

CONTRACT FOR SUPPLY No 1108

On thisday, the 4th of November of 2021, between:

DAISY TECHNOLOGY EOOD registered in the Commercial Register at the Registry Agency, having its seat and registered address in the city of Sofia, residential area Tolstoy, block 38, entrance A, 6th floor, UIC:121081166, represented by the manager Miglena Atanasova Arsova, hereinafter referred to as DAISY, in its capacity of Client under this contract, and

NINGBO SANXING SMART ELECTRIC Co Ltd of Fengwan Road No 16, Cicheng city, Jiangbei district, Ningbo, China, registered in the Ningbo Trade Register with registration and tax number 91330200551112527L, represented by Ma Li, hereinafter referred to as SANXING, in its capacity of Supplier under this contract

whereas:

- I. CEZ RAZPREDELENIE BULGARIA AD, UIC 130277958 /hereinafter referred to as CEZ/ and DAISY TECHNOLOGY EOOD,, have signed a framework agreement under public procurement with subject matter *“Supply and installation of concentrators, electricity meters, modems and filters that are interoperable with the existing electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM, integrated in CEZ RAZPREDELENIE BULGARIA AD”, reference No PPD19-003, hereinafter referred to as “the framework agreement under paragraph I”.*
- II. As a result of internal competitive selection, DAISY TECHNOLOGY EOOD has been selected as contractor and has been invited to enter into the relevant contract with subject matter *“Supply and installation of concentrators, electricity meters, modems and filters that are interoperable with the existing electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM, integrated in CEZ RAZPREDELENIE BULGARIA AD, for the district of Sofia and part of Sofia-city”, reference No PPD21-078, hereinafter referred to as “the relevant contract under paragraph II”*
- III. NINGBO SANXING SMART ELECTRIC Co Ltd is a subcontractor of DAISY TECHNOLOGY EOOD under the framework agreement and the relevant contract for fulfilment of the public procurement with subject matter as set out in paragraph II hereinabove, and is therefore bound with the provisions of *the framework agreement under paragraph I, the relevant contract under paragraph II, and the annexes thereto.*

in pursuance of the obligation under item 4.12 (1)of *the relevant contract under paragraph II*

this contract was entered into by virtue of which the parties have agreed as follows with regard to the fulfilment of the obligations under the relevant contract with subject matter as set out in paragraph II hereinabove:

SECTION 1. SUBJECT MATTER OF THE CONTRACT

- 1.1. (1) By virtue of and in accordance with the terms and conditions of this contract and the annexes thereto (and the relevant annexes to the concluded *framework agreement under paragraph I* and

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO.,LTD

the relevant contract under paragraph II), on the basis of subsequent orders, the Client shall assign, and the Supplier shall agree and undertake to supply and sell to the Client goods (equipment) that are interoperable with the existing electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM, integrated in the operations of CEZ Razpredelenie Bulgaria AD, the type and quantity of which are defined in Annex 1 to *the relevant contract under paragraph II*, and which meet the technical requirements (characteristics) under Annex 2 to *the framework agreement under paragraph I*. The goods (equipment) to be supplied within the subject matter of the contract shall be as follows:

- a) Single-phase electricity meters with option to operate with communication modem;
- b) Three-phase direct connected electricity meters with option to operate with communication modem;
- c) Three-phase indirect connected electricity meters with option to operate with communication modem;
- d) Data concentrators with G3 PLC to the electricity meters and GPRS/3G/4G communication to the central system;
- e) G3 PLC modem for single-phase electricity meter;
- f) G3 PLC modem for three-phase direct connected electricity meter;
- g) G3 PLC modem for three-phase indirect connected electricity meter;
- h) GPRS/3G/4G modem for three-phase direct connected electricity meter;
- i) GPRS/3G/4G modem for three-phase indirect connected electricity meter;
- j) Three-phase filter.

For the purpose of this contract, the equipment (data concentrators, electricity meters, modems and filters) as described in letter a) to letter j) hereinabove, shall be hereinafter referred to as “goods” and “the goods” respectively.

(2) By signing this contract, the Supplier shall hereby declare that it has been informed that during the 12-months’ time period for which *the relevant contract under paragraph II* has been concluded, CEZ RAZPREDELENIE BULGARIA AD, respectively, as the Client under this contract, may place orders for the equipment as described in letter a) to letter j) hereinabove in the estimate quantities specified below, which the Supplier shall hereby declare that they are able to manufacture and supply to the Client within the time periods and under the terms and conditions of this contract and the relevant order, and namely:

Single-phase electricity meters with option to operate with communication modem under letter a) - 23 000 pcs.;

Three-phase direct connected electricity meters with option to operate with communication modem under letter b)-10 000 pcs.;

Three-phase indirect connected electricity meters with option to operate with communication modem under letter c)-1000 pcs.;

Data concentrators with G3 PLC to the electricity meters and GPRS/3G/4G communication to the central system under letter d)-200 pcs.;

G3 PLC modem for single-phase electricity meter under letter e)-23 000 pcs.;

G3 PLC modem for three-phase direct connected electricity meter under letter f) -9000 pcs.;

G3 PLC modem for three-phase indirect connected electricity meter under letter g)- 900 pcs.;

GPRS/3G/4G modem for three-phase direct connected electricity meter under letter h)-1000 pcs.;

GPRS/3G/4G modem for three-phase indirect connected electricity meter under letter i)- 100 pcs.;

Three-phase filter under letter j)-50 pcs.

(3) Within the frames of this contract, the Client shall order to the Supplier, and the Supplier shall supply only as many goods as DAISY has been ordered by CEZ RAZPREDELENIE BULGARIA AD.

(4) The equipment, being subject matter of this contract, described in details under 1.1(1)and1.1(2), may be replaced by another equipment of the same type with equivalent technical characteristics, in case manufacturing and operation of more technologically and functionally advanced and/or efficient equipment (of the type of the equipment the supply of

which is subject matter of *the framework agreement under paragraph I, the relevant contract under paragraph II* and this contract) has been commenced during the term of validity of *the framework agreement under paragraph I and the relevant contract under paragraph II*, and for this purpose CEZ RAZPREDELENIE BULGARIA AD and DAISY TECHNOLOGY EOOD would sign supplementary agreement to the *contract under paragraph II* and/or the *framework agreement under paragraph I*, with which they shall agree upon amendments and/or supplements to the technical specifications – Annex 2 to *the framework agreement under paragraph I*, whereas the prices of the new equipment may not exceed the prices as agreed upon in *the relevant contract under paragraph II*. In case CEZ shall request the Client for new technical offer for supply of more advanced or more efficient equipment, the Supplier shall be obliged to assist the Client for the preparation of such offer. The supplementary agreement to *the relevant contract under paragraph II* and/or the *framework agreement under paragraph I* signed between CEZ RAZPREDELENIE BULGARIA AD and DAISY TECHNOLOGY EOOD to agree upon amendments and/or supplements to the technical specifications – Annex 2 to *the framework agreement under paragraph I*, shall bind NINGBO SANXING SMART ELECTRIC Co Ltd as from the date of signing thereof. The signing of the supplementary agreement between CEZ RAZPREDELENIE BULGARIA AD and DAISY TECHNOLOGY EOOD and/or *the relevant contract under paragraph II* shall also change the subject matter to this contract, and as from the date of signing thereof, DAISY TECHNOLOGY EOOD shall place orders to the Supplier, and NINGBO SANXING SMART ELECTRIC Co Ltd shall supply to the Client equipment meeting the changed technical specifications in Annex 2 to *the framework agreement under paragraph I* and/or the supplementary agreement to *the relevant contract under paragraph II*, whereas the change of the technical characteristics of the equipment subject to delivery shall not result in change of the price agreed upon in Annex A to this contract.

1.2. The goods, being subject matter of this contract, shall be supplied by the Supplier on the basis of orders placed by the Client to the Supplier by email vasya@overseas.sanxing.com, in accordance with the type, quantities and other terms and conditions of the orders generated via SAP and placed by CEZ RAZPREDELENIE BULGARIA AD to DAISY in writing. The total price of the supply of the goods, being subject matter of each order, shall be calculated in accordance with the unit prices of the equipment under Annex A to this contract;

1.3. The place of supply of the goods (equipment) under item 1.1 of the subject matter of the contract shall be the Client's facility located in the city of Sofia, Republic of Bulgaria, address: 15-17 Tintyava St., unless another place of supply shall be specified in the respective order.

1.4. The handover of the goods, being subject matter of each order, at the place of supply shall be certified by Client's signing of the bill of loading.

1.5. The Supplier has supplied the goods, being subject matter of each order, in timely manner, if the goods have been delivered to the Client at the place of supply within the time period as agreed under item 3.3, which has been certified in accordance with the procedure under item 1.4. The Supplier has properly fulfilled its obligation for supply under each order upon the cumulative existence of the following conditions: a/ together with the supply of the goods within the agreed time period, the Client has been provided with all documents, which should accompany the goods in accordance with Annex B to this contract, and if CEZ or the Client have not made any objections for any non-conformities with the order or any quality defects found during the incoming or follow-up control, with regard to the goods, being subject matter of this contract.

1.6. The title and the risk of loss of delivered goods shall be transferred from the Supplier to the Client upon supplying the goods at the place of supply, which is certified by Client's signing the bill of loading.

1.7.(1) For the purposes of the fulfilment of its obligation for warranty repair and free of charge removal of any occurred defects of the goods supplied in accordance with this contract within 48 /forty eight/ months as from the date of signing the protocol certifying the installation and placing in service of supplied goods, the Supplier shall be obliged:

- a) Together with the first supply of any equipment under item 1.1 (1), to supply to the Supplier 1% safety stock of the estimate quantities of the goods as set out in item 1.1(2), for replacement of the devices upon finding a defect.
- b) Until the expiration of the warranty repair period of the supplied equipment, to keep on stock the safety stock as agreed upon in letter a/ hereinabove for any equipment under item 1.1(1), which has been supplied under this contract, and shall be further obliged to supply equipment to top-up the agreed safety stock under letter a/ due to replacement of any defective equipment supplied to CEZ. The Supplier shall be obliged to top-up the safety stock under letter a/ hereinabove with the supply under the next order but in any case not later than 90 /ninety/ days of the date of Client's notification for the replacement of defective equipment with equipment from the safety stock .

(2) The quantities supplied as safety stock may be also used by the Client for removal of any defects found by CEZ during the incoming control.

(3) The parties shall hereby agree that the quantities supplied in the form of safety stock shall not be paid by the Client upon their delivery. After the expiration of the warranty period under item 1.7(1), the quantities of equipment within the safety stock, which has not been used for replacement of defective equipment, shall be returned to the Supplier, unless the Client and the Supplier shall reach agreement for their payment in order to be used by the Client in relation to the agreed post-warranty maintenance within the time period under item 1.8.

1.8. The Supplier shall be responsible for the supply of equipment ensuring the post-warranty maintenance of supplied goods, being subject matter of this contract, for a period of up to 48 /forty eight/ months after the expiration of the warranty service period under item 1.7(1). The Supplier shall supply the equipment and shall fulfil obligations with regard to the post-warranty maintenance at prices to be agreed upon between the parties in a supplementary agreement to this contract.

SECTION 2. PRICE AND PAYMENT METHOD

2.1. (1) The unit prices of the goods to be supplied within the subject matter of the contract are described in Annex A, being integral part of this contract.

(2) The Client shall pay the Supplier for the goods (equipment) ordered, actually supplied and accepted by CEZ in accordance with the terms and conditions of *the relevant contract under paragraph II*, at unit prices as set out in Annex A. The unit prices at which the goods shall be paid for, shall be free the supply address under item 1.5 hereinabove.

(3) The unit prices as set out in Annex A shall comprise all costs related to the logistics and transportation to the place of supply, all charges, insurances, packages, documents, training /secondment and their related expenses/, costs incurred for removal of any defects found during the incoming control and any defects that have occurred during the warranty period, except for the duty and VAT for custom clearance of the goods in the Republic of Bulgaria, which shall be at the expense of the Client.

2.2. The Client shall be obliged to pay for the goods (equipment) ordered in accordance with item 1.2 and accepted by CEZ under the terms and conditions of *the relevant contract under paragraph II*, by means of bank transfers to the Supplier's account within 7 (seven) calendar days from the date of receipt of the payment from CEZ for the goods (equipment) accepted by CEZ under *the relevant contract under paragraph II* (CEZ is obliged to pay for the goods (equipment) and / or accepted

activities for their post-warranty maintenance in accordance with item 1.2., by bank transfers within 60 (sixty) calendar days, as of the date of issuance and presentation by the Client to the CEZ of an original invoice for the value of the specific delivery and /or performed activity. An invoice is issued after the acceptance of the goods by CEZ, authenticated by the signing of a handover protocol.).

SECTION 3. TIME PERIODS

3.1. The term of validity of this contract shall expire upon the expiration of the warranty and post-warranty maintenance periods in accordance with *the relevant contract under paragraph II* signed between CEZ and the Client.

3.2. The time period in which the Client may place orders in accordance with article 1.2 and the Supplier shall be obliged to supply to the Client the equipment ordered thereby shall be 12 (twelve) months as from the date of signing *the relevant contract under paragraph II* by CEZ and the Client.

3.3. The time period for supply of the goods (equipment) under any order, being subject matter of the contract, shall be 75/ seventy five / days as from the date of sending the order to the email address of the Supplier, unless another time period shall be specified in such order. The term for delivery of the first order is 90 days;

SECTION 4. RIGHTS AND OBLIGATIONS OF THE SUPPLIER

4.1. (1) The Supplier shall be obliged to supply the goods of a type, in quantity and with technical specifications meeting the technical requirements under Annex 2 of *the framework agreement under paragraph I*, the other terms and conditions of *the relevant contract under paragraph II*, and this contract. The supplied goods should be interoperable with the existing electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM, integrated in the operations of CEZ.

(2) In the cases under item 1.1(4) hereinabove, the Supplier shall be obliged to supply and deliver to the Client the agreed and ordered goods, which meet the technical specifications as agreed upon in accordance with item 1.1(4) hereinabove.

(3) The Supplier shall be obliged to strictly observe the requirements of CEZ as set out in the technical requirements (characteristics) of Annex 2 to the framework agreement or those agreed upon in accordance with item 1.1(4) hereinabove.

4.2. The Supplier shall be obliged to supply the goods together with the documents as described in Annex B to this contract.

4.3. The Supplier shall be obliged to notify the Client in writing by email at least two days before the shipment of the goods about their estimated date of arrival at the destination /place of supply/ as specified in the respective order.

4.4. The Supplier shall be liable to the Client and/or CEZ if third parties shall claim their title or other rights in terms of the goods, which might be enforced against the Client or CEZ.

4.5. The Supplier shall be obliged to reimburse the Client with the paid price, together with the statutory interest as set out by the legislation of the Republic of Bulgaria, and to pay the costs incurred by CEZ and the Client under *the relevant contract under paragraph II* and/or *the framework agreement under paragraph I*, in case it shall be proved that the supplied goods belong to a third party partially or in full.

4.6. The Supplier shall be obliged to replace any defective goods or goods not conforming with the requirements, found during the incoming control performed by CEZ or the Client, and upon finding by CEZ of hidden defects or warranty defects of the supplied goods within the warranty period under item 1.7(1), within 45 /forty five / days of the date of the notification of the found defects, non-conformity, in the cases where the Supplier has not fulfilled its obligation to provide the safety stock or to top it up in accordance with item 1.7(1);

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO., LTD

4.7. The Supplier shall have the right to receive the price of the goods ordered, supplied and accepted by CEZ in accordance with the procedure under *the relevant contract under paragraph II*, in compliance with the terms and conditions of this contract.

4.8. (1) The Supplier shall undertake to provide and implement the full 48 (forty eight) monthly free of charge warranty service of the goods supplied in accordance with this contract, as agreed upon with CEZ, as from the date of signing of the protocol certifying the installation and commissioning of the goods by CEZ and the Client. For this purpose, the Supplier shall provide the safety stock in accordance with item 1.7(1), letter a/ and shall top it up in accordance with item 1.7(1), letter b/.

(2) In case of failure to fulfil its obligations under item 1.7(1), letters a/ and b/ in connection with the performance of the warranty liability, or in case the goods supplied by the Supplier, which are defective or do not conform with the technical specifications in Annex 2 to *the framework agreement under paragraph I*, during the warranty period the Supplier under this contract shall be obliged to replace the defective or non-conformant goods within the time periods and under the terms and conditions of *the relevant contract under paragraph II*. The Supplier shall have the same obligation in case of non-conformities or defects of the delivered goods found during the incoming control performed by CEZ or the Client under this contract. If due to defects or non-conformities of supplied goods CEZ shall exercise its right to claim discount from the price of the goods delivered in accordance with this contract, to refuse to accept the goods, to return accepted but defective goods, not to pay it to the Client, or to claim reimbursement of the price paid for the defective goods, the Supplier shall reimburse the Client with the price of the defective goods returned by CES, respectively, with the portion of the price for which CEZ has claimed a discount. The Supplier shall be liable to CEZ and/or DAISY for any default under *the relevant contract under paragraph II* and/or *the framework agreement under paragraph I* due to defect or non-conformity of the goods supplied under this contract with Annex 2 to the framework agreement, and shall pay DAISY any amounts related to the defects of supplied goods, which DAISY has paid to CEZ, respectively, which CEZ has offset from any payments due or has deducted from the issued bank guarantees, including any payments due, penalties, compensations, etc.

4.9. After the expiration of the original forty-eight months' period of free warranty service under item 4.8, the Supplier shall be obliged to ensure the performance of post-warranty maintenance of the goods delivered under this contract for a period of 48 /forty-eight/ months after the expiration of the warranty service period as set out in the preceding item, in accordance with the provisions of item 1.8.

4.10. The Supplier shall be obliged to deliver the goods in accordance with the orders and instructions of CEZ given in the delivery orders of CEZ and reproduced in the delivery orders of the Client under this contract.

4.11. The Supplier shall not have the right to subcontract one or more of its operations included in the subject matter of this contract to subcontractors in accordance with the provisions of article 66, paragraph 6 of the Public Procurement Act. The supply of goods, materials or equipment that are necessary for the manufacturing and supply of the goods, being subject matter of this contract, and entering into agreements for services, which are not part of this contract or of *the relevant contract under paragraph II*, shall not be considered a breach of the prohibition for subcontracting.

4.12. The clause applicable to *the relevant contract under paragraph II* shall incur obligations for performance to NINGBO SANXING SMART ELECTRIC Co Ltd as a subcontractor, and NINGBO SANXING SMART ELECTRIC Co Ltd shall be held liable to DAISY and/or CEZ for their non-performance in accordance with the provisions of the legislation applicable in the Republic of Bulgaria.

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO.,LTD

4.13. The Supplier shall be obliged to fulfil its obligations with regard to the processing and protection of personal data as set out in item 11.4 of *the relevant contract under paragraph II*. In case of unauthorized processing of personal data or breach of the legal requirements to their protection by NINGBO SANXING SMART ELECTRIC Co Ltd, the company shall be responsible for the damages caused and for all property sanctions / fines imposed on the Client..

4.14. In case of termination of *the relevant contract under paragraph II* and/or *the framework agreement under paragraph I* in accordance with item 9.6, in connection with item 5.6 of *the relevant contract under paragraph II*, the Supplier under this contract shall be obliged to reimburse DAISY with all amounts paid under the contract for the goods supplied by the Supplier and dismantled upon CEZ's request or for the goods that have been supplied and/or accepted by CEZ or DAISY in the warehouse but are still not installed. Any non-conformant goods found by CEZ, which the Supplier has supplied within the subject matter of the terminated contract, shall be returned to the Supplier upon reimbursement of all amounts paid for their supply and upon delivery of the defective devices by CEZ to the Client. The responsibility of the Supplier in this text is according to article 4.13 from *the relevant contract under paragraph II*.

Item 5.5, subpoints 1, 2, 3, 4 of this contract fully reproduce the text of item 5.6. from the relevant contract under paragraph II.

(According to item 9.6 from the relevant contract under paragraph II, in the cases under item 5.5, subpoint 3 in this contract, which reproduces the order of item 5.6, subpoint 3 from the relevant contract under paragraph II, CEZ is terminating the agreement and the framework agreement with a 10-day written notice to DAISY).

(According to item 4.13 from the relevant contract under paragraph II, upon termination of the contract and the framework agreement in the order of item 9.6 in relation to item 5.6, the Supplier is obliged to uninstall all delivered and installed goods from him and inconsistent goods and to install in their place the equipment provided by CEZ, as well as to restore all paid sums under the contract for the delivered or uninstalled goods or for such goods, which are accepted and are kept in storage by CEZ, but are still not installed. All inconsistent goods, which the Supplier has delivered to CEZ under the terminated contract are returned to daisy after the restoration of all sums paid in relation to their delivery).

4.15. While performing the subject matter of this contract, the Supplier shall be obliged to strictly observe the applicable legislation of the Republic of Bulgaria, the terms and conditions, the requirements of *the relevant contract under paragraph II* and this contract, the annexes thereto, and the legal and administrative regulations currently applicable in the Republic of Bulgaria as at the time of the performance of this contract, which are non-exhaustively listed in Annex D to this contract, if these are relevant to its operations related to the performance of the procurement. The Supplier shall be held liable to CEZ and DAISY for any violations thereof by its employees and subcontractors.

4.16. The Supplier shall be obliged to manufacture and supply individual orders under item 1.2 within the time periods under this contract.

4.17. The Supplier shall remedy at its own expense any damages to facilities of CEZ or third parties caused by or as a result of the operation of the goods supplied in pursuance of this contract.

4.18. The Supplier has become familiar with the content of the clauses of the Social Responsibility Agreement as contained in *the relevant contract under paragraph II*, and Annex E to this contract shall contain Supplier's statement in terms of its obligation to observe the clauses of the Social Responsibility Agreement during or with regard to the performance of the subject matter of the contract. Upon failure to observe thereof, the Supplier shall be responsible for any damages, imposed sanctions and compensations. The text Annex E of this contract reproduces fully the text of item 4.20 of the relevant contract under paragraph II.

4.19. (1) During or with regard to the performance of the subject matter of the contract, the Supplier shall be obliged (if applicable in relation to the performance of the activities being subject matter of the contract):

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO., LTD

1. to observe the security measures (Observing security measures refers to ensuring compliance with the control and access and the established checkpoint regime, as well as compliance with the directions by the security and the police.) of the Client's facilities, equipment and networks that are put in place by the Client.
2. not to anyhow affect the security systems established by the Client through actions resulting in their elimination or decreasing their functional condition.
3. to fulfil the Supplier's obligations under item 4.21, subpoint 1 of *the relevant contract under paragraph II* and the Code of Ethics (Annex 7) to *the relevant contract under paragraph II*, provided any employees or representatives of NINGBO SANXING SMART ELECTRIC Co Ltd shall carry out activities and fulfil their obligations on the spot at CEZ's venues related to identification or removing of defects, training, etc.

(2) The Supplier shall be held liable to CEZ and/or DAISY in case of breach of the obligations as described hereinabove by Supplier's employees or representatives, both in terms of the found breach and the damages caused thereby.

(Item 4.21 of the relevant contract under paragraph II has the following text:

(1) Upon or in relation to the performance of the subject of the contract, the Supplier is obliged /if applicable in relation to the performance of the agreed upon activities/:

1. to comply with the security measures established by CEZ in CEZ's facilities by fulfilling the instructions set by security, the orders of the police and to comply with the order of the established checkpoint regime.
2. not to affect in any way the security systems installed by CEZ by moving, covering, obstructing or by other actions, which lead to their elimination or minimising their functioning.
3. not to touch, carry or inspect any uncontrolled packages and luggage, and upon finding such packages, to inform security and the police.

(2) DAISY is obliged to ensure the compliance with the obligations, described in the previous subpoints and from the side of its employees and subcontractors, which are engaged with the performance of the contract. Upon infringement of the obligations from employees or subcontractors, the Supplier is responsible for the relevant non-execution and the harms caused by the non-execution

4.20. To carry out initial training for employees of the Client and CEZ to work with the supplied goods and to work with the new versions of the goods and the operating systems (software) as at the time of the first supply, and to carry out regular trainings every 6 (six) months during the term of validity of this contract afterwards.

4.21. The Supplier shall be obliged to reimburse the Client with amounts credited to its bank account for supplied equipment, which shall exceed the price agreed upon between the Client and the Supplier, calculated on the basis of the unit prices under Annex A to this contract. The Supplier shall be obliged to reimburse the Client with the amounts paid under the contract, in the cases where CEZ has requested reimbursement of the price, discount of the price, refusal to pay or exercising of any other rights of CEZ under *the relevant contract under paragraph II*.

SECTION 5. RIGHTS AND OBLIGATIONS OF THE CLIENT AND CEZ

5.1. (1) The Client and/or CEZ /after the delivery of the goods to CEZ by the Client in accordance with *the relevant contract under paragraph III*/ shall carry out incoming control of the quality of supplied goods under item 1.1 for the purposes of verifying its conformity with the requirements as set out in *the relevant contract under paragraph II*, *the framework agreement under paragraph I* and the annexes thereto. CEZ and/or the Client shall make a protocol for the incoming control.

(2) If the Client or CEZ shall find any defects during the incoming control, the Client shall be obliged to notify the Supplier by email. In such notification to the Supplier sent by email the Client shall describe the failures (defects) of supplied goods and the manner of their removal.

(3) The Supplier shall be obliged to remove any failures (defects) found within 45 (forty five) calendar days as from the date of the Client's notification of defects of supplied goods found by CEZ

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO., LTD

or the Client, except in the cases the former has ensured their replacement with the safety stock supplied in accordance with item 1.7(1), letters a/ and b/.

5.2.(1) At any time during the term of validity of this contract, CEZ shall be entitled to inspect the supplied goods under item 1.1, which are not in operation for the existence of any hidden defects. The inspection under the preceding sentence shall be performed by CEZ's employees with the respective technical competence and shall be certified by making a protocol of findings. Upon finding any hidden defects of the supplied goods, they shall be considered warranty defects and the Supplier shall be obliged to remove them at its own expense, in accordance with the covenants of this contract applicable to the removal of warranty defects, except in the cases where the defects have occurred due to failure to observe the storage conditions of the goods.

(2) In addition to any hidden defects under item 5.2(1), all defects of the goods, which have occurred during its operation, are not due to improper actions of CEZ and/or its employees, and have occurred within the warranty time period under item 1.7(1), shall also be considered warranty defects of the goods.

(3) Upon finding defects (failures) of the goods within the warranty period, the Client shall be obliged to notify the Supplier to this effect in writing. In the written notice under the preceding sentence the Client shall describe the failures (defects) of the goods and the manner of their removal.

(4) During the warranty period under item 1.7(1), all cost for removal of defects and/or replacement of the goods with new ones shall be borne by the Supplier in case that the defects are the ones ascertained in the order of item 6.5 from *the relevant contract under paragraph II* and have not occurred as a result of the installation, conducted by the Client..

(5) If any factory defects shall be found during the warranty period that cannot be removed by the Supplier within 45 /forty five/ calendar days of the date on which the defective goods have been submitted thereto for repair, the Supplier shall be obliged to replace the defective goods with new one within 425 (twenty five) days after the expiration of the 45-days' period for repair of the goods, except in the cases where the replacement shall be made out of the safety stock under item 1.7(1), , letters a/ and b/.

5.3. Upon finding any failures (defects) of the goods in accordance with item 5.1 or item 5.2 of the contract, CEZ and/or the Client shall have the following alternative rights:

- (1)** To request replacement of the defective goods or the goods that do not conform with the requirements with new goods at Supplier's expense, by fixing an appropriate time period to this effect; or
- (2)** To keep the goods and to request discount from the price; or
- (3)** To refuse to accept the goods or to return any accepted but defective or non-conformant goods, and not to pay for it, respectively, or if already paid, to request reimbursement of its price.

5.4. In case of supply of goods under item 1.1 with defects or goods that do not meet the requirements of CEZ found in compliance with item 5.2 or item 6.5 of *the relevant contract under paragraph II*, and provided the Supplier shall fail to remove the defects, or to replace the defective goods with goods of proper quality, respectively, within the time period as set out by the Client in accordance with item 5.3(1) of *the relevant contract under paragraph II*, then CEZ shall have the right to undertake actions to remove the defects by a third party or to remove them on its own at the expense of the Client under this contract. In this case, CEZ shall be entitled to the penalty under item 7.2 of *the relevant contract under paragraph II*. **The Client** under this contract shall be entitled to claim against **the Supplier** the penalty under item 7.2 of *the relevant contract under paragraph II*, which the Client has paid or which CEZ has deducted from any payment due or has utilized against the issued guarantee under item 6.1(2), and shall be further entitled to compensation for removal of the defects of the supplied goods by a third party, whenever the Supplier has failed to provide the safety stock as provided herein, or has failed to remove, within the agreed time periods, any defects of the supplies made by the Supplier that have been found by CEZ or the Client under this contract.

5.5. **(1)** Upon completion of the first supply of goods under the subject matter of the contract and the receipt thereof in CEZ's warehouse with the respective handover protocol, in addition to the incoming control under item 5.1 hereinabove, CEZ shall perform sample inspection of the devices, at its own discretion, in accordance with the list of tests, being Annex 6 to *the relevant contract under paragraph II*. The goods to be subject to tests shall be selected among the first lot

of goods to be delivered under the subject matter of the contract. The tests of the goods under this subpoint shall be performed within 5 months. CEZ shall prepare a report of the tests and the results thereof, which shall be delivered to the Client under this contract. The Client shall notify the Supplier about the successful completion of the tests or about any non-conformities of the goods so found.

(2) Upon finding any non-conformities of the tested goods under the preceding 5.5(1), the Supplier shall have 30 /thirty/ calendar days to remedy them as from the date of sending the report from performed tests. For this purpose, CEZ shall return to the Client the tested goods for which non-conformities have been found, and the Client shall notify the Supplier about the goods returned for removal of defects. As from the date of notifying the Supplier about the returned goods, the Supplier shall be responsible for undertaking all actions for removal of such defects, by sending specialists to the place of delivery or in another way chosen by the Supplier, whereas all costs incurred for the removal of defects and non-conformities of the goods under item 5.1(1) and 5.1(4) shall be covered by the Supplier, including transport expenses, specialists' fees and their secondment, materials, etc.

(3) After the expiration of the time period for removal of non-conformities found by CEZ, the latter shall perform repeated tests in accordance with the procedure under item 5.5(1). In case until the expiration of the time period for removal of the non-conformity of the goods tested in accordance with item 5.5(2), the Supplier shall fail to undertake actions for their removal, shall fail to submit the goods found non-conformation for repeated testing by CEZ within the time period defined by CEZ, or irrespective of the actions undertaken to remove the non-conformities, such non-conformities shall be found again during the repeated tests, which shall result in incompatibility of the goods with the existing "Electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM", *the relevant contract under paragraph II and the framework agreement under paragraph I* shall be terminated on the grounds of item 9.6 of *the relevant contract under paragraph II*. In this case, CEZ shall be entitled to the penalty under item 7.12 of *the relevant contract under paragraph II*, which the Supplier shall owe and pay to the Client under this contract, together with all other costs incurred by the Client in relation to the participation in the public procurement and all damages arising from the termination of the contract

(4) If the non-conformities of the goods have been removed through processing or additional works by the Supplier, CEZ shall return to the Client the entire lot of supplied goods from which the tested devices under item 5.5(1) have been selected, and the Supplier shall be obliged to supply this and any subsequent order of goods so processed or reworked by the Supplier in the way the non-conformities of the first lot have been removed, so that all quantities of goods supplied within the subject matter of the contract should fully comply with the covenants under *the framework agreement under paragraph I, the relevant contract under paragraph II* and the annexes thereto, and should be interoperable with the existing "Electricity meter remote reading system – ZTE POWER EM UNIVERSAL ENERGY MANAGEMENT SYSTEM" integrated in the Client's enterprise.

(According to item 9.6 from the relevant contract under paragraph II, in the cases in item 5.6, subpoint 3, CEZ is terminating the agreement and the framework agreement with a 10-day written notice to DAISY)

(According to item 7.12 from the relevant contract under paragraph II upon termination of the contract under item 9.6m CEZ has the right to a default payment at the rate of 100% of the value of the guarantee for the performance of the contract established in item 6.1 of the relevant contract under paragraph II)

(According to item 7.13 from the relevant contract under paragraph II, the parties to the contract also owe each other all other default payments, which are not specifically agreed upon in the relevant contract under paragraph II, but are agreed upon in the framework agreement)

(According to item 7.7 from the relevant contract under paragraph II in the cases where the agreed upon default payments do not cover the actual size of the damages suffered by CEZ, CEZ can seek the difference to the full amount of damages and the lost profits.)

(According to item 4.4 from the relevant contract under paragraph II the Supplier is responsible before CEZ if third parties claim their right to ownership or other rights in relation to the goods, which rights could be enforced against CEZ.)

(According to item 4.5. from the relevant contract under paragraph II DAISY is obliged to return to CEZ the paid sum together with the interest, as well as any expenses in relation to the agreement in the cases

when it is proven that the sold goods belongs fully or partially to a third party, and in these cases, the Client has the right to terminate the contract under item 1.9, subpoint 1 from the relevant contract under paragraph II.

5.6. In accordance with the provisions of this contract, the Client shall be obliged to pay to the Supplier the price as agreed upon herein for the goods ordered, actually supplied and accepted by CEZ, in compliance with the terms and conditions and within the time periods under this contract, and for its post-warranty maintenance in accordance with the supplementary agreement under item 1.8.

SECTION 6. WARRANTIES AND COMPLAINTS

6.1 (1) Within 1 (one) month after signing of this contract, the Supplier shall issue in favor of Client an irrevocable and unconditional bank guarantee in the amount of EUR 21 548 (twenty-one thousand five hundred forty-eight) with a validity period until the expiry of the term for post-warranty maintenance under item 1.8. of this contract., being 2% of the the price offered to CEZ for delivery , as a performance guarantee of its obligations and securing its liability under this contract, *the relevant contract under paragraph II* and/ or *the framework agreement under paragraph I*. The Supplier and the Client collectively agree on the bank, which is to issue the bank guarantee. In case that the bank guarantee cannot be issued until the expiration of the term under item 1.8, the bank guarantee is to be issued for an initial term, which expires no earlier than 12.01.2026, after the expiry of which the Supplier undertakes to submit a bank guarantee under the conditions on the sum of EUR 10 774 (ten thousand seven hundred seventy-four) with a validity period until the expiry of the term for post-warranty maintenance under item 1.8.

(2) The Client shall provide a guarantee in its name under item 7.1 of *the relevant contract under paragraph II* to secure the Supplier's liability under *the relevant contract under paragraph II*.

6.2.The performance guarantee under item 6.1(1)shall be used by the Client for indemnity against any kind of damages and losses caused as a result of non-performance – delay or another improper fulfilment of the obligations under this contract by the Supplier, which have resulted in delay or improper fulfilment of the obligations under *the relevant contract under paragraph II* or *the framework agreement under paragraph I*, and for the compensations, sanctions and/or penalties arising from such non-performance, including for the Client's indemnity by the Supplier for all amounts that CEZ has offset/ deducted from any payments due, or has utilized from the bank guarantee under item 6.1(2) due to delay or another improper fulfilment of the obligations for supply under *the relevant contract under paragraph II* and/or *the framework agreement under paragraph I*. In case the damages suffered by the Client shall exceed the amount of the guarantee, the Client shall be entitled to compensation by the Supplier for suffered damages caused by a delayed or other improper execution of the Supplier 6.2.1.Upon any utilization of amounts from the performance guarantee under item 6.1(1), the Client shall be obliged to notify the Supplier, and the Supplier shall be obliged to top up the amount of the performance guarantee up to the amount under item 6.1(1). Such top-up shall be made not later than 14 calendar days after the date of the notice of utilization.

6.2.2. Upon termination or cancellation of *the relevant contract under paragraph II* by CEZ due to DAISY's fault arising from Supplier's default under this contract, the Client shall utilize the performance guarantee under item 6.1(1) in its benefit and in full, and shall be entitled to claim any sanctions and penalties payable by the Supplier, which are in excess of the amount of the guarantee under item 6.1(1), and to offset them against any payments due to the Supplier under this contract.

6.2.3. The Client shall not owe the Supplier interest for the period of holding the amount deposited as performance guarantee.

6.2.4. The Client shall be entitled to utilize amounts of such guarantee in case of non-performance or delay of the contractual obligations by the Supplier, as well as in any other case as set out herein.

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO.,LTD

6.3. The Client shall release the Supplier's guarantee in portions as follows:

6.3.1. The Client shall release 50% (fifty percent) of the amount of the performance guarantee under item 6.1(1) upon Supplier's request, in 16 months after signing *the relevant contract under paragraph II*, provided CEZ has not made any claims against the Client for delayed or improper performance with regard to the supplies until the expiration of this time period. In case CEZ has been satisfied against the guarantee provided in accordance with item 6.1(2) or through offsetting any amounts against any payments due to the Client as a result of Supplier's delayed or improper performance of the supplies under this contract, the percentage of the guarantee under item 6.1(1), which is subject to release, shall be reduced with the amount utilized by CEZ from the guarantee under item 6.1(2) due to claims for delayed or another non-performance with regard to the supplies, being subject matter of the relevant contract.

b) The remainder of the performance guarantee under item 6.1(1), and namely 50% (fifty percent), which shall apply as security of the warranty and post-warranty maintenance of the delivered goods until the expiration of the post-warranty period under item 1.8, shall be released upon Supplier's request in 4 /four/ months after the expiration of the time period under item 1.8, provided there is a positive balance after the Client been satisfied against the guarantee in accordance with the terms and conditions of this contract. In case CEZ has been satisfied against the guarantee provided in accordance with item 6.1(2) or through offsetting any amounts against any payments due to the Client as a result of Supplier's non-performance of any Supplier's obligations relevant to the warranty and/or post-warranty maintenance, or another non-performance of the Supplier under this contract, the percentage of the guarantee under item 6.1(1), which is subject to release, shall be reduced with the amount utilized by CEZ from the guarantee under item 6.1(2) due to claims for delayed or another improper performance with regard to the warranty or post-warranty maintenance of the goods resulting from actions or omissions of the Supplier under this contract.

6.4. The Client shall not be held liable for any delay to release the guarantee, provided the Supplier has not made a request to this and, and in case CEZ has not reimbursed the corresponding portion of the guarantee under item 6.1(2) until the expiration of the agreed time periods for its release;

SECTION 7. CONTRACTUAL LIABILITY

7.1. In case of delayed fulfilment of any obligations under this contract that has resulted in delayed fulfilment of the obligations under *the relevant contract under paragraph II* /except in the cases where such delay shall be due to force majeure/, the Supplier shall owe the Client a penalty in the amount of 0,5% per day of non-performed obligation, but not more than 10% of the total amount of non-performed obligation.

7.2. In any case of non-performance of the obligations during the warranty period, which has resulted in non-performance of the obligations for warranty service under *the relevant contract under paragraph II*, (except in the cases where such non-performance shall be due to force majeure), the Supplier shall owe the Client a penalty in the amount of 10% of the amount of supplied but defective (faulty) goods in respect of which the non-performance of the warranty obligation has occurred.

7.3. The Supplier shall pay the Client a penalty of 75% of the amount of the performance guarantee under item 6.1(2) issued in favor of CEZ in any of the following cases:

- (1) upon termination of *the relevant contract under paragraph II* in accordance with item 9.1(2) /due to delayed supply/ or item 9.1(3) /due to defects of supplied goods/ of *the relevant contract under paragraph II*;
- (2) upon Supplier's refusal to complete an order for supply of goods under the conditions of this contract;
- (3) upon supply of goods under the contract, which do not meet the technical requirements under Annex 2 to *the framework agreement under paragraph I* or to the technical requirements as agreed upon in accordance with item 1.1(4) of this contract.

7.4. In case of delayed payment, the Client shall owe the Supplier compensation in the amount of

the statutory interest for delay as set out in the applicable legal regulations of the Republic of Bulgaria (equal to the reference interest rate (RIR) announced by the Bulgarian National Bank, plus 10%), which shall be charged over the amount of delayed payment for the period of delay, whereas the amount of such compensation may not exceed 10% of the amount of delayed payment.

7.5. The Supplier shall be obliged to indemnify the Client by paying the amounts claimed by CEZ on the grounds of Section 7 of *the relevant contract under paragraph II* or *the framework agreement under paragraph I*, if it has deducted or utilized from the bank guarantee under item 6.1(2) any amounts for penalties, compensations and other receivables under the contract payable in relation to delayed or another improper performance of the supplies under *the relevant contract under paragraph II*, in case of cancellation of the contract due to delayed or improperly performed supplies, as a result of not signing a contract with NINGBO SANXING SMART ELECTRIC Co Ltd within the time period as set out in *the relevant contract under paragraph II*, in case of breach of the confidentiality or personal data protection clauses by the subcontractor, or in case of any other non-performance due to Supplier's default under this contract. In all cases, where the compensation and the penalties payable to CEZ are owed due to shortcomings or delay in the installation, the default payments and the penalties payable to CEZ are at the expense of Client.

7.6. Any penalties and/or compensations under this contract shall be paid within 7 calendar days as from the date of the written claim to the other party. In case of Supplier's failure to fulfil its obligation within the specified time period for payment of the penalty due, the Client shall have the right to be satisfied with the penalty amount against the performance guarantee under article 6.1(1) of the contract. In case the amount of the performance guarantee shall not be enough to satisfy the Client's claim, the latter shall be entitled to offset the difference between the penalty due and the amount of the guarantee under item 6.1(1) from the next payment due under the contract.

7.7. Whenever the above penalties and/or compensations shall not cover the actual amount of damages suffered by the Client, the Supplier shall be obliged to pay the Client for damages originating from delayed or improperly performed obligations in relation to the supply of the equipment shall exceed the amount of penalties as set out hereinabove, including all the amounts, such as penalties, compensations and other payments, which CEZ has claimed, offset or utilized from the bank guarantee under item 6.1(2) under the conditions of item 7.6 hereinabove, whereas the Client shall be entitled to offset any compensations due that shall exceed the penalties against the guarantee under item 6.1(1) or against the next payment due under the contract. Payment of the penalties and compensations payable to CEZ are undertaken by the Client if the reason for their occurrence is delayed or improperly performed installation.

7.8. In case of default under section 11 herein below (other than a default under item 11.4, which is subject to payment of the penalty under the next item), the default party shall owe the other party a penalty for every event of default in the amount of **50%** of the performance guarantee under article 6.1(2), together with compensation for all damages exceeding the amount of such penalty that have occurred as a result of default under section 11 of this contract (other than default under item 11.4.).

7.9. Any party, which shall be in default of its obligations for processing and protection of personal data under item 11.4 herein below received from the other party or from a third party, or otherwise, in connection with the conclusion and performance of this contract, shall be obliged, on one hand, to indemnify all damages (including imposed financial sanctions/ fines) suffered by the opposite party or the third party as a result of unauthorized processing and/or storage, and/or disclosure, and/or allowing the disclosure of personal data, or as a result of failure to provide the necessary and legally required protection of personal data, or as a result of failure to inform the data subject, the opposite party or the supervisory authority about any risk or theft, or unauthorized disclosure of personal data, by paying the opposite party to the contract a penalty in the amount of 100% of the amount of the performance guarantee under article 6.1(2), in case of cancellation of *the relevant contract under paragraph II* in accordance with item 9.5 of *the relevant contract under paragraph II*.

7.10. In case the Supplier under the contract has supplied goods but shall afterwards become incapable or

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO., LTD.

shall refuse to make, while the contract is effective, subsequent supplies of goods (equipment), subject to the present agreement, for no good reason in accordance with Section 8 below, the Client shall be entitled to terminate the present contract with the Supplier and to receive penalty in the amount of 50% of the price of all supplies already made within the subject matter of the contract. This text corresponds to the text of item 7.11 of the relevant contract under paragraph II.

7.11. Upon termination of *the relevant contract under paragraph II* in accordance with the provisions of item 9.6 of *the relevant contract under paragraph II*, the Client shall be entitled to utilize 100% of the amount of the performance guarantee under item 6.1(1) as a penalty.

7.12. The Supplier shall owe the Client a penalty in the amount of 10% of the guarantee under item 6.1(1), in each case of its failure to fulfil its obligation to provide the safety stock under item 1.7(1), letter a/, or to top it up within the time periods and under the terms and conditions of item 1.7(1), letter b/.

SECTION 8. FORCE MAJEURE OR UNFORESEEABLE EVENTS

8.1. In the cases of force majeure within the meaning of article 306 of the Commerce Act of the Republic of Bulgaria, or in case of unforeseeable events, as far as such events shall affect the fulfilment of both parties' obligations under the contract, the time periods for fulfilment shall be extended with the duration of the force majeure or the unforeseeable events. The parties shall hereby agree that unforeseeable events shall mean: issued or amended legal or non-legal regulations of governmental or municipal authorities that have occurred during the performance of this contract, which shall affect the fulfilment of the obligations of any of the parties hereto. Within the meaning of the preceding sentence, the legal or technological introduction of more technically and functionally advanced and efficient equipment (of the same type as the equipment to be supplied within the subject matter of the framework agreement or this contract) shall not be considered force majeure.

8.2. The two parties must notify each other in writing about the beginning and the end of such events as follows:

8.2.1. in the case of force majeure, the notice should be verified by the Chamber of Commerce of the country where it has occurred and should be sent to the other party within 14 days of its occurrence.

8.2.2. in the case of unforeseeable events – within 14 days of the issue of or the amendment to the legal or non-legal regulation of a governmental or municipal authority.

8.3. Within the meaning of this contract, force majeure or unforeseeable event shall occur in any case where force majeure or unforeseeable event shall exist within the meaning of *the relevant contract under paragraph II* or *the framework agreement under paragraph I*.

SECTION 9. CANCELLATION AND TERMINATION OF THE CONTRACT

9.1. (1) This contract shall be automatically terminated upon termination or cancellation of *the relevant contract under paragraph II* or *the framework agreement under paragraph I* in accordance with the terms and conditions of *the relevant contract under paragraph II*.

(2) Irrespective of the termination of this contract in the case of subpoint 1, the provisions governing the penalties and compensations due between the parties shall remain binding to the parties. In the case under 9.1(1), the Supplier shall pay the Client the amounts for penalties and compensations claimed by CEZ against the Client, or those paid by the Client to CEZ, including through offsetting or utilization of amounts against the bank guarantee, in relation to the termination of *the relevant contract under paragraph II* or *the framework agreement under paragraph I*. if the reason for the termination is delivery of defective goods or goods that do not comply with the requirements in the contract on the part of the Supplier.

(3) Irrespective of the termination of this contract in the case under 9.1(1) the Supplier shall continue fulfilling its obligations in relation to the warranty and post-warranty maintenance of the goods delivered between the termination of the contract, except in the cases where CEZ and the Client have agreed otherwise.

9.2. Notwithstanding the expiration of the term of validity of *the relevant contract under paragraph II* and the time period for supply under item 3.2 hereinabove, the parties to this contract shall continue fulfilling their obligations with regard to the warranty maintenance under item 1.7 and the post-warranty maintenance under item 1.8, and the provisions governing thereof shall survive after the expiration of the 12-months' time period for supply.

9.3. (1) The Client shall be entitled to unilaterally terminate/ cancel this contract by Supplier's fault in the cases of Supplier's default with regard to its obligations as set out herein, by giving the Supplier 7-days' extra period for performance. In case *the relevant contract under paragraph II* shall provide for that CEZ may terminate/ cancel the contract without notice, the Client may cancel this contract due to Supplier's default without notice too.

(2) The events of default when the non-default party may cancel or terminate the contract due to default are listed non-exhaustively herein below: more than 30(thirty)-days' delay in the performance of any individual order; supply of defective goods, which have not been replaced or the defects of which have not been removed by the Supplier within the time periods and under the terms and conditions of this contract; supply of goods, which do not conform with the technical characteristics under Annex 2 to *the framework agreement under paragraph I*; Supplier's failure to supply the goods agreed as safety stock or to top it up within the agreed time periods; Supplier's failure to submit the guarantee under item 6.1(1) hereinabove in timely manner, and/or to top it up within the agreed time periods in case being utilized; Supplier's failure to fulfil its obligation to cover any costs and they need to be covered by the Supplier,. All the cases where CEZ may cancel/ terminate the contract due to default in accordance with the relevant contract under paragraph II shall be considered grounds for cancellation/ termination of this contract by the Client hereto.

(2) Each of the events of default under item 9.3(2), which shall be a prerequisite to terminate/ cancel the contract under 9.3(1), shall be considered grounds for the Client to claim penalty against the Supplier in the amount of 10% of the guarantee under item 6.1(1), whereas the Supplier may also claim greater damages.

9.4. This contract may be terminated by mutual consent of the parties at any time, and the parties shall settle their relationships until the time of such termination.

SECTION 10. SETTLEMENT OF DISPUTES

10.1. Any disputes that have occurred in relation to the interpretation and/or the performance of the contract shall be settled through negotiations and reaching mutually beneficial agreement. Any agreements reached with regard to disputes under *the relevant contract under paragraph II* and/or *the framework agreement under paragraph I* shall be binding for the parties to this contract.

10.2. All disputes arising from this contract or related thereto, including the disputes arising from or related to its interpretation, invalidity, performance, or termination, for which no agreement has been reached in accordance with the preceding item, shall be settled in compliance with the applicable legislation of the Republic of Bulgaria by the competent court in the Switzerland seated in the city of Sofia.

SECTION 11. CONFIDENTIALITY. PROCESSING AND PROTECTION OF PERSONAL DATA

11.1. The parties shall be obliged to keep and not to allow the disclosure of any information defined as confidential information, which has been obtained by any of the parties with regard to the conclusion or during the term of validity of this contract, and to use such information only for the purposes of the performance thereof. The parties shall consider confidential any information contained in this contract and any information related to the manner of its performance, as well as an information contained on hardcopy or electronic carrier and has been created by or provided to any of the parties in relation to the performance of this contract. Any information, which has been made available to any of the parties with regard to the performance of the contract and refers to know-how, warehouse drawings or access or security drawings, corporate secret of the other party, or any information that has been expressly defined as confidential upon being delivered by the respective party, shall be also considered confidential information. Any information related to personal data that have become known to any of the parties with regard to the conclusion of the performance of the contract shall also be confidential information.

宁波三星智能电气有限公司
NINGBO SANXING SMART ELECTRIC CO.,LTD

11.2. The parties shall hereby agree that despite the termination of this contract for any reason whatsoever, the confidentiality clauses shall survive and the obligations related thereto shall apply for a period of 2 (two) years after the termination of the contract.

11.3. Confidentiality clauses shall not apply where any of the parties shall be required to disclose any information under the contract to competent governmental authority that has requested such information in relation to its statutory powers. Upon disclosing information under this item, the disclosing party shall be obliged to notify the other party in writing immediately.

11.4. In relation to the enforcement of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, which directly applies to the Republic of Bulgaria as a European Union member state as of 25.05.2018, the parties shall hereby agree as follows with regard to the processing and protection of personal data that have become known to them in relation or with regard to the performance of this contract, and namely:

11.4.1. Each of the parties shall hereby agree to process any personal data (“Personal data”) of the other party’s employees – contact persons, specified in this contract, only for the purposes of exchange of data and information under the contract, and none of the parties shall have the right to process Personal data for any other purposes whatsoever. The Personal data shall be processed on the territory of the Republic of Bulgaria and/or the European Union. The use of any equipment for Personal data processing located outside the specified processing territory shall not be allowed.

11.4.2. Each of the parties shall be obliged to notify the other party:

a) in case of any investigation actions undertaken by any personal data protection supervisory authority with regard to its Personal data processing activities for the purposes of the performance of this contract;

b) upon finding that it is not able to fulfil its obligations with regard to the processing and protection of personal data of the other party;

c) upon finding any kind of personal data breach. The notification of personal data breach should be served to the other party immediately (and in any case not later than 3 (three) hours of finding thereof, and shall contain at least the following information:

- summary of the nature of the personal data breach and the facts related to the personal data breach including where possible, the categories and approximate number of data subjects concerned and the categories and approximate number of personal data records concerned;
- summary of the likely consequences of the personal data breach;
- summary of the measures taken or proposed to be taken by it to address the personal data breach, including, where appropriate, measures to mitigate its possible adverse effects.

11.4.3. In case it is objectively not possible to collect the entire information required for the notice within the time period under item 11.4.2, letter c), within such time period the relevant party shall notify the other party by submitting all the information available for the time being, and shall supplement the notification in coordination with the other party.

11.4.4. Each of the parties shall be obliged to compensate the damages that any person may suffer as a result of personal data processing by its side in conflict with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data or any other applicable personal data protection-related legal regulations, unless the latter shall prove that it is not anyhow liable for such damages.

11.4.5. The Supplier shall be obliged to indemnify the Client () for damages it has suffered with regard to the fulfilment of its obligations under this section in relation to any failure of the Supplier under this contract, as its subcontractor under *the relevant contract under paragraph II* and *the framework agreement under paragraph I*, to observe its obligations arising from this section.

SECTION 12. FINAL PROVISIONS

12.1. This contract shall enter into force on the date of signing thereof by the parties.

12.2. This contract and any issues not stipulated herein shall be governed by the applicable legislation in the Republic of Bulgaria, and in particular, the Public Procurement Act, the Obligations and Contracts Act, the Commerce Act, the Copyright Act, the Personal Data Protection Act, including *the relevant contract under paragraph II and the framework agreement under paragraph I*, and the annexes thereto.

12.3. All communications and notices of the parties to this contract shall be made in writing only in order to be valid. Such form shall be considered observed if the communication has been sent by email to the email addresses of the parties as provided herein below, and the communication shall be considered received by the other party on the date it has been sent.

For the Client: mchupova@daisytechbg.com

For the Supplier: vasya@overseas.sanxing.com

12.4. This contract may be amended by written agreement between the parties. In case of amendments to this contract as a result of amendments to *the relevant contract under paragraph II or the framework agreement under paragraph I*, no written agreement shall be signed between the parties, as this contract shall be automatically amended in accordance with the amendments to *the relevant contract under paragraph II or the framework agreement under paragraph I*.

12.5. The following annexes shall be integral part to this contract:

Annex A: Unit prices of the goods being subject matter of this contract;

Annex B: Documents accompanying the supply;

Annex C: Form of packing list;

Annex D: Legal and administrative regulations

Annex E: Statement for observance of the Social Responsibility Agreement clauses.

The following shall be integral part to this contract:

The framework agreement under paragraph I and all annexes thereto, including **Annex 2** to the framework agreement

The relevant contract under paragraph II and all annexes thereto, including **Annex 1** to *the relevant contract under paragraph II*

This contract was made and executed in two identical counterparts – in Bulgarian and in English language – one for each of the parties, which executed it after becoming familiar with its content and acknowledging it. In case conflict between English and Bulgarian language, English language shall prevail.

CLIENT:



На основание чл.37 от ЗОП

SUPPLIER:

На основание чл.37 от ЗОП

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