

Appendix no. 5 - Major contractual conditions

Major contractual conditions for the tender no. 1/0782/2019 related to design and installation of a new dedusting system adapted to the requirements of BAT (Best Available Techniques) through the construction of a DL-2 sintering belt dedusting installation in the Blast Furnace Plant in Dąbrowa Górnicza within the project „Demonstrative technology for cleaning flue gas from DL2 sinter belt in ArcelorMittal Poland S.A., Unit in Dąbrowa Górnicza, meeting the requirements specified in Best Available Techniques (BAT) for the production of iron and steel” (project no. POIR.01.01.01-00-0782/17), co-funded by European Regional Development Fund and under Operational Program Smart Growth 2014-2020, Measure 1.1.1.

1. Payment terms

All payments, except down payment, will be payable after sixty (60) calendar days counting from the end of the month as from the BUYER's quantitative and qualitative acceptance of the corresponding contractual events and invoice receipt except the down payment which will be payable within thirty (30) calendar days counting from the signature of the contract and delivery of the down payment bank guarantee.

No.	Description of contractual event	Date of contractual event	Part of the CONTRACTUAL PRICE (% of the CONTRACTUAL PRICE)	Comments (e.g. subject to Bank Guarantees)
1	Down payment payable within 30 days after contract signature after submitted Bank Guarantee	J	10%	Delivery of a bank guarantee to the Buyer securing Buyer's claims for the return of the advance payment. Validity date of a bank guarantee: until the moment of signing by the Parties of the final acceptance protocol of WORKS and/or EQUIPMENT Value of bank guarantee: 10%
2	After submitting to the BUYER the documentation necessary for obtaining the building permit	J +	5%	Delivery of a bank guarantee to the Buyer securing Buyer's claims. Validity date of a bank guarantee: until the moment of signing by the Parties of the final acceptance protocol of WORKS and/or EQUIPMENT Value of bank guarantee: 10% Liquidated damage according point 2.1
3	After submitting to the BUYER the Detail Engineering	J +	5%	
4	Progress payment related to delivery and installation DDP at place	J +	50%	Progress payment on a monthly basis, based on a processing report according approved material and financial schedule.
5	Ready for initial operation – R.F.I.O.	J +	10%	Liquidated damage according point 2.1

6	Signature of the Final acceptance protocol of WORKS and/or EQUIPMENT	J + weeks	20%	<p>Delivery of a bank guarantee to the Buyer securing Buyer's claims for the guarantee and warranty period.</p> <p>Validity date of a bank guarantee: 24 months after final acceptance protocol signature</p> <p>Value of bank guarantee: 10%</p>
---	--	-----------------	-----	---

2. Liquidated damages and liability

2.1 For delay in correct and full completion of Subject Matter of the Contract, CONTRACTOR shall pay the BUYER liquidated damages in the amount of 1 % of the net PRICE per each full week of delay up to 10% of the net PRICE.

2.2 . Notwithstanding any CONTRACTOR's obligations stipulated in the CONTRACT, the CONTRACTOR is obliged to particularly meet the following KPIs:

No.	Guaranteed Parameter	Guaranteed value	Acceptable limit	LD applied / Penalties	Measurement (Jointly during Performance Test)	Max. LD applied	Remarks
1	The dust concentration (SPM) at the outlet of Fabric filter	≤10mg/Nm ³ (Dry)	≤15mg/Nm ³ (Dry)	1% of net price for 1mg/Nm ³ in excess of 10 mg/Nm ³	On the OUTLET of Fabric Filter 3 and 4	LD maximum 5% of net price, make good for >15mg/Nm ³	<p>1.) Requirements for measuring sections and measuring sites: PN EN 15259: 2011</p> <p>2.) The outlet emission of Fabric filter ≤10mg/Nm³ (Dry) is to be based on 10% Cl content in the dust on the inlet of FFs.</p>
2	SOx concentration at the outlet of Fabric filter	≤300mg/Nm ³ (Dry)	≤300mg/Nm ³ (Dry)	make good	On the OUTLET of Fabric Filter 3 and 4	make good	Emission and SO2 concentration: PN ISO 10396: 2001 or PN EN 14791: 2006
3	Dioxins concentration at the outlet of Fabric filter	< 0.1 ng I-TEQ/Nm ³	< 0.1 ng I-TEQ/Nm ³	Make good	On the OUTLET of Fabric Filter 3 and 4	make good	As per POLISH STANDARD / BAT Standard
4	Mercury concentration at the outlet of Fabric filter	<0.03 mg/Nm ³	<0.03 mg/Nm ³	Make good	On the OUTLET of Fabric Filter 3 and 4	make good	

5	Power consumption of electricity by fabric filter including Hopper heaters, mechanical conveying system and other auxiliaries.	Total power installed: 300 kW	max 300 kW	Make good	Station GST-2	make good	The power consumption specified by the suppliers in their final offer must not increase at the time of execution by more than tolerance limit. Power consumption subject to LD since perf guarantee in main priority, and make good might not be possible at the same time.
6	Negative pressure in collectors sinter strand	1. Maximal negative pressure at the measurement point before suction fan: -17 kPa + drop pressure 2. Maximal pressure drop between delivery limits.	1. Maximal negative pressure at the measurement point before suction fan: -17 kPa + drop pressure 2. Maximal pressure drop between delivery limits.	Make good	Exhaust collectors 3 and 4 sinter sbelt at the sinter plant building and suction fan inlet	Make good	The increase in negative pressure should compensate for designed increase in the resistance of the device (Fabric Filter + flue gas channels) so that the operating parameters of the sinter strand has not changed: 1. Exhaust gas flow through a fabric filter up to 1 200 000 Am ³ /h 2. Operating temperature flue gas - 110 - 180oC
7	Noise level	<85dB (A) without suction fan	<85dB (A) without suction fan	Make good	According polish norm PN	make good	<ul style="list-style-type: none"> Noise level from equipment installed at ESP ≤ 85 dB(A) pursuant to the Regulation of the Minister of Labor and Social Policy of June 6, 2014 on threshold limit values of hazardous factors in work environment. Total noise emission of the equipment installed over the course of the project implementation and acoustic protection used shall ensure that the acoustic conditions in the neighboring areas will not deteriorate pursuant to the Regulation of the Minister of Environment, Journal of Laws of October 15, 2013 item 112 on admissible noise levels in the environment – consolidated text).

8	Availability of installation	99%	98%	1% of net price for decrease of availability for each 0,25%, maximum 4% of net price	In 12 months of operation.	make good for availability below 98%	$\% \text{ Availability} = \frac{(365 \text{ days} \times 24 \text{ hours} - B - C - D)}{(365 \text{ days} \times 24 \text{ hours} - B - C)} \times 100$ <p>B=scheduled shutdown hours of the plant C=unscheduled shutdown hours of the plant not caused by the filter D=unscheduled shutdown hours of the plant caused by the filter</p>
---	------------------------------	-----	-----	--	----------------------------	--------------------------------------	---

2.2.1 Maximum amount of penalties resulting from the fact of not meeting the above KPIs from point 2.2 shall not exceed 10% of the net PRICE.

2.2.2 In the event of failure to meet any of the above conditions by the CONTRACTOR, the “Make good” clause will apply and the CONTRACTOR will use his best efforts to fulfill the above mentioned KPIs at least on their minimum level.

2.3 The total amount of all contractual penalties applied shall not exceed 15% of the net PRICE. The above provisions shall not prejudice the obligation to pay liquidated damages as defined in the Occupational Health and Safety Agreement.

2.4 The CONTRACTOR'S liability is limited to 125% of the CONTRACTUAL PRICE.

2.4.1 The CONTRACTOR's liability towards the BUYER for his lost profits, intermediate losses and production losses is excluded, except for losses resulting from the intentional fault of the CONTRACTOR.