

HITACHI ABB POWER GRIDS GENERAL TERMS AND CONDITIONS

FOR PURCHASE OF CIVIL AND INSTALLATION WORKS

(2020-7 ITALY)

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1. DEFINITIONS AND INTERPRETATION

1.1 The following terms have the following meaning:

Hitachi ABB Power Grids Contractor: the party ordering the Works from Subcontractor;

Hitachi ABB Power Grids Contractor Data: any data or information, including Personal Data, acquired by Subcontractor in preparation of or during the fulfilment of the Subcontract, irrespective of whether such data or information relates to Hitachi ABB Power Grids Contractor, its Affiliates or their respective customers or suppliers;

Hitachi ABB Power Grids GTC/Civil and Installation Works: these Hitachi ABB Power Grids General Terms and Conditions for Purchase of Civil and Installation Works (2020-7 Italy);

Affiliate: any entity which directly or indirectly controls, is controlled by, or is under common control with a Party;

Client: the person, firm or company who has employed or will employ Hitachi ABB Power Grids Contractor for the execution of the Project;

Effective Date: the day when the Subcontract becomes effective as stated in the Subcontract;

Final Acceptance Certificate: the document issued by Hitachi ABB Power Grids Contractor to Subcontractor in accordance with Clause 8.10;

Intellectual Property Rights: (a) patents, utility models, copyrights, database rights and rights in trademarks, trade names, designs, knowhow, and invention disclosures (whether registered or unregistered); (b) applications, reissues, confirmations, renewals, extensions, divisions or continuations for any of these rights; and (c) all other intellectual property rights and equivalent or similar forms of worldwide protection;

Main Contract: the contract between Client and Hitachi ABB Power Grids Contractor in respect of the Project;

Order: Hitachi ABB Power Grids Contractor's order issued to Subcontractor for the purchase of the Works;

Party: Hitachi ABB Power Grids Contractor or Subcontractor, collectively referred to as the Parties;

Personal Data: any data or information of an identified or identifiable natural person;

Project: the project to be executed by Hitachi ABB Power Grids Contractor under the Main Contract;

Provisional Acceptance Certificate: the document issued, as the case may be, by Client or Hitachi ABB Power Grids Contractor which evidences that the Project has met the performance criteria as specified in the Main Contract;

Schedule: the time for completion of the Works as specified in the Subcontract;

Site: the location where Subcontractor shall perform the Works;

Subcontract: a written agreement, comprising of:

- Subcontract Execution Document,
- Special Terms and Conditions,
- Hitachi ABB Power Grids GTC/Civil and Installation Works,
- Annexes,

and/or the Order, which is accepted by Subcontractor and Hitachi ABB Power Grids Contractor. Subcontractor shall be deemed to have accepted the Subcontract by performing the Subcontract in whole or in part;

Subcontractor: the party performing the Works to Hitachi ABB Power Grids Contractor;

Subcontractor Documentation: any HSE manuals, user guides, drawings, calculations, technical data, logic diagrams, progress reports, quality confirmation certificates, and any such other documents as required under the Subcontract and/or applicable laws;

Subcontractor Equipment: all tools and temporary on Site facilities required for performing the Works;

Subcontract Price: the price to be paid by Hitachi ABB Power Grids Contractor to Subcontractor as specified in the Subcontract;

Taking-Over Certificate: the document issued by Hitachi ABB Power Grids Contractor to Subcontractor in accordance with Clause 8.8;

Variation Order: a change to the Subcontract such as to alter the Schedule, or to amend, omit, add to, or otherwise change the Works or any parts thereof;

Works: the scope of work as specified in the Subcontract, including all labour, material, equipment and services and the Subcontractor Documentation.

1.2 References to clauses are references to clauses of the Hitachi ABB Power Grids GTC/ Civil and Installation Works.

1.3 Headings are for convenience only and do not affect the interpretation of the Hitachi ABB Power Grids GTC/Civil and Installation Works.

2. APPLICATION

2.1 The Subcontract, including the Hitachi ABB Power Grids GTC/Civil and Installation Works, shall be the exclusive terms and conditions which shall govern the contractual relationship between Hitachi ABB Power Grids Contractor and Subcontractor.

2.2 No terms or conditions delivered with or contained in Subcontractor's quotations, acknowledgements, acceptances, specifications or similar documents shall form part of the Subcontract, and Subcontractor waives any right which it might have to rely on such terms or conditions.

2.3 Any amendments to the Subcontract shall be agreed in writing.

3. SUBCONTRACTOR'S RESPONSIBILITIES

3.1 Subcontractor shall perform the Works:

3.1.1 in accordance with the applicable laws and regulations, including but not limited to statutes, ordinances, permits or approvals (collectively the Applicable Laws) of any federal, state, local or other authority or labour union applicable to the Works, and shall keep Hitachi ABB Power Grids Contractor indemnified against all penalties and liabilities for non-compliance with any such Applicable Laws. To the extent that such regulations are advisory rather than mandatory, the standard of compliance to be achieved by Subcontractor shall be in compliance with generally accepted best practice of the relevant industry. The Schedule and the Subcontract Price may be adjusted to take account of any increase or decrease in cost or delay resulting from a change in the Applicable Laws which materially affects Subcontractor in the performance of its obligations under the Subcontract, provided however that adjustments relevant to the performance of the Works are obtained by Hitachi ABB Power Grids Contractor from Client under the Main Contract;

3.1.2 in accordance with the Subcontract and Hitachi ABB Power Grids Contractor instructions;

3.1.3 free from defects and from any rights of third parties;

3.1.4 on the dates specified in the Schedule;

3.1.5 as per bill of quantities specified in the Subcontract; and

3.1.6 by skilled, experienced and competent engineers, foremen and labour, hired in numbers necessary for the proper and timely performance of the Works.

3.2 Subcontractor shall not substitute or modify any of the Works or make any changes to the Works without Hitachi ABB Power Grids Contractor's prior written approval.

3.3 Subcontractor shall carry out and be responsible for the Works. If during the approval procedure Hitachi ABB Power Grids Contractor/Client requires any modifications of the submitted design in the frame of the completeness and functionality of the Works, such modifications shall be deemed included in the Subcontract Price. Subcontractor shall prepare drawings, calculations, patterns, models, and other Subcontractor Documentation in sufficient detail to meet all Applicable Laws and regulatory approvals and to provide Hitachi ABB Power Grids Contractor and Client and other persons concerned with sufficient information to install, maintain and otherwise use the Works.

3.4 Subcontractor shall satisfy itself as to all specifics of the Site and all other aspects of the Project insofar as they affect the Works or the performance of the Subcontract. Subcontractor shall also satisfy itself as to the means of access to the Site, the accommodation and telecommunication equipment which may be required, the extent and nature of work, which specific kind of labour, material, equipment and services are required and available for performing the Works and whether Subcontractor has reasonably considered all such aspects in the Subcon-

tract Price, including but not limited to temporary power and water supply and sufficient storage area, for which Subcontractor shall be responsible.

3.5 Subcontractor's failure to examine the Site or obtain information required shall not relieve Subcontractor neither from the responsibility of estimating properly the costs of performing the Works, nor from the responsibility for additional costs arising out of or in connection with such omission, nor from the responsibility for the performance of the Subcontract. Neither Hitachi ABB Power Grids Contractor nor Client assumes any responsibility whatsoever concerning the sufficiency or accuracy of such investigations, the records thereof, or of any interpretations set forth. Neither Hitachi ABB Power Grids Contractor nor Client offers any guarantee or warranty, either expressed or implied, that the conditions indicated by such investigations, or the records thereof, are representative of conditions existing throughout the Site. Subcontractor understands and expressly acknowledges that unforeseen developments may occur and that conditions different from those indicated may be encountered.

3.6 Subcontractor is deemed to have examined and taken into consideration all relevant conditions, risks, contingencies, legal requirements, necessary schedules, drawings and plans and all other circumstances which may affect the performance of the Works or its obligations under the Subcontract, and to have obtained all additional information and details which Subcontractor requires for the performance of the Subcontract. Hitachi ABB Power Grids Contractor shall not bear any costs or losses due to Subcontractor's failure to obtain such information.

3.7 Subcontractor shall give all notices and obtain and pay for all permits, visas, licenses and fulfil all other requirements necessary for performing the Works.

3.8 Subcontractor shall hire and provide sufficient number of competent, experienced and/or certified personnel for the performance of the Works. Subcontractor shall hire competent representatives to supervise the provision of the Works at Site and shall give notice to Hitachi ABB Power Grids Contractor about the names of such representatives. Upon Hitachi ABB Power Grids Contractor's request Subcontractor shall remove forthwith any person who, in the opinion of Hitachi ABB Power Grids Contractor, misconducts or is incompetent or negligent. Any person so removed shall be replaced within fifteen (15) calendar days by a competent substitute. Subcontractor shall bear all costs relating to such removal.

3.9 Subcontractor shall have available all Subcontractor Equipment and shall not remove such Subcontractor Equipment from Site without Hitachi ABB Power Grids Contractor's prior written approval.

3.10 Subcontractor shall access the Site only with Hitachi ABB Power Grids Contractor's prior written approval. Hitachi ABB Power Grids Contractor shall grant Subcontractor access to the respective portions of the Site (as may be required in accordance with the Schedule) to enable Subcontractor to perform its obligations under the Subcontract. Subcontractor shall not carry out any work activity on Site without Hitachi ABB Power Grids Contractor first reviewing Risk Reduction and Method Statement specified in Clause 4.1.

3.11 Subcontractor shall pay and be responsible for the suitability and availability of access routes to the Site as well as for any special or temporary rights of way required for access to the Site and performance of the Subcontract. Subcontractor shall take precautions to keep all public or private roads or tracks clear of any spillage or droppings from its traffic. Subcontractor shall immediately clear all such spillage or droppings at its expense.

3.12 Subcontractor bears the risk of loss of or damages to the Works until issuance of the Provisional Acceptance Certificate or six (6) months from issuance of the Taking-Over Certificate, whichever occurs first. Notwithstanding the foregoing, Subcontractor shall be responsible for any loss of or damages to the Works caused by Subcontractor thereafter.

3.13 Subcontractor shall properly cover up and protect until issuance of the Taking-Over Certificate any portion of the Works which is exposed to loss or damage due to weather or other causes and shall take every reasonable precaution to protect such portion of the Works.

3.14 Subcontractor shall co-operate with Hitachi ABB Power Grids Contractor to schedule and perform the Works so as to avoid conflict or interference with work performed by other parties at Site.

3.15 If the performance of the Works depends on provision of equipment or execution of works by Hitachi ABB Power Grids Contractor, Client or third parties, Subcontractor shall, prior to proceeding with the affected part of the Subcontract, promptly report in writing to Hitachi ABB Power Grids Contractor any apparent discrepancies or defects in equipment or execution of work or material. Otherwise such equipment or execution of works shall be deemed accepted by Subcontractor.

3.16 Subcontractor shall be responsible for handling of materials and equipment supplied by Hitachi ABB Power Grids Contractor. This includes unloading and loading at the Site stores, store keeping and transportation within the Site. Subcontractor shall at its own expense provide store buildings and fence around the storage area and maintain a suitable store recording system. The stores shall be open at all times for inspection by Hitachi ABB Power Grids Contractor or Client. Upon arrival of materials or equipment on Site, Subcontractor shall perform an inspection and record any defects and deficiencies on the receipt, otherwise, materials and equipment shall be deemed received in good order and condition. From this moment such materials and equipment shall be deemed handed over and in the custody of Subcontractor. Any loss or damage shall be immediately reported to Hitachi ABB Power Grids Contractor. Subcontractor shall be responsible for the security measures at Site and bears the risk of loss or damage of anything brought to Site by Subcontractor, and all material and equipment unloaded by Subcontractor.

3.17 Upon Hitachi ABB Power Grids Contractor's request, Subcontractor shall remove without undue delay any material, equipment, scaffolding, debris etc. arising from the performance of the Works.

3.18 Before issuance of the Taking-Over Certificate, Subcontractor shall clean the Site to the satisfaction of Hitachi ABB Power Grids Contractor.

3.19 If any portion of the Works is covered or otherwise made inaccessible contrary to the request of Hitachi ABB Power Grids Contractor or to the Subcontract, such portion shall, upon request of Hitachi ABB Power Grids Contractor, be uncovered for Hitachi ABB Power Grids Contractor's inspection and thereafter be covered again, all at Subcontractor's costs. If any portion of the Works has been covered or otherwise made inaccessible which Hitachi ABB Power Grids Contractor has not specifically requested to inspect prior to being covered, Hitachi ABB Power Grids Contractor reserves the right to inspect and Subcontractor shall uncover such Work. If such Work is found to be in accordance with the Subcontract, the reasonable direct costs of uncovering and covering shall, after issuance of a Variation Order, be to the account of Hitachi ABB Power Grids Contractor. If such Work is found not to be in accordance with the Subcontract, Subcontractor shall bear such costs.

3.20 Subcontractor shall be responsible for any activities performed by its employees in relation to the Subcontract. In particular:

3.20.1 Subcontractor assumes full and exclusive responsibility for any occupational accident or disease occurred to its employees in relation to the Subcontract;

3.20.2 the Parties agree that the Subcontract does not imply any employment relationship between Hitachi ABB Power Grids Contractor and Subcontractor, or between Hitachi ABB Power Grids Contractor and Subcontractor's employees assigned to the performance of the Subcontract. Hitachi ABB Power Grids Contractor shall remain free of any responsibility or liability for labour, social security or taxes with respect to Subcontractor and its employees assigned to the performance of the Subcontract;

3.20.3 Subcontractor shall hire in its own name all employees required to perform the Subcontract, who shall under no circumstances act as Hitachi ABB Power Grids Contractor's employees;

3.20.4 Subcontractor shall be solely and exclusively responsible for any claims and/or lawsuits filed by its employees and shall, without limitation, defend, indemnify and hold harmless Hitachi ABB Power Grids Contractor from any claim, proceeding, action, fine, loss, costs, damages and expenses arising out of or relating to any such claims and/or lawsuits, and any noncompliance with Applicable Laws. Subcontractor undertakes to appear in court at its own costs if requested by Hitachi ABB Power Grids Contractor, acknowledging its status as sole and exclusive employer, and to provide Hitachi ABB Power Grids Contractor with all requested documentation necessary to ensure proper legal defence of Hitachi ABB Power Grids Contractor in court;

3.20.5 Hitachi ABB Power Grids Contractor is authorized to make any payments due to Subcontractor's employees performing the Subcontract, in order to avoid lawsuits, liens or encumbrances. Such payments may be made through withholding Subcontractor's credits, offsetting or in any other way. Subcontractor shall provide any support requested by Hitachi ABB Power Grids Contractor with regard to such payments and indemnify Hitachi ABB Power Grids Contractor for any payments made.

4. HEALTH, SAFETY AND ENVIRONMENT (HSE)

4.1 Subcontractor shall comply and ensure compliance by any of its employees with all (i) applicable laws, industry standards and good engineering practice relating to health, safety and environment, personnel and the Works and Site (collectively referred to as HSE Applicable Laws), (ii) Hitachi ABB Power Grids Code of Practice for Safe Working, Project HSE Plan, Risk Evaluation and Management, Risk Reduction and Method Statement, List of HSE Specifications, (iii) Hitachi ABB Power Grids Contractor's and Client's instructions concerning HSE at Site, foregoing (i) to (iii) collectively referred to as HSE Requirements, as specified in the Special Terms and Conditions.

4.2 Subcontractor's compliance with HSE Requirements requires the active participation of all levels of Subcontractor's management and supervision. Subcontractor shall appoint and keep assigned during the entire performance of the Works certified HSE Manager and Site Manager, who are to be approved by Hitachi ABB Power Grids Contractor. Upon Effective Date, Subcontractor shall provide evidence to Hitachi ABB Power Grids Contractor of the HSE Manager's and Site Manager's professional HSE certification accredited by a reputable industry body. The HSE Manager and Site Manager shall have responsibility and authority for co-ordinating implementation of the Project HSE Plan. The HSE Manager and Site Manager shall have a direct line of communication to Hitachi ABB Power Grids Contractor's representative.

4.3 Subcontractor shall allocate sufficient and qualified HSE resources to satisfy its obligations with regard to HSE. Resources allocation shall be reviewed periodically by Subcontractor and shared with Hitachi ABB Power Grids Contractor to ensure HSE Requirements can be met. Subcontractor shall ensure that all its personnel working on Site have received relevant training and introduction before being allowed to work on Site. Subcontractor shall have qualified HSE engineers, officers and advisors at senior level to support the line management throughout the entire performance of the Works. Subcontractor shall immediately remove from Site any person who, in Hitachi ABB Power Grids Contractor's opinion, fails to comply with any HSE Requirements.

4.4 Regular HSE meetings shall be held between Hitachi ABB Power Grids Contractor and Subcontractor personnel as per a meeting schedule to be agreed upon, and upon reasonable Hitachi ABB Power Grids Contractor request. Subcontractor shall also hold regular HSE meetings involving line management and employees' representatives. The minutes of all the meetings shall be recorded and be available promptly for review by Hitachi ABB Power Grids Contractor upon written request. In addition to these regular meetings, ad-hoc meetings shall be

organized by Subcontractor, for specific design, construction or installation issues, to address risk identification and risk assessment related to the activity and/or related to the potential consequence on the Project.

4.5 Subcontractor shall perform daily monitoring of Site activities by Site supervisory personnel as an integral part of the Works. Informal daily Site tours shall be conducted regularly during each shift to ensure all activities comply with the agreed method statement as referred to in the Special Terms and Conditions. Subcontractor shall actively participate in all Hitachi ABB Power Grids HSE forums, meetings, inspections and initiatives.

4.6 Subcontractor shall be solely responsible for the health and safety of all its employees at Site and shall immediately advise Hitachi ABB Power Grids Contractor and the relevant authority, if so required, of the occurrence of any accident, incident or near-miss on or about the Site or otherwise in connection with the performance of the Works. Within twenty four (24) hours after the occurrence of any such accident, incident or near-miss, Subcontractor shall furnish Hitachi ABB Power Grids Contractor with a written report, which shall be followed within fourteen (14) calendar days by a final report. Subcontractor shall also provide such a report to the appropriate authority when required. This procedure shall not relieve Subcontractor from the full responsibility to protect persons, environment and property, and from any of its liabilities.

4.7 Subcontractor shall, if requested by Hitachi ABB Power Grids Contractor, perform medical examination of its employees prior to arrival on Site and provide Hitachi ABB Power Grids Contractor with the results of such examination, unless such provision would violate Applicable Laws. Hitachi ABB Power Grids reserves the right for medical reasons to deny Subcontractor's personnel access to Site.

4.8 Subcontractor shall maintain the whole area of its operations in a clean, tidy and safe condition and arrange all items necessary for providing the Works in an orderly manner. Any rubbish, waste material, debris, etc. generated from providing the Works shall be systematically cleared off the working areas and Subcontractor shall be responsible for disposing material in accordance with HSE Applicable Laws and other regulations. In addition, any such substance or material that could cause damage or harm to the environment shall be stored, transported, treated and removed to, at and from the Site in the most environmental friendly way possible and in accordance with HSE Applicable Laws and other regulations. Subcontractor shall also clear all its items constituting a fire hazard from Site. If Subcontractor fails to immediately comply with written instructions to clear materials, Hitachi ABB Power Grids Contractor shall clear such materials at Subcontractor's risk and expense.

4.9 Subcontractor shall notify Hitachi ABB Power Grids Contractor of all hazardous materials (as such term is defined in HSE Applicable Laws or other regulations) which are contained in the Works. Subcontractor shall furnish Hitachi ABB Power Grids Contractor with copies of all applicable material safety data sheets and provide any appropriate special handling instructions for the Works no later than ten (10) calendar days prior to the provision of the Works.

4.10 Subcontractor shall communicate in time to Hitachi ABB Power Grids Contractor its audits and inspections plan, in order to allow Hitachi ABB Power Grids Contractor to participate in its audits and inspections if Hitachi ABB Power Grids Contractor wishes so. In addition, Hitachi ABB Power Grids Contractor shall have the right to carry out its own HSE audits at Site during all phases of the Works to assess Subcontractor compliance with the HSE Requirements. Subcontractor shall provide all relevant resources, documentation and assistance as required by Hitachi ABB Power Grids Contractor to perform such audits.

4.11 Hitachi ABB Power Grids Contractor shall have the right to request Subcontractor to suspend the performance of the Subcontract or any part thereof, including postponing the provision of Subcontractor's work, for such times and in such manner as Hitachi ABB Power Grids

Contractor considers necessary (i) for proper HSE in the execution of Subcontractor's work or (ii) due to any default by Subcontractor with HSE Requirements, in which case Subcontractor shall bear all costs and be liable for the delay arising from such suspension. Without prejudice to any other rights or remedies to which Hitachi ABB Power Grids Contractor may be entitled, Hitachi ABB Power Grids Contractor shall have the right to terminate the Subcontract in accordance with Clause 18.2.

4.12 Subcontractor shall ensure that its subcontractors are subject to and comply with the same obligations and HSE Requirements as applicable to Subcontractor.

5. VARIATION ORDERS

5.1 Hitachi ABB Power Grids Contractor may issue, using the form provided in the Annexes, Variation Orders to Subcontractor in order to alter the Schedule, or to amend, omit, add to, or otherwise change the Works or any parts thereof. Subcontractor shall carry out such Variation Orders only upon receipt of a written Variation Order and continue to be bound by the provisions of the Subcontract. The value of each Variation Order shall then be added to or deducted from the Subcontract Price, as appropriate and specified in Clause 5.2. The Variation Order shall, as the case may be, express the amount of time by virtue of which the Schedule shall be shortened or extended.

5.2 Payments or credits for any Variation Order shall be calculated in accordance with the following order: (i) agreed unit price list as defined in the Subcontract, (ii) lump sum to be agreed between Hitachi ABB Power Grids Contractor and Subcontractor, (iii) on a time and material basis or, (iv) if necessary, as a combination of these methods. If the agreed unit price list does not cover the subject matter of the Variation Order, an additional price shall be determined by Hitachi ABB Power Grids Contractor on the basis of prices in the list for similar goods, and added to the unit price list.

5.3 Variations requested by Hitachi ABB Power Grids Contractor in a reasonable time period shall not entitle Subcontractor to an extension of time for performance of its obligations.

5.4 If Subcontractor believes that any order, request, act or omission of Hitachi ABB Power Grids Contractor constitutes a change to the Subcontract, Subcontractor shall within five (5) calendar days of such order, request, act or omission forward a written proposal for a Variation Order in respect of such change to Hitachi ABB Power Grids Contractor. Subcontractor shall not be entitled to additional compensation in respect of costs and/or time incurred, unless Hitachi ABB Power Grids Contractor issues a Variation Order as a result of Subcontractor's proposal and Subcontractor complies with the notice provisions of this Clause.

5.5 Subcontractor shall not postpone or delay the performance of a Variation Order on the grounds of dispute, or that it is subject to acceptance by Subcontractor, or agreeing to the value amount, or time extension to Schedule.

6. PERFORMANCE OF THE WORKS

6.1 Subcontractor shall perform the Works and meet the Schedule as specified in the Subcontract. Partial performance is not accepted unless confirmed or requested by Hitachi ABB Power Grids Contractor in writing.

6.2 Subcontractor shall submit for Hitachi ABB Power Grids Contractor's approval a detailed execution plan (including agreed milestones and activities with duration and planned resources as specified in the Subcontract) for the performance of the Subcontract and shall assist and cooperate with Hitachi ABB Power Grids Contractor in all respects of scheduling and planning.

6.3 Unless requested otherwise, Subcontractor shall at least weekly in the form requested by Hitachi ABB Power Grids Contractor, report the status of the Works. The report shall provide a statement regarding the timely performance of the Works (including photos), bill of quantities managed during that month and bill of quantities to be managed during the next month, and steps proposed for expediting whenever required.

The report shall also show the numbers and categories of workers assigned to defined activities as well as the numbers and categories of machinery and equipment at Site. Subcontractor shall anticipate that the Works may be interfered with or incidentally delayed from time to time due to concurrent performance of work by others. The report shall be provided to Hitachi ABB Power Grids Contractor within five (5) calendar days from the end of the month covered by the report. If the performance of any Works is behind the Schedule, Subcontractor shall submit in writing a recovery plan specifying its activities for reaching compliance with the Schedule. Upon Hitachi ABB Power Grids Contractor's request, Subcontractor shall provide all information regarding the performance of the Works. Hitachi ABB Power Grids Contractor reserves the right to withhold payments under the Subcontract if Subcontractor fails to submit any reports.

6.4 Subcontractor shall provide no later than at the time of acceptance of the Subcontract the customs tariff numbers of the country of consignment, and the countries of origin for all Works. For controlled Works, the relevant national export control numbers must be indicated and, if the Works are subject to U.S. export regulations, the U.S. Export Control Classification Numbers (ECCN) or classification numbers of the International Traffic in Arms Regulations (ITAR) must be specified. Proofs of preferential origin as well as conformity declarations and marks of the country of consignment or destination are to be submitted without being requested; certificates of origin upon request.

7. DELAY

7.1 If Subcontractor does not comply with the Schedule, Hitachi ABB Power Grids Contractor reserves the right to instruct Subcontractor in writing to expedite its performance. Subcontractor shall take such measures as instructed by Hitachi ABB Power Grids Contractor for acceleration of progress so as to complete the performance of the Works, or the relevant part thereof, according to Schedule. Subcontractor shall not be entitled to any additional payment for taking such steps to meet the Schedule. Subcontractor shall notify Hitachi ABB Power Grids Contractor in writing within twenty-four (24) hours of the occurrence and cause of any delay and make every effort to minimise or mitigate the costs or the consequences of such delay.

7.2 If Subcontractor fails to perform the Works according to Schedule, Subcontractor shall pay liquidated damages to Hitachi ABB Power Grids Contractor as for the rate specified in the Subcontract. Subcontractor shall pay the liquidated damages upon written demand or upon receipt of an invoice from Hitachi ABB Power Grids Contractor. Hitachi ABB Power Grids Contractor reserves the right to deduct the amount of liquidated damages from any payments due or which may become due to Subcontractor, or from Subcontractor's financial guarantees, without prejudice to any other recovery method. Payment of liquidated damages shall not relieve Subcontractor from any of its obligations or liabilities under the Subcontract.

7.3 If the delay in providing the Works is such that Hitachi ABB Power Grids Contractor is entitled to maximum liquidated damages and if the Works are still not performed, Hitachi ABB Power Grids Contractor may in writing demand performance of the Works within a final reasonable period (not less than one week).

7.4 If Subcontractor does not perform the Works within such final period, Hitachi ABB Power Grids Contractor reserves the right to:

7.4.1 terminate the Subcontract pursuant to Clause 18 (Termination);

7.4.2 refuse any subsequent performance of the Works;

7.4.3 recover from Subcontractor any costs and expenses reasonably incurred by Hitachi ABB Power Grids Contractor in obtaining the Works in substitution from another subcontractor; and/or

7.4.4 claim, in addition to liquidated damages under Clause 7, damages for any costs, losses, expenses and liquidated damages incurred by Hitachi ABB Power Grids Contractor which are attributable to Subcontractor's delay.

7.5 Hitachi ABB Power Grids Contractor shall also have the right to terminate the Subcontract by notice in writing to Subcontractor if it is

clear from the circumstances that a delay in providing the Works will occur which under Clause 7 would entitle Hitachi ABB Power Grids Contractor to maximum liquidated damages.

8. TEST AND ACCEPTANCE OF THE WORKS

8.1 Subcontractor shall perform tests as required in the Special Terms and Conditions, and any other tests required to meet regulations, codes and standards or deemed necessary by Hitachi ABB Power Grids Contractor to verify that the Works comply with the Subcontract.

8.2 At any time prior to completion of the Works, Hitachi ABB Power Grids Contractor and/or Client's nominee may at its own discretion (i) inspect the Works upon providing reasonable notice, and/or (ii) test the Works, or any parts or materials thereof.

8.3 If such inspection or test give Hitachi ABB Power Grids Contractor reason to believe that the Works do not comply or are unlikely to comply with the Subcontract, Hitachi ABB Power Grids Contractor will inform Subcontractor and Subcontractor shall immediately take any action necessary to ensure compliance with the Subcontract. In addition Subcontractor shall carry out such necessary additional inspection or testing at Subcontractor's costs, and bear Hitachi ABB Power Grids Contractor's and Client's costs of attending such additional inspection and testing of the Works.

8.4 Subcontractor shall prepare and transfer to Hitachi ABB Power Grids Contractor within fifteen (15) calendar days from the Effective Date a detailed schedule of all tests, including a drawing showing the test arrangement stating all instruments, equipment to be used, and indicating the estimated dates for the tests. Subcontractor shall furnish all instruments, labour, material and assistance required for inspection and witness of testing of the Works.

8.5 Subcontractor shall inform in writing Hitachi ABB Power Grids Contractor at least four (4) weeks in advance when the Works are ready for the agreed inspections and tests.

8.6 The costs of any tests are included in the Subcontract Price.

8.7 If the Works do not pass the tests, the Parties shall prepare and sign a protocol after the acceptance test indicating all relevant test results and the deficiencies and defects preventing Hitachi ABB Power Grids Contractor from issuing the Taking-Over Certificate. Subcontractor shall remedy the deficiencies and defects within the shortest time possible, however at the latest by the date in Hitachi ABB Power Grids Contractor's Works defect notice.

8.8 Hitachi ABB Power Grids Contractor will issue a Taking-Over Certificate when the Site has been cleaned to the satisfaction of Hitachi ABB Power Grids Contractor, the Works have passed all applicable tests and Subcontractor has met all obligations under the Subcontract.

8.9 Hitachi ABB Power Grids Contractor is entitled to issue the Taking-Over Certificate as a conditional acceptance, despite deficiencies and defects identified during the inspection and testing program. In such case the conditional character and the deficiencies and defects shall be expressly described in the Taking-Over Certificate, and Subcontractor shall remedy these deficiencies and defects within the shortest time possible, however not later than thirty (30) calendar days from the date of the conditional Taking-Over Certificate. Hitachi ABB Power Grids Contractor is entitled to withhold any outstanding payments until all deficiencies and defects have been remedied. Should Subcontractor fail to remedy the same within the thirty (30) calendar days' time period, the issued conditional Taking-Over Certificate shall be deemed null and void and Hitachi ABB Power Grids Contractor shall – without prejudice to any other rights or remedies it may have at law or under the Subcontract – be entitled (i) to treat the failure as a delay in completion, and (ii) to call any guarantees in its possession. In no event shall the warranty period commence under such conditional Taking-Over Certificate. After all defects and deficiencies have been remedied, the Taking-Over Certificate shall become effective.

8.10 Hitachi ABB Power Grids Contractor will issue the Final Acceptance Certificate when all defects and deficiencies have been remedied, Subcontractor has met all obligations under the Subcontract and the warranty period has expired.

8.11 Hitachi ABB Power Grids Contractor is entitled to issue the Final Acceptance Certificate as a conditional acceptance, despite deficiencies and defects identified during the inspection and testing program. In such case the conditional character and the deficiencies and defects shall be described in the conditional Final Acceptance Certificate, and Subcontractor shall remedy these deficiencies and defects within the shortest time possible, however not later than thirty (30) calendar days from the date of the conditional Final Acceptance Certificate. Hitachi ABB Power Grids Contractor is entitled to withhold any outstanding payments until all deficiencies and defects have been remedied. Should Subcontractor fail to remedy the same within the thirty (30) calendar days' time period, the issued conditional Final Acceptance Certificate shall be deemed null and void and Hitachi ABB Power Grids Contractor shall – without prejudice to any other rights or remedies it may have at law or under the Subcontract – be entitled (i) to treat the failure as a delay in performance, (ii) to be compensated by Subcontractor for all costs, damages and losses incurred as a result of these deficiencies and defects, and (iii) to call any guarantees in its possession. After all defects and deficiencies have been remedied, the Final Acceptance Certificate shall become effective.

8.12 No certificate, consent, approval or acceptance by Hitachi ABB Power Grids Contractor other than the Final Acceptance Certificate duly signed by Hitachi ABB Power Grids Contractor's authorized representatives shall neither be deemed to constitute final approval and acceptance of the Works nor relieve Subcontractor from any of its obligations under the Subcontract.

8.13 Subcontractor shall provide at its own expense sufficient equipment, workmen and services as required to obtain from Hitachi ABB Power Grids Contractor the Taking-Over Certificate and the Final Acceptance Certificate. Any extension of time requires written application of Subcontractor (including explanation of the reasons for not complying with the Schedule) and written approval of Hitachi ABB Power Grids Contractor.

8.14 Hitachi ABB Power Grids Contractor may under circumstances endangering the Works and/or the proper performance of the Subcontract, without any effect on the obligations of either Party under the Subcontract, take possession of any part of the Works at any time and at its own discretion. Such possession shall not constitute acceptance of the Works and shall not relieve Subcontractor of any obligations or liabilities under the Subcontract.

8.15 Subcontractor shall remain fully responsible for the Works compliance with the Subcontract. This applies whether or not Hitachi ABB Power Grids Contractor has exercised its right of approval, inspection, testing and/or test sampling and shall not limit Subcontractor's obligations under the Subcontract. For the avoidance of doubt, approval, inspection, testing or test sampling of Works by Hitachi ABB Power Grids Contractor shall not exempt Subcontractor from or limit Subcontractor's warranties or liability in any way.

9. SUSPENSION OF THE SUBCONTRACT

9.1 Hitachi ABB Power Grids Contractor may at its own discretion suspend performance of the Subcontract at any time for convenience for a period of ninety (90) calendar days in the aggregate without any compensation to Subcontractor. In case the suspension extends beyond ninety (90) calendar days, Subcontractor shall be compensated by Hitachi ABB Power Grids Contractor for direct and reasonable costs incurred by such suspension, such as costs of protection, storage and insurance. The agreed time for performance of the Subcontract or the concerned part thereof shall be extended by the time of the suspension.

9.2 If the suspension of the Subcontract is caused or requested by Client, Subcontractor shall be entitled only to a compensation as specified in the Subcontract and to the extent paid by Client.

9.3 Subcontractor shall suspend the performance of the Subcontract or any part thereof, including postponing the performance of the Works, for such times and in such manner as Hitachi ABB Power Grids Contractor considers necessary (i) for proper HSE performance, or (ii) due to any default by Subcontractor. Subcontractor shall bear all costs and be liable for the delay arising from such suspension.

9.4 During any suspension Subcontractor shall properly protect, insure and secure the Works.

9.5 Subcontractor shall make every effort to minimise the consequences of any suspension.

9.6 Subcontractor shall not suspend performance of the Subcontract.

10. FORCE MAJEURE

10.1 Neither Party shall be liable for any delay or failure to perform its obligations under the Subcontract if the delay or failure results from an event of Force Majeure, provided that the affected Party serves notice to the other Party within five (5) calendar days from occurrence of such Force Majeure event.

10.2 Force Majeure means the occurrence of any of the following events, provided that they are unforeseeable and beyond the control of the affected Party: flood, earthquake, volcanic eruption, war (whether declared or not), or terrorism.

10.3 The affected Party shall provide continuous updates on status and efforts to resolve the delay, and shall ultimately be entitled to an extension of time only, but no monetary compensation for the delay. Each Party shall use reasonable endeavours to minimise the effects of the Force Majeure event.

10.4 If a Force Majeure exceeds twelve (12) months, either Party may terminate the Subcontract forthwith by written notice to the other Party without liability.

11. WARRANTY AND REMEDIES

11.1 Subcontractor warrants that:

11.1.1 the Works comply with the Subcontract, including but not limited to the specifications stipulated therein and Subcontractor's responsibilities as defined in Clauses 3 and 4;

11.1.2 the Works are fit for the particular purpose of the Project, whether expressly or impliedly made known to Subcontractor in the Subcontract;

11.1.3 the Works comply with good engineering practices;

11.1.4 the Works retain the functionality and performance as expected by Client;

11.1.5 the Works remain free from defects in material and equipment during the warranty period; and

11.1.6 the Works remain free from defects in labour and services during the warranty period.

11.2 The warranty period is thirty-six (36) months from the date Hitachi ABB Power Grids Contractor has obtained the Provisional Acceptance Certificate. If Provisional Acceptance Certificate cannot be achieved through no fault of Subcontractor, the warranty period shall be forty-eight (48) months from the date of issuance of Taking-Over Certificate for the respective Works, and in the absence of such Taking-Over Certificate, the warranty period shall be forty-eight (48) months from completion of the Works, which shall be achieved when the Works have been completed in accordance with the Subcontract, except for any outstanding work which is not attributable to Subcontractor's failure. Notwithstanding the foregoing, if the applicable law foresees a longer warranty period for the structural portion of the Works, such longer warranty period shall apply.

11.3 In case of a breach of warranty specified in Clauses 11.1.1– 11.1.5, the entire warranty period of Clause 11.2 shall restart upon Client's and/or Hitachi ABB Power Grids Contractor's written confirmation that the Works are no longer defective. In case of a breach of warranty specified in Clause 11.1.6, the warranty period shall be extended by a time period which is equal to the time period from Hitachi ABB Power Grids Contractor's notice of breach of warranty to Subcontractor until

Hitachi ABB Power Grids Contractor notifies Subcontractor in writing that the breach has been successfully remedied. For all other parts of the Works which cannot be used for the purposes of the Project as a result of a defect or damage, the same warranty extension shall apply.

11.4 Subcontractor shall, during a period of three (3) years after expiry of the warranty period, remain responsible for and remedy any defects in the Works which have not been detected by inspections or tests carried out and did not otherwise become obvious before the expiry of the warranty period, but are the result of non-compliance of the Works with the Subcontract prior to the expiry of the warranty period (hidden/latent defects). Notwithstanding the foregoing, if the applicable law foresees a longer warranty period for any hidden/latent defects, such longer warranty period shall apply.

11.5 Subcontractor assigns, transfers and conveys to Hitachi ABB Power Grids Contractor all of its rights, title and interests under all warranties with respect to the Works.

11.6 In case of non-compliance with the warranty provided under this Clause 11, or in case of any other breach of the Subcontract, Hitachi ABB Power Grids Contractor may at its own discretion enforce any or more of the following remedies at Subcontractor's expense:

11.6.1 to give Subcontractor the opportunity to carry out any additional work necessary to ensure that the Subcontract is fulfilled within twenty (20) calendar days from Hitachi ABB Power Grids Contractor's notice. If not otherwise agreed in writing, such remedial work requires acceptance by Hitachi ABB Power Grids Contractor;

11.6.2 to obtain prompt repair or replacement of the non-compliant Works by other Works conforming with the Subcontract, or to obtain such personnel in such numbers necessary for the proper and timely execution and completion of the Works. All costs, including but not limited to costs of transportation to Site, disassembly, cleaning, upgrade, assembly, installation, testing, inspection, insurance, completion, and acceptance, which are connected with correcting defects or damages shall be to Subcontractor's account. This covers the time period until issuance of the Final Acceptance Certificate;

11.6.3 to carry out (or to instruct a third party to carry out) any additional work necessary to make the Works comply with the Subcontract;

11.6.4 to refuse any further Works, but without exemption from Subcontractor's liability for the defective Works, for which Hitachi ABB Power Grids Contractor shall be entitled to a price reduction instead of requiring their correction, replacement or removal. A Variation Order shall be issued to reflect an equitable reduction in the Subcontract Price. Such adjustments shall be effected whether or not final payment has been made;

11.6.5 to claim such costs and damages as may have been sustained by Hitachi ABB Power Grids Contractor as a result of Subcontractor's breach;

11.6.6 to terminate the Subcontract in accordance with Clause 18.1.

11.7 The rights and remedies available to Hitachi ABB Power Grids Contractor under the Subcontract are cumulative and are not exclusive of any rights or remedies available under warranty, at law or in equity.

12. STEP IN

If Subcontractor fails to perform the Works or any part thereof in accordance with the Subcontract, including but without limitation to the Schedule, and if Subcontractor fails to take satisfactory actions (acceptable to Hitachi ABB Power Grids Contractor) to commence correction within seven (7) calendar days after receipt of written notice from Hitachi ABB Power Grids Contractor, Hitachi ABB Power Grids Contractor may, at its own discretion and in addition to any other remedy or rights it may have, take the Works (or relevant part thereof) and employ other subcontractors to complete the Works (or relevant part thereof) or complete it by using its own resources. Any such work shall be performed at Subcontractor's risk and expense. Hitachi ABB Power Grids Contractor shall have the right to take possession at Subcontractor's premises of any uncompleted part of the Works and use all drawings, technical information related to the Works, materials, equipment

and other property provided (or to be provided) or used by Subcontractor and use it as Hitachi ABB Power Grids Contractor deems fit in order to complete the Works. If Hitachi ABB Power Grids Contractor's costs for so completing the Works exceed the amount which would have been due to Subcontractor if the Works had been completed by it, Subcontractor shall pay the amount in excess of the Subcontract Price to Hitachi ABB Power Grids Contractor, who otherwise may deduct such amount from any money that is or will become due to Subcontractor or from any of Subcontractor's financial guarantees.

13. SUBCONTRACT PRICE, PAYMENT, INVOICING

13.1 The Subcontract Price is deemed to cover all obligations of Subcontractor under the Subcontract and includes the costs of the Works specified and all other costs necessary for the performance of the Works, including but not limited to supervision, fees, taxes, duties, transportation, profit, overhead, licenses, permits, and travel, whether indicated or described or not.

13.2 The prices stipulated in the Subcontract are firm unless amended in a Variation Order.

13.3 The payment terms and the applicable procedures are specified in the Subcontract.

13.4 Subcontractor shall submit invoices in an auditable form, complying with applicable laws, generally accepted accounting principles and Hitachi ABB Power Grids Contractor requirements, containing the following minimum information: Subcontractor name, address and reference person including contact details; invoice date; invoice number; Order number and Subcontractor number; address of Hitachi ABB Power Grids Contractor; quantity; specification of Works; price (total amount invoiced); currency; tax or VAT amount; tax or VAT number; Authorized Economic Operator and/or Approved Exporter Authorization number and/or other customs identification number, if applicable.

13.5 Invoices shall be issued to Hitachi ABB Power Grids Contractor and be accompanied by interim release of liens or encumbrances. The submission of an invoice is deemed to be a confirmation by Subcontractor that it has no additional claims, except as may already have been submitted in writing, for anything that has occurred up to and including the last day of the period covered by such invoice.

13.6 Subcontractor shall make payment in due time for all equipment and labour used in connection with the performance of the Subcontract in order to avoid the imposition of any liens or encumbrances against any portion of the Works and/or the Project. In case of the imposition of such liens or encumbrances by any person who has supplied such equipment or labour, or by any other person claiming by, through or under Subcontractor, Subcontractor shall, at its own expense, promptly take all action necessary to cause such liens or encumbrances to be released or discharged. Upon Hitachi ABB Power Grids Contractor's request, Subcontractor shall furnish satisfactory evidence to verify compliance with the above. In the alternative, Hitachi ABB Power Grids Contractor may at its own discretion pay to release the lien and withhold such amounts from Subcontractor.

13.7 Hitachi ABB Power Grids Contractor reserves the right to withhold the whole or part of any payment to Subcontractor which, in the opinion of Hitachi ABB Power Grids Contractor, is necessary for protection of Hitachi ABB Power Grids Contractor from loss on account of claims against Subcontractor, or failure by Subcontractor to make due payments to its subcontractors or employees, or not having paid taxes, dues or social insurance contributions. Hitachi ABB Power Grids Contractor reserves the right to set off such amount owed to Subcontractor, or withhold payment for Works not performed in accordance with the Subcontract. However, Subcontractor has no right to set off any amounts owed by Hitachi ABB Power Grids Contractor to Subcontractor, unless approved by Hitachi ABB Power Grids Contractor in writing.

13.8 Unless otherwise agreed with or instructed by Hitachi ABB Power Grids Contractor in writing, Subcontractor shall carry on and maintain the timely performance of the Works during arbitration and any dispute

or disagreement with Hitachi ABB Power Grids Contractor, including but without limitation to a dispute or disagreement about Hitachi ABB Power Grids Contractor's withholding of payments due to Subcontractor.

14. FINANCIAL GUARANTEES

14.1 Subcontractor shall submit financial guarantees as required in the Special Terms and Conditions, within fifteen (15) calendar days from Effective Date. The guarantees shall be issued by reputable banks accepted by Hitachi ABB Power Grids Contractor. The guarantees shall be unconditional, irrevocable and payable on first demand. Subcontractor's failure to provide such guarantees shall entitle Hitachi ABB Power Grids Contractor to claim compensation for costs and damages as may have been sustained by Hitachi ABB Power Grids Contractor as a result of such failure, without prejudice to any other rights Hitachi ABB Power Grids Contractor may have under the Subcontract. Hitachi ABB Power Grids Contractor may at its own discretion seek additional security from Subcontractor, such as a parent company or bank guarantee, in a form as provided in the Annexes.

14.2 The financial guarantees shall remain valid until issuance of the Final Acceptance Certificate. However, in case an advance payment guarantee is submitted, such guarantee shall remain valid until issuance of the Taking-Over Certificate.

14.3 If the Parties agree on increased prices, the financial guarantees shall be increased proportionally within twenty (20) calendar days from Hitachi ABB Power Grids Contractor's written confirmation of the increased prices, or otherwise the equivalent amount shall be deducted from each invoice and become reimbursable upon issuance of the Final Acceptance Certificate.

14.4 All costs related to financial guarantees are to the account of Subcontractor.

15. DOCUMENTATION

15.1 Subcontractor shall at its expense:

15.1.1 submit, as part of the Works, the Subcontractor Documentation. Delay in submitting the Subcontractor Documentation is regarded a delay in providing the Works;

15.1.2 prepare translations into English and/or any other language if so required by Hitachi ABB Power Grids Contractor;

15.1.3 immediately upon receipt of Client's and/or Hitachi ABB Power Grids Contractor's technical specification, carefully check such specifications and promptly notify Hitachi ABB Power Grids Contractor of any errors, omissions or discrepancies. Hitachi ABB Power Grids Contractor shall not bear any costs or liability in relation to any errors, omissions or discrepancies which Subcontractor ought to have found;

15.1.4 provide Hitachi ABB Power Grids Contractor with updated copies of the drawings ("as-built") and specifications showing all changes made during the performance of the Subcontract;

15.1.5 prior to (and as a condition for) issuance of the Taking-Over Certificate or, if earlier, at the dates set out in the Subcontract, furnish to Hitachi ABB Power Grids Contractor one set of drawings showing all changes during the performance of the Works.

15.2 Where certificates are required, Subcontractor shall submit such certificates at its expense and in accordance with Hitachi ABB Power Grids Contractor's instructions. Certificates are subject to approval by Hitachi ABB Power Grids Contractor, and Subcontractor shall not perform the Works represented by such certificates without such approval. Certificates shall identify the certified Works and include but not be limited to the following information: Subcontractor's name, name of the item, manufacturer's name, reference to the appropriate drawing, technical specification section and paragraph number.

15.3 All Subcontractor Documentation is subject to approval by Hitachi ABB Power Grids Contractor. Subcontractor is not entitled to any compensation for Works performed prior to such approval to the extent that Works have to be modified as a result of Hitachi ABB Power Grids Contractor's comments.

15.4 Hitachi ABB Power Grids Contractor shall comment on Subcontractor Documentation within the time period specified in the Subcontract, provided that the Subcontractor Documentation is in a status that enables Hitachi ABB Power Grids Contractor to decide if the Subcontractor Documentation is to be approved or revised.

15.5 Subcontractor Documentation commented by Hitachi ABB Power Grids Contractor shall be corrected and resubmitted for approval within seven (7) calendar days from the date of receipt of Hitachi ABB Power Grids Contractor's comments.

15.6 Approvals by Hitachi ABB Power Grids Contractor do not constitute acceptance of the details, general design, calculations, analyses, test methods, certificates, materials or other concerned items of the Works and do not relieve Subcontractor from full compliance with the Subcontract. Final acceptance of the Works is exclusively subject to issuance of the Final Acceptance Certificate.

15.7 Any drawings and documents provided by Hitachi ABB Power Grids Contractor remain the exclusive property of Hitachi ABB Power Grids Contractor and shall not be used by Subcontractor for any other purpose than performing the Subcontract. Such drawings and documents shall not be copied, reproduced or transmitted in whole or in part to any third party without the prior written consent of Hitachi ABB Power Grids Contractor. All drawings and documents provided by Hitachi ABB Power Grids Contractor shall be returned upon Hitachi ABB Power Grids Contractor's request.

15.8 Subcontractor shall keep all Subcontractor Documentation at least for ten (10) years after issuance of the Taking-Over Certificate or any such longer time required by applicable law.

16. LIABILITY AND INDEMNITY

16.1 Subcontractor shall indemnify Hitachi ABB Power Grids Contractor and Client against all liabilities, losses, damages, injuries, costs, actions, suits, claims, demands, charges or expenses whatsoever arising in connection with death or injury suffered by persons employed by Subcontractor or any of its subcontractors.

16.2 Without prejudice to applicable mandatory law, Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor and Client from all liabilities, damages, costs, losses or expenses incurred as a result of Subcontractor's breach of the Subcontract. Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor from any claim made by a third party against Hitachi ABB Power Grids Contractor in connection with the Works, including but without limitation to claims that such Works infringe a third party's Intellectual Property Rights. Upon Hitachi ABB Power Grids Contractor's request, Subcontractor shall assume and pay for the defence of Hitachi ABB Power Grids Contractor against any third party claims.

16.3 Subcontractor assumes full responsibility for the acts or omissions of its employees and/or subcontractors as if such acts or omissions were those of Subcontractor.

16.4 Hitachi ABB Power Grids Contractor reserves the right to set off any claims under the Subcontract against any amounts owed to Subcontractor.

17. INSURANCE

17.1 Until issuance of the Final Acceptance Certificate and as required in the Special Terms and Conditions, Subcontractor shall maintain at its expense with reputable and financially sound insurers acceptable to Hitachi ABB Power Grids Contractor the following type of insurances: public liability insurance, statutory worker's compensation/employer's liability insurance.

17.2 All insurance policies shall be endorsed to include Hitachi ABB Power Grids Contractor as additional insured and provide a waiver of insurer's right of subrogation in favour of Hitachi ABB Power Grids Contractor. All insurance policies and waivers of recourse shall, upon request by Hitachi ABB Power Grids Contractor, be extended to also similarly apply to Client. Subcontractor shall no later than the Effective Date provide to Hitachi ABB Power Grids Contractor certificates of

insurance as well as confirmation that premiums have been paid. Subcontractor shall also provide upon Hitachi ABB Power Grids Contractor's request copies of such insurance policies.

17.3 In case of loss or damage related to the covers in Clause 17, all deductibles shall be to Subcontractor's account.

17.4 Subcontractor shall furnish notice to Hitachi ABB Power Grids Contractor within thirty (30) calendar days of any cancellation or non-renewal or material change to the terms of any insurance.

17.5 All Subcontractor policies (except worker's compensation/employer's liability) are considered primary insurance and any insurance carried by Hitachi ABB Power Grids Contractor shall not be called upon by Subcontractor's insurers to contribute or participate on the basis of contributing, concurrent, double insurance or otherwise.

17.6 Should Subcontractor fail to provide insurance certificates and maintain insurance according to Clause 17, Hitachi ABB Power Grids Contractor may procure such insurance cover at Subcontractor's expense.

17.7 Any compensation received by Subcontractor shall be applied towards the replacement and/or restoration of the Works.

17.8 Nothing in this Clause 17 shall relieve Subcontractor from any liability towards Hitachi ABB Power Grids Contractor. The insured amounts cannot be considered as limitation of liability.

18. TERMINATION

18.1 Hitachi ABB Power Grids Contractor may at its own discretion terminate the Subcontract for convenience in whole or in part at any time with immediate effect by written notice to Subcontractor. Upon receipt of such notice, Subcontractor shall stop performance of the Subcontract. Hitachi ABB Power Grids Contractor shall pay Subcontractor for the Works performed and for the materials purchased for execution of the Works before termination which cannot be used by Subcontractor for other purposes (such Works and materials shall become property of Hitachi ABB Power Grids Contractor upon payment), and other verified, proven and direct expenses incurred for discontinuing the Subcontract. However, in no event shall the total amount to be paid by Hitachi ABB Power Grids Contractor exceed the amount of accumulated costs as stated in the Special Terms and Conditions, or in the absence thereof the amount due by Hitachi ABB Power Grids Contractor at the time of termination according to the Subcontract. Subcontractor shall have no further claim for compensation due to such termination. Subcontractor waives any claim for compensation of loss of anticipated profits.

18.2 Hitachi ABB Power Grids Contractor may at its own discretion terminate the Subcontract with immediate effect if:

18.2.1 Subcontractor commits a breach of its obligations under the Subcontract, and fails to remedy that breach within ten (10) calendar days of receiving written notice from Hitachi ABB Power Grids Contractor requiring its remedy; or

18.2.2 subject to Clause 7.3, the maximum amount of liquidated damages payable by Subcontractor is reached, or, subject to Clause 7.5, it is clear from the circumstances that a delay will occur in providing the Works which would entitle Hitachi ABB Power Grids Contractor to maximum liquidated damages; or

18.2.3 Subcontractor fails to provide, if requested by Hitachi ABB Power Grids Contractor, adequate assurance of Subcontractor's future performance, whereby Hitachi ABB Power Grids Contractor shall be the sole judge of the adequacy of said assurance; or

18.2.4 there is any adverse change in the position, financial or otherwise, of Subcontractor, whereby and without limitation:

- a) Subcontractor becomes insolvent; or
- b) an order is made for the winding up of Subcontractor; or
- c) documents are filed with a court of competent jurisdiction for the appointment of an administrator of Subcontractor; or

d) Subcontractor makes any arrangement or composition with its creditors, or makes an application to a court of competent jurisdiction for the protection of its creditors in any way; or

18.2.5 Subcontractor ceases, or threatens to cease, performing a substantial portion of its business, whether voluntarily or involuntarily, that has or will have an adverse effect on Subcontractor's ability to perform its obligations under the Subcontract; or

18.2.6 any representation or warranty made by Subcontractor in the Subcontract is not true or inaccurate, and if such lack of truth or accuracy can reasonably be expected to result in an adverse impact on Hitachi ABB Power Grids Contractor, unless cured within ten (10) calendar days after the date of written notice of such lack; or

18.2.7 there is a change of control of Subcontractor.

18.3 Upon termination according to Clause 18.2, Hitachi ABB Power Grids Contractor shall be entitled to reclaim all sums which Hitachi ABB Power Grids Contractor has paid to Subcontractor under the Subcontract and to claim compensation for any costs, losses or damages incurred whatsoever in connection with such termination. Subcontractor shall at its own expense promptly remove from the Site all portions of the Works which are defective or otherwise not conforming to the Subcontract and which have not been corrected, unless removal is waived by Hitachi ABB Power Grids Contractor.

18.4 If Subcontractor does not remove the defective or non-conforming Works immediately upon written notice from Hitachi ABB Power Grids Contractor, Hitachi ABB Power Grids Contractor, at its own discretion, may (or may instruct a third party to) remove and store them at the expense of Subcontractor. If Subcontractor does not pay the costs of such removal and storage within ten (10) calendar days thereafter, Hitachi ABB Power Grids Contractor may upon ten (10) additional calendar days' written notice at its own discretion sell such items at auction or at private sale and account for the net proceeds thereof, after deducting all costs of such sale and other costs that should have been borne by Subcontractor. If such sales do not cover all costs of sale and other costs which Subcontractor should have borne, the difference shall be charged to Subcontractor. If payments then or thereafter due to Subcontractor are not sufficient to cover such amount, Subcontractor shall pay the difference to Hitachi ABB Power Grids Contractor.

18.5 Upon termination according to Clause 18.2, Hitachi ABB Power Grids Contractor, at its own discretion, may (or may employ other suppliers to) complete the Subcontract. Any such work shall be performed at Subcontractor's risk and expense. Hitachi ABB Power Grids Contractor may at its own discretion take possession at Subcontractor's premises and/or at Site of any uncompleted part of the Works and use all Subcontractor Documentation, Subcontractor Equipment and other property provided (or to be provided) or used by Subcontractor and use it as Hitachi ABB Power Grids Contractor deems fit in order to complete the Works. If Hitachi ABB Power Grids Contractor's costs for so completing the Works exceed the amount which would have been due to Subcontractor had the Works been completed by Subcontractor, Subcontractor shall pay the amount of such excess to Hitachi ABB Power Grids Contractor or it shall be deducted from any money due or money that will become due to Subcontractor or from any of Subcontractor's financial guarantees.

18.6 Upon termination according to Clause 18.2, Hitachi ABB Power Grids Contractor may enter into, and Subcontractor shall undertake to assign, any agreements with Subcontractor's subcontractors. Any costs related to such assignments shall be to the account of Subcontractor.

18.7 In case the Main Contract is terminated for reasons other than Subcontractor's performance and if Hitachi ABB Power Grids Contractor, as a result thereof, terminates the Subcontract, compensation to be paid to Subcontractor shall correspond to the compensation paid by Client to Hitachi ABB Power Grids Contractor for the respective part of the Subcontract.

18.8 On termination of the Subcontract, Subcontractor shall immediately deliver to Hitachi ABB Power Grids Contractor all copies of information or data provided by Hitachi ABB Power Grids Contractor to Subcontractor for the purposes of the Subcontract. Subcontractor shall certify to Hitachi ABB Power Grids Contractor that Subcontractor has not retained any copies of such information or data.

18.9 On termination of the Subcontract, Subcontractor shall immediately deliver to Hitachi ABB Power Grids Contractor all specifications, programs and other information, data, and Subcontractor Documentation regarding the Works which exist in any form whatsoever at the date of such termination, whether or not then complete.

18.10 Termination of the Subcontract, however arising, shall not affect or prejudice the accrued rights of the Parties as at termination.

19. COMPLIANCE, INTEGRITY

19.1 Subcontractor shall perform the Works in compliance with all relevant laws, regulations, and codes of practice.

19.2 Subcontractor and its subcontractors must comply with the Hitachi ABB Power Grids Lists of Prohibited and Restricted Substances and with the reporting and other requirements regarding Conflict Minerals made available under www.hitachiabb-powergrids.com/supplying – **Material Compliance – Hitachi ABB Power Grids Policy and Supplier Requirements** or otherwise and shall provide Hitachi ABB Power Grids Contractor with documents, certificates and statements as requested. Any statement made by Subcontractor to Hitachi ABB Power Grids Contractor (whether directly or indirectly) with regard to materials used for or in connection with the Works shall be deemed to be a representation under the Subcontract.

19.3 Subcontractor represents and warrants that it is and will remain fully compliant with all applicable trade and customs laws, regulations, instructions, and policies, including, but not limited to, satisfying all necessary clearance requirements, proofs of origin, export and import licenses and exemptions from, and making all proper filings with appropriate governmental bodies and/or disclosures relating to the provision of services, the release or transfer of goods, hardware, software and technology.

19.4 No material or equipment included in or used for the Works must originate from any company or country listed in any relevant embargo issued by the authority in the country where the Works shall be used or an authority otherwise having influence over the equipment and material forming part of the Works. If any of the Works are or will be subject to export restrictions, it shall be Subcontractor's responsibility to promptly inform Hitachi ABB Power Grids Contractor in writing of the particulars of such restrictions.

19.5 Both Parties warrant that each will not, directly or indirectly, and that each has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of each Party, or any other party in a manner contrary to applicable laws (including but not limited to the U. S. Foreign Corrupt Practices Act, the UK Bribery Act 2010 and, where applicable, legislation enacted by member states and signatories implementing the OECD Convention Combating Bribery of Foreign Officials), and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption. Nothing in the Subcontract shall render either Party or any of its Affiliates liable to reimburse the other for any such consideration given or promised.

19.6 Subcontractor herewith acknowledges and confirms that Subcontractor has received a copy of Hitachi ABB Power Grids's Code of Conduct and Hitachi ABB Power Grids's Supplier Code of Conduct or has been provided information on how to access both Hitachi ABB Power Grids Codes of Conduct online under www.hitachiabb-powergrids.com/integrity – **Reporting Channels**. Subcontractor agrees to perform its contractual obligations in accordance with both Hitachi ABB Power Grids Codes of Conduct.

19.7 Hitachi ABB Power Grids has established reporting channels where Subcontractor and its employees may report suspected violations

of applicable laws, policies or standards of conduct: Web portal: www.hitachiabb-powergrids.com/integrity – **Reporting Channels**; contact details specified on this Web portal.

19.8 Any violation of an obligation contained in this Clause 19 is a material breach of the Subcontract and entitles the other Party to terminate the Subcontract with immediate effect and without prejudice to any further rights or remedies available thereunder or at law. Notwithstanding anything to the contrary in the Subcontract, Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor from all liabilities, damages, costs or expenses incurred as a result of any such violation and/or termination of the Subcontract, or arising from export restrictions concealed by Subcontractor.

20. ASSIGNMENT AND SUBCONTRACTING

20.1 Subcontractor shall neither assign, nor transfer, encumber nor subcontract the Subcontract, nor any parts thereof (including any monetary receivables from Hitachi ABB Power Grids Contractor) without prior written approval of Hitachi ABB Power Grids Contractor.

20.2 Hitachi ABB Power Grids Contractor may at its own discretion assign, transfer, encumber, subcontract or deal in any other manner with the Subcontract or parts thereof to its Affiliates.

21. NOTICES AND COMMUNICATION

21.1 Any notice shall be given in the language of the Subcontract by registered mail, courier, fax or by e-mail to the address of the relevant Party as stated in the Subcontract or to such other address as such Party may have notified in writing. E-mail and fax require written confirmation of the receiving Party.

21.2 Hitachi ABB Power Grids Contractor's and Subcontractor's representatives shall have weekly meetings at Site starting in the first week of execution of the Works at Site, or whenever requested by Hitachi ABB Power Grids Contractor, to discuss matters relating to the performance of the Works. Subcontractor shall ensure that its representatives attending such meetings are competent and authorised to discuss and decide such matters, and have available all information and documents which may be required. Hitachi ABB Power Grids Contractor's representative shall prepare minutes for every meeting and submit them to Subcontractor's representative for comments and approval. Subcontractor's representative shall reply to the draft minutes within seventy-two (72) hours of receipt, otherwise, Hitachi ABB Power Grids Contractor's draft minutes shall be deemed approved and final.

22. WAIVERS

Failure to enforce or exercise any term of the Subcontract does not constitute a waiver of such term and does not affect the right later to enforce such or any other term therein contained.

23. GOVERNING LAW AND DISPUTE SETTLEMENT

23.1 The Subcontract is governed by the laws of the country (and/or the state, as applicable) where Hitachi ABB Power Grids Contractor is registered, however under exclusion of its conflict of law rules and the United Nations Convention on International Sale of Goods.

23.2 If Hitachi ABB Power Grids Contractor and Subcontractor are registered in the same country, any dispute arising in connection with the Subcontract which cannot be settled amicably or by mediation shall be submitted for resolution to the jurisdiction of the competent courts at Hitachi ABB Power Grids Contractor's place of registration.

23.3 If Hitachi ABB Power Grids Contractor and Subcontractor are registered in different countries, any dispute arising in connection with the Subcontract which cannot be settled amicably or by mediation shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance therewith. Place of arbitration shall be Hitachi ABB Power Grids Contractor's place of registration. The language of the proceedings and of the award shall be English. The decision of the arbitrators is final and binding upon both Parties, and neither Party may appeal for revision.

23.4 Subcontractor shall keep such contemporary records as may be necessary to substantiate any claim. Without admitting Hitachi ABB Power Grids Contractor's liability, Hitachi ABB Power Grids Contractor may at its own discretion, after receiving any claim notice from Subcontractor, monitor the record-keeping and instruct Subcontractor to keep further contemporary records. Hitachi ABB Power Grids Contractor is entitled either itself or using such reputable and competent agents or representatives as it may authorize at its own discretion to audit the systems and retain records of Subcontractor specific to the Subcontract and Subcontractor shall ensure that Hitachi ABB Power Grids Contractor has similar rights to audit the systems and retain the records of any Subcontractor's subcontractors. No such audit or inspection shall relieve Subcontractor of liability or responsibility.

24. CONFIDENTIALITY, DATA SECURITY, DATA PROTECTION

24.1 Subcontractor shall keep in strict confidence all Hitachi ABB Power Grids Contractor Data and any other information concerning Hitachi ABB Power Grids Contractor's or its Affiliates' business, their products and/or their technologies which Subcontractor obtains in connection with the Works to be performed (whether before or after acceptance of the Subcontract). Subcontractor shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors or other third parties as need to know the same for the purpose of the performance of the Works to Hitachi ABB Power Grids Contractor. Subcontractor shall ensure that such employees, agents, subcontractors or other third parties are subject to and comply with the same obligations of confidentiality as applicable to Subcontractor and shall be liable for any unauthorized disclosures.

24.2 Subcontractor shall apply appropriate safeguards, adequate to the type of Hitachi ABB Power Grids Contractor Data to be protected, against the unauthorised access or disclosure of Hitachi ABB Power Grids Contractor Data and protect such Hitachi ABB Power Grids Contractor Data in accordance with the generally accepted standards of protection in the related industry, or in the same manner and to the same degree that it protects its own confidential and proprietary information – whichever standard is higher. Subcontractor may disclose confidential information to Permitted Additional Recipients (which means Subcontractor's authorised representatives, including auditors, counsels, consultants and advisors) provided always that (i) such information is disclosed on a strict need-to-know basis, and (ii) such Permitted Additional Recipients sign with Subcontractor a confidentiality agreement with terms substantially similar hereto or, where applicable, are required to comply with codes of professional conduct ensuring confidentiality of such information. Subcontractor shall comply with, and ensure that the Permitted Additional Recipients comply with, any security procedure, policy or standard provided to Subcontractor by Hitachi ABB Power Grids Contractor or any of its Affiliates from time to time, and in particular with the Hitachi ABB Power Grids Cyber Security Requirements for Suppliers as made available under www.hitachiabb-powergrids.com/supplying – **Supplier Cyber Security** or as otherwise set out in the Subcontract.

24.3 Subcontractor shall not (i) use Hitachi ABB Power Grids Contractor Data for any other purposes than for performing the Works, or (ii) reproduce the Hitachi ABB Power Grids Contractor Data in whole or in part in any form except as may be required by the respective contractual documents, or (iii) disclose Hitachi ABB Power Grids Contractor Data to any third party, except to Permitted Additional Recipients or with the prior written consent of Hitachi ABB Power Grids Contractor.

24.4 Subcontractor shall install and update at its own costs required adequate virus protection software and operating system security patches for all computers and software utilized in connection with providing the Works.

24.5 Subcontractor shall inform Hitachi ABB Power Grids Contractor without delay about suspicion of breaches of data security or other serious incidents or irregularities regarding any Hitachi ABB Power Grids Contractor Data.

24.6 Subcontractor agrees that Hitachi ABB Power Grids Contractor may provide any information received from Subcontractor to Affiliates of Hitachi ABB Power Grids Contractor and to third parties.

24.7 Protection of Personal Data

24.7.1 If Hitachi ABB Power Grids Contractor discloses Personal Data to Subcontractor, Subcontractor shall comply with all applicable data protection laws and regulations.

24.7.2 Subcontractor shall apply appropriate physical, technical and organizational measures to ensure a level of security of Personal Data appropriate to the respective risk and the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services.

24.7.3 Subcontractor agrees that it will not withhold or delay its consent to any changes to this Clause 24 which in Hitachi ABB Power Grids Contractor's or its Affiliates' reasonable opinion are required to be made in order to comply with applicable data protection laws and regulations and/or with guidelines and advice from any competent supervisory authority, and agrees to implement any such changes at no additional cost to Hitachi ABB Power Grids Contractor.

24.7.4 Subcontractor acknowledges that the processing of Personal Data in accordance with the Subcontract may require the conclusion of additional data processing or data protection agreements with Hitachi ABB Power Grids Contractor or its Affiliates. To the extent such additional agreements are not initially concluded as part of the Subcontract, Subcontractor, its relevant Affiliates or subcontractors shall upon Hitachi ABB Power Grids Contractor's request promptly enter into any such agreement(s), as designated by Hitachi ABB Power Grids Contractor and as required by mandatory law or a competent data protection or other competent authority.

25. SEVERABILITY

The invalidity or unenforceability of any term of the Subcontract shall not adversely affect the validity or enforceability of the remaining terms. The Subcontract shall be given effect as if the invalid or unenforceable term had been replaced by a term with a similar economic effect.

26. SURVIVAL

26.1 Provisions of the Subcontract which either are expressed to survive its termination or from their nature or context it is contemplated that they are to survive such termination shall remain in full force and effect notwithstanding such termination.

26.2 The obligations set forth in Clauses 11 (Warranty and Remedies), 15 (Documentation), 16 (Liability and Indemnity) and 24 (Confidentiality, Data Security, Data Protection) shall remain for an indefinite period and survive expiration or termination of the Subcontract.

27. ENTIRETY

The Subcontract constitutes the entire agreement between the Parties and replaces any prior agreement between the Parties, whether oral or in writing, with regard to its subject.

28. RELATIONSHIP OF PARTIES

The relationship of the Parties is that of independent parties dealing at arm's length and nothing in the Subcontract may be construed to constitute Subcontractor as an agent or employee of Hitachi ABB Power Grids Contractor or so as to have any kind of partnership with Hitachi ABB Power Grids Contractor or Client, and Subcontractor shall not represent itself as or act on behalf of Hitachi ABB Power Grids Contractor or Client.

29. TRACEABILITY OF FINANCIAL FLOWS FOR PUBLIC PROCUREMENT

- a) Subcontractor – in the capacity of sub-contractor/sub-supplier/sub-party of Hitachi ABB Power Grids Contractor within the Subcontract – assumes, where applicable, all the obligations specified in art. 3 of the Law nr. 136/2010, as modified by the Law nr. 217/2010.
- b) In particular, in order to ensure the traceability of financial flows aimed to prevent criminal infiltration, Subcontractor must use, for the financial movements associated to the activities of the Subcontract, one or more bank or post accounts opened at banks or at the Poste Italiane S.p.A. company dedicated, even not exclusively, to public jobs.
- c) Any financial movement associated to the activities of the Subcontract shall have to be performed exclusively by means of bank or mail transfer, or through Ri.Ba. (Electronic Collection Order).
- d) Any financial movement associated to the activities of the Subcontract shall have to report: the relevant tender identification code (CIG) and, where envisaged, the associated project unique code (CUP). Subcontractor undertakes to indicate the CIG (and, where envisaged, the CUP) in the invoices it shall issue to Hitachi ABB Power Grids Contractor.
- e) Subcontractor is obliged to transmit to Hitachi ABB Power Grids Contractor the identification details of the above mentioned dedicated bank account within 10 days from the stipulation of the Subcontract and also, within the same term, the personal details and the tax code of the individuals authorised to operate on it. Subcontractor shall also provide to promptly communicate any change concerning the transmitted data.
- f) If the credits of Subcontractor deriving from the Subcontract, following the written approval of Hitachi ABB Power Grids Contractor are subject to transfer to third parties, the above mentioned obligations shall also have to be fulfilled by the transferee. For this purpose Subcontractor undertakes, by also promising the deed of the third party, to make sure that the transferee assumes the above mentioned obligations.
- g) The infringement by Subcontractor of one or more provisions of the Law nr. 136/2010, as modified by the Law nr. 217/2010, shall legitimate Hitachi ABB Power Grids Contractor to declare the resolution by right of the Subcontract.
- h) Under penalty to make the Subcontract null and void, Subcontractor undertakes to add to the contracts with any of its sub-contractors, sub-suppliers or sub-parties, previously authorised in writing by Hitachi ABB Power Grids Contractor, a similar clause with which each one of them assumes all the obligations concerning the traceability of financial flows as per the above mentioned article 3 of the Law nr. 136/2010, as modified by the Law nr. 217/2010.
- i) Subcontractor, in the capacity of sub-contractor/sub-supplier/sub-party of Hitachi ABB Power Grids Contractor, undertakes to give immediate notice to the contacting party associated to the CIG communicated by Hitachi ABB Power Grids Contractor and to the competent Prefecture – Territorial Government Office – of the failure of its counterpart to comply with financial traceability obligations.

Subcontractor's signature:

For the purposes and to the effects of article 1341 of the Italian Civil Code, Subcontractor specifically accepts and approves the following Clauses:

- Clause 2 – Application;
- Clause 3 – Subcontractor's Responsibilities;
- Clause 5 – Variation Orders;
- Clause 9 – Suspension of the Subcontract;
- Clause 10 – Force Majeure;
- Clause 12 – Step In;
- Clause 13 – Subcontract Price, Payment, Invoicing;
- Clause 16 – Liability and Indemnity;
- Clause 18 – Termination;
- Clause 19 – Compliance, Integrity;
- Clause 20 – Assignment and Subcontracting;
- Clause 23 – Governing Law and Dispute Settlement.

Subcontractor's signature:
