

ABB GENERAL TERMS AND CONDITIONS

FOR PURCHASE OF GOODS II (2018-1 STANDARD)

BUSINESS UNIT INDUSTRIAL AUTOMATION OIL, GAS & CHEMICALS (BU IAOGC)

I INTRODUCTION

1. DEFINITIONS

1.1 For the purpose of the Contract the following terms shall have the following meanings:

Affiliate means a company having control over a Party, or any company being controlled by a Party, or by a company that controls a Party. For the purpose of this Article "control" shall mean ownership of more than fifty per cent (50 %) of the shares and voting stock of the relevant company.

Client means Company's customer or the entity identified as Client in the Contract or Purchase Order.

Company means the ABB entity ordering Goods from Contractor.

Company Group means Company, Client, their Affiliates, their contractors and subcontractors (except Contractor Group), and their respective officers, directors, employees, agency staff, agents and invitees and other personnel retained by or engaged in the business for the benefit of the aforementioned entities.

Contract means Company's purchase contract if drawn up, these General Terms and Conditions of Purchase, Company's Purchase Order, all appendices listed in Article 2.1, and other documents made part of the Contract by special reference. In case of contradiction, the documents of the Contract shall apply in the order of precedence as in Article 2.3.

Contractor means the party selling the Goods to Company.

Contractor Group means Contractor, its Sub-suppliers, and their suppliers at any tier, its and their Affiliates, and their respective officers, directors, employees, agency staff, agents and invitees and other personnel retained by or engaged in business by the aforementioned entities.

Day means a consecutive calendar day unless otherwise stated.

Delivery means delivery of the Goods in accordance with Article 10.

Delivery Date means the date for delivery of the Goods stated in the Contract, or as the date may be varied in accordance with the provisions of Section III below.

Force Majeure means an occurrence beyond the control of the Party affected, provided that such Party could not reasonably have foreseen such occurrence at the time of entering into the Contract or could not reasonably have avoided or overcome it or its consequences.

Goods means any and all items to be delivered by Contractor in accordance with the Contract, including but not limited to raw materials, processed materials, fabricated products, engineering and other services, drawings, documents and data, in any form of media.

Party means Company or Contractor.

Personal Data means any data or information of an identified or identifiable natural person.

Price means the total amount to be paid to Contractor for the Goods in accordance with the Purchase Order and variation orders made in accordance with the Contract.

Purchase Order means the document or electronic order issued by Company to create an obligation according to the Contract.

Site means the place(s) where the Goods or any part thereof is manufactured and Work is being performed.

Subcontract means an agreement entered into between Contractor and a Sub-supplier for the supply of goods and/or services in connection with the Contract.

Sub-supplier means a third party who has entered into an agreement with Contractor for the supply of goods and/or services in connection with the Contract.

Third Party means any party other than Contractor and Contractor Group and Company and Company Group;

Work means all the obligations, duties and work which the Contract requires Contractor to comply with and/or perform, including but not limited to the delivery of the Goods.

1.2 References to Articles are references to Articles of these General Terms and Conditions.

1.3 Headings are for convenience only and do not affect the interpretation of these General Terms and Conditions.

2. CONTRACT DOCUMENTS

2.1 The Contract consists of the purchase contract if drawn up, these General Terms and Conditions, Company's Purchase Order and the following Appendices:

- A. Scope of Work
- B. Compensation
- C. Schedule
- D. Administration Requirements
- E. Technical Requirements
- F. Financial Guarantees

and other documents made part of the Contract by special reference.

2.2 References in the Contract to the aforementioned names of the Appendices in Article 2.1 are references to the contents of the respective Appendix or as such contents may be varied in accordance with the provisions of the Contract.

2.3 In the event of a conflict between the provisions of the Contract documents, priority shall be given in the order mentioned in Article 2.1, except for Appendix D. Administration Requirements, which shall be given last priority.

3. REPRESENTATIVES OF THE PARTIES

3.1 Upon execution of the Contract, Company and Contractor shall appoint their respective representatives who shall have authority to act on behalf of the Parties in all matters relating to the Contract. Each of the representatives may, by giving written notice to the other representative delegate any of its duties to one or more other persons who shall thereby have the authority to act on its behalf hereunder.

3.2 Contractor shall give Company's representative and persons authorized by it access to the Site, the Goods and the Work at any reasonable time.

3.3. Appointment, transfer or replacement of personnel categorized as key personnel in the Contract, shall be approved by Company.

II PERFORMANCE AND PROGRESS

4. MANUFACTURE AND PERFORMANCE

4.1 Contractor shall manufacture the Goods and perform the Work in a professional and workmanlike manner and with due diligence in every respect in accordance with the best industry practices and the provisions of the Contract.

Contractor shall cooperate with Company, Company's representative and individuals authorized by it in all matters relating to the Contract.

Contractor shall give the highest priority to safety during the manufacture of the Goods and performance of the Work in order to avoid loss or harm to any person or property.

Contractor shall immediately comply with all instructions and requirements from Company or Client regarding health, safety and environment.

4.2 Contractor shall immediately comply with and implement all written instructions from Company, including but not limited to instructions in drawings and specifications. If Contractor is of the opinion that Company's instructions are not part of its obligations according to the Contract, the provisions of Article 7-9 shall apply accordingly.

4.3 Contractor shall keep itself informed of and comply with:

- applicable laws and regulations,
- requirements of certifying agencies and authorities having jurisdiction,
- applicable trade union and wage agreements.

Contractor shall also keep itself informed of and updated on any interfaces in connection with the Goods, and shall coordinate its activities with the other interfacing parties.

4.4 Contractor shall search for errors, faults, omissions and inconsistencies in the various parts of the Contract and all subsequent drawings, instructions, requests or similar issued by Company, and shall immediately, and at the latest within 5 Days, notify Company in writing, of any such error, fault, omission or inconsistency discovered.

If Contractor does not notify Company of errors, faults, omissions and inconsistencies that it has discovered or ought to have discovered, then all extra costs resulting therefrom shall be borne by Contractor.

4.5 Upon receipt of Company provided items, Contractor shall immediately perform a visual examination and shall, as soon as possible, notify Company of any errors or defects discovered by such examination.

If Contractor does not notify Company of errors or defects that it has discovered, or ought to have discovered by such examinations, and as a result, Company incurs extra costs, then all such costs shall be borne by Supplier.

4.6 Contractor shall in a timely manner obtain and maintain all authorizations and permits as may be necessary for the manufacture of the

Goods which are required to be or can be obtained in the name of Contractor.

Upon Company's request, Contractor shall at its own cost, assist Company in obtaining authorizations and permits relating to the Goods and Work, which can only be obtained in the name of Company.

4.7 Contractor shall give Company such information regarding the manufacture of the Goods and performance of the Work, and about Contractor Group, which Company is required to give to the authorities.

4.8 Contractor shall have an implemented and documented quality system in accordance with the requirements stated in the Contract.

4.9 Company's representative and personnel authorized by it shall at any time have the right to undertake quality audits and verification of Contractor's and any Sub-supplier's quality system.

4.10 When Company in its reasonable opinion holds that there are quality related issues on the part of Contractor, Company will notify Contractor thereof. Notwithstanding any other remedies available to Company under the Contract, at law or otherwise, Company may instruct Contractor to undertake at Contractor's risk and expense an analysis into the root cause(s) of the quality related issues; such analysis being undertaken and reported to Company without undue delay and at the latest within 10 Days of the notification of the quality related issue(s). Company reserves the right to undertake an audit of Contractor based on the results of the root cause analysis or where Contractor fails to comply with this Article.

4.11 Contractor shall have an environment management system in accordance with the requirements stated in the Contract.

4.12 Contractor shall at its own cost replace personnel who, in Company's opinion, conduct themselves in an improper manner or are unsuitable to perform their tasks.

4.13 Company and any person authorized by it shall be entitled to expedite Contractor's performance under the Contract and perform any inspections and tests at Contractor's and any Sub-supplier's Site(s), as it deems necessary to ensure that the Goods and Work in all respects complies with the requirements of the Contract. Contractor shall at its own cost, provide any necessary assistance in this respect. Likewise, Company may request Contractor to submit any test records, material certificates, calculations etc. relating to the Goods and the Work.

The inspections and tests mentioned above shall not relieve Contractor from any of its obligations under the Contract. This also applies if Contractor sends technical documentation or other documents to Company for inspection, review and possible approval.

4.14 Contractor shall ensure that the Goods are packed according to Company's specification if provided. If such specification is not provided then packing of the Goods shall comply with industry standards and in a manner adequate to preserve and protect the Goods.

4.15 Contractor warrants that no child labour or forced labour shall be used in connection with any Work performed in connection with the Contract.

5. ASSIGNMENT AND SUBCONTRACTS

5.1 Contractor shall not assign the Contract or subcontract any part of the Contract without Company's prior written approval. Limited use of hired labour and minor purchases shall, however, not be subject to such approval.

5.2 Such assignment or subcontracting shall under no circumstance relieve Contractor from any of its obligations pursuant to the Contract.

5.3 Contractor shall include in all Subcontracts the provisions of the Contract which are necessary in order to enable Contractor to fulfil its obligations according to the Contract. When requested by Company, copies of all documents relating to such Subcontracts shall be made available to Company prior to the award of such Subcontracts.

5.4 Company may at any time assign, sublet or transfer any or all of its rights or obligations under the Contract to any Affiliate, the Client or a Third Party.

6. PROGRESS

6.1 Contractor shall manufacture the Goods and perform the Work in accordance with the Contract.

If Contractor should have reason to believe that the manufacture and delivery of the Goods and performance of the Work cannot be carried out in accordance with the Contract, including the milestones therein, it shall promptly notify Company accordingly.

6.2 If the manufacture and delivery of the Goods and the performance of the Work cannot be performed according to the Contract, for reasons for which Contractor is responsible, it shall without undue delay and at the latest within one week after notification according to Article 6.1 was or should have been sent communicate the cause of the delay, the estimated effect on the Schedule and other parts of the Goods and Work, and the measures that Contractor considers appropriate to avoid, recover or limit the delay.

Contractor is at its own cost, obliged to implement sufficient measures to avoid, recover and limit the delay. Company has the right to notify Contractor of its view on the information and the measures implemented by Contractor. Such notification shall not release Contractor from any of its obligations under the Contract.

If the measures proposed or implemented by Contractor, in Company's opinion, are insufficient, Company may require Contractor to take such measures, as Company considers necessary. Contractor shall immediately implement the measures required by Company. If Contractor maintains that it has no obligation to implement the measures required by Company, the provisions of Article 9 shall apply accordingly.

6.3 If the Goods or the Work cannot be performed according to the Contract, for reasons for which Company is responsible, the provisions of Article 7-9 shall apply accordingly. Contractor must without undue delay and at the latest within one week after notification according to Article 6.1 was sent or should have been sent, present a Variation Order Request in accordance with Article 9.1, otherwise the delay is deemed to be Contractor's responsibility.

6.4 These provisions shall not limit or restrict Company's right to claim liquidated damages in accordance with Article 15.2, terminate the Contract in accordance with Article 17, or require delivery of the Goods in accordance with Article 15.3.

III VARIATIONS

7. RIGHT TO VARY THE GOODS

7.1 Company has the right to order Variations to the Goods. Such Variations may include an increase or decrease in the quantity, quality, character, kind, features and characteristics or manufacture of the Goods or part thereof, and adjustments to the Delivery Date(s) or Schedule.

7.2 When Company issues a Variation Order, Contractor shall without undue delay and no later than 7 Days from receipt of the Variation Order, submit to Company an estimate containing:

- a) A description of the work to be performed under the Variation,
- b) A detailed schedule for the execution of the Variation and showing the required resources and significant milestones,
- c) The effects on the Price,
- d) The effects on the Schedule, with documentation demonstrating such effect, and

Company may require the submission of such estimate prior to issuing a Variation Order. Contractor shall submit the estimate to Company without undue delay and no later than 7 Days from receipt of the request for an estimate.

If Contractor does not issue such estimate, within the above time limits, this shall be considered as an acceptance that the Variation will be implemented without any effect on the Price and Schedule, and the Variation Order will, if not yet issued, be issued reflecting the same.

7.3 Company shall express its opinion about Contractor's estimate under Article 7.2 without undue delay, after receipt of the statement.

7.4 Contractor may propose a Variation to the Goods according to the provisions of the Contract.

8. EFFECTS OF A VARIATION TO THE GOODS

8.1 Unless otherwise agreed between the Parties, the price for Variations shall be determined on the basis of the following principles:

- a) By the application of the prices set forth in the Contract,
- b) If the Contract does not contain prices applicable to a specific Variation, suitable compensation shall be agreed upon reflecting the general level of pricing prescribed in the Contract.

If Company and Contractor disagree as to the effect on the Price then the views of both Parties shall be recorded on the Variation Order.

8.2 The effects of a Variation on the Schedule shall be agreed upon in the particular Variation Order, on the basis of the accumulated net effect of a Variation.

8.3 All Contractor's obligations under the Contract also apply to Variations to the Goods.

8.4 A Variation caused by reasons for which Contractor is responsible shall not result in adjustments to the Price or Schedule.

8.5 A Variation Order shall be clearly identified as such and issued on a standard form. A Variation Order shall contain a complete description of the work to be performed, the schedule of its execution, the effects on the Price and Schedule so far as practicable.

8.6 Contractor shall without undue delay implement a Variation Order when it has been received, even if the Parties have not agreed upon the Variation Order's effect on the Price, Schedule and/or other terms of the Contract.

8.7 Until the Parties have agreed upon the effects on the Price, Schedule and/or other terms, Company shall pay to Contractor the undisputed amount.

8.8 Neither Company's payment nor Contractor's implementation of a Variation Order shall affect the Parties' claims for variations to the Price nor the Delivery Date(s).

9. DISPUTE AS TO WHETHER A VARIATION TO THE GOODS EXISTS – DISPUTED VARIATION ORDER

9.1 If Company requests the performance of specific work which in Contractor's opinion is not part of its obligations under the Contract, then Contractor shall request Company to issue a Variation Order and shall, as soon as possible, prepare an estimate in accordance with Article 7.

If Contractor has not presented a request for a Variation Order without undue delay and at the latest within 7 Days after Company has requested the work to be performed, then it loses the right to consider the work as Variation to the Goods.

A request for a Variation Order shall be presented by means of a prescribed form known as a Variation Order Request. It shall contain a specified description of the work the request relates to and to the extent possible, the effects, which in Contractor's opinion it will have on the Schedule and Price.

9.2 If Contractor has made a request within the time limit specified in Article 9.1, Company shall, within a reasonable time, either issue a Variation Order in accordance with the provisions of Article 7 or a Disputed Variation Order.

If Company is of the opinion that this work is a part of the Goods, it shall be expressly recorded that the Variation Order is disputed (Disputed Variation Order). A Disputed Variation Order shall be expressly identified as such and shall be issued on a special form, which shall identify the work in dispute between the Parties and state Company's reason for regarding the Variation Order as disputed.

Upon receiving a Disputed Variation Order, Contractor shall implement it without undue delay, unless it is already implemented according to the provisions of Article 4.2 and 6.2, third paragraph.

If a Disputed Variation Order is not mutually agreed upon, then Article 29 will apply.

9.3 If Contractor has not instituted court or arbitration proceedings, in accordance with the applicable law and dispute resolution tribunal under the Contract within 6 months after the issue of the Disputed Variation Order, then the Disputed Variation Order shall be deemed to be a part of the Goods.

9.4 If Contractor is of the opinion that he is entitled to a Variation Order to the Goods because of delay, extra measures, or other changes resulting from breach of Contract by Company, or from Force Majeure, the provisions of this Article 9 shall apply accordingly. A request for a

Variation Order must be made without undue delay and at the latest within 7 Days after the event giving rise to the Variation occurred.

IV DELIVERY AND PAYMENT

10. DELIVERY AND COMPLETION OF THE GOODS

10.1 When the Goods have been completed, have passed all tests specified in the Contract and the conditions for delivery are fulfilled, Contractor shall submit a written request to Company requesting a Release Note to be issued.

Provided that the conditions have been fulfilled, the Release Note shall be issued within a reasonable time and in any event not later than 20 Days from the date Company has received a written request from Contractor.

10.2 Company may issue the Release Note even if minor parts of the Goods remain incomplete, provided that such remaining parts do not have a practical significance for the use of the Goods, or for later work to be performed by others, and that the fulfilment of the outstanding parts of the Goods does not create any inconvenience for Company.

The Release Note shall in this event contain a list of any outstanding parts of the Goods (punch list) and information relating to their completion. In the case of disagreement both Parties' views shall be recorded in the document. Contractor is solely responsible for all costs and expenses in connection with completion of the outstanding parts of the Goods.

10.3 The terms of delivery shall be interpreted in accordance with INCOTERMS 2010.

10.4 Contractor shall not have the right to retain delivery of the Goods as security for claims against Company, regardless of whether the compensation to be paid to Contractor is disputed or not.

10.5 Company shall issue a Completion Certificate on its own initiative when the Goods (including punch items if any) – with the exception of guarantee work – have been completed in accordance with the Contract.

10.6 Contractor shall, unless otherwise agreed in writing, deliver complete as built documentation, user manuals and all other documents necessary for the operation, modification, installation, repair and maintenance of the Goods within 7 Days from issuance of the Release Note.

11. WARRANTIES AND ACCEPTANCE OF THE GOODS

11.1 Contractor warrants that it has personnel with the necessary qualifications to fulfil all obligations of the Contract. It warrants that the Goods through the warranty period shall conform to the drawings, data sheets and specifications. Contractor also warrants that materials and equipment provided by Contractor for incorporation into the Goods are new, and that engineering and other services performed by Contractor are suitable for the purpose and use for which they are intended.

Contractor is responsible for defects and breaches of the above warranties, in accordance with the provisions of Article 16.

11.2 Unless otherwise agreed, the warranty period commences at the issuance of the Completion Certificate and expires 24 months after the Goods have been taken into use for their intended purpose or 36 months after the issuance of Completion Certificate, whichever is longer. Intended use shall mean operational use.

11.3 If Contractor has performed warranty work during the warranty period, Contractor shall warrant the parts of the Goods so repaired, for a period of one year from the date of completion of the warranty work unless the remaining part of the warranty period in Article 11.2 is longer.

11.4 Company shall have the right to enforce all warranties undertaken by Sub-suppliers that may be more beneficial to Company than the warranties according to this Article.

Contractor shall on Company's request, assist Company in enforcing such warranties.

The Client shall be entitled to enforce the guarantees available to Company pursuant to the Contract.

12. CONTRACTOR'S FINANCIAL GUARANTEE

12.1 Contractor shall at its cost furnish to Company a guarantee from a bank or insurance company in accordance with the standard guarantee set forth in Exhibit F. The guarantee shall be furnished to Company before the time of presentation of Contractor's first invoice in accordance with Article 13. The bank guarantee shall amount to 10% of the Price.

12.2 The guarantee shall remain effective for its full value until the expiration of the guarantee period. From the expiration of the guarantee period according to Article 11.2 and 11.3, the guarantee shall remain valid for an amount equivalent to the value of the guarantee work not performed.

12.3 In the event that Contractor belongs to a consolidated group of companies, Contractor shall upon Company's request provide Company with a Parent Company Guarantee, satisfactory to Company, in the form set out in Annex F. The Parent Company Guarantee shall, be provided at the date of the Contract.

13. PAYMENT OF THE PRICE, INVOICING AND AUDIT

13.1 Company shall pay the Price to Contractor. Notwithstanding any other provisions of the Contract, the prices therein shall remain firm and fixed and are not subject to escalation. Company has no obligation to pay until Contractor has submitted a guarantee in accordance with Article 12.1 and if requested a Parent Company Guarantee in accordance with Article 12.3.

13.2 The invoice(s) shall be prepared and submitted in accordance with the Contract. Contractor shall submit invoices in an auditable form, complying with applicable laws, generally accepted accounting principles and the specific Company requirements, containing the following minimum information: Contractor name, address and reference person including contact details; invoice date; invoice number; Order number and Contractor number; address of Company; quantity; specification of Goods and/or Services; 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; payment terms as agreed.

13.3 Company shall pay the invoice in accordance with the payment terms agreed in the Contract.

Contractor shall for audit purposes, permit Company full access during business hours to all books of account, time sheets, records and other documents, including original invoices from Sub-suppliers with supporting documentation. Company shall have this right for the Contract period and for five years after the expiration of the guarantee period.

Payment of invoices shall not prejudice the right of Company during the above-mentioned period to question the charges thereon. If mistakes are demonstrated, appropriate adjustments with regard to payments shall be made.

13.4 Services charged on the basis of hourly rates require written confirmation of Contractor's time sheets by Company. Contractor shall submit such time sheets to Company for confirmation as may be instructed by Company but latest together with any related invoice. Confirmation of time sheets cannot be construed as acknowledgement of any claims. Company is not obliged to pay invoices based on time sheets which are not confirmed by Company in writing.

13.5 Company reserves the right to set off or withhold payment for Goods not provided in accordance with the Contract.

13.6 Contractor shall submit the final account to Company within 60 Days from the issue of the Completion Certificate.

The account shall contain a breakdown of the total compensation for the Goods, including all claims to be made by Contractor, less any liquidated damages and other amounts due to Company, if any. The final account shall contain documentation relating to each item included in the breakdown.

Claims not included in the final account shall be deemed to be waived by Contractor and cannot be submitted later.

14. TITLE TO AND CARE OF THE GOODS – LOSS OR DAMAGE TO THE GOODS

14.1 Title to the Goods shall pass to Company progressively as the Goods are manufactured or parts of the Goods are identified, marked or separated for the purpose of the Contract or when the Goods are paid for whatever occurs earlier.

As soon as parts of the Goods or Company provided items arrive at a Site, Contractor shall mark them with an identification number and Company's name, and as far as possible keep them separate from other items not part of the Contract.

14.2 During the manufacture of the Goods and on delivery, the Goods shall be free of liens and encumbrances.

14.3 Any part of the Goods with respect to which title has passed to Company, but which remain in the possession of Contractor, shall be registered as being held for delivery to Company and as being the property of Company.

14.4 Contractor shall at all times, in accordance with best practices and at no additional cost to Company, provide protection for the Goods, Company provided items and all parts thereof in Contractor's custody against damage, loss or theft.

14.5 Unless specifically agreed by Company, Contractor shall not have the right to make use of Company provided items, other than for the purpose of fulfilling the Contract.

14.6 If loss of or damage to the Goods occurs between the start of the manufacture of on the Goods until delivery takes place according to the Contract, Contractor shall carry out necessary measures to ensure that the Goods are completed in accordance with the Contract. The same applies if any loss of or damage to Company provided items occurs while they are under Contractor Group's safekeeping and control.

Contractor's obligation to carry out measures stated herein applies regardless of whether negligence in any form has been shown by Company Group.

The costs of carrying out such measures as are stated in this Article shall be borne by Contractor.

V DEFAULT, FORCE MAJEURE AND CANCELLATION

15. CONTRACTOR'S DELAY

15.1 This Article, Article 6 and Article 17 describe Company's remedies in case of delay.

15.2 If the Goods are not ready for delivery on the Delivery Date or the manufacture or delivery of the Goods are delayed in relation to any liquidated damages milestone set forth in the Contract, Contractor shall pay liquidated damages to Company.

The liquidated damages for not meeting the Delivery Date shall be 0,5 % of the Price per Day of delay. The liquidated damages for delay with regard to other liquidated damages milestones shall be 0,3% of the Price per Day of delay. Contractor's cumulative liability for liquidated damages under Article 15 is limited to 15% of the Price.

15.3 If the Goods are not ready for delivery on the Delivery Date, Company shall be entitled to either demand delivery of the Goods for completion by others or by Company, or request Contractor to complete the Goods at another Site.

If Company has demanded such delivery, Company shall not pay that part of the Price, which relates to that part of the Goods which is not completed. Company can demand payment of liquidated damages, in accordance with Article 15.2, calculated on the basis of the number of Days by which the Delivery Date shall be assumed to be exceeded had Contractor completed the Goods. In addition, Contractor is liable for all costs in connection with completion of the Goods (less the amount not paid for the unfinished part) and damages according to the applicable law.

If Company requests Contractor to complete the Goods at another Site, Contractor is obligated to complete the Goods within the agreed Price. Company can demand payment of liquidated damages, in accordance with Article 15.2, calculated on the basis of the number of Days by which the Delivery Date would have been exceeded had Company not demanded delivery of the unfinished Goods.

15.4 Company may terminate the Contract because of delay in accordance with the provisions of Article 17.

15.5 If complete documentation is not delivered in accordance with the provisions of Article 10.6, Contractor shall pay liquidated damages for delayed delivery of documentation. The Liquidated Damages for delayed delivery of documentation shall be 0.1% of the Price per Day.

16. CONTRACTOR'S LIABILITY FOR DEFECTS AND BREACH OF GUARANTEES

16.1 If the Goods are found to be defective when delivered to Company, whether or not this is stated in the Release Note, or if a defect arise for which Contractor is liable under its guarantees according to Article 11, Contractor shall immediately remedy the defect at its own cost. Contractor shall consult with Company as to the remedial measures Contractor intends to effect.

If Contractor is not able to remedy a defect within a reasonable time after Company notification of the defect, or if Company is unwilling to permit Contractor to perform rectification work, Company shall be entitled to perform or cause said rectification's to be performed by a Third Party. All necessary costs thereof shall be borne by Contractor. In such instances Contractor shall immediately be informed.

In addition Company shall be entitled to damages according to applicable law.

In case of repair offshore, Company shall arrange and pay for transportation from the Client's onshore base to the offshore installation and return, stay on the installation and heavy lift operations offshore. All other cost shall be borne by Contractor.

Company is entitled to terminate the Contract due to defects according to the provisions of Article 17.

17. TERMINATION DUE TO CONTRACTOR'S DEFAULT

17.1 Company has the right to terminate the Contract with immediate effect, by written notice to Contractor, if Contractor has become insolvent or stops payment, or if Company has become entitled to, or it is evident that Company will become entitled to claim maximum liquidated damages in accordance with Article 15 or if Contractor otherwise is in substantial and/or repeated breach of its obligations hereunder.

17.2 When the Contract is terminated, Company has the right to take possession of the Goods, Company provided items, Subcontracts, documents and other rights that are necessary in order to enable Company to complete the Goods by itself or by means of Third Party assistance.

Company shall have the right to finish the Goods by itself or with the assistance of a Third Party. Company shall have the right to finish the Goods at Contractor's Site. Contractor is liable for and shall pay to Company all reasonable costs incurred to complete the Goods, in excess of the costs that would have incurred by Company if Contractor had not defaulted.

Company shall pay Contractor the unpaid balance due to Contractor for the part of the Goods properly performed and for the materials and equipment taken over in accordance with first paragraph of this Article 17.2, less any amounts due from Contractor to Company.

If Company elects not to take possession of and complete the Goods, Contractor shall reimburse Company all payments made by Company until termination.

17.3 When the Contract is terminated, Company shall in addition be entitled to claim compensation for damages according to law and liquidated damages for delay according to the provisions in Article 15.2 and 15.5, calculated on the basis of the anticipated number of Days by which the Delivery Date would have been exceeded if Contractor had completed the Goods.

18. FORCE MAJEURE

18.1 Neither of the Parties shall be considered in default of its obligations according to the Contract to the extent that it can be established that performance of such obligations was hindered by Force Majeure.

In the event of Force Majeure, each Party shall cover its own costs resulting from the Force Majeure situation.

The Party affected by Force Majeure shall as soon as possible (and at the latest within 3 Days from the Force Majeure situation commenced) give notice to the other Party about the situation.

18.3 Within 3 Days after the Force Majeure situation has ended, Contractor shall present to Company any claim for adjustment of the Schedule. The Schedule shall thereafter be adjusted with due regard to the delay caused to Contractor as a result of the Force Majeure situation.

18.4 If a Force Majeure situation continues without interruption for a period of 180 Days or more, each of the Parties shall be entitled to terminate the Contract by written notice to the other Party.

18.5 If the Goods are not ready for delivery at the Delivery Date as a result of Force Majeure, Company may take delivery of the Goods for completion by a Third Party. In this case Company shall issue a Variation Order in accordance with the provisions of Article 7.

19. CANCELLATION

19.1 Company may cancel the Contract at any time by giving written notice to Contractor who shall thereupon cease all manufacture of the Goods.

19.2 In the event of such cancellation, Company shall pay to Contractor:

- a) The unpaid balance due to Contractor for that part of the Goods already performed
- b) Costs incurred by Contractor and its Sub-suppliers in connection with materials, equipment and other items ordered prior to receipt of the notice of cancellation, and compensation for work performed on such materials, equipment and items prior to said date, provided that such costs are not covered by payment under Article. 19.2a.
- c) Contractor's and its Sub-suppliers' necessary and documented costs incurred and directly attributable to the orderly closeout of the Contract.

Payment shall be made in accordance with the provisions of Article.13.

19.3 Contractor shall, in accordance with Company's instructions, make its best efforts to cancel Subcontracts on terms acceptable to Company. If Company cannot accept the cancellation terms, then Contractor shall assign such Subcontracts to Company.

19.4 Contractor shall transfer to Company in accordance with Company's instructions the Goods and other items for which Contractor is entitled to receive payment under the Contract together with copies of all

plans, drawings, specifications, Company provided items and other documentation which Company requests.

20. SUSPENSION

20.1 Company may temporarily suspend the performance of the Goods, or parts thereof, by giving notice to Contractor.

The notice shall specify which part shall be suspended, the effective date of the suspension and the expected date for resumption. Furthermore, it shall state the mobilization plan and any support functions which shall be maintained during the suspension.

Contractor shall immediately resume performance of the Goods after notification by Company.

20.2 In the event of such suspension, Company shall compensate Contractor for necessarily incurred and documented expenses arising from:

- a) The demobilization of personnel and equipment,
- b) Safeguarding the Goods, Company provided items and other related materials and equipment,
- c) Personnel, Sub-suppliers and equipment which must be kept available during suspension,
- d) Moving the Goods if necessary, so that they do not interfere unreasonably with Contractor's other activities, and
- e) Other expenses reasonably incurred by Contractor as a result of the suspension.

If the suspension affects the Schedule, the Schedule shall be adjusted with due regard to the delay caused to Contractor as a result of the suspension. The provisions of Article 7 to 9 shall apply if Contractor claims compensation or time extension due to Company's suspension.

20.3 Contractor's claim for work performed shall be calculated as far as possible in accordance with the principles of Article 8.1.

VI INDEMNITY AND INSURANCES

21. INDEMNITY

21.1 Contractor shall be responsible for and shall save, indemnify, defend and hold harmless Company Group from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of:

- a) Personal injury including death or disease to any person employed by Contractor Group arising from, relating to or in connection with the performance or non-performance of the Contract, and
- b) Loss of or damage to property of Contractor Group whether owned, hired, leased or otherwise provided by Contractor Group arising from, relating to or in connection with the performance or non-performance of the Contract, and
- c) Loss of or damage to the Goods until Delivery, and
- d) Loss of or damage to the Goods after Delivery to the extent caused by Contractor Group's negligent acts or omissions, and
- e) Subject to any other express provisions of the Contract, personal injury including death or disease or loss or damage to property of any Third Party to the extent of Contractor Group's legal liability pursuant to the applicable law.

Contractor shall, as far as practicable, ensure that other companies in Contractor Group waive their right to make any claim against Company

Group when such claims are covered by Contractor's obligation to indemnify under the provisions of this Article.

21.2 Company shall be responsible for and shall save, indemnify, defend and hold harmless Contractor Group from and against all claims, losses, damages, costs (including legal costs) expenses and liabilities in respect of:

- a) Personal injury including death or disease to any person employed by Company Group arising from, relating to or in connection with the performance or non-performance of the Contract, and
- b) Subject to the provisions of Article 21.1 c) and d), loss of or damage to property of Company Group arising from, relating to or in connection with the performance or non-performance of the Contract, located at the Site.
- c) Subject to any other express provisions of the Contract, personal injury including death or disease or loss or damage to property of any Third Party to the extent of Company's legal liability pursuant to the applicable law.

21.3 Notwithstanding any provision to the contrary elsewhere in the Contract and except to the extent of any agreed liquidated damages provided for in the Contract, Company shall save, indemnify, defend and hold harmless Contractor Group from Company Group's own indirect or consequential losses and Contractor shall save, indemnify, defend and hold harmless Company Group from Contractor Group's own indirect or consequential losses, arising from, relating to or in connection with the performance or non-performance of the Contract.

21.4 Contractor shall indemnify and hold Company Group harmless from and against claims resulting from infringement or alleged infringement of any patent or other industrial property rights in connection with the Goods or Company Group's use of the Goods, unless such infringement or alleged infringement is resulting from Company's drawings, data sheets, specifications, Company provided items or process licenses nominated by Company from a Third Party.

21.5 Contractor shall indemnify and hold Company Group harmless from any product liability claims which may be imposed on Company Group or which Company Group may incur vis-à-vis a Third Party in connection with Company Group's or Client's use of the Goods to the extent that it is shown that the basis of liability can be attributed to the Goods or Contractor's instructions regarding use, operation or maintenance of the Goods.

21.6 All exclusions and indemnities given under the entire Article 21 (save for those under Article 21.1 (d), (e) and 21.2 (c)), shall apply irrespective of cause and regardless of any liability including the negligence or breach of duty (whether statutory or otherwise) of the indemnified Party or any other entity or party and shall apply irrespective of any claim under contract or otherwise at law.

21.7 If either Party becomes aware of any incident likely to give rise to a claim under the above indemnities, they shall notify the other and both Parties shall co-operate fully in investigating the incident. Whenever possible, the other Party shall take over treatment of the claim. The Parties shall give each other information and other assistance needed for handling the claim. Neither Party shall, without the consent of the other Party approve of a claim, which shall be indemnified, in whole or in part, by the other Party.

22. INSURANCES

22.1 Contractor shall provide and maintain insurance policies covering the liability possibly incurred as a result of the activities in fulfilling his obligations according to the Contract. In addition, it shall keep the Goods insured until delivery has taken place.

If requested, Contractor shall submit insurance certificates. Company shall be covered by the insurance as additional insured, and Contractor's insurance company shall waive its right of subrogation against Company in accordance with the indemnities given in the Contract

22.2 Contractor shall give to Company prompt notification of any claim or any incident which may give rise to a claim with respect to any of the insurance policies referred to in this Article, and shall provide full details of such incident.

22.3 All insurance policies to be procured or maintained under the Contract shall be placed with a reputable insurance company and provide that such policies shall not expire or be cancelled by Contractor or its Sub-suppliers, unless 60 Days' prior written notice by the insurers, of expiry or cancellation, is given to Company.

22.4 Company's insurance company shall waive its right of subrogation against Contractor in accordance with the indemnities given in the Contract.

VII OTHER TERMS

23. CONFIDENTIAL INFORMATION; PROTECTION OF PERSONAL DATA

23.1 All information furnished by the Parties to each other, shall be treated as confidential and shall not be disclosed to any Third Party without the other Party's prior written approval. The Parties shall take adequate measures to prevent Third Parties from getting access to confidential information

Each of the Parties may, however, disclose confidential information to a Third Party to the extent necessary for the manufacture, use and control of the Goods. In such case the Parties shall secure written confidentiality agreements from such Third Party.

Confidential information shall not include any information, that the receiving Party by written records can demonstrate (a) is already known to the Party in question at the time the information was received, or (b) is or becomes part of the public domain other than through a fault of the receiving Party, or (c) is received from a Third Party without breach of any confidentiality obligation and without an obligation of confidentiality or (d) is independently developed by the receiving Party.

23.2 Contractor shall not publish information concerning the Goods or the Contract without Company's written approval, which shall not unreasonably be withheld.

23.3 The provisions of this Article shall not prevent either of the Parties from disclosing confidential information to public authorities or any other Third Party to the extent required according to applicable law.

23.4 Protection of Personal Data

- a) If Company discloses Personal Data to Contractor, Contractor shall comply with all applicable data protection laws and regulations.

- b) Contractor 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.
- c) Contractor agrees that it will not withhold or delay its consent to any changes to this Clause 23 which in Company'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 Company.
- d) Contractor acknowledges that the processing of Personal Data in accordance with the Contract may require the conclusion of additional data processing or data protection agreements with Company or its Affiliates. To the extent such additional agreements are not initially concluded as part of the Contract, Contractor, its relevant Affiliates or subcontractors shall upon Company's request promptly enter into any such agreement(s), as designated by Company and as required by mandatory law or a competent data protection or other competent authority.

24. INVENTIONS

24.1 Inventions made by Contractor during the manufacture of the Goods shall be the property of Contractor. Notwithstanding the above, inventions which are mainly based on technical information which Contractor has received from Company, shall be the property of Company. Contractor shall notify Company of such inventions, which are Company's property, and Contractor shall provide the necessary assistance in order to enable Company to acquire patents to such inventions.

Company shall reimburse Contractor for all reasonable expenses incurred in connection with acquiring such patents, including compensation which any employee of Contractor may be entitled to according to the applicable law.

Inventions made by both Parties in connection with the Goods and which are based on technical information derived from both Parties, without any of them providing the main part of such invention shall be the property of Company.

24.2 Contractor shall grant Company and Client an irrevocable, perpetual, royalty-free, non-exclusive, worldwide license to inventions now or hereafter controlled by Contractor to the extent necessary for the use, manufacture, operation, modification, maintenance and repair of the Goods.

25. RIGHTS TO DOCUMENTS AND COMPUTER PROGRAMS

25.1 Documents, computer programs and intellectual property rights provided by Company to Contractor or which are developed mainly on the basis of such documents, computer programs and intellectual property rights, shall be the property of Company. The same applies to all copies of the aforementioned documents, computer programs and intellectual property rights.

Such documents, computer programs, intellectual property rights or copies shall not be used by Contractor other than for the purpose of the manufacture of the Goods. Such documents, computer programs, intellectual property rights or copies shall be returned to Company at the expiry of the Contract unless otherwise agreed between Company and Contractor.

25.2 Documents, computer programs and intellectual property rights provided by Contractor to Company and which are developed mainly on the basis of Contractor's documents, computer programs and intellectual property rights, shall remain the property of Contractor. The

same applies to all copies of the aforementioned documents, computer programs and intellectual property rights.

Contractor hereby grants Company and Client an irrevocable, perpetual, royalty-free, non-exclusive, worldwide right to use and modify such documents, computer program, intellectual property rights and copies in connection with the use, installation, commissioning, operation, modification, repair and maintenance of the Goods.

25.3 All other documents, computer programs, intellectual property rights and copies thereof developed by Contractor in connection with the manufacture of the Goods, shall be the property of Contractor.

Article 25.2 second paragraph applies accordingly.

26. COMPLIANCE, INTEGRITY

26.1 Contractor shall provide the Goods in compliance with all relevant laws, regulations, and codes of practice.

26.2 Contractor and its subcontractors must comply with the ABB Lists of Prohibited and Restricted Substances and with the reporting and other requirements regarding Conflict Minerals made available under www.abb.com – **Supplying – Material Compliance** or otherwise and shall provide Company with documents, certificates and statements as requested. Any statement made by Contractor to Company (whether directly or indirectly) with regard to materials used for or in connection with the Goods will be deemed to be a representation under the Contract.

26.3 Contractor 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.

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

26.5 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 Contract will render either Party or any of its Affiliates liable to reimburse the other for any such consideration given or promised.

26.6 Contractor represents and warrants that neither it, nor to its knowledge any member of Contractor Group is listed on a Sanctions List, or owned in whole or in part, or otherwise controlled, directly or

indirectly, by any person or entity listed on a Sanctions List or resident in or incorporated under the laws of any country subject to Sanctions. Contractor undertakes to immediately notify Company in writing should it become aware of any changes in this respect. "Sanctions" for this purpose means any laws or regulations adopted, maintained or enforced by the United Nations, European Union or the United States of America directed at prohibiting or restricting dealings with certain countries, territories, governments or specially designed persons or entities. "Sanctions Lists" for this purpose mean a list of sanctioned individuals, entities, governments, countries or territories adopted maintained or enforced under any Sanctions.

26.7 Contractor herewith acknowledges and confirms that Contractor has received a copy of ABB's Code of Conduct and ABB's Contractor Code of Conduct or has been provided information on how to access both ABB Codes of Conduct online under www.abb.com/Integrity. Contractor agrees to perform its contractual obligations in accordance with both ABB Codes of Conduct.

26.8 ABB has established reporting channels where Contractor and its employees may report suspected violations of applicable laws, policies or standards of conduct: Web portal: www.abb.com/Integrity – **Reporting Channels**; contact details specified on this Web portal.

26.9 Any violation of an obligation contained in this Article 26 is a material breach of the Contract and entitles the other Party to terminate the Contract with immediate effect and without prejudice to any further rights or remedies available thereunder or at law. Notwithstanding anything to the contrary in the Contract, Contractor shall, without any limitations, indemnify and hold harmless Company for all liabilities, damages, cost or expenses incurred as a result of any such violation and termination of the Contract, or arising from export restrictions concealed by Contractor.

27. CYBER SECURITY

Contractor shall comply with any security procedure, policy or standard provided to Contractor by Company or any of its Affiliates from time to time, and in particular with the ABB Cyber Security Requirements for Suppliers as made available under www.abb.com/Supplying/Cybersecurity, or as otherwise set out in the Contract.

28. NOTICES

Any notice must be given duly signed by registered mail, courier, fax or by e-mail to the address of the relevant Party as stated in the Contract or to such other address as such Party may have notified in writing. E-mail and fax require written confirmation of the receiving Party. Contractor's reply, correspondence, information or documentation related to the Contract must be provided in the language used in the Contract.

29. WAIVERS

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

30. GOVERNING LAW AND DISPUTE SETTLEMENT

30.1 The Contract is governed by the laws of the country (and/or the state, as applicable) where Company is registered, however under exclusion of its conflict of law rules and the United Nations Convention on International Sale of Goods.

30.2 Any dispute arising in connection with the Contract which cannot be settled amicably shall be submitted for resolution to the jurisdiction of the competent courts at Company's place of registration.

30.3 Notwithstanding Article 30.2, Company may at its sole discretion decide that any dispute arising in connection with the Contract which cannot be settled amicably shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one arbitrator appointed in accordance therewith. Place of arbitration shall be Company's place of registration. The language of the proceedings and of the award shall be English. The decision of the arbitrator is final and binding upon both Parties, and neither Party may appeal for revision.

31. SEVERABILITY

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

32. SURVIVAL

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

33. ENTIRETY

The Contract constitutes the entire agreement between the Parties and replaces any prior agreement between them with regard to its subject.

34. RELATIONSHIP OF PARTIES

34.1 The relationship of the Parties is that of independent parties dealing at arm's length and nothing in the Contract may be construed to constitute Contractor as an agent or employee of Company or so as to have any kind of partnership with Company, and Contractor must not represent itself as or act on behalf of Company.

34.2 The Contract does not imply any employment relationship between Company and Contractor, or between Company and Contractor's employees assigned to the execution of the Contract. Company remains free of any responsibility or liability for labour, social security or taxes with respect to Contractor and its employees assigned to the execution of the Contract.