

SANCTIONS CLAUSE OF SES

1 Introductory provisions

- 1.1 The Contractor undertakes to comply with this Sanctions Clause ("**Sanctions Clause**") throughout the duration of any contractual relationship with SES. This Sanctions Clause forms an integral part of the Contract concluded between SES and the Contractor.

2 Definitions

For the purposes of this Sanctions Clause, capitalized terms shall have the following meanings:

- 2.1 **Contractor** means a legal entity or natural person that is in a contractual relationship with SES under the Contract.
- 2.2 **Sanctions Conflict** has the meaning assigned in Clause 4.2.
- 2.3 **Sanctioned Person** means any legal or natural person who:
- (a) is listed on, or otherwise targeted by, any list of sanctioned persons or any other sanctions lists, programmes, legal regulations, or other legal acts issued by competent authorities of states or international or supranational communities, organizations, or sanctions authorities in connection with the imposition of sanctions, restrictive measures, embargoes, or other prohibitions of a similar nature (including, but not limited to, sanctions lists, programmes, legal regulations, or other legal acts issued by the competent authorities of the European Union, the United States of America, the United Nations, the Slovak Republic, the United Kingdom of Great Britain and Northern Ireland, the Kingdom of the Netherlands, the World Bank, the European Bank for Reconstruction and Development, the European Investment Bank, and other EU member states) (all such sanctions lists and programmes, as applicable, hereinafter collectively referred to as the "**Sanctions Lists**"); or
 - (b) is directly or indirectly owned or controlled by a Sanctioned Person, or any of its officers, officials, representatives, employees, or other persons acting even indirectly on behalf of or for the benefit of a Sanctioned Person; or
 - (c) has its registered office, place of business or income, or commercial activities in a country or territory that is subject to any Sanctions List.
- 2.4 **Sanctions Lists** means the sanctions lists, programmes, legal regulations, or other legal acts of the competent authorities referred to in Clause 2.3, in their applicable form and scope.
- 2.5 **SES** means SLOVENSKÉ ENERGETICKÉ STROJÁRNE a.s., with its registered office at Továrenská 210, 935 28 Tlmače, Company ID No.: 31 411 690, registered with the Commercial Register of the District Court Nitra, Section: Sa, Insert No. 39/N.
- 2.6 **Subcontractor** means any legal entity or natural person (including their legal successors) with whom the Contractor intends to conclude and/or concludes a contract for the supply, performance, and/or execution of any part of the subject of performance of the Contract, including the subcontractors of such person.
- 2.7 **Contract** means the contractual relationship between SES and the Contractor, under which the Contractor undertakes to perform the subject of performance for SES. For the purposes of this Sanctions Clause, Contract shall mean any legal act establishing rights and obligations between SES and the Contractor, regardless of its method or form of conclusion or its designation (contract for work, purchase contract, purchase order, etc.).

3 Contractor's Obligations and Representations

- 3.1 The Contractor undertakes to ensure, throughout the term of the Contract, that:
- (a) it is not a Sanctioned Person within the meaning of this Sanctions Clause;
 - (b) it does not cause a breach of any Sanctions List;
 - (c) it refrains from engaging in any activities prohibited by any Sanctions List;
 - (d) it refrains from exporting, selling, or otherwise placing any of its goods, products, and/or services in a country or territory subject to any Sanctions List, in a manner or to an extent that would give rise to a breach of the relevant Sanctions List applicable to such country or territory;

- (e) it does not directly or indirectly make available or provide any funds or other economic resources to any Sanctioned Person, nor directly or indirectly hold or otherwise control any funds or other economic resources of any Sanctioned Person, in a manner that may result in a breach of the Sanctions List applicable to such Sanctioned Person.
- 3.2 The Contractor undertakes to provide SES with all relevant information and documentation, in particular concerning (i) any lawsuit, investigation, filing, claim, or proceeding against the Contractor in connection with any Sanctions List, and (ii) any facts or circumstances that may result in a breach of the Contractor's obligations under Clause 3.1. The Contractor shall provide such information and/or documentation to SES without undue delay upon becoming aware of any of the foregoing.
- 3.3 The Contractor shall notify SES without undue delay upon becoming aware of the occurrence of a Sanctions Conflict as defined in Clause 4.2.
- 3.4 The Contractor shall ensure compliance with, and shall be liable for ensuring compliance with, the obligations and commitments arising under this Sanctions Clause by its Subcontractors.

4 Rights of SES

In the event SES has a reasonable suspicion that the Contractor has breached or is breaching any of its obligations under this Sanctions Clause, SES shall be entitled to apply, as appropriate, the provisions of the Contract concerning suspension of performance of the subject of performance. In such case: (i) SES shall not be obliged to meet with the Contractor or to negotiate the scope of the suspension of the subject of performance under the Contract; (ii) the Contractor shall be obliged to suspend the delivery or performance of any part of the subject of performance under the Contract, regardless of its type, location, delivery or performance site, or status of handover/acceptance; and (iii) the Contractor shall provide SES, upon request, with all information and explanations required to definitively assess the scope and severity of the suspected Sanctions List breach (including, in particular, confirming or disproving the grounds for such suspicion). SES's right to suspend performance under this Clause 4.1, as well as any decision by SES to exercise or not to exercise such right, shall not replace or limit any other rights of SES under this Sanctions Clause or the Contract.

- 4.1 A breach by the Contractor (or by any person in the Contractor's ownership or control structure or any of its corporate bodies or management personnel) of any obligation under Clauses 3.1 or 3.2, or the occurrence of any circumstance on the part of the Contractor which causes SES to be in breach of any Sanctions List and/or to become a Sanctioned Person (hereinafter referred to as the "**Sanctions Conflict**"), shall constitute a material breach of the Contract by the Contractor and SES shall be entitled to proceed in accordance with the relevant provisions of the Contract, in particular those concerning termination of the Contract. Any termination of the Contract for the reasons stated in the preceding sentence shall be subject to the applicable provisions of the Contract regarding termination; however, only to the extent that the application (and exercise of such provisions by either contracting party) does not contradict any applicable Sanctions List or relevant mandatory legal regulation. In the event of such contradiction, the contracting parties shall, after termination, proceed with the relevant steps in accordance with the applicable Sanctions List and relevant mandatory legal regulation. The Contractor shall notify SES of the occurrence of a Sanctions Conflict without undue delay upon becoming aware of it.
- 4.2 In the event of termination of the Contract by SES due to a breach of this Sanctions Clause:
- (a) SES shall be entitled to demand delivery of that portion of the subject of performance which has already been executed by the Contractor; in such case, SES shall pay the Contractor a proportionate part of the contract price corresponding to the extent of the performed subject of performance, provided such payment is not contrary to any applicable Sanctions List or relevant mandatory legal regulation; and/or
 - (b) SES shall be entitled to withhold and refrain from paying any portion of the contract price to the Contractor, and to refrain from rendering any performance to the Contractor (or any other person), and to handle such funds or resources in accordance with the applicable Sanctions List and any relevant mandatory legal regulations (if applicable); and/or
 - (c) SES shall be entitled to withhold and not release to the Contractor (or any other person) any funds or other economic resources (including, without limitation, materials, technologies, etc.) located on SES's and/or the Customer's premises and owned, held, or otherwise controlled by the Contractor, and to deal with such funds or resources in accordance with the applicable Sanctions List and relevant mandatory legal regulations (if applicable), as well as in accordance with the instructions of any competent sanctions authority or other public authority with relevant jurisdiction.