

1 FINANCIAL GUARANTEE REQUIREMENTS

1.1 Performance Security

The Performance Security to be established at the contract signing stage shall be equal to 10% of the total Contract Price, with validity covering the entire contractual duration, including the 2-year warranty period after the Performance Test Acceptance. The amount of the Performance Security may be reduced from 10% to 5% after successful completion of the Performance Test Acceptance and the Commissioning (subject to successful completion of compliance tests with the relevant Network Operators and obtaining the Compliance Certificate with the technical requirements), and until the expiry of the Contract, namely 24 months corresponding to the warranty period of the PV Plant.

The Performance Security shall be issued in euros in the form of a Performance Bank Guarantee Letter issued by a banking institution, in accordance with the requirements of the model attached as Annex 14.2, and in a form agreed with the Employer. The Performance Security shall remain valid for at least 30 days after the issuance by the Employer of the Final Acceptance Certificate and full completion of the EPC Contractor's services.

Proceeds from the Performance Security shall be payable to the Employer as compensation for any contractual penalties or damages for any loss/harm resulting from the EPC Contractor's failure to fulfil its contractual obligations. In the event that the Employer executes partially or fully the Bank Guarantee Letter (Performance Security), the Contractor shall be obliged to reinstate the available value of the Performance Security up to the level of 10% of the Contract Price until Commissioning and, respectively, 5% during the 2-year warranty period. The total maximum cumulative amount of the Performance Security, after reinstatement(s), shall remain within the contractual liability limit agreed by the Parties.

Conditions for the issuers of guarantee instruments (for the Performance Bank Guarantee Letter):

- The issuer must be a banking credit institution;
- The issuer or its parent company must hold valid external ratings;
- The rating issuer mentioned above must be, as applicable, one of Fitch, Standard & Poor's, or Moody's;
- The rating of the guarantee issuer must be at least equivalent to BB- under Fitch classification, or other internationally recognized equivalent.

Tenderers shall include in their offer relevant information and documents demonstrating their financial capacity to manage the project, namely: the approved financial statements as of and for the years ended 31.12.2023, 31.12.2024. For companies required to audit their annual financial statements, the Auditor's Reports shall also be provided.

1.2 Advance Payment Guarantee

If an advance payment is to be made to the Contractor, the Contractor shall provide an Advance Payment Bank Guarantee equal to 100% of the advance payment amount. The Advance Payment Guarantee shall be:

- issued in euros by a recognized banking institution;

- unconditional and payable on first demand;
- valid until the advance payment has been fully recovered by the Employer through deductions from interim payments.

The guarantee shall automatically reduce in proportion to the amount of the advance payment recovered from each payment certificate. Once the advance payment has been fully offset, the guarantee shall be returned to the Contractor within 30 days.

In the event that the Advance Payment Guarantee is executed, the Employer shall be entitled to recover the outstanding balance of the advance payment and any associated losses.

- Template attached as Annex 14.1.

1.3 Warranty Bond

In addition to the Performance Security, the Contractor shall provide a separate Warranty Bond, covering the Contractor's obligations for remedying defects during the warranty period.

The Warranty Bond shall meet the following requirements:

Value and Duration

- Equal to 5% of the Contract Price.
- Valid for the entire 24-month warranty period, starting from the date of issuance of the Final Acceptance Certificate (FAC).
- Must remain valid at least 30 days after the expiry of the warranty period.

Form of the Guarantee

- Issued in euros as an unconditional, irrevocable Warranty Bank Guarantee, payable on first demand.
- Issued by a banking institution meeting the same rating requirements applicable to the Performance Security.
- Template attached as Annex 14.3.

Execution and Reinstatement

If the Warranty Bond is executed partially or fully, the Contractor shall reinstate its full value within 10 working days.

Proceeds shall be payable to the Employer as compensation for any defects or failures not remedied in accordance with contractual obligations.

Relationship with the Performance Security

The Warranty Bond is complementary to the Performance Security.

The Performance Security covers overall contractual performance, including the measured operational performance of the PV Plant during the warranty period, while the Warranty Bond specifically covers defect remediation obligations.

Both guarantees shall remain valid concurrently for the full warranty period.

1.4 EPC Contractor Insurance (covering the design, construction, commissioning, and O&M phases)

The Contractor shall provide insurance/insurances (issued by insurance companies authorized to issue such insurance within the European Union) covering the design, procurement, construction, commissioning, and Operation & Maintenance phases for the entire warranty period of the system. The insurance shall include a per-event limit of not less than EUR 4 million and an aggregate annual limit of not less than EUR 8 million. Such insurances shall include, as a minimum, All Construction Risks insurance and professional civil liability insurance towards third parties.

For critical equipment and materials (with a value above EUR 100,000), the Contractor shall also provide Cargo Insurance in accordance with the agreed delivery terms (Incoterms).