid for the duration of this Contract. Without prejudice to Clause 8 of the General Conditions ZVT may, at its discretion, by summary notice in writing terminate this Contract with immediate effect if any material discrepancies or issues with regard to the ability of the Consultant or Expert to perform the Services under this Contract have been discovered. ZVT is entitled to demand the replacement of any Expert(s) without delay if, in the opinion of ZVT, the Consultant has failed to comply to ZVT's satisfaction with this Clause or, if any material discrepancies or issues have been discovered, during the review, or if the Expert is unable to effectively provide the Services due

to reasons related to health, language, ability, professional or personal qualifications and conduct. The Consultant shall bear all additional costs incurred in connection with a replacement of Expert(s) pursuant to this provision, as well as any additional expenses arising from or in relation to the substitute personnel.

- 5.4 ZVT may require the replacement of the Expert(s) for reasons other than those referred to in Clause 5.3. In such cases, ZVT may in its sole discretion reimburse such expenses as are unavoidable in connection with the replacement. Insofar as such expenses concern fees and ancillary expenses, in respect of the Expert(s) replaced, these shall be deemed avoidable if they arise more than three (3) months after ZVT has requested the replacement, unless the Consultant can prove that the incurring of such costs beyond this period of time was unavoidable.
- 5.5 Following a demand for the replacement of the Expert(s) by ZVT, the Consultant shall assign new Expert(s) without delay, unless ZVT explicitly requests that this shall not be done. The new Expert shall possess qualifications and experience acceptable to ZVT and the relevant fees shall be at a rate no higher than that agreed for the previous Expert.
- 5.6 The Consultant shall not be permitted to replace or substitute Expert(s) without the prior written consent of ZVT. ZVT may in its sole discretion determine whether or not such consent shall be given.

6 TERMINATION PROCEDURE

- 6.1 Without limiting the provision of Clause 5, if at any time in the opinion of ZVT whether for reasons of health or otherwise, the Expert(s) are unable to perform or to complete the Services in an adequate manner, ZVT may terminate this Contract with immediate effect.
- 6.2 ZVT may, at any time, by summary notice in writing suspend or terminate this Contract with immediate effect, in its sole discretion, if the Consultant or the Expert(s) commits any material breach of their obligations hereunder or shall have engaged in conduct likely to bring ZVT into disrepute.
- 6.3 ZVT is entitled suspend or terminate this Contract by summary notice in writing with immediate effect should the agreement on cooperation with the financing Bank (IIB) regarding the implementation of the Project be suspended or terminated for any reason.
- 6.4 Upon receipt of notice of termination by ZVT according to Clause 4.1 of this Contract, or the giving of notice of termination under Clause 6.1, 6.2 or 6.3 of the General Conditions, the Consultant shall take immediate steps to terminate the Services in a prompt and orderly manner to reduce losses and to keep further expenditures to a minimum. If this Contract is a fixed-fee or lump sum Contract, the Consultant shall be entitled to that proportion of the Maximum Contract Amount, which represents the work provably and duly completed or Services provided up to the date of termination.
- 6.5 Upon termination of this Contract by ZVT (unless such termination shall have been caused by the default of the Consultant), the Consultant shall be entitled to be reimbursed in full for such fees, per diems and expenses as shall have been duly incurred prior to the date of such termination. The Consultant shall also be entitled to unavoidable reasonable costs incidental to the orderly termination of the Services, but shall be entitled to receive no other or further payment. Insofar as such incidental costs concern fees and ancillary expenses in respect of termination of this Contract by ZVT, these shall be deemed avoidable unless the Consultant can prove that the incurring of such costs beyond the date of termination was unavoidable.



6.6 In no event shall payments pursuant to the Clause 6.5 exceed the Maximum Contract Amount.

7 GENERAL COVENANTS

The Consultant covenants and agrees that:

7.1 During the Term of Engagement, the Expert(s) shall devote the appropriate time and attention to the performance of the Services and shall at all times act with due diligence and efficiency and in accordance with the Specification of the Project and the Services set out in Schedule A to this Contract. The Expert(s) shall make or assist in making all such reports and recommendations as may be reasonably required by ZVT within the general scope of the Services, and shall at all times co-operate with ZVT, its employees and agents in the interests of the Project.

After the Term of Engagement, including during any Project evaluation by ZVT, the Expert(s), shall continue to co-operate with ZVT to such reasonable extent as may be necessary to clarify or explain any reports or recommendations made by the Expert(s). For avoidance of any doubts the Consultant or Expert is not entitled to any remuneration, costs or fees in herein regard.

7.2 At all times, the Consultant and the Expert(s) shall act with appropriate propriety and discretion and in particular shall refrain from making any public statement concerning the Project, ZVT or the Services without the prior written approval of ZVT. The Consultant and the Experts shall refrain from engaging in any unreasonable political activity.

7.3 Except with the prior written consent of ZVT, the Consultant shall not disclose nor cause or permit the Expert(s), the Consultant's employees, agents and sub-contractors to disclose to unauthorized persons nor use for the Consultant's or the Expert's, the Consultant's employees', agents' or sub-contractors' own purposes any information relating to the Services, the Project or ZVT, including information in respect of rates of remuneration and conditions of the cooperation. Neither the Consultant nor the Expert(s) shall have authority to commit ZVT in any way whatsoever, and shall make this clear as circumstances warrant.

7.4 The Expert(s) shall report immediately to ZVT any accident, injury or any damage to the property of ZVT or to the property or person of any third parties occurring in or arising out of the performance of the Services and any act, matter or thing which within the Expert(s)' knowledge may have caused such accident or injury. The Expert(s) shall also report immediately to ZVT any circumstances or events which might reasonably be expected to hinder or prejudice the performance of the Services including circumstances and events relating to the Expert(s)' transport and accommodation.

7.5 The Consultant shall not assign or subcontract this Contract or any part thereof except with the prior consent in writing of ZVT and only to a firm or a person approved by ZVT. ZVT may at its sole discretion refuse to consent or withdraw from already given consent.

7.6 Except as otherwise agreed, all reports, notes, drawings, specifications, statistics, plans and other documents and data compiled or made by the Consultant or the Expert(s) while performing the Services and all equipment furnished to the Consultant by ZVT, or purchased by the Consultant with funds supplied or reimbursed by ZVT hereunder shall be the property of ZVT and upon termination of the Services shall be disposed of as ZVT shall direct. The Consultant may retain copies of such documents and data but shall not use the same for purposes unrelated to the Services without prior written approval of ZVT.

7.7 After the conclusion of the Term of Engagement, neither the Consultant nor the Expert(s) shall without the prior written consent of ZVT engage in any subsequent work on or in connection with

the Project or arising out of the Project in favor or for third party for a period of two years provided, however, that such consent shall not be unreasonably withheld.

- 7.8 The Consultant shall ensure that no circumstances arise during the Term of Engagement in which the Consultant's activities under this Contract conflict or might conflict with the personal interest of the Consultant or the Expert(s) or with any services which the Consultant or the Expert(s) may render to third parties.
- 7.9 The Consultant shall respect and abide by all applicable laws, regulations, administrative rules and guidance of the country of the Project assignment.
- 7.10 Where ZVT has entered into an agreement with a third party for the provision to the Expert(s) of transport, accommodation or other facilities, whether in the country of assignment or elsewhere, the Expert(s) shall, so far as may be practicable, utilize such facilities.
- 7.11 Any improvement or design made or process or information discovered or copyright work produced by or on behalf of the Consultant in connection with or relating to the Services (whether capable of being patented or registered or not) shall be original work and shall forthwith be disclosed to ZVT and shall belong to and be the absolute property of ZVT. If and whenever required so to do by ZVT, the Consultant shall at the expense of ZVT apply to join with ZVT in applying for patent or other protection or registration of intellectual property in any country or part of the world for any such invention, improvement design, process, information or work as aforesaid and shall at ZVT's expense do all things necessary for vesting the said patent or other protection or registration when obtained and all right title and interest to and in the same in ZVT absolutely and as a sole beneficial owner.

8 PROHIBITED PRACTICE

- 8.1 ZVT, without prejudice to any other remedy for breach of contract may, by written notice, terminate this Contract with immediate effect if in its judgment the Consultant has engaged or is suspected to have been engaged in prohibited practices in competing for or in executing this Contract. For the purposes of this Clause:

"corrupt practice" means the offering, giving, receiving, or soliciting, directly or indirectly, of anything of value to influence improperly the actions of another party in connection with the selection process or in this Contract execution in order to obtain or retain business or other improper advantage in the conduct of business.

"fraudulent practice" means any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation.

"coercive practice" means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party in connection with the selection process or in this Contract execution in order to obtain or retain business or other improper advantage in the conduct of business.

"collusive practice" means an arrangement between two or more parties designed to achieve an improper purpose, including influencing improperly the actions of another party and includes any arrangements among the consultants (prior to or after submission of proposals) designed to establish prices at artificial non-competitive levels and to deprive ZVT of the benefits of free and open competition.

- 8.2 Moreover, the Consultant hereby acknowledge that under the loan agreement ZVT may report any suspected prohibited practices to the IIB or is otherwise obliged to take the respective steps in compliance with the loan agreement. The Consultant ensures that the Expert or any employee, agent or subcontractor through which the Services are provided shall be bound by the same obligations under this Clause as the Consultant.

9 INSPECTION AND AUDIT

- 9.1 The Consultant shall permit ZVT or its designated representative(s), upon reasonable notice, periodically during and after the Term of Engagement to inspect the Consultant's accounts and records relating to the performance of this Contract and make copies thereof and to have them audited by auditors appointed by ZVT, if so required by ZVT.

10 FORCE MAJEURE

- 10.1 If either Party is temporarily unable as a result of an event of Force Majeure to meet any obligations under this Contract, such Party shall give to the other party written notice of the event within four (4) days after its occurrence.
- 10.2 The Parties shall take all reasonable measures to minimize the consequences of any event of Force Majeure.
- 10.3 Neither Party shall be liable to the other Party for loss or damage sustained by such other Party arising from any event referred to in Clause 10.1 or delays arising from such event.
- 10.4 Any period of time required by a Party to perform an obligation, or complete any action or task pursuant to this Contract, shall be extended for a period equal to the time during which such Party was unable to perform such action as a result of Force Majeure.
- 10.5 During any period of the Consultant's inability to perform the Services in whole or in part, as a result of an event of Force Majeure, ZVT, in its sole discretion, may determine whether or not the Consultant shall be entitled to continue to be paid under the terms of this Contract and reimbursed for additional costs reasonably and necessarily incurred by them during such period and in reactivating the Services after the end of such period.
- 10.6 The term "**Force Majeure**", as employed herein shall mean acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, and any other similar events, not within the control of either Party and which by the exercise of due diligence neither Party is able to overcome.

11 INSURANCE

- 11.1 Except as may be expressly provided herein, ZVT's accident insurance, baggage insurance, or any other ZVT insurances will not apply to the Consultant or its Experts, employees or any permitted subcontractors used by the Consultant. The Consultant shall be responsible for appropriate insurance coverage and for assuring that any Experts, employees and subcontractors it uses also maintain adequate insurance coverage. In addition to the coverage referred to in Clause 9 of this Contract, the Consultant shall take out and maintain insurance against the risks and for the coverage set forth below;
- 11.2 At ZVT's request, the Consultant shall promptly provide evidence to ZVT showing that such insurance has been taken out, maintained and that the current premium have been paid:

- i. in the event the Consultant's Expert(s), or employees are using owned, or leased vehicles in carrying out Services under this Contract in the country of assignment, adequate motor vehicle insurance cover in accordance with local standards;
- ii. workers' compensation and employer liability insurance, or its equivalent, in respect of the Consultant the Expert(s), and the Consultant's employees, in accordance with the provisions of applicable law, covering work activity in the jurisdiction(s) where work is to be carried out, and during the course of travel, as well as, with respect to such Expert(s) or employees, any life, health, accident, travel or other insurance as may be appropriate;
- iii. insurance or self insurance against loss or damage to (a) the Consultant's and Expert(s)' personal property used in the performance of Services and (b) any documents prepared by the Consultant in the performance of Services; and
- iv. insurance against loss of or damage to the equipment purchased in whole or in part with funds provided under this Contract and against loss of or damage to Consultant's property, including papers and documents, necessary to the Services.

12 TAX LIABILITIES

- 12.1 Subject to the provisions of Clause 12 of this Contract, the Consultant shall be liable for and pay any taxes (such as income tax) arising out of or in connection with the Services, or this Contract wherever arising, including but not limited to the country(ies) of assignment.

13 RELATIONSHIP OF THE PARTIES

- 13.1 Nothing contained in these Conditions or in this Contract shall be construed as establishing or creating any relationship other than that of independent contractor between ZVT on the one part and the Consultant and the Expert(s) on the other part.

14 ASSIGNABILITY

- 14.1 Should ZVT transfer or assign its rights or duties from this Contract to another person, the assignment and any other rights of ZVT (or its part) arising from this Contract will be transferred to this person automatically.
- 14.2 The Consultant undertakes, that upon request of ZVT or such other person, he shall give his irrevocable consent to the assignment or transfer pursuant to above mentioned in writing or that he signs any documents necessary for realization and assurance of effectivity of such assignment or transfer.
- 14.3 The Consultant shall not be entitled without previous written consent of ZVT assign or transfer, in whole or in part any obligation under this Contract or any rights or duties from it to a third party.

15 ZVT'S LIABILITY

- 15.1 Notwithstanding any other provision of this Contract, ZVT shall not be liable to the Consultant under or in connection with this Contract for any loss or damage (including consequential or indirect loss or damage, such as loss of property, profit or business revenue) whether or not caused by the negligent act or omission of ZVT. This provision shall not apply in relation to any negligent

act or omission of ZVT, which gives rise to death, or personal injury of the Consultant's personnel or Experts.

16 ENTIRE AGREEMENT, AMENDMENTS AND NON-WAIVER OF CONTRACT TERMS AND CONDITIONS

16.1 This Contract as amended from time to time in accordance with this Clause contains the entire agreement between the Parties and supersedes all prior arrangements or agreements whether written or oral, express or implied. Any amendment, waiver or relaxation whether partly or wholly of any of the terms or conditions of this Contract shall be valid only if in writing and signed by entitled representative of ZVT and shall apply only to a particular occasion and for the specific purpose. Any specific waiver or relaxation shall not constitute a waiver or relaxation of any succeeding breach of the same or other terms or conditions.

17 GOVERNING LAW AND DISPUTE SETTLEMENT

17.1 This Contract shall be governed by and construed in accordance with the law of Slovak Republic. Any non-contractual obligations arising out of or in connection with this Contract shall be governed by and construed in accordance with the law of Slovak Republic.

17.2 All disputes or claims arising out of or in connection with this Contract including disputes relating to its validity, breach, termination or nullity shall be decided by appropriate court of Slovak Republic.

18 VALIDITY AND SEVERABILITY OF CERTAIN PROVISIONS

The expiration or termination of this Contract howsoever arising shall not affect the provisions hereof that are expressed to operate or have effect thereafter. Furthermore, the invalidity of any part of this Contract does not affect the validity of other parts of this Contract.

19 LANGUAGE

19.1 English shall be the sole language of this Contract and except as otherwise agreed or required by ZVT all communication, documentation and reports under this Contract shall be prepared and presented in both English and Slovak/Czech language. In any dispute over language the English version shall prevail.

20 FURTHER ASSURANCES

20.1 The Consultant shall, or shall cause the Experts to, at any time and from time to time, upon ZVT's request, execute and deliver such further documents and do such further acts and things as ZVT may reasonably request in order to evidence, carry out and give full legal effect to the terms, conditions, intent and meaning of this Contract.

21 CONSORTIA, SUBCONTRACTORS AND ASSOCIATION

21.1 When the Consultant is permitted by ZVT to associate with individual consultants, consultancy firms, partnerships, entities or other persons, in a consortium or through subcontracting or association, as appropriate, the Consultant will ensure that each such consortium member, subcontractor and/or associate fully complies with the Consultant's obligations under this Contract. The Consultant shall be fully liable for the acts or omissions of such consortia members, subcontractors and/or associates directly to ZVT. The Consultant will not be relieved of its

obligations under this Contract by use of such individual consultants, firms, partnerships, entities or other persons.

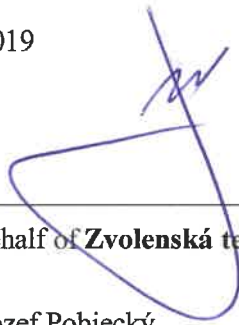
Such permitted individual consultants, firms, partnerships entities or other persons in the consortia, association or subcontracting arrangement may only be changed with the prior consent of ZVT.

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SIGNATURES OF THE PARTIES

Parties declare that they have read this Contract, have understood its content and in witness of the fact that this Contract corresponds to their actual and free will they attach their signatures by their duly authorized representatives hereto.

Dated 16.5.2019



For and on behalf of **Zvolenská teplárenská a.s.**

Name: Ing. Jozef Pobiecký

Position: General Director, Chairman of the Board of Directors

Dated 16.5.2019



For and on behalf of **Zvolenská teplárenská a.s.**

Name: RNDr. Miroslav Duplinský

Position: Director of Production and Trade with Electricity, Member of the Board of Directors

Dated 16.5.2019

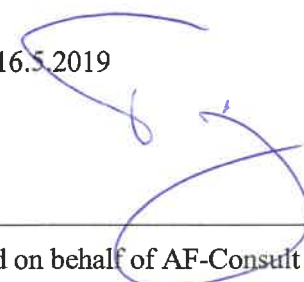


For and on behalf of AF-Consult Czech Republic s.r.o.

Name: Petr Šlemr

Position: Executive

Dated 16.5.2019



For and on behalf of AF-Consult Czech Republic s.r.o.

Name: Tomáš Tichý

Position: Executive

