

# ABB GENERAL TERMS AND CONDITIONS

## FOR PURCHASE OF IT SERVICES

(ABB GTC/IT SERV. 2011-1)

**DATE:** March 01, 2011

**FOR:** ABB Affiliates' purchases of IT Services, excluding service related to R&D work, ABB products, product developments, technical, legal, and other professional or consultancy services).

### AGREED TERMS

#### 1. DEFINITIONS AND INTERPRETATION

1.1 In this document

"ABB GTC/IT Serv": means the present ABB General Terms and Conditions for Purchase of IT Services (2011-1);

"Affiliate": means any entity, whether incorporated or not, which presently or in the future, directly or indirectly owns, is owned by, or is under common ownership with, by virtue of a controlling interest of 50 % or more of the voting rights or the capital, a party to this agreement on which these ABB GTC/IT Serv are applicable;

"Order": means the request (offer) of the Purchase of IT Services to deliver specified (in writing) IT Services on the basis of Service Provider's acceptance of the Order which contains the price or fee, payment conditions etc;

"Intellectual Property (Rights)": means all information including but not limited to technical know-how, inventions, data, and discoveries, whether patentable or not, and all copyrightable materials including, but not limited to software programs, tapes, documentation and reports;

"IT Services": means the IT Services to be supplied, and the obligations to be performed, by the Service Provider under this ABB GTC/IT Serv and related Order documentation.

"Open Source Software (OSS)": means publicly available and accessible software which can be used, modified and further developed by everybody in compliance with the relevant publicly available underlying licence terms and conditions;

"Purchaser": means the buying entity ordering IT Services from a Service Provider;

"Service Provider": means provider of the purchased IT Services such as the person, firm or company who accepts the Purchaser's Order;

"Work Product": means all materials and products resulting from or in relation to the IT Services to be provided or developed under this ABB GTC/IT Serv, or otherwise provided by the Service Provider or its Subcontractors under this ABB GTC/IT Serv in any form or media, including without limitation to computer programs, data, diagrams, reports, specifications (including drafts), but expressly excluding Open Source Software, Service Provider's pre-existing materials, parts of software, and any materials provided by Purchaser or its Affiliates or its Subcontractors for implementation into the Work Product covered under the present ABB GTC/IT Serv;

1.2 Unless otherwise specified in the present ABB GTC/IT Serv:

1.2.1 References to Clauses and sub-Clauses are to Clauses and sub-Clauses of the ABB GTC/IT Serv;

1.2.2 Headings to Clauses are for convenience only and do not affect the interpretation of the ABB GTC/IT Serv;

1.2.3 References to a party are to a party of the contractual relationship created by an Order on the basis of the ABB GTC/IT Serv if not otherwise explained by the content of the respective wording;

1.2.4 The use of the singular includes the plural and vice versa;

1.2.5 The use of any gender includes the other genders.

1.2.6 References to a "person" shall be construed so as to include any individual, firm, Purchaser, Service Provider, government, local or municipal authority or any joint venture, association or partnership (whether or not having separate legal personality).

#### 2. APPLICATION OF TERMS

2.1 In the ABB GTC/IT Serv references to any statute or statutory provision shall, unless the context otherwise requires, be construed as a reference to that statute or provision as from time to time amended, consolidated, modified, extended, re-enacted or replaced.

2.2 Each Order for IT Services by the Purchaser from Service Provider shall be deemed to be an offer by the Purchaser to purchase IT Services subject to the ABB GTC/IT Serv and no Order shall be accepted until Service Provider either expressly by giving notice of acceptance, or impliedly by fulfilling the Order, in whole or in part accepts the offer.

2.3 The ABB GTC/IT Serv are the only terms and conditions upon which Purchaser is prepared to deal with Service Provider for the provision of IT Services and they shall govern the contractual relationship between Purchaser and Service Provider to the exclusion of all other terms or conditions, except if and to the extent otherwise agreed in writing between Purchaser and Service Provider.

2.4 No terms or conditions endorsed upon, delivered with or contained in Service Provider's quotations, acknowledgements or acceptances of orders, specifications or similar documents will form part of the contractual relationship for the Order form, and Service Provider waives any right which it otherwise might have to rely on such other terms and conditions.

2.5 The ABB GTC/IT Serv apply to all Purchaser's Orders and any variation to the ABB GTC/IT Serv shall have no effect unless expressly agreed in writing and signed by duly authorised representatives of Purchaser and Service Provider.

#### 3. SERVICE PROVIDER'S RESPONSIBILITIES

3.1 Service Provider shall perform the IT Services:

3.1.1 in accordance with the applicable laws and regulations; and

3.1.2 with all reasonable skill and care and in accordance with high professional standards; and

3.1.3 in such a way as to conform in all respects with the Order and related specifications.

3.1.4 to the satisfaction of the Purchaser, otherwise promptly and at its own cost, carry out all remedial work necessary to enable the Purchaser to approve the IT Services.

3.1.5. Work Products provided by Service Provider must not contain Open Source Software. In the event that the provision of Work Products requires use of Open Source Software Service Provider must fully specify and inform Purchaser about all Open Source Software planned to be implemented into the Work Product to be provided under this Agreement, and obtain Purchaser's prior written approval. In the event Purchaser has approved the use of Open Source Software by Service Provider or its sub-contractors expressly

in writing, Service Provider confirms that it has used, modified, and/or further developed Open Source Software in full compliance with the underlying Open Source Software licence terms and conditions.

#### **4. PURCHASER'S RESPONSIBILITIES**

4.1 In consideration of the IT Services provided by Service Provider under the ABB GTC/IT Serv, Purchaser shall perform the following:

4.1.1 shall pay to Service Provider the purchase price/fee in accordance with the Order.

4.1.2 make payment within sixty (60) calendar days from receipt of the invoice by Purchaser.

4.1.3 shall reserve the right to setoff any amount owing or withhold any payment payable if Service Provider has not completed its obligations contained in the ABB GTC/IT Serv, an Order, or a related agreement between Purchaser and Service Provider.

#### **5. INTELLECTUAL PROPERTY**

In the event that the IT Services provided under the ABB GTC/IT Serv result in a Work Product, the following terms and conditions shall apply:

5.1 Service Provider assigns herewith to Purchaser, to the extent permissible under applicable local law, with full title guarantee, all rights in and to any Intellectual Property Rights and know how created or arising from the IT Services (meaning "Work Products") for the full duration of such rights, wherever in the world enforceable, and shall procure such an assignment from the individual owner, Service Provider Representative and any other party who shall engage in the Work Product by requiring them to enter into a confidentiality agreement. Service Provider further agrees to execute, upon Purchaser's request and at its cost, all further documents and assignments and do all such further things as may be necessary to perfect Purchaser's title to the Intellectual Property or to register Purchaser as owner of the Intellectual Property Rights with any registry, including but not limited to governmental registration authorities or private registration organisations. If the event the Parties have expressly agreed in a separate written agreement that the Intellectual Property Rights shall not be assigned to Purchaser (as stated above), Service Provider automatically grants herewith Purchaser and its Affiliates a royalty free, worldwide, irrevocable, non-exclusive, perpetual licence to use the Work Products including but not limited to a right to further improve, develop, market, distribute, exploit or otherwise use the Work Products in any way.

5.2 The Intellectual Property Rights in any materials created by or licensed to Service Provider or any of its Affiliates prior to an agreement on Work Product or outside of such agreement and any subsequent modifications to the same ("Pre-Existing Works") will remain vested in Service Provider or its Affiliate, or the third party. To the extent that Pre-Existing Works are embedded in any deliverables, Purchaser (and its Affiliates) shall have a worldwide, irrevocable, perpetual, non-exclusive, royalty-free licence to use the Pre-Existing Works as part of such deliverable for use by Purchaser and its Affiliates. Service Provider shall not be prevented or restricted by this ABB GTC/IT Serv from using any know-how created by Service Provider in the course of providing the Work Product for the purpose of the IT Services, any other use of Purchaser's Intellectual Property Rights requires written licence agreement. The provisions of this ABB GTC/IT Serv regarding confidentiality shall remain unaffected.

5.3 Without prejudice to the assignments in sub-Clauses 5.1 and 5.2, Service Provider agrees that, if called upon to do so by Purchaser, it will at the expense of Purchaser co-operate with Purchaser in making patent applications in respect of the results of the Work Product.

5.4 Service Provider agrees that the assignment of rights under this Clause 5 shall in no way impose upon Purchaser an obligation to protect, enforce, exploit or make use of any such rights.

5.5 To the full extent permissible by applicable mandatory laws, Service Provider shall procure waivers of moral rights arising as a

result of the Work Product from any party it shall engage in the Work Product.

5.6 For the avoidance of doubt, Purchaser shall have the right to sublicense, assign, and otherwise transfer its rights under sub-Clauses 5.1 and 5.2.

5.7 Service Provider shall refrain from any action prejudicial to the subsistence of Intellectual Property created or arising from the Work Product and from action prejudicial to the assignments in sub-Clauses 5.1 and 5.2.

5.8 Subject always to sub-Clauses 5.1 and 5.2 and the express prior written consent of Purchaser, Service Provider shall have the right to use the Intellectual Property created or arising from the Work Product for the purposes of its own Work Product, provided that Service Provider shall keep the Intellectual Property strictly confidential unless it obtains the prior written consent of Purchaser to any proposed use or disclosure.

#### **6. INTELLECTUAL PROPERTY RIGHT INFRINGEMENTS**

6.1 In the event a Work Product provided by Service Provider infringes any third party Intellectual Property Rights (including without limitation to third party Intellectual Property Right infringements resulting from use of Open Source Software contained in Work Products, or incomplete or any incorrect information about Open Source Software contained in Work Products, or Service Provider's failure to comply with applicable laws and regulations), Service Provider shall, notwithstanding anything contained in an agreement on Work Product or any other document related to such agreement, indemnify and keep indemnified Purchaser from and against costs, claims, demands, liabilities, expenses, damages or losses (including without limitation to any direct or indirect consequential losses, loss of profit and loss of reputation, and all interest, penalties and legal and other professional costs and expenses) arising out of such third party Intellectual Property Right infringements. The indemnity shall apply whether or not Service Provider may have been negligent or at fault and does not limit any further compensation rights of Purchaser. Service Provider's obligation to indemnify Purchaser as provided under this sub-Clause 6.1 shall not apply if and to the extent the liability or damage was caused by Purchaser's pre-existing Intellectual Property Rights, contributed to, or implemented into Work Product provided by Service Provider.

#### **7. COMPLIANCE WITH RELEVANT LAW**

7.1 The IT Services and/or Work Products covered by this ABB GTC/IT Serv shall be provided by Service Provider in compliance with all relevant legislation, regulations, and codes of practice, guidance and other requirements of any relevant government or governmental agency applicable to Service Provider as an IT Service Provider. To the extent that such regulations are advisory rather than mandatory, the standard of compliance to be achieved by Service Provider shall be in compliance with the generally-accepted best practice of the relevant industry.

7.2 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 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 this ABB GTC/IT Serv shall render either Party or any of its directly or indirectly Affiliates liable to reimburse the other for any such consideration given or promised.

7.3 Either Party's material violation of any of the obligations contained in this Clause may be considered by other Party to be a material breach of this underlying contractual relationship to which the ABB GTC/IT Serv apply, and shall entitle such Party to terminate

such respective underlying contractual relationship with immediate effect and without prejudice to any further right or remedies under this underlying contract or applicable law.

7.4 Service Provider shall indemnify without any agreed limitations Purchaser for all liabilities, damages, costs, or expenses incurred as a result of any such violation of the above mentioned obligations and termination of this underlying contract.

7.5 Upon signing the attached Order form, Service Provider herewith acknowledges and confirms that it has received a copy of ABB's Code of Conduct or has been provided information on how to access the ABB's Code of Conduct online. The Service Provider agrees to perform its contractual obligations under this underlying contractual with substantially similar standards of ethical behaviour. ABB Group has established the following reporting channels where Service Provider and its employees may report suspected violations of applicable laws, policies or standards of conduct: Web portal [www.abb.com/ethics](http://www.abb.com/ethics); Telephone: number specified on the above Web portal; Mail: address specified on the above Web portal.

## 8. CONFIDENTIALITY & DATA PROTECTION

8.1 Service Provider shall:

8.1.1 keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to Service Provider by the Purchaser or its agents and any other confidential information concerning the Purchaser's business or its products which Service Provider may obtain and Service Provider shall restrict disclosure of such confidential material to such of its employees, agents or sub-Service Providers as need to know the same for the purpose of discharging Service Provider's obligations to the Purchaser and shall ensure that such employees, agents or sub-Service Providers are subject to like obligations of confidentiality as bind Service Provider.

8.1.2 apply reasonable safeguards against the unauthorised disclosure of confidential and proprietary information and agrees to protect confidential information 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 the higher. Service Provider may disclose confidential information to "Permitted Additional Recipients" (which means the recipient's and the authorised representatives, including auditors, counsels, consultants and advisors) provided always that such Permitted Additional Recipients sign with Service Provider a confidentiality agreement with terminology substantially similar hereto or where applicable, are required to comply with codes of professional conduct ensuring confidentiality of such information.

8.1.3 take all necessary steps to ensure that the Purchaser's data or information which come into its possession or control in the course of providing the IT Services is protected and in particular Service Provider shall not (i) use Purchaser's data or information for any other purposes than for Providing the IT Services, or (ii) reproduce the data or information in whole or in part in any form except as may be required by the underlying contractual document, or (iii) disclose the Purchaser's data or information to any third party or persons not authorised by the Purchaser to receive it, except with the prior written consent of the Purchaser.

8.1.4 install and update at its own costs required adequate virus protection software and operating system security patches for all computers utilized in connection with providing the IT Services and shall provide updates to the Purchaser if so requested by Purchaser.

## 9. LIABILITY AND INDEMNITY

9.1 Service Provider shall keep the Purchaser indemnified in full against all direct, indirect or consequential liability, loss, damages, injury, costs and expenses (including legal and other professional fees and expenses) awarded against or incurred or paid by the Purchaser as a result of or in connection with:

9.1.1 any claim made against the Purchaser in respect of any liability, loss, damage, injury, cost or expense sustained by the Purchaser's employees or agents or by any Purchaser or third party to the extent that such liability, loss, damage, injury, cost or expense was caused by, relates to or arises from the contracted IT Services.

9.1.2 Purchaser rights under this ABB GTC/IT Serv are in addition to the statutory terms implied in favour of the applicable law.

9.1.3 The provisions of this Clause shall survive any performance, acceptance or payment pursuant to this ABB GTC/IT Serv and shall extend to any substituted or remedial services provided by the Service Provider.

## 10. REMEDIES

10.1 Without prejudice to any other right or remedy which the Purchaser may have, if Service Provider fails to comply with any of the terms of this ABB GTC/IT Serv, the Purchaser shall be entitled to avail itself of any one or more of the following remedies at its discretion:

10.1.1. to rescind the Order;

10.1.2 at the Purchaser's option to give Service Provider the opportunity at Service Provider's expense either to remedy any defective IT Services and carry out any other necessary work to ensure that the terms of the ABB GTC/IT Serv are fulfilled;

10.1.3 to refuse to accept any further IT Services but without exemption from Service Provider's liability for the defective IT Services provided by Service Provider;

10.1.4 to claim such damages as may have been sustained in consequence of Service Provider's breaches of the ABB GTC/IT Serv.

## 11. TERM AND TERMINATION OF ORDERS

11.1 Purchaser may terminate at any time Orders by written notice to Service Provider if Service Provider commits a breach of the ABB GTC/IT Serv which (in the case of a breach capable of a remedy) it does not remedy within thirty (30) calendar days of receiving written notice of the breach, or within any other time period agreed for a specific case by Purchaser with Service Provider in writing.

11.2 The termination of Orders, however arising, will be without prejudice to the rights and duties of the Purchaser accrued prior to termination.

11.3 Upon termination Service Provider shall immediately and at Service Provider's expense:

11.3.1 safely return to Purchaser all property and information of Purchaser then in its possession or under its control; and the obligations set forth in Clauses 5, 6, 7 and 8 shall survive termination.

## 12. FORCE MAJEURE

Neither party shall be liable for any delay in performing or for failure to perform its obligations under an agreement or an Order if the delay or failure results from any cause or circumstance whatsoever beyond its reasonable control, including any breach or non-performance by the other party (hereinafter "event of force majeure"), provided the same arises without the fault or negligence of such party. If an event of force majeure occurs, the date(s) for performance of the obligation affected shall be postponed for as long as is made necessary by the event of force majeure, provided that if any event of force majeure continues for a period of or exceeding three (3) months, either party shall have the right to terminate the relevant Order for IT Services forthwith by written notice to the other party. Each party shall use its reasonable endeavours to minimise the effects of any event of force majeure.

## 13. ASSIGNMENT AND SUB-CONTRACTING

13.1 The Orders are personal to Service Provider and Service Provider shall not assign, sub-contract, transfer, or charge in any kind an Order or any part of it, without prior written approval of Purchaser, as expressly provided under this Clause 13.

13.2 The Purchaser may at any time assign, transfer, charge, sub-contract or deal in any other manner with all or any of its rights or obligations under this ABB GTC/IT Serv.

#### **14. NOTICES**

Any notice to be given under the ABB GTC/IT Serv and an Order or acceptance of an Order shall be in writing and in the English language and shall be delivered personally, by express courier service, registered or certified mail, or transmitted by facsimile copy, to the other party at the address notified in the relevant Order or acceptance of the Order, or the related agreement. Notice shall be deemed to have been given (i) upon receipt when delivered personally, (ii) upon written verification of receipt from express courier service, (iii) upon verification of receipt of registered or certified mail, or (iv) upon verification of receipt via facsimile confirmation of uninterrupted transmission by a transmission report, provided that such notice is also sent simultaneously via first class mail. Notices by e-mail shall be legally binding exclusively in the event the parties have agreed in writing on the details, including but not limited to the addresses, the confirmation, and the effectiveness of such delivery of notices.

#### **15. VARIATIONS**

No variation of or amendment to the ABB GTC/IT Serv shall be binding unless made in writing and signed by the duly authorised representatives of both parties.

#### **16. WAIVERS**

Failure to enforce or exercise, at any time or for any period, any term of the ABB GTC/IT Serv or an Order does not constitute, and shall not be construed as, a waiver of such term and shall not affect the right later to enforce such term or any other term herein contained.

#### **17. GOVERNING LAW AND DISPUTE SETTLEMENT**

The ABB GTC/IT Serv and the Orders shall be governed by and construed in accordance with Swiss law under exclusion of its conflict of laws rules, and the United Nations Convention on International Sale of Goods. Any dispute or difference arising out of or in connection with the ABB GTC/IT Serv and the Orders, including any question regarding its existence, validity or termination or the legal relationships established by the ABB GTC/IT Serv and the Orders, which cannot be settled amicably, shall be finally resolved by the competent courts of the City of Zurich. However, no Party shall be prevented from enforcing its own intellectual property right remedies, or seeking in the competent courts of any country an injunction or other interim relief remedy.

#### **18. SEVERABILITY**

The invalidity or unenforceability of any term or of any right arising pursuant to the ABB GTC/IT Serv and the Orders shall not adversely affect the validity or enforceability of the remaining terms and rights, and the ABB GTC/IT Serv shall be given effect as if the invalid, illegal or unenforceable provision had been deleted and replaced by a provision with a similar economic effect to that of the deleted provision if this can be achieved by another provision.

#### **19. SURVIVAL**

Provisions of the ABB GTC/IT Serv which either is 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.

#### **20. ENTIRETY**

The ABB GTC/IT Serv and the Orders constitute the entire agreement and understanding between the parties and replace any prior agreement, understanding or arrangement between the parties, whether oral or in writing. No representation, undertaking, or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to the appli-

cation of the ABB GTC/IT Serv and/or the Order except as expressly stated in the ABB GTC/IT Serv. Neither party shall have any remedy in respect of any untrue statement made to it upon which it has relied in accepting the ABB GTC/IT Serv (unless such untrue statement was made fraudulently) and that party's only remedies shall be for breach of contract as provided in the ABB GTC/IT Serv.

#### **21. FURTHER ASSURANCES**

The parties shall do and execute all such further acts and things as are reasonably required to give full effect to the rights given and the transactions contemplated by the ABB GTC/IT Serv and the Orders.