

9th September 2016

AES – 3C Maritza East I EOOD

and

IEM FoerderTechnik GmbH

SUPPLY CONTRACT

**SUPPLY OF SPARE PARTS FOR COAL FEEDERS MANUFACTURED BY IEM
FOERDERTECHNIK GMBH**

CONTRACT NUMBER: 1110-AG-PPL

This Contract is made on this 9th day of September 2016

BY AND BETWEEN:

- (1) **AES – 3C Maritza East I EOOD**, a one-person private limited company registered in the Commercial Register with the Registry Agency under Unified ID Code (UIC) 123533834, having its headquarters and registered office in the town of Galabovo 6280, Galabovo Municipality, Stara Zagora region, Bulgaria, represented by Todor BelezHKov, in his capacity as Plant Manager AES Bulgaria (hereinafter referred to as the "**Contracting Entity**") of the one part

AND

- (2) **IEM FoerderTechnik GmbH**, a company registered in the Commercial Register with the Registry Agency under VAT registration number DE134049525, having its headquarters and registered office at Industriestrasse 1, 95506 Kastl, Germany (Bavaria), represented by Wolfgang Kirchberger, in his capacity as Company officer with statutory authority (hereinafter referred to as the "**Contractor**") of the other part,

(each a "**Party**" and collectively the "**Parties**").

WHEREAS:

- (A) The Contracting Entity owns and operates a coal-fired power plant called TPP "AES Galabovo", located on the site of the Contracting Entity (as defined below) at Galabovo 6280, Galabovo Municipality, Stara Zagora region;
- (B) This document and the attachments shall constitute the agreement between the Contracting Entity and the Contractor in respect of supply of Goods

THE PARTIES HAVE AGREED AS FOLLOWS:

GENERAL PROVISIONS:

1. Definitions and Interpretations

In this Contract, the following words and expressions will have the following meanings:

„**Contracting Entity**“ means the Party designated as such herein, including its legal and private successors.

„**Due diligence**“ means that level of skill, diligence, prudence, foresight, care and working practices that should reasonably and ordinarily be expected from a skilled and experienced provider, meeting the requirements of the applicable law (dealing with the same type of activity as that of the Contractor under the same or similar circumstances).

„**Delivery Date**“ means the agreed date or deadline for delivery.

„**VAT**“ means value added tax, the amount of which is defined in the Value Added Tax Act.

„**Delivery**“ means the delivery to and unloading of Goods under this Contract on the site of the Contracting Entity or any other place designated by the Contracting Entity, or specified herein as the place of supply of Goods as well as carrying out installation and/or other related supply activities to the satisfaction of the Contracting Entity. "Supply" and "Delivered" shall be construed accordingly.

„Binding provisions“ include any law, statute, rules, regulations or regulatory powers, delegated authority or other arrangements, with any amendments thereto, and any other acts the adoption of which such provisions provide for.

„PPA“ means the Public Procurement Act.

„Contractor“ means the party designated as the contractor under a public procurement contract in accordance with decision 125/11.08.2016 on the ranking of tenders and selection of a contractor by the Contracting Entity, and which is engaged by the Contracting Entity to deliver Goods including its legal and private successors.

"Intellectual property" means copyright and all rights granted under any law or regulation or any other binding act in respect of inventions (including patents) registered and unregistered trademarks, registered and unregistered designs, schemes and confidential information, and all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields.

"Required Approvals" means all permits, licenses, permissions, consents, approvals and certificates (whether by law or not) which are necessary to meet any of the obligations of the Contractor under this Contract pursuant to the law or as a result of third party rights.

"Unforeseen circumstances" means circumstances that have arisen after the conclusion of the Contract and are not the result of an act or omission of the Parties, which could not have been foreseen through due care and which renders execution of the agreed terms impossible.

"Total Contract price" or "Price" means the price of this contract agreed to be paid by the Contracting Entity to the Contractor under the Contract in accordance with the terms hereof and their respective amendments (if any).

"Site of the Contracting Entity" means TPP "AES Galabovo" located at the address of the Contracting Entity.

"Subcontractor/s" means the person or persons specified in the tender of the Contractor as a subcontractor, or any person, whom the Contractor has assigned to deliver part of the Goods as a subcontractor in accordance with the provisions of the Public Procurement Act.

"Purchase Order" or "Order" means a delivery order set to the Contractor with a Purchase Order Form. **"Business Day"** means any day other than Saturday, Sunday and a public holiday.

"Payment timeframe" means the period indicated in Article 3.3 hereof, unless a longer period has been specified in the offer the Contractor. In this case, the period specified in the offer shall apply.

"Goods" means all Goods to be delivered under this contract together with all accessories and/or services accompanying their delivery according to technical specification of the Contracting Entity.

"Technical specification" means a technical specification and conditions of the Contracting Entity, which is an attachment to and an integral part of the Contract.

"Force majeure" means fire, explosion, earthquake, extremely harsh weather conditions, war, hostilities, rebellion, revolution, insurrection, military or usurping power, civil war, terrorist attack, events caused by aircraft or objects dropped by them, civil unrest, riots, government actions, unexpected or unforeseen at the date of this contract, or any

combination of the above factors insofar as these are beyond the reasonable control of a Party and prevent the Party from meeting its obligations arising from this contract. "Force majeure" will also be considered any circumstances constituting force majeure within the meaning of Art. 306 of the Commercial Act.

The headings herein shall only be indicative.

2. Subject of the Contract

The Contracting Entity assigns and the Contractor agrees against the price mentioned hereunder to transfer ownership and deliver to the Contracting Entity the Goods specified in the Special Conditions (Appendix 1), the Technical Specification (Appendix 2), the Proposal for Public Procurement Order Execution, (Appendix 3), the Offered Price (Appendix 4) and the public procurement implementation conditions, which are an integral part of this contract, subject to the agreed terms and conditions.

3. Goods price and payment

- 3.1. The price of the Goods is the amount specified in the Special Conditions (Appendix 1). This price is the final and maximum price payable by the Contracting Entity for the entire duration of this Contract and subject to adjustment only in the cases expressly provided for in the Public Procurement Act.
- 3.2. The price under Article 3.1 includes all costs of the Contractor, including transportation costs for delivery and installation (if applicable) of the Goods to the site of the Contracting Entity or the Contracting Entity's warehouse located at the address specified in the Special Conditions (Appendix 1).
- 3.3. The Contracting Entity will pay the price to the Contractor within thirty (30) days from the delivery date and the cumulative fulfillment of the following conditions:
 - (a) The Contractor shall submit the original of a tax invoice in accordance with the requirements of the Accounting Act; and
 - (b) The Contractor shall submit all required documents related to the Goods (where applicable) listed in tender documentation, such as, but not limited to certificates of quality, instructions for operation, installation and dismantling of the Goods, warranty and/or service book and/or any other documents related to the type of Goods and the requirements in the technical specification; and
 - (c) an inspection of the Goods performed by the Contracting Entity; and
 - (d) an acceptance certificate signed by both Parties after inspection and acceptance of the Goods without any objections, including at least the following information (date on which the Goods have been delivered, type of Goods, quantity of Goods, related documentation); and
 - (e) before the final payment to be made by the Contracting Entity, the Contractor shall provide evidence that the Contractor has paid to the subcontractor/subcontractors all due amounts in connection with the performance of this Contract in the event that the Contractor has mentioned in his tender that the Contractor will use and has used subcontractors.

- 3.4. All payments under this Contract shall only be made by bank transfer/s to an account of the Contractor specified in the Special Conditions (Appendix 1).
- 3.5. The Contractor shall immediately notify the Contracting Entity in writing of any changes in the bank information under clause 3.4. Otherwise, all payments made by the Contracting Entity shall be deemed to have been duly effected.
- 3.6. When Goods are delivered in several lots or pursuant to individual Orders of the Contracting Entity, the provisions of Art. 3.2 through Art. 3.4 shall be applicable to each individual lot or actual delivery.

4. Term of the Contract

This Contract shall be in effect for the period specified in the Special Conditions (Appendix 1).

5. Delivery terms and delivery times

- 5.1. The Contractor shall deliver the Goods to the Contracting Entity in the manner specified in the Special Conditions (Appendix 1).
- 5.2. The Contractor shall deliver the Goods to the Contracting Entity at the address specified in the Special Conditions (Appendix 1).
- 5.3. If the subject of the Contract is an estimated quantity of Goods or Goods up to a specified maximum quantity, the Contracting Entity shall not be obliged to order the supply of all Goods and the Contractor shall not be liable to pay the price for them.
- 5.4. Regardless of the manner of delivery of the Goods (in full as a single lot, in several lots or pursuant to individual Orders of the Contracting Entity), the Contractor shall notify the Contracting Entity of the delivery and scheduled time in the manner, specified in the Special Conditions (Appendix 1).
- 5.5. Unless otherwise agreed by the Parties in writing, Goods shall only be accepted by the Contracting Entity between 9am and 4pm on working days. If Goods are supplied in lots, the delivery period shall be agreed by the Parties in the Special Conditions.
- 5.6. If the delivery of Goods is performed in lots or pursuant to Orders of the Contracting Entity, the times for such deliveries of Goods shall be indicated in the Special Conditions (Appendix 1) or as specified in the Purchase Order Forms." If the Contractor delivers the Goods in lots or pursuant to Orders of the Contracting Entity, unless otherwise agreed, the Contracting Entity may refuse to accept the quantity of Goods in excess of the quantities included in any lot or Purchase Order. The refusal of the Contracting Entity needs not be motivated but the Parties shall sign a certificate thereof, stating that the Contractor has delivered the Goods in quantities exceeding the contracted quantity.
- 5.7. The Contracting Entity shall send to the Contractor Purchase Orders electronically to an electronic address specified by the Contractor, by post or by courier or in any other manner agreed between the Parties. The Contractor shall confirm receipt of the Purchase Order.
- 5.8. If the Contractor fails to confirm explicitly receipt of a Purchase Order, the purchase order shall be deemed accepted and confirmed by the Contractor on the date on which the P has sent it.

- 5.9. The persons who shall represent the Contractor upon delivery of Goods shall be listed in the key personnel of the Special Conditions (Appendix 1).
- 5.10 The persons mentioned in the preceding clause can be changed by the Contractor, and the Contractor shall notify the Contracting Entity in advance in writing of such a change within five (5) days prior to delivery and acceptance of the Goods.

6. Rights of the Contracting Entity

- 6.1 The Contracting Entity has the right to receive the Goods against the contract price in accordance with the terms and conditions hereof.
- 6.2. The Contracting Entity shall be entitled to perform inspections to the Goods at each stage of implementation of this contract concerning quality, quantity, technical parameters, to make sure that the Goods are in compliance with the Technical Specification (Appendix 2) and the Proposal for Public Procurement Order Execution (Appendix 3), which are an integral part hereof.
- 6.3. If the Goods do not meet the Technical Specification (Appendix 2) and/or the Proposal for Public Procurement Order Execution (Appendix 3), the Contracting Entity may refuse to accept the Goods referring to Article 12.
- 6.4. If the Contracting Entity refuses to accept any Goods, the Contracting Entity shall not be liable to pay the Price or the relevant part of it.
- 6.5. The Contracting Entity may ask the Contractor to enter into a Subcontract with the Subcontractor/s mentioned in the tender of the Contractor (if the Proposal for Public Procurement Order Execution (Appendix 3) and the terms and conditions for fulfillment of the public procurement provide for it).
- 6.6. If the Contractor has provided a Performance Guarantee under this Contract, the Contracting Entity may retain or forfeit the entire Performance Guarantee or part of it provided that the Contractor has failed to fulfill in full or in part any of the provisions hereof.
- 6.7. The Contracting Entity requires from the Contractor, its employees, representatives, and its Subcontractors (if applicable) to comply with the access rules for third parties to the site of the Contracting Entity as well as to meet the requirements and obligations related to health and safety of the workers and the life and health of any other persons on the site of TPP AES Galabovo.

7. Obligations of the Contracting Entity

- 7.1. The Contracting Entity shall pay the Contractor the price of Goods supplied under the terms and conditions hereof.
- 7.2. The Contracting Entity shall render the necessary assistance to the Contractor related to the execution of this Contract and following a request in writing by the Contractor, the Contracting Entity shall provide the Contractor with any information required for that purpose.
- 7.3. Unless otherwise agreed, the Contracting Entity shall provide to the Contractor access to the place of delivery after obtaining the permits for such access, where these are required by the binding provisions.

8. The Contractor shall be entitled:

- 8.1. To obtain the Price for delivery of the Goods after their acceptance and approval without comments by the Contracting Entity under the terms and within the timeframes specified herein;
- 8.2. To obtain from the Contracting Entity the information that the Contractor needs for fulfillment of its obligations under this Contract. The request for information shall be submitted in writing.

9. The Contractor undertakes:

- 9.1. To transfer ownership of the Goods to the Contracting Entity and to deliver the Goods according to the agreed terms and timeframes;
- 9.2. To deliver to the Contracting Entity Goods of type, quality, quantity and technical data in accordance with the Technical Specification (Appendix 2) and the other requirements for delivery fulfillment;
- 9.3. To deliver the Goods to the Contracting Entity in the manner specified by the Contracting Entity - in full as a single lot, in several lots or pursuant to individual orders of the Contracting Entity;
- 9.4. To notify the Contracting Entity of the delivery in advance in accordance with the terms and conditions specified in Article 5 hereof;
- 9.5. If applicable, to deliver the Goods to the place of delivery within one working day;
- 9.6. If applicable, to ensure the presence of its representative/s and representatives of its Subcontractor/s during acceptance of the Goods;
- 9.7. To notify the Contracting Entity in writing as soon as possible in case it is unable to deliver the Goods in accordance with the Technical Specification (Appendix 2), the terms of completion, the agreed or ordered quantities or the delivery date;
- 9.8. To remedy at its expense by replacing or otherwise all defects, faults, errors or omissions in the Goods that might occur within the warranty period offered by the Contractor;
- 9.9. To respect and fulfill the requirements and obligations related to ensuring health and safety of the employees at the site of the Contracting Entity, and to protect the life and health of third parties at the site of TPP AES Galabovo;
- 9.10. To fulfill its obligations under this Contract with due diligence;
- 9.11. To perform its duties under this Contract without disturbing the activities of any staff and other persons working close to the site of the Contracting Entity;
- 9.12. To observe and comply with the conditions of access for third parties at the site of TPP AES Galabovo.

10. Ordering procedure

Where applicable, the Contracting Entity will send Purchase Orders/s to the Contractor.

11. Contractor warranties

- 11.1. The Contractor shall guarantee that the delivered Goods:

- (a) will be in full compliance with the Technical Specification (Appendix 2), the Proposal for Public Procurement Order Execution (Appendix 3) and the Offered Price (Appendix 4) of the Contractor;
- (b) will meet the quality requirements and will be fit for the intended purpose;
- (c) will comply with the relevant binding regulations;

And also that for each delivery the Contractor shall apply the necessary professional experience and diligence that may reasonably be expected by a qualified and competent supplier with experience in carrying out similar supplies of similar size, scope, nature, value and complexity, and that it will invest sufficient resources for the full implementation of its obligations

11.2. The Contractor shall ensure that no third parties shall have ownership rights or any other rights or claims in respect of the Goods.

11.3. Without limitation to the provisions under clauses 11.1 and 11.2, the Contractor shall ensure that:

- (a) it will complete each delivery of Goods by the relevant delivery date;
- (b) it will always perform delivery of Goods with due diligence;
- (c) It will provide all the manpower it will ensure that all the staff employed in the delivery the Goods is qualified, trained and experienced for such delivery;
- (d) it will make delivery of Goods in full compliance with applicable legal requirements, technical specifications and requirements, which are an integral part hereof and also it will provide all necessary approvals;
- (e) it will comply with all reasonable instructions given by the Contracting Entity in connection with the delivery of the Goods;
- (f) it will fulfill the procedures and requirements of the Contracting Entity for health, safety and environmental protection introduced at the site of the Contracting Entity and it will take all necessary precautions to protect the health and safety of all persons, including its own staff, the staff of the Contracting Entity and of TPP AES Galabovo as well as the population that may be affected by the actions of the Contractor while performing delivery of Goods;

11.4. The Contracting Entity may remove the Contractor from the site of the Contracting Entity if the Contractor violates the health and safety requirements established at the site of the Contracting Entity.

11.5. The guarantee period (if applicable) for the completed delivery shall be the period specified in the Special Conditions (Appendix 1).

12. Terms and conditions for delivery and acceptance of the Goods. Claims.

12.1. Unless otherwise agreed, handover and takeover of Goods shall be done by persons designated by the Parties within the working day at the agreed place of delivery.

12.2. If applicable, acceptance of the Goods shall be certified by signing an acceptance certificate. The acceptance certificate shall serve as certification of the delivery date and the quantity of Goods delivered, quantity discrepancies, missing items, damaged packaging, incomplete documents accompanying the Goods and other comments in respect of the Goods.

In respect of Goods not covered by a guarantee period, the Contracting Entity may make claims for hidden defects, faults and non-conformity of the Goods within 60 (sixty) days from the date of delivery acceptance.

- 12.3. If during inspection of the Goods the Contracting Entity identifies any faults, defects and/or any other discrepancies of the Goods with regard to the Technical Specification (Appendix 2) and/or the Proposal for Public Procurement Order Execution (Appendix 3), the Contracting Entity shall within the period specified under Article 12.2 notify in writing (including electronically to an e-mail address specified by the Contractor) the Contractor of any such faults, defects and/or discrepancies.
- 12.4. In the cases under the preceding clause, the Contracting Entity may return the Goods to the Contractor at the expense of the latter. If the Contracting Entity is interested in the delivery of Goods on a later date, the Contracting Entity may ask the Contractor to replace the Goods and/or remove any identified faults, defects and/or discrepancies at the expense of the Contractor within a time frame instructed by the Contracting Entity. If the delivered Goods do not comply with the Specification with regard to quality and that has been established and duly documented by representatives of the Contracting Entity within the guarantee period of the Goods or within the time frame specified in clause 12.2, the Contracting Entity may order the production and delivery of such Goods to another supplier and then the Contractor must pay all costs incurred by the Contracting Entity for the production and delivery of the Goods.
- 12.5. For deliveries of replaced Goods and/or Goods with removed faults, defects and/or discrepancies, the Parties shall apply the above mentioned terms and conditions for delivery and acceptance of Goods.
- 12.6. If the Contractor has offered more favorable conditions for Goods acceptance and claims, such provisions in the tender of the Contractor shall prevail over the provisions hereof.

13. Performance Guarantee. Terms and conditions for Performance Guarantee release and retention

- 13.1. If the contractor has provided the Contracting Entity with a Performance Guarantee under this contract, the Contracting Entity may retain the Performance Guarantee until the Contractor executes completely, accurately and entirely this contract or until expiry of the guarantee period of the Goods.
- 13.2. The Performance Guarantee provided under this Contract shall be equal to the price of the Goods, specified in the Special Conditions (Appendix 1) and shall be in the form of irrevocable and unconditional bank guarantee payable at first written demand by the Contracting Entity or in the form of cash deposit into a bank account of the Contracting Entity. When it is a bank guarantee, the Performance Guarantee shall be valid one (1) month after expiry date of the contract.
- 13.3. The Contracting Entity may retain or forfeit the Performance Guarantee if the Contractor fails to perform any of its obligations under this Contract, including, but not limited to late fulfillment of its obligation to deliver the Goods by more than 7 (seven) days, unless otherwise agreed.
- 13.4. The Contracting Entity may retain and forfeit the Performance Guarantee under this Contract without waiving its right to claim compensation for damage incurred in excess of the amount provided as Performance Guarantee by the Contractor.
- 13.5. Upon proper execution of this Contract by the Contractor, the Contracting Entity shall release the bond under clause 13.2 within from the completion date of the Contract (if the bond is in the form of a cash deposit), unless otherwise agreed.

- 13.6. The Contracting Entity may retain part of the Performance Guarantee (if it is a cash deposit) to secure the obligation for warranty servicing of the Goods if the Contractor has undertaken by this contract and/or by its offer to provide warranty service to the delivered Goods.
- 13.7. In the event of a dispute arising between the Parties during the execution of this contract related to a breach of the obligations made by the Contractor, the Contracting Entity may retain the Performance Guarantee (if it is a cash deposit) or may ask the Contractor to extend the validity of the issued bank guarantee until final resolution of the dispute by the competent court under this contract or by an arbitration court.
- 13.8. If this Contract is terminated or cancelled due to the Contractor's fault, the Contracting Entity may retain or forfeit the full amount of the Performance Guarantee.
- 13.9. The Contracting Entity shall not owe interest to the Contractor on the Performance Guarantee (if it is a cash deposit) for the period when the Contracting Entity has lawfully retained it.

14. Penalties and sanctions

- 14.1. If delivery is made after the date of delivery, the Contractor shall pay a penalty of 0.1% (zero point one percent) of the value of the Goods delivered late for each day of delay but not more than 8% (eight percent) of the price of Goods without VAT
- 14.2. If the Contracting Entity terminates the contract due to the Contractor's fault, the Contractor shall pay a penalty of 8% of the price of Goods without VAT. The Contracting Entity shall also be entitled to compensation under the general procedure for actually suffered loss in excess of the penalty amount.
- 14.3. In case of late payment, the Contracting Entity shall pay a penalty of 0.1% (half percent) of the value of the delayed payment for each day of delay but not more than 8% (eight percent) of the value of the payment due.

15. Contract Amendment

Amendment of this Agreement shall be allowed as an exception and it shall be done by an additional agreement in writing mutually agreed between Parties in case of any precondition expressly provided for in the Public Procurement Act.

16. Invoicing

- 16.1 The Contractor shall issue a tax invoice bearing the number of this contract, the order number, if applicable, containing the particulars required by the Accounting Act, and accompanied by the supporting information required under the Contract or by the Contracting Entity. Invoices shall be prepared and accepted under the procedure for sending and accepting of invoices (Appendix 6). If the provisions of clause 3.3 hereof are fully and precisely fulfilled, the Contracting Entity shall pay the amount indicated in the invoice within the specified payment period.
- 16.2. If the Contractor makes a wrong payment to the Contractor including wrongly charged VAT, the Contractor shall immediately reimburse that amount to the Contracting Entity.
- 16.3. Payments by the Contracting Entity under this Contract are not subject to tax, except VAT and deductions provided by law. In particular, if any payment under this Contract is subject to

withholding tax at source, the Contracting Entity shall withhold the tax from the payment amount and pay it to the account of the National Revenue Agency. In these circumstances, payments to the Contractor will represent amounts due under this Contract, reduced by the withholding tax under the law. It is the duty of the Contractor to prove the reasons for not withholding tax at source.

17. Assignment

- 17.1 The Contractor shall not, without the prior written consent of the Contracting Entity, transfer or otherwise dispose of its rights under this Contract.
- 17.2 In the case of any subcontractors involved in performance of the subject matter of the contract, the Contractor and the subcontractor shall comply with all applicable provisions of the Public Procurement Act. The Contractor shall promptly provide the Contracting Entity with all documents and information on the subcontracts in accordance with the Public Procurement Act.
- 17.3 Contractor shall be responsible to ensure quality of the work and observance of the safety requirements by the staff of its subcontractors. The Contractor shall designate competent persons to supervise the performance of the subcontractors.
- 17.4 The Contractor shall be entitled to make inspections and checks to the work on site and make audits to subcontractors following the procedure by which they are carried to the Contractor.

18. Ownership

- 18.1. Subject to Article 18.3 and in view of the specific conditions of each delivery and passing the risk specified herein, ownership of Goods shall pass from the Contractor to the Contracting Entity at the time of delivery or payment by the Contracting Entity (if for some reason payment precedes delivery).
- 18.2. Subject to Article 18.3 and in view of the specific conditions of delivery and passing the risk specified herein when the Contractor receives Goods from a third party, the Contractor shall ensure that ownership of the Goods is transferred to the Contracting Entity at the time of delivery or payment by the Contracting Entity (if for some reason payment precedes delivery).
- 18.3. If payment is made by the Contracting Entity before delivery, and in view of the specific conditions of delivery and passing the risk specified herein, ownership of the Goods shall be transferred by the Contractor to the Contracting Entity as soon as Goods can be identified, but the risk of loss or damage shall not pass onto the Contracting Entity before the time of delivery. Such advance payment shall not be construed as meaning that the Goods have been approved by the Contracting Entity.

19. Intellectual property licenses and confidentiality

- 19.1. The Contractor shall ensure that delivery and use of the Goods will not break any patent, registered design, copyright, trademark or other intellectual property rights ("**Protected Rights**"). Unless the Contracting Entity has agreed otherwise, the Contractor shall provide to the Contracting Entity an irrevocable, royalty-free non-exclusive license for such use from third parties when such is necessary for making full use of the Goods and their features.
- 19.2. The Contractor shall indemnify the Contracting Entity in case that the Contracting Entity is held liable for violation of any protected rights in connection with the use of the Goods.

- 19.3. The Contractor shall keep all the information and software related in any way with the Contracting Entity, as most strictly confidential and the Contractor shall not to use or disclose them except for the purposes hereof, without the prior written consent of a person authorized by the Contracting Entity.
- 19.4. If any specific conditions under this Contract arise, the Contractor shall immediately obtain all necessary permits for import and export and all other approvals required for the delivery of Goods.

20. Risk, liability and insurance

- 20.1. The Contractor shall indemnify the Contracting Entity for all damages related to loss or damage to property of the Contracting Entity or third party, as well as costs for removing spills of chemical substances and mixtures, including adverse environmental footprint impacts of them arising out of or in connection with fulfillment or non-fulfillment of the obligations of the Contractor under this Contract, unless such a liability arises out of or in connection with intentional acts or gross negligence on the part of the Contracting Entity or its representatives.
- 20.2. The Contractor shall indemnify the Contracting Entity for all direct costs and claims (including for loss of or damage to property and injury or death of a person) suffered by the Contracting Entity as a result of violation hereof or any other infringement action or omission (including negligence) of the Contractor or a person for whom the Contractor bears responsibility.
- 20.3. Contractor shall be liable for any loss or damage to the Goods until their delivery to the Contracting Entity, except in the cases where this Contract provides for passing of the risk otherwise. The Contractor shall be liable for any loss or damage to the Goods during the whole period of time (e.g. their stay in the warehouse of the Contractor or within the guarantee period during which the Contractor shall take care of the Goods and check them.
- 20.4. The Contractor shall (if applicable and if provided in the Technical Specifications (Appendix 2) and the conditions for public procurement execution) provide and/or arrange the obtaining of appropriate insurance for the period of performance of its obligations under the Contract within its scope at commercially acceptable conditions, including insurance of the Contractor's staff, namely employer's liability insurance required by law, and insurance against earthquake, flood, force majeure and fire. In these cases, the Contractor shall conclude and maintain insurance policies with a financially stable insurer with proper reputation approved by the Contracting Entity, and under conditions acceptable for the Contracting Entity, so as:
 - (a) To insure the Goods appropriately and adequately against loss or damage from the date of this Contract until delivery; and
 - (b) To cover injuries, disability or other professional risks to the Contractor's staff.

Where applicable, the insurance maintained by the Contractor shall include provisions for subrogation in favor of the Contracting Entity and it shall also provide for the Contracting Entity as an additional beneficiary.

- 20.5. The Contractor shall (if applicable and if provided in the Technical Specifications (Appendix 2) and the conditions for public procurement execution) maintained for the period necessary to meet its responsibilities under this Contract, insurance for damage caused by the Goods provided by Contractor with insurance coverage sufficient to cover the liability (and in any case the amount of the minimum percentage of the total price of the order, specified in the Special conditions (Appendix 1)) with an insurer and on terms acceptable

for the Contracting Entity. The Contractor shall, upon request by the Contracting Entity, provide appropriate proof for the fulfillment of this Article. 20.5.

- 20.6. The Contractor shall promptly and with due care require payment of compensation under the respective policies in accordance with Article 20.4 above and shall repay the obtained money to the Contracting Entity.
- 20.7. If the Contractor fails to conclude or maintain the insurance required under the terms hereof or according to the terms under which the contract has been awarded, the Contracting Entity shall have the right but not the obligation to provide and maintain such a policy solely and entirely at the expense of Contractor. In this case, the Contracting Entity shall be entitled to reimbursement of reasonable expenses directly incurred in connection with the policy or to deduction of these expenses from the amounts payable to the Contractor.
- 20.8. The Contracting Entity shall not be responsible for the damage and loss of plant, materials and equipment of the Contractor and the risk for them shall be borne by the Contractor.
- 20.9. The Contractor shall carry out any activity on the site of the Contracting Entity in a way that does not upset and disturb the neighbors of the site. In particular, while located on the site of the Contracting Entity, the Contractor must comply and ensure that its employees, officers, agents and subcontractor/s observe:
 - (a) all binding provisions and requirements of government or any other authority having jurisdiction over the site of the Contracting Entity in relation to access to the site, health, safety and environmental protection; and
 - (b) health requirements, requirements and procedures on safety and environmental protection of the Contracting Entity.
- 20.10. The Contractor agrees and hereby accepts full and sole responsibility for withholding and paying any and all taxes, contributions, etc., to which it and its Subcontractors are subject to tax with respect the Unemployment Fund and also the contributions towards social, pensions insurance, pensions and the like, imposed by the existing and any future regulations of the authorities in terms of wages, salary or other remuneration payable to the staff employed by the Contractor and its Subcontractors in connection with the delivery of the Goods and other contractual work.
- 20.11. Persons, for whom the Contractor is responsible, including its employees, officers, representatives, consultants, subcontractors and sub-suppliers of each of them.
- 20.12. Nothing herein (express or implied) does not limit the liability of the Contractor in the performance of its obligations under this Contract.

21. Terms and conditions for termination / cancellation of the contract

21.1. This Contracts terminates:

- (a) upon expiry of the term under Article 4 of the Contract;
- (b) upon its final completion;
- (c) by mutual agreement of the Parties expressed in writing;
- (d) unilaterally by the Contracting Entity at any time by sending ten (10) days written notice to the Contractor specifying whether the contract will be terminated partially or entirely and the date on which the termination will take effect;

- (e) by the Contracting Entity upon occurrence of an unforeseen event mentioned in Article 43, para. 4 of PPA, making it impossible for the Contracting Entity to fulfill its obligations under the Contract;
- (f) upon any transformation of the Contractor in accordance with the law of the country, in which it has been established in the event that its successor does not meet the conditions laid down in the Public Procurement Act for continuation of the procurement contract;
- (g) in case of any other grounds for termination of the procurement contract provided for in the Public Procurement Act.

21.2. The Contracting Entity may unilaterally terminate the contract without notice if the Contractor:

- (a) delays the execution of any of its obligations under this Contract for more than 7 (seven) days;
- (b) refuses to replace the Goods showing faults, defects and discrepancies within the time specified by the Contracting Entity;
- (c) refuses to remedy at its expense faults, defects and discrepancies identified in the delivered Goods within the time frame specified by the Contracting Entity;
- (d) fails to fulfill accurately and in full compliance any of its obligations under this Contract and its appendices;
- (e) uses Subcontractor/s for execution of this Contract without declaring this fact in its tender or uses Subcontractor/s which is/are not mentioned in its proposal unless expressly permitted by PPA;
- (e) in case of insolvency proceedings initiated against the Contractor or termination of its commercial activity due to liquidation under the national law of the country in which the Contractor is registered.

21.3. The Contractor shall not be entitled to compensation or offset for expenses incurred or arising after Contract termination, save for costs resulting directly and immediately from the termination of delivery, if the Contracting Entity has given its prior written consent for incurrence of such expenses.

21.4. In case of termination of the delivery or any part of it, the Contractor shall provide to the Contracting Entity all documents related to the assigned delivery or part thereof.

22. Non-exclusivity

Nothing herein shall be construed as prohibiting the Contractor or the Contracting Entity from entering into similar contracts or other agreements with any other companies, partners or parties.

23. Severability

All provisions herein are separate and different from one another and if for some reason one or more of these provisions are rendered invalid or unenforceable, it shall be deemed to be isolated and deleted from this Contract, in which case the other provisions of the Contract shall remain in full effect.

24. Notices

All notices delivered in connection with this Contract shall be in Bulgarian or English and in writing. If there is a discrepancy between the texts in Bulgarian and English, the text in Bulgarian shall prevail and be taken into account. Notices can be delivered in person to the contact persons by e-mail or by mail with return receipt to the address specified herein unless such an address has been changed, for which the relevant Party has informed the other one.

25. Entire agreement

This Contract contains all the issues on which the Parties have agreed and reached understanding on the subject matter of this Contract and supersedes any and all prior negotiations, obligations and correspondence in connection with the subject matter of this Contract, unless the applicable law provides otherwise

26. Governing law and disputes

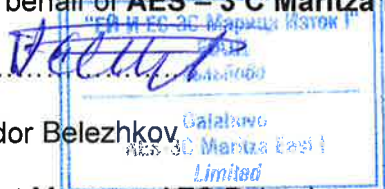
This Contract shall be governed by the Bulgarian law. All disputes arising out of this Contract or related to it, including those involving or relating to its interpretation, invalidity, performance or termination, as well as disputes about filling gaps in this Contract or its adaptation to new circumstances, shall be referred for resolution to the Arbitration Court at the Bulgarian Chamber of Commerce in accordance with Dispute Board Rules based on arbitration agreements.

Appendixes:

1. Special Conditions;
2. Technical Specification;
3. Technical Proposal for Public Procurement Order Execution ;
4. Offered Price;
5. Agreement for ensuring healthy and safe working conditions;
6. Procedure for sending and accepting of invoices.

Signed for and on behalf of **AES – 3 C Maritza East I EOOD**

Signature:



The signature is in blue ink. The stamp is a blue rectangular box containing the text: "ОДНОВИЧНО ОБЩЕСТВО С ОГРАНИЧЕНА ОТГОВОРНОСТ" (top), "AES 3C Maritza East I" (middle), and "Limited" (bottom).

Name:

Todor Belezhev

Title:

Plant Manager AES Bulgaria

Signed for and on behalf of **IEM FoerderTechnik GmbH**

Signature:



The signature is in blue ink.

Name:

Wolfgang Kirchberger

Title:

Company officer with statutory authority

Appendix 1
Special Conditions

Contracting Entity	AES – 3 C Maritza East I EOOD UIC: 123533834; VAT number: BG123533834
Contracting Entity's address	Galabovo 6280, Galabovo Municipality, Stara Zagora region, Bulgaria
Contracting Entity's Representative	Name: Dimo Bahov Telephone number: +359 885 263254 E-mail: dimo.bahov@aes.com
Contracting Entity's Key Personnel	1. Technical matters: Name: Milen Stoyanov Telephone number: +359 884 377622 E-mail: milen.stoyanov@aes.com 2. Accounting matters (invoices): E-mail: emea.apinvoices@aes.com 3. Commercial and contract matters: Name: Denitsa Tsoneva Telephone number: + 359 885 693976 E-mail: denitsa.tsoneva@aes.com 4. Health & Safety Coordinator: Telephone number: 0884 886 663 E-mail: MaritzaEHSTeam@aes.com
Contractor	IEM FoerderTechnik GmbH VAT No.: DE134049525
Contractor's address:	Industriestrasse 1, 95506 Kastl, Germany (Bavaria)
Contractor's Representative	Name: Wolfgang Kirchberger Telephone number: +49 9642 / 80 154 E-mail: w.kirchberger@iem-foerdertechnik.com
Subject of Contract	Supply of spare parts for coal feeders manufactured by IEM Foerdertechnik GmbH
Contractor's Key Personnel	Name: Wolfgang Kirchberger Telephone number: +49 9642 / 80 154 E-mail: w.kirchberger@iem-foerdertechnik.com
Article 3.1 Price of	The Price of Goods – spare parts for Coal Feeders (subject

Goods	<p>matter of this Contract) is as follows:</p> <p>Total price - EUR 90 880,00 (ninety thousand eight hundred and eighty Euro) VAT excluded, for DAP delivery on the site of the Contracting Entity as per INCOTERMS 2015.</p> <p>The Contracting Entity shall pay the price for each delivery within 14 (fourteen) days after submission of an invoice original and an acceptance certificate signed without comments by the representative of the Contracting Entity and after meeting the requirements under Article 3.3 of the Contract.</p>
Article 3.4 Bank account indicated by the Contractor	<p>Bank: Sparkasse Oberpfalz Nord</p> <p>IBAN: DE29 7535 0000 0000 1203 03</p> <p>BIC: BYLADEM1WEN</p>
Article 4 Term of the Contract	The Contract shall come into effect on the date of signature and shall be in effect for 3 (three) months.
Article 5.1 Goods Delivery Terms	<p>The goods shall be delivered in one shipment or partial delivery, within 01.09.2016, according to the requirements of the Technical Specification (Appendix 2) in accordance with the applicable regulatory requirements.</p> <p>Each delivery shall be accompanied by:</p> <p>(a) Packing list;</p> <p>(b) Quality certificate or Declaration of conformity issued by manufacturer;</p>
Article 5.2 Address for delivery of the Goods	The Goods shall be delivered to the site of the Contracting Entity.
Article 5.4 Way of notification of the delivery date and scheduled time	Notice of readiness for shipment shall be sent to the Contracting Entity at least one (1) day prior to the date of shipment to the email address: store@aes.com
Article 9.6 Contractor obligations	Not applicable
Article 11.4 Contractor warranties	Not applicable
Article 11.5 Guarantee period	Not applicable
Article 12.2 Terms and conditions for delivery and acceptance of Goods. Claims	In respect of Goods not covered by a guarantee period, the Contracting Entity may make claims for hidden defects, faults and non-conformity of the Goods within 30 (thirty) days from the date of delivery acceptance.

Article 13 Performance Guarantee amount	Not applicable
Article 14 Penalties and Sanctions	Not applicable
Article 20.5 Insurance	Not applicable
Article 20.9 Liability	Not applicable

Appendix 2
Technical Specification

Appendix 3
Proposal for Public Procurement Order Execution

Appendix 4
Offered Price

Appendix 5

Agreement for ensuring health and safety at work

1. This Agreement, drawn up to meet the requirements of Art. 14, Art. 16, Art. 18 and Art. 19 of the Health and Safety at Work Act is an integral part of the Contract [**please, include description of services**] (the "**Basic Contract**") and shall be effective until expiry of the Contract.
2. This Agreement specifies the requirements and obligations, which the Parties undertake to implement and comply with related to ensuring health and safety at work to the workers, and protecting life and health of any other persons on the territory of the Contracting Entity's power plant (hereinafter "**the Site**" or "**the Power Plant**").
3. The employees of Contracting Entity and Contractor who organize and manage work processes on the territory of the Power Plant shall be responsible for ensuring health and safety at work to the workers involved in the activities they manage. They shall immediately inform each other of all dangers and hazards and shall coordinate their activities to prevent such risks.
4. Contracting Entity undertakes to familiarize Contractor with its internal rules for ensuring health and safety at work (described in the document "**HSE requirements to Contractors**" and published on the Buyer's profile at: <https://platform.negometrix.com/PublicBuyerProfile/PublicCompanyGeneralDocuments.aspx?CompanyId=10572>).
5. Contractor shall comply with the health and safety at work rules and it shall make sure that its employees and subcontractors working on site observe them.
6. Contractor may at its discretion and in accordance with the regulations require additional measures to ensure health and safety at work.
7. During the execution of all works and activities under the Contract, Contractor and Contracting Entity shall observe the applicable rules and regulations on health and safety at work relevant to the specific activities.
8. Contracting Entity and Contractor (each for their employees) shall not admit to the site any persons who are not instructed or not trained or not equipped with the appropriate personal protective equipment required for safe performance of the assigned work
9. Contractor shall perform no activities on site other than those specified in the Contract. By exception, additional activities may only be carried out by Contractor following a written approval of Contracting Entity and instruction of the Contractor's employees relating to such additional activities.
10. Contractor shall provide qualified staff for safe execution of the contractual activities
11. Contractor shall perform preliminary, current and subsequent control to ensure that its employees and subcontractors observe the health and safety at work rules on site
12. If two or more groups of people are to perform activities in a single room and/or at two elevations, Contracting Entity and Contractor shall organize the work process in a manner that shall ensure mutual safety to all workers located in the area.
13. During work, Contractor is contractually bound not to admit to the site or to the place where an activity is being performed any persons who are not directly involved in the performance of this activity.
14. Contractor shall submit to Contracting Authority certificates and/or any other documents certifying that the high risk equipment it uses has passed the required technical inspections and there is a conclusion issued for them by the technical surveillance authorities proving that they are fit and safe.
15. Contractor shall keep its worksites tidy, clean and safe. Upon completion of each portion of work, Contractor shall immediately remove from the worksite all of its plant, construction equipment, temporary structures and waste materials that will not be used at or near the same place during the later stages of work under the Contract.
16. Contracting Entity and Contractor shall ensure that all existing or temporary hazards, incidentally appearing at the workplaces on site are appropriately marked and tagged by signs and signals.

17. Contractor shall perform all contractual activities so as to ensure minimal environmental impact and to prevent the spread of contaminated or hazardous materials.
18. Contracting Entity and Contractor shall perform preliminary, current and subsequent control to ensure that their employees strictly follow the fire safety rules on the territory of the power plant. Contracting Entity and Contractor shall ensure that the Contracting Entity's internal order for smoking only at the designated places is observed.
19. In the event or likely occurrence of a serious, imminent danger to life and health of the workers present on site, any employee of Contracting Entity and Contractor may and must use Stop Work Authority until such a danger ceases to exist.
20. Contracting Entity's Health and Safety Department (hereinafter HS Department) may and must carry out monitoring for compliance with the requirements for safety and health at work. The instructions of its employees relating to health and safety at work shall be binding to Contracting Entity's and Contractor's staff alike.
21. Contracting Entity may dismiss from the worksite any employees that:
 - (a) are not familiar with the health and safety at work rules;
 - (b) do not observe them or do not have the necessary qualification required for the job they do;
 - (c) are not appropriately equipped or do not have the required personal protective equipment;
 - (d) in case of a serious and imminent danger to their health and lives;
 - (e) have used alcohol or other intoxicating substances.
22. Losses caused by worsening of quality and/or extending the timeframes of the performed work or services due to the dismissal of individuals or groups/teams for violations of the requirements of the labor safety rules and instructions, and the industrial fire safety and environmental protection regulations shall be at the expense of Contractor.
23. In the event of more than two breaches of the health and safety at work rules by Contractor and/or its employees, Contracting Entity may unilaterally terminate the contract without owing any compensation to Contractor.
24. Upon identifying any breaches of the health and safety at work rules, the HS department shall:
 - a) give instructions or prescriptions to stop the dangerous actions, circumstances, objects, equipment or activities;
 - b) stop the work being done in a manner or in an environment that threatens life and/or health;
 - c) give Contractor suggestions for sanctioning the persons who have violated the health and safety requirements and the health and safety at work rules.
25. The Contracting Entity's authorized representative ("**Contracting Entity's HS coordinator**") for health and safety at work is the HS Inspector on duty, mobile: +359 884 886 663, e-mail: MaritzaEHSTeam@aes.com.
26. The Contractor's authorized representative ("**Contractor's HS coordinator**") for health and safety at work is:, mobile: +359, e-mail:

This additional Agreement shall come into effect on the date first before written in Contract No.


...*A.I.D.-AG.-P.P.L*

Signed for and on behalf of **AES – 3 C Maritza East I EOOD**

Signature: 

Name: Todor Belezhev

Title: Plant Manager AES Bulgaria



Signed for and on behalf of **IEM FoerderTechnik GmbH:**

Signature: 

Name: Wolfgang Kirchberger

Title: Company officer with statutory authority

Appendix 6

Procedure for sending and acceptance of invoices

1. Hard copy documents shall be sent by post to:

„AES Europe Services“ EOOD

Department: Processing of Incoming Invoices

1407 Sofia, j. k. Sredetz, Bulgaria

Blvd. „Cherni Vrah“ 32A, Aries Office Building, floor 1

Important: According to the Bulgarian tax requirements subject to processing are only original invoices. Scanned copies sent to the address emea.apinvoices@aes.com will be processed only if they are stamped and signed by the supplier with a "True copy".

2. Electronic invoices shall be sent to the common email address:

emea.apinvoices@aes.com

Issuing and sending your electronic invoices to this common email address will greatly contribute to more rapid and efficient processing of your documents and payment.

Please, consider in this case the following particulars, which are also a prerequisite for the efficient processing of documents:

- (a) Invoices shall be in Adobe PDF format;
- (b) If you are sending several invoices, you can attach just one invoice to an e-mail, so you will have to send as many e-mails as is the number of your invoices;
- (c) Each invoice can consist of more than one page;
- (d) Protocols shall be added as additional pages to the invoices;
- (d) Include in the Subject of your e-mail with an attached invoice to it the key word "Фактура" in Bulgarian or "Invoice" in English, for automatic and faster processing by the system;
- (e) If you have issued and sent an electronic invoice, you do not need to re-send a hard copy.

3. Hand-written invoices

If you still issue hand-written invoices, we would like to inform you that they cannot be read by the electronic scanning and automatic recognition system and since they need manual processing there might be some delays in their accounting and payment.

The Contracting Entity strongly recommends to you to avoid issuing hand-written invoices for your more efficient servicing!