



General Commercial and Administrative Conditions of purchase orders (CAC) of Austrian Power Grid AG

Version dated 1 February 2016



Table of contents

1 Purchase order and order confirmation	4
1.1 General information	4
1.2 Basic information and components of the purchase order	4
1.3 Order confirmation	4
2 Scope of deliveries/services	4
2.1 Deliveries/services of the CON	4
2.2 Material and/or services to be provided by the PRIN	4
2.3 Coordination/cooperation with third parties (except for subcontractors)	5
2.4 Duty of review and alert of the CON	5
2.5 Instructions as well as documentation, drawings, parts lists, records and other documents	5
2.6 Completeness of deliveries/services of the CON	5
2.7 Changes to the scope of services	6
2.8 Performance, manufacturing and purchase of external services	6
2.9 Subcontractors and suppliers	6
2.10 Specifications for the performance of deliveries/services	6
2.10.1 Provision of services, conduct and regulations applicable at the place of work/construction site	6
2.10.2 Working hours, interruption of work	7
2.10.3 Keys and company ID handed over, duty to report	7
2.11 Safety	8
2.12 Sustainability: Environment, Social Matters and Anti-Corruption	8
3 Handling, deadlines, transfer of title, acceptance, handover, transfer of risk	8
3.1 Deadlines, schedules	8
3.2 Production controls, acceptance procedures, commissioning, operational readiness, and trial operation	9
3.3 Transfer of ownership, transfer of risk	9
3.4 Acceptance of deliveries/services	9
3.5 Contractual penalties	10
4 Commercial terms and conditions	10
4.1 Prices	10
4.2 Terms of payment/payment schedule	10
4.3 Invoicing, assignment	10
4.4 Performance bond	11
4.5 Financial retention	11



5 Rescission of the purchase order, default	11
5.1 Rescission by the PRIN	11
5.2 Rescission by the CON	11
5.3 Default by the CON	11
5.4 Other consequences of default	11
6 Packaging, loading, transport and shipping	11
7 Warranty, guarantee, remedial action, spare parts	12
7.1 Warranty	12
7.2 Guarantee	12
7.3 Elimination or remedy of defects or damage	13
7.4 Provision of spare parts	13
8 Liability, insurance	13
8.1 Liability of the CON	13
8.2 Insurance	14
9 Data privacy, industrial property rights, ICT provisions	14
9.1 Data privacy and confidentiality	14
9.2 Property rights	14
9.3 Special terms and conditions for the ICT contained in the delivery/service	14
9.4 Declaration of commitment regarding IT security	15
10 Publications	15
11 Special terms and conditions for continuing obligations	15
11.1 General information	15
11.2 Termination	15
11.3 Premature termination on serious grounds	15
12 Legal venue	15
13 General provisions	15



1 Purchase order and order confirmation

1.1 General information

The present General Commercial and Administrative Conditions of purchase orders (CAC) shall apply to all contracts and orders concluded between and/or by Austrian Power Grid AG (APG) as purchaser/principal (PRIN) in each case and and/or with suppliers/contractors (CON), unless otherwise specified in the order letter (SAP order) of the PRIN (including Appendices). For the avoidance of doubt, it is noted that in particular all other companies of the VERBUND Group shall be deemed separate entities.

The present CAC shall apply exclusively; without the express written consent of the PRIN, the terms and conditions of the CON cannot become part of the contract, even if they do not contain any conditions contrary to the CAC.

1.2 Basic information and components of the purchase order

The basic information and components of the purchase order shall be laid down in the tender invitation including annexes and/or in the order letter including annexes. Unless any other order of precedence was determined in those documents, the following order of precedence shall apply in case of conflicting provisions: order letter, tender invitation document, CAC. The invitation to tender (if applicable) forms an integral part of the purchase order, unless otherwise agreed in writing.

1.3 Order confirmation

The order confirmation compliant with the purchase order must be signed by the CON in a legally valid form and be received by the PRIN within 2 weeks after delivery of the order letter to the CON. Otherwise, the PRIN shall reserve cancellation of the purchase order excluding any claims for compensation on the part of the CON.

2 Scope of deliveries/services

2.1 Deliveries/services of the CON

The scope of deliveries/services of the CON is defined in the purchase order of the PRIN (e.g. schedule of services) and, unless provided for otherwise, also comprises all of the CON's services required for the provision of such deliveries/services up to acceptance, such as, in particular, investigating local and operational requirements, obtaining the required approvals for provision of the deliveries/services, identification of all relevant legal provisions, regulations, standards etc., all planning and calculation work, coordination, submission of drawings, documentation, packaging and transport, import and ex-

port clearance, insurance, liabilities, staff training, expenditure on material and acceptance testing etc., the protection of deliveries/services against atmospheric exposure, soiling, damage and loss, the provision of all necessary tools, (measuring) equipment, and operating supplies. Any material to be provided that is not required for continuous operation shall be recycled or disposed of by the CON.

2.2 Material and/or services to be provided by the PRIN

Any material and/or services to be provided by the PRIN and/or by third parties commissioned by it are specified in the purchase order (e.g. in the schedule of services). To the extent that said material and/or services provided are defined on the basis of information provided by the PRIN, they shall only be owed by the CON to the extent that they are absolutely necessary for the scope of supply/services defined and that no safety concerns (risk of personal injury and/or property damage) are opposed to their provision.

If material and/or services provided by the PRIN and/or by any third parties commissioned by it are required due to faulty, untimely or incomplete executions and/or information provided by the CON or due to other modifications, improvements, warranty or guarantee claims and the like for which the PRIN is not responsible, they shall be at the CON's expense.

Should the CON waive the PRIN's contributory performance in full or in part and provide the relevant services itself, the CON shall not be due any compensation in this respect, in particular no reimbursement of costs.

The use of all cranes, facilities, tools and other material/services provided and made available by the PRIN to the CON for execution of the contract shall be at the CON's risk. Any use must be applied for in time and scheduled by the CON in such a way that no overtime will be incurred for staff of the PRIN.

The CON shall exclusively be responsible for the provision and use of proper bights, hangers, suspension points and the like, for attaching the loads correctly, and for properly instructing the crane operators or truck drivers of the PRIN.

To the extent possible, the PRIN shall ensure availability of adequate storage/assembly yards, including – to the extent possible – lockable rooms within the working area. After completion of the works, they shall be handed over to the PRIN cleared and in a proper condition.



The CON must not use any other than the storage/assembly yards allocated to it; CON shall ensure that there is sufficient ventilation.

2.3 Coordination/cooperation with third parties (except for subcontractors)

During the realisation of a delivery/service by several third parties involved, the CON shall coordinate with said parties.

In projects based on the division of labour in cooperation with these third parties involved, the technically correct dimensioning and documentation of the concurring deliveries/services and their flawless operation in every respect shall be ensured by the CON.

For the purpose of accomplishing a proper workflow, the CON shall bindingly agree, in a timely manner, on all matters regarding the concurrence (time schedules, software etc.) of its deliveries/services with those provided by other third parties involved, shall exchange the required documents, and shall comply with mutual specifications.

All determinations and measures resulting therefrom shall be carried out by mutual agreement with the PRIN and shall not entitle the CON to assert any additional claims vis-à-vis the PRIN.

2.4 Duty of review and alert of the CON

The CON shall be obliged to promptly review the final planning documents and materials as well as the material/services provided as proposed by the PRIN, and to immediately notify the PRIN in writing of any defects of the material and/or any concerns regarding the specified mode of execution, as identifiable based on the technical expertise to be expected from it, applying proper care. Within a reasonable deadline, the CON must submit clues or suggestions for rectification or improvement. The PRIN shall notify its decision within a reasonable period. The CON shall be liable if it fails to notify the PRIN accordingly.

Any discrepancies emerging with regard to information included in the tender invitation and/or the order letter including annexes shall be notified to the PRIN in writing immediately to make a statement thereon.

It should be noted that the duty of review and alert also comprises a situation where the PRIN's specifications (e.g. in the schedule of services) jeopardise or make impossible the accomplishment of the properties and qualities of delivery/service, accordingly the success due, as defined in the purchase order or to be expected according to the state of the art. If it fails to alert the PRIN accordingly, the CON shall not

be entitled to compensation of the extra costs incurred due to rescheduling, additional or amended services.

2.5 Instructions as well as documentation, drawings, parts lists, records and other documents

The training/instruction of the operating staff of the PRIN shall be effected properly and comprehensively.

The documentation (drawings, parts lists, records and other documents) shall be handed over to the PRIN, observing any specifications provided by the PRIN.

Upon acceptance at the latest, the PRIN shall be handed over those parts of the documentation that are required for operations management, maintenance, for exact knowledge about the scope of deliveries/services, for quick detection and elimination of any defects, malfunctions or wear and/or for re-orders of material/spare parts. Without incurring extra costs, the PRIN may demand design drawings of those parts, in particular, that are subject to wear and must be exchanged occasionally.

Upon request by the PRIN, the CON shall provide essential information (e.g. critical rotational speeds, chemical substances, voltages occurring, typical data of components/materials) and hand over software documentation, weight configurations, specifications of patents applied, and other documents that are associated with the respective purchase order.

2.6 Completeness of deliveries/services of the CON

The CON undertakes to provide the deliveries/services in such a way that, together with the material and services provided by the PRIN and/or the available components, they form a complete, ready-for-use and functional overall work complying with official regulations and showing the characteristics defined in the purchase order.

Care must be taken that the deliveries/services provided are fit for flawless, safe and economically efficient operation, also with a view to interaction with the PRIN's plant and equipment. To the extent required, the CON shall inform itself about the plant and equipment existing at the PRIN's premises in good time.

This completeness clause shall also apply in case that the order letter including annexes and/or the tender invitation including annexes does not include



a complete list of the deliveries/services required. No claims of the CON may be derived from this title.

2.7 Changes to the scope of services

Any changes to the scope of deliveries/services agreed that are required by the PRIN and emerge in the course of contract execution shall be requested in the form of purchase order changes or additional purchase orders.

If such changes result in a reduced scope of services, the agreed price shall be reduced accordingly. If the changes are associated with additional services on the part of the CON, the CON shall only be entitled to additional remuneration if it informs the PRIN accordingly before execution, submits a written quotation, and if the PRIN accepts the same and places the order. Upon request, the documents required for assessing the prices quoted shall be submitted to the PRIN in a verifiable form for review.

For additional daywork, additional services and extras, the PRIN shall reserve the right to obtain competitive offers. The PRIN and the CON shall mutually agree as to who shall order such services. Overall responsibility shall lie with the CON also for these services.

For any additional daywork and other services, the provisions of the original contract shall apply.

Minor additional works may be ordered by the CON's local site/assembly supervisor on a short-term basis in urgent cases. In the process, the CON shall have the additional services incurred confirmed by the PRIN's site/assembly supervisor in writing on a daily basis. Unconfirmed services shall not be compensated.

2.8 Performance, manufacturing and purchase of external services

Performance of the deliveries/services ordered must comply with the latest state of the art in technical and scientific terms, as regards planning, calculation and preparation at the time of provision of the services, and must be perfectly adjusted to local circumstances as well as to operational requirements. If the material was not specified by the PRIN, the CON shall use the material that is suited best and/or shall specify such material to be used by its subcontractors.

The CON shall be liable for compliance with all legal and official regulations, standards, instructions and the like with respect to safety and building regulations, as well as for complying with processing or installation directives and/or regulations that are required for performance of the deliveries/services, in

particular for the provisions, standards, regulations and company standards explicitly stated in the purchase order. The CON shall also be liable for observation of the above-stated regulations on the part of its subcontractors and suppliers.

If any material changes of the provisions mentioned in the previous paragraph should occur between the PRIN's placing the order and the time of performance by the CON, the latter shall immediately notify the PRIN accordingly.

The CON shall be obliged to produce the deliveries/services in the plants as agreed. Any partial or complete manufacturing in other plants or by third parties (subcontractors, suppliers etc.) as well as any change of subcontractors and suppliers agreed for partial deliveries/services shall be permissible upon the PRIN's written consent only.

In case of third parties being commissioned by the CON (subcontractors, suppliers etc.), all provisions of the purchase order shall be imposed upon said third parties – without prejudice to the overall responsibility of the CON.

2.9 Subcontractors and suppliers

Subcontractors and suppliers shall be deemed vicarious agents of the CON within the meaning of Section 1313a of the Austrian Civil Code (ABGB).

2.10 Specifications for the performance of deliveries/services

2.10.1 Provision of services, conduct and regulations applicable at the place of work/construction site

The provision of services (e.g. assembly) shall be effected in time and must be agreed with the PRIN.

The official duties of registration and/or official requirements associated with the delivery/service shall be incumbent upon the CON (e.g. under Section 3 of the Austrian ordinance on the protection of construction workers (*Bauarbeiterschutzverordnung*)).

The regulations under labour and social security law applicable in Austria shall be observed by the CON.

The CON shall be responsible for its staff and/or its vicarious agents with respect to the required qualifications and work permits (*Arbeiterlaubnis* [two-year work permit]/*Beschäftigungsbewilligung* [one-year work permit]). Upon request, the PRIN shall provide corresponding proof without any charge.



For all non-Austrian citizens working on behalf of the CON at the places of work/construction sites, the CON shall submit a copy of all permits and approvals before they enter the place of work/construction site of the PRIN for the first time. This shall include:

- one-year work permit (*Beschäftigungsbewilligung*)
- work permit
- five-year work permit (*Befreiungsschein*)
- posting permit (*Entsendungsbewilligung*)

under the respectively applicable provisions, in particular those of the Austrian act governing the employment of foreigners (*Ausländerbeschäftigungsgesetz*).

All measures required or expedient with a view to security services at the place of work/construction site [e.g. measures against environmental damage (oil leakage etc.), theft] and to personal safety (e.g. measures against persons falling and drowning, jostling) shall be taken by the CON.

The workplaces and storage areas, the lounges and the respective access ways shall be kept in an orderly and clean condition by the CON.

The CON shall notify to the PRIN the staff members responsible for the deliveries/services, and shall ensure their availability during working hours.

The staff employed for the CON and/or the vicarious agents working for the latter must observe the applicable safety regulations and must demonstrably be instructed by the CON about said regulations and the special duty of care, confidentiality and secrecy within the meaning of the data privacy act and of the contract including the present CAC, and about the consequences in case of their violation. The CON shall be obliged to demonstrably monitor these requirements.

The CON shall be obliged to report all accidents of its employees and of the employees of its subcontractors during assignments at sites of the PRIN to the responsible project manager, construction or execution coordinator of the PRIN. Moreover, a report shall be required within 3 days using the accident report form of AUVA (general accident insurance company). The duty to report to the PRIN and to AUVA explicitly exists for all accidents, also for those that are not subject to the reporting duty under Section 363 of the *Allgemeines Sozialversicherungsgesetz* (Austrian general social insurance act). The duration of the

respective employee's incapacity to work shall be reported later.

Any legal consequences arising from non-observance of these regulations by the CON shall be at the CON's expense; the latter shall fully indemnify the PRIN in this respect.

2.10.2 Working hours, interruption of work

If contract performance takes place on operating sites of the PRIN, the CON shall coordinate its hours of performance with the business hours of the PRIN. Any deviations shall be mutually agreed with the PRIN.

Observance of the legal provisions on working hours shall be incumbent upon the CON.

If waiting times are due to bad weather or to any reasons that the PRIN is responsible for, the associated extra expense shall be borne by the CON to the exclusion of any further claims, up to a maximum of 3 workdays. Compensation for any waiting times beyond that shall take place according to the respective hourly rates agreed; the PRIN shall be entitled to assign to the CON other reasonable duties associated with the present delivery/service.

As regards the assumption of costs for interruptions lasting for more than 3 workdays, mutual agreement shall be reached. No compensation shall be due to the CON for any downtimes of equipment.

2.10.3 Keys and company ID handed over, duty to report

If the PRIN hands any keys or company ID to the CON, these shall be returned upon termination of the job without being requested to do so. The CON shall be liable for any improper use or loss of keys or ID. The costs incurred by the PRIN resulting therefrom shall be borne by the CON.

In case of construction projects, the CON shall be obliged to keep daily construction records and record the number of its staff and their activities on a daily basis, to summarise the same in a weekly report, and to submit all that to the PRIN on a monthly basis (and/or upon completion of the deliveries/services).

Essential circumstances affecting the date or the handling shall be notified to the PRIN without delay and in writing (not only in the daily construction record).



2.11 Safety

The laws applicable to industrial safety and health protection and other relevant legal provisions, such as the Austrian act on industrial safety (ASchG, *Arbeitnehmerschutzgesetz*), the ordinance on the protection of construction workers (*Bauarbeiterschutverordnung*) or the act on the coordination of construction work (BauKG, *Bauarbeitenkoordinationsgesetz*), must be observed.

Relevant internal policies, operating procedures etc. shall form part of the contract.

Information/instruction provided by the PRIN (e.g. by the person responsible for the relevant work or his/her representative) shall be mandatory for the CON and must be confirmed by the latter. The supervisor named by the CON must be sufficiently proficient in German to understand the information and instructions provided and also to explain them to his/her staff. Information/instruction shall be provided in German (clause 13 para. 4), and the CON shall take care that the staff to be instructed understands and observes the information/instruction. Unless an occupational safety and health protection plan (in compliance with the Austrian act on the coordination of construction work) is required, the PRIN and the CON shall divide safety-relevant measures/activities based on the APG checklist "Evaluation/coordination under ASchG sections 4, 8 and BauKG [Austrian coordination of civil works act]" among themselves.

The person responsible for the work on the part of the PRIN and/or his/her representative shall have the authority to give instructions to staff members of the CON and of third parties in case of any violations of safety regulations, in order to prevent any hazard to staff members.

The PRIN shall grant a period of grace to the CON to eliminate any safety-relevant defects. If the CON fails to meet its obligation in due time, execution by substitution shall take place at the expense and risk of the CON.

Working materials of the PRIN may be used by the CON only upon approval by the PRIN. Staff members of the CON shall only be allowed to use them if evidence of any training that might be mandatory under the law (e.g. cranes, forklifts) is provided and instructions were given by the PRIN. In this context, all details regarding use must also be clarified. The use of all facilities, devices etc. made available by the PRIN shall take place at the CON's risk.

Upon delivery of machines, incomplete machines, components, systems, tools, and procedures, to the

extent they are subject to European regulations and/or transfer of these into national law, CE conformity (evidence of the conformity assessment procedure, CE marking) and compliance with any additional requirements of the PRIN must be established. All claims and measures to be derived therefrom are the CON's responsibility and shall not be remunerated separately by the PRIN.

Before the contract is awarded, the CON shall clarify who is deemed to be the manufacturer of the machines, components, systems and procedures, and who will accordingly declare conformity vis-à-vis the PRIN.

For all machines, components, systems and procedures for the evidence of conformity of which a risk assessment must be carried out, the latter must be provided to the PRIN for all service life stages without any additional request. This shall also apply to incomplete machines within the meaning of the machinery directive.

In case of interlinked machines under the machinery directive, it must be clarified by the CON before the contract is awarded who is deemed to be the manufacturer of the complete machine, and who will accordingly declare conformity of the complete machine (CE marking of the complete machine) vis-à-vis the PRIN.

Deliveries/services shall not be deemed accepted unless the CON has handed over to the PRIN all documents required under the law for safe operation as well as the required technical documents (e.g. operating instructions acc. to section 1.7.4 of the ordinance on the safety of machinery (*Maschinensicherheitsverordnung*) including the CE declaration of conformity. The receipt of said documents shall be recorded in the acceptance protocol.

2.12 Sustainability: Environment, Social Matters and Anti-Corruption

The PRIN is committed to the concept of sustainability. In this context, it consciously uses environmentally compatible products, environmentally friendly processes and a balanced attitude in social matters.

The provisions of Appendix 4 "Sustainability: Environment, Social Matters and Anti-Corruption" shall apply.

3 Handling, deadlines, transfer of title, acceptance, handover, transfer of risk

3.1 Deadlines, schedules

The deadlines and/or schedules are set down in the purchase order.



Monitoring of deadlines, change of deadlines

The CON shall be obliged to monitor deadlines and shall demonstrably notify the PRIN of any important events that affect the deliveries/services in writing as early as possible. The CON shall be obliged to make every effort to compensate for any delays incurred.

The PRIN shall be entitled to check compliance with deadlines at all times, and for this purpose, the CON shall also allow the PRIN's agents access to its plants or those of its subcontractors and/or suppliers.

Upon the PRIN's request, the respective production status shall be demonstrated in writing by the CON.

3.2 Production controls, acceptance procedures, commissioning, operational readiness, and trial operation

The scope of production controls/acceptance procedures shall be defined in the purchase order and shall depend on the requirements of the PRIN. The deadlines shall be notified to the responsible organisational unit of the PRIN 14 days prior to production control/acceptance in each case, in order to ensure the secondment of an agent of the PRIN.

All essential drawings, working drawings, wiring diagrams etc. shall be notified to the PRIN prior to commencement of work.

Moreover, the PRIN shall be entitled to carry out production controls at any time, and for this purpose, the CON shall also allow the PRIN's agents access to its plants or those of its subcontractors and/or suppliers. The controls and acceptance procedures performed by the PRIN shall not release the CON from its duties (in particular warranty and guarantee).

After delivery/installation/assembly, the CON shall announce that commissioning may commence.

Commissioning shall also comprise the previous checking of the correct attachment of all connections, the integration into the overall system including the required interfaces, and a proof of the proper functioning of the equipment delivered/services provided, as well as of the properties warranted by the CON.

Upon successful completion of the checks and measurements provided for within the scope of commissioning, and if the ready-for-use and flawless condition of the deliveries/services has been ascertained by the PRIN, and the required documentation was handed over to the PRIN, operational readiness shall be deemed established.

After determination of operational readiness for the respective deliveries/services by the CON and the PRIN, a four-week trial operation period shall commence under the management, supervision and responsibility of the CON, if so agreed. Such trial operation shall serve to provide evidence of flawless continuous operation. Based upon mutual agreement, checks and measurements to prove values and qualities to be guaranteed may also be carried out during that period. The PRIN shall be entitled to inspect the results of such tests.

Trial operation shall commence anew for the entire duration, if the deliveries/services have to be stopped for more than 24 hours or if the total downtime exceeds 48 hours, for reasons not attributable to the PRIN.

Trial operation shall be deemed completed only if the deliveries/services during such trial operation comply with the conditions specified in the order and all prerequisites for acceptance have been met (clause 3.5 para. 2).

3.3 Transfer of ownership, transfer of risk

The transfer of ownership and of risk shall follow upon acceptance. Any prolonged or extended reservation of title on the part of the CON shall be excluded.

3.4 Acceptance of deliveries/services

For all deliveries/services, formal acceptance shall take place either upon determination of operational readiness or, if any trial operation has been provided for, after successful completion of the same.

Further prerequisites for acceptance shall be comprehensive instructions given to the staff of the PRIN with regard to operation and maintenance as well as handover of the entire documentation approved by the PRIN (operating regulations, etc.) to the PRIN.

The CON and the PRIN shall prepare a joint acceptance protocol to be signed by them. Such protocol shall include in particular:

- the exact time of acceptance (date, time);
- observance or exceeding of contractually agreed deadlines;
- determination of flawless performance of the deliveries/services and of the properties and guarantee values agreed;
- handover and determination of completeness of the documentation, in particular also the required operating and maintenance regulations;



- determination of completion of training (instructions) for staff selected by the PRIN;
- determination of any defects found and/or of deliveries/services yet to be carried out, defining a deadline for their elimination/performance, with minor defects of individual delivery/service items not excluding acceptance of the deliveries/services.

If acceptance is delayed for reasons not attributable to the CON, the CON may request acceptance by the PRIN in writing, granting a reasonable period of grace. In that case, acceptance shall take place no later than 6 months after the agreed date of acceptance.

3.5 Contractual penalties

In case any penalty deadline set down in the purchase order or in the contract – and designated as such – is exceeded, the PRIN shall be entitled – regardless of any fault on the part of the CON and of proof being provided for any loss – to charge and withhold a contractual penalty.

If a penalty deadline is defined in the purchase order, the contractual penalty shall amount to 0.2% per calendar day exceeding the deadline up to an amount of 10% of the total order value (clause 4.3 para. 5).

If several penalty deadlines are defined in the purchase order, the contractual penalty for these additional penalty deadlines shall amount to 0.2% per calendar day exceeding the deadline up to an amount of 10% of the total order value (clause 4.3 para. 5) for each penalty deadline. In total, however, the maximum amount of contractual penalty for non-compliance with penalty deadlines – irrespective of the number of violations – shall be 20% of the total order value (clause 4.3 para. 5).

If the CON is awarded several partial services/lots, the sum of the total prices of all partial services/lots shall be the basis for calculating the contractual penalty.

In instances of force majeure, claims for contractual penalty shall be excluded. Clause 8.1 paras. 6, 7 and 8 shall apply accordingly.

The assertion of any damage exceeding the amount of the contractual penalty by the PRIN shall not be limited or excluded hereby.

4 Commercial terms and conditions

4.1 Prices

The agreed price shall cover all deliveries/services provided to perform the purchase order (the contract). It shall be considered a fixed price, free place of performance/installation site (DDP Incoterms 2010), and shall be stated net exclusive of VAT, to the extent applicable under the law.

4.2 Terms of payment/payment schedule

Unless any payment schedule has been defined in the purchase order, payment shall be effected after acceptance of the deliveries/services and upon release of the auditable final invoice in compliance with the term of payment agreed.

Significant changes of deadlines to the schedule shall require modification of the payment schedule.

4.3 Invoicing, assignment

Each (partial/final) invoice shall include the order number as well as proof of performance of the terms and conditions associated therewith (the production status).

Invoices must be made out in auditable form and correspond to the requirements of value added tax law. The documents required for accounting control purposes shall be enclosed.

Assignments shall require the prior written consent of the PRIN.

The final invoice shall also indicate the total order value, any increases and reductions of the original order value, also VAT, to the extent applicable under the law, as well as all partial payments already made.

The total order value shall consist of the original order value, increases and reductions, as well as price changes following economic price adjustments. The final invoice shall include all claims from the purchase order.

Invoices shall be payable

- if all the above-stated requirements are met;
- upon expiry of a term of payment of 30 days after receipt of the auditable invoice by the PRIN;
- however, not earlier than 30 days after the date according to the payment schedule.

The PRIN shall reserve the right to initially credit any payments due, in full or in part, against covering any losses which the CON is liable for, or to set them off against contractual penalties.



Unconditional acceptance of the final payment shall exclude any subsequent claims by the CON.

4.4 Performance bond

For the purpose of securing the claims of the PRIN, a performance bond must be handed over.

The CON shall be obliged to provide a bank guarantee issued by a bank acceptable to the PRIN, as a performance bond in the amount of 10% of the total order value (clause 4.3 para. 5) plus VAT, for the purpose of securing the partial payments as well as all claims and receivables of the PRIN vis-à-vis the CON. This bank guarantee shall be handed over together with the order confirmation, shall immediately be valid and shall have a term of no more than 60 days after the acceptance date, but at least until acknowledgement of the final invoice by the PRIN. Submission of the performance bond according to the enclosed specimen text [Appendix 2 "Specimen Bank Guarantee (Performance Bond)"] shall be a prerequisite for any payment by the PRIN.

4.5 Financial retention

Upon payment of the final invoice, 10% of the total order value (clause 4.3 para. 5) plus VAT shall be withheld as a retention fund for up to 60 days after expiry of the general warranty period (clause 7.1).

The retention fund may be released by handing over a bank guarantee. For the part of the retention fund that was not withheld, a bank guarantee issued by a bank acceptable to the PRIN in the amount of the payment to be remitted must be handed over. Such collateral shall be sent to the PRIN, together with the invoice.

Such bank guarantee shall be issued according to the enclosed specimen text [Appendix 1 "Specimen Bank Guarantee (Retention Fund)"].

5 Rescission of the purchase order, default

5.1 Rescission by the PRIN

The PRIN may rescind the purchase order with immediate effect at any time, without this requiring any reason. In that case, the CON shall be entitled to remuneration in the amount of the agreed price. However, the CON must admit to be credited the following:

- the amount of costs saved on account of the rescission of the contract,
- the amount acquired, or potentially acquired, through any alternative use of its staff members or its plants, or

- the amount acquired through recovery of the partially processed parts and of the semi-finished and finished products.

The CON shall be informed in writing of the rescission, which may also be restricted to parts of the purchase order.

5.2 Rescission by the CON

The CON shall be entitled to rescind the contract if the PRIN substantially and sustainably obstructs the former's proper execution of the delivery/service or if the PRIN fails to make any payments without being justified in doing so.

Such rescission – which shall be announced in writing – shall only be admissible if the CON has granted the PRIN a reasonable period of grace (30 days) in writing for performing the act or effecting payment.

In that case, the CON shall be entitled to compensation for the deliveries/services already provided.

5.3 Default by the CON

If the CON is in default and/or fails to meet its contractual obligations in spite of being granted a reasonable period of grace, the PRIN shall be entitled, at its own discretion, without prejudice to any claims for damages:

- to either reject the (partial) deliveries/services provided so far in full or in part and to demand flawless complete performance, or
- to demand an appropriate price reduction, or
- to rescind the contract without further notice and to effect execution by substitution at the expense and risk of the CON.

5.4 Other consequences of default

If the CON or the PRIN are in default of payment, interest on arrears in the amount of the respective applicable 1-month EURIBOR plus 100 bp p.a. shall be deemed agreed.

6 Packaging, loading, transport and shipping

The CON shall be obliged to carry out all the required procedures of import and export clearance etc. (also for sensitive products, hazardous waste etc.) at its own expense and risk.

The CON shall ensure impeccable and proper packaging of all deliveries. Under the *Verpackungsverordnung* (packaging ordinance), the CON shall take back any transport packaging directly after its delivery or in the course of a subsequent delivery (concur-



rently) free of charge. The CON shall dispose of the packaging material. If the CON fails to meet its obligation in spite of being granted a reasonable period of grace, execution by substitution shall take place at the expense and risk of the CON.

All loading and unloading procedures, temporary storage and transports up to the place of use of the PRIN shall take place at the expense and risk of the CON.

All shipping documents (in duplicate) as well as all packages or other delivery items must indicate the purchase order number and a brief designation.

For materials that are subject to the hazardous goods ordinance (*Gefahrgutverordnung*), two copies of the safety data sheet shall be enclosed with the delivery.

For cash on delivery parcels and partial deliveries not previously agreed, the written consent of the PRIN must be obtained in each case.

Any costs incurred by the PRIN arising from non-compliance with shipping regulations by the CON shall be borne by the CON.

The same shall apply to deliveries/services based on the CON's warranty/guarantee obligations.

7 Warranty, guarantee, remedial action, spare parts

7.1 Warranty

The CON warrants that its deliveries/services dispose of the characteristics usually expected and explicitly agreed in the purchase order, and that they comply with the recognised state of the art and the respective legal provisions.

The review of drawings, calculation results etc. as well as the execution of checks, acceptance tests as well as any other kind of monitoring by the PRIN shall not restrict the CON's warranty.

The general warranty period shall be 36 months for movable and immovable goods, with a deviating special warranty period for corrosion prevention of 60 months for movable and immovable goods. The warranty period shall in each case commence on the date of acceptance of the deliveries/services by the PRIN.

If defects are eliminated, the same warranty conditions shall apply in that case, as of the time of completion of the remedial action concerned. With effect from the date of elimination of any defect, the warranty period for those parts of the deliveries/services

replacing the defective delivery/service shall commence anew. If, however, the agreed use also of other parts or of the total delivery/service is impaired or prevented due to said defect, the period shall increase by the time of such impairment or prevention for the parts concerned or for the total delivery/service.

If during the warranty period a significant part is corrected or replaced by way of elimination of defects, the warranty period for the entire delivery/service shall commence anew as of commissioning of the part concerned.

For the elimination of defects, the PRIN shall not be required to provide the CON with the same general conditions as during initial assembly.

All costs and risks associated with the elimination of defects, of any kind whatsoever, shall be borne by the CON.

In any case, the warranty period shall be extended by the duration of the remedial action in each case, in addition to any further extensions.

7.2 Guarantee

As of the date of acceptance of the deliveries/services, the CON shall guarantee the elimination of defects occurring in the deliveries/services within the guarantee period, upon request, without any additional costs for the PRIN.

The CON undertakes to repair, newly deliver or modify all those parts that prove to be unfit for use or of significantly impaired usability within the guarantee period, due to non-observance of technical specifications, use of unsuitable materials, faulty workmanship, incorrect or improper dimensioning, design, assembly, or other non-observance of the contractual terms, with the condition as specified in the contract, including all back-work, having to be established.

For the rest, clause 7.1 shall apply to the guarantee *mutatis mutandis*. In particular, the guarantee period shall coincide with the warranty period, unless otherwise agreed in writing.

If the defect is demonstrably due to

- unsuitable or improper use of the deliveries/services by the PRIN,
- operating errors on the part of the PRIN, unless they are based on missing, unclear or incorrect operating or maintenance instructions provided by the CON, or



- usual wear, with all parts subject to usual wear having to be designed such that the guarantee period will be the minimum service life and usually even exceeded by far,

the CON shall be released from its guarantee obligation.

7.3 Elimination or remedy of defects or damage

Any defect shall be notified by the PRIN to the CON in writing, granting a reasonable period for eliminating it.

The PRIN shall inspect the delivery/service for defects within a reasonable period. The duty of inspection shall be limited to defects that are clearly visible during incoming goods inspections through visual checks, including the shipping documents, as well as during random sample quality checks. A notice of defect shall be deemed given timely if it is submitted within 8 calendar days after receipt of the goods, or within a reasonable period if the defect appears later. If the requirement of official acceptance was agreed between the parties, there is no duty of examination upon delivery.

Beyond its general obligation to minimise any damage caused, the CON shall be obliged to make all reasonable efforts to keep any operating failure or power failure caused by defects or damage or on the occasion of their elimination as brief as possible; this may lead to the CON being obliged, prior to eliminating the damage or defect, to carry out temporary remedial measures allowing for an improvement or continuation of operation, e.g. through the replacement of deliveries/services, at its own expense as agreed with the PRIN.

If the CON fails to comply with the request to eliminate the defects or damage within the reasonable period granted, the PRIN shall be entitled to eliminate the defects on its own or have them eliminated by third parties. The resulting costs shall be borne by the CON. In that case, the warranty/guarantee obligation of the CON shall continue to apply.

If in case of similar delivery/service items a defect occurs in one instance, the notice and request for improvement by the PRIN shall stop the course of the warranty period for all similar delivery/service items. In that case, the CON shall be obliged to carry out the remedial action also in case of all other similar deliveries/services at its own expense.

If parts of the plant are modified or replaced by other parts within the scope of warranty or guarantee, the CON shall be obliged to also modify or replace the

spare parts concerned as well as the documentation (operating instructions etc.) at its own expense.

Replaced parts shall pass into the ownership of the CON, upon approval by the PRIN.

7.4 Provision of spare parts

The CON shall be obliged to supply the required spare parts for a period of at least 10 years after acceptance of the deliveries/services by the PRIN.

8 Liability, insurance

8.1 Liability of the CON

The CON shall be liable for flawless performance of the deliveries/services according to the purchase order and/or the contract as well as to all applicable laws and other relevant legal provisions and standards, etc.

Within the scope of applicable legal provisions, the CON shall be liable for all physical injuries, property damage and other disadvantages to the PRIN that are caused by the CON, its staff or by third parties commissioned by it.

In case there is no gross negligence and/or intent, no claims for compensation of damage incurred by the PRIN due to a power failure (generation and/or transmission) shall be asserted.

Any damage incurred by the PRIN (e.g. lack of transmission) shall be assessed in such a way that the energy that could have been generated and/or transmitted for the duration of the failure, in case of optimal operation, shall be assessed at market rates.

If the CON is a joint venture, its members shall be jointly and severally liable.

Only instances of force majeure shall be deemed grounds for relief. Exclusively the following shall be deemed instances of force majeure: natural disasters, mobilisation, war, and riots.

Any deadline shift shall only be accepted for no longer than the duration of the force majeure event and its consequences for the CON. In case of damage, the CON shall provide evidence of the fact that it has not caused the damage, and shall provide all documents and information to clarify the facts.

Claims for damages shall exist regardless of any contractual penalty.

If claims for damages are asserted against the PRIN by third parties in the course of contractual performance, the CON shall fully indemnify the PRIN in this



respect, to the extent that the cause lies within the sphere of the CON.

No limitations of liability under the above-stated rules shall apply in favour of the CON, to the extent that the CON has contracted insurance for the risks and the insurance company is liable to provide cover.

8.2 Insurance

The CON shall conclude the required insurance contracts, in particular third-party liability, assembly, transport and guarantee insurance, providing adequate insurance cover at its own expense, and shall provide proof of effective insurance cover upon request.

9 Data privacy, industrial property rights, ICT provisions

9.1 Data privacy and confidentiality

The CON and the PRIN shall treat any company-related, operational and/or personal information and results they come to know about in the course of performing the contract with particular care and confidentiality according to the data privacy act.

Unless otherwise provided for, the CON and the PRIN undertake to exclusively use any data, documentation, drawings and other significant information they receive for performing the contract, to neither pass them on to third parties nor make them accessible in any other form, and to take all reasonable precautions in order to avoid any third-party access to such information. Documents and information that are already publicly known or accessible anyway or that must be disclosed by virtue of legal provisions shall be exempt from this provision.

Said obligations shall survive termination of the contractual relationship, and shall not apply to the PRIN as regards the required passing on of data to insurance companies, experts or suppliers etc. commissioned by the PRIN, who have a need for such information due to their tasks, unless they are competitors of the CON, with the PRIN passing on the obligation to treat such data as confidential to such third parties, if possible.

9.2 Property rights

All information, documents, samples etc. associated with the purchase order of the PRIN shall remain protected by the same copyright, and must not be used by the CON except for performing the contract. Upon request by the PRIN, such documents etc. shall be returned.

Apart from the title to the deliveries/services, the PRIN shall acquire the transferable right of use, pro-

cessing and exploitation, unrestricted in terms of time and place.

In any case, the use and exploitation of intellectual property rights (e.g. patent rights, design rights, trademark rights, utility model rights, copyrights) by the PRIN, to the extent required for the free use of the deliveries/services of the CON, shall be compensated by the price agreed.

The CON shall assume exclusive liability vis-à-vis third parties for the violation of intellectual property rights and data privacy in the countries of the European Union through the items delivered and/or services rendered by it; the CON declares to fully indemnify the PRIN with respect to all resulting legal consequences and expenses associated with the respective purchase order and to warrant unrestricted use of the deliveries/services to the PRIN.

9.3 Special terms and conditions for the ICT contained in the delivery/service

Apart from the other provisions of the CAC, the special terms and conditions stated in this clause shall apply to information and communication technology (ICT) components of the delivery/service provided by the CON (e.g. software, hardware).

The PRIN shall be entitled to use ICT components of the delivery/service for any purposes of ICT use, to transport them to another place, to sell ICT components or combine them with ICT components of other manufacturers.

Any liability/warranty/guarantee otherwise existing on the part of the CON shall not be lost thereby.

As regards standard ICT components, the PRIN shall acquire the right to use the ICT components in all its current and future installations and, in emergencies, in a backup system as required, and additionally to produce the copies required for backup and archiving purposes.

Installations operated by and/or for companies that are affiliated companies of the PRIN at the time of such use are part of the installations of the PRIN in that sense. Moreover, plants operated by and/or for facilities with partial legal capacity that are primarily financed by the PRIN shall count among the installations of the PRIN.

The PRIN shall acquire all intellectual property rights known at present and in future to individual ICT components and the like and to customised ICT modifications, on an exclusive and global basis. The CON shall demonstrably (e.g. list of signatures, provision in subcontractor agreements) make sure that it is



also granted such rights by all the parties involved in the activities within its sphere of influence.

All rights to project engineering documents prepared by the PRIN shall remain with the PRIN exclusively. Said project engineering documents shall be treated as trade and business secrets of the PRIN.

9.4 Declaration of commitment regarding IT security

All persons working on the business premises of the PRIN on behalf of the CON and/or who have access to the installations of the PRIN within the meaning of clause 9.3 must observe the internal APG guidelines and provisions on data security and submit a corresponding confirmation in the enclosed declaration of commitment regarding IT security (Appendix 3 "Declaration of Commitment Regarding IT Security") before commencing their work.

10 Publications

Both the CON and the PRIN shall be free to issue publications on the present deliveries/services, in compliance with clause 9.1 in particular. Figures (e.g. performance indicators) relating to the installations of the PRIN and their operation shall not be published without the consent of the PRIN.

11 Special terms and conditions for continuing obligations

11.1 General information

Apart from the remaining provisions of the CAC, the special terms and conditions contained in this clause shall exclusively apply to continuing obligations, such as repair or maintenance contracts or contracts regarding other deliveries/services. Termination by the PRIN may also be restricted to parts of the order or the contract. Termination shall be effected in writing.

11.2 Termination

The PRIN may terminate the contract concluded for an indefinite period subject to a period of notice of 4 weeks, the CON subject to a period of notice of 3 months, without this requiring any particular reason.

In that case, the final account shall be prepared upon completion of the order or termination of the contract, according to the contractual services provided so far. Advance payments for periods after termination of the contract shall be paid back (plus interest) by the CON to the PRIN immediately after presentation of final invoice.

11.3 Premature termination on serious grounds

Regardless of any other agreement, the PRIN may terminate the contract at any time with immediate

effect on serious grounds. A serious ground shall exist, in particular, if any impairment or endangerment of the financial circumstances of the CON occurs, thus jeopardising the performance of obligations vis-à-vis the PRIN, if the CON provides false information about essential facts, or if the CON fails, or is unable, to meet any obligations arising from the purchase order.

The CON may rescind the contract only on the following serious grounds: without setting a period of grace, if insolvency proceedings are opened with respect to the assets of the PRIN or the request for opening such proceedings is rejected for lack of assets to cover the costs or the prerequisites for opening such proceedings or rejection of such a request are met or the PRIN has ceased its payments; after expiry of a period of grace of 3 months, if the PRIN violates its obligations arising from the purchase order and fails to remedy the violation within the period of grace of 3 months.

In that case, the final account shall be prepared upon the cancellation of the contract taking effect, according to the contractual services provided until that time.

12 Legal venue

The exclusive place of jurisdiction shall be the court with subject matter competence at the place of the CON's registered office. Austrian law shall apply exclusively. The UN-CISG and the conflict of law rules under private international law shall not be applicable.

13 General provisions

Contracts and contract amendments must be made in writing, it being explicitly agreed that the PRIN shall transmit SAP purchase orders and SAP purchase order amendments electronically by e-mail with legal and binding effect.

Any amendments and/or supplements to the purchase order shall be made in writing. A written agreement shall be required to waive this written form requirement. In written correspondence, the purchase order number of the PRIN shall be indicated. No additional oral agreements have been made.

If individual provisions of the purchase order are or become invalid, this shall not affect the validity of the remaining provisions. In that case, the PRIN and the CON undertake to replace the invalid provision by a valid provision whose content best possibly approximates the economic purpose of the invalid provision.



The contract language shall be German, and communication during performance of the contract shall be in German. The quotation, documentation and all other documents, operating instructions etc. shall be prepared and handed over in German.

Appendices

1. Specimen Bank Guarantee (Retention Fund)
2. Specimen Bank Guarantee (Performance Bond)
3. Declaration of Commitment Regarding IT Security
4. Sustainability: Environment, Social Matters and Anti-Corruption



Appendix 1 Specimen Bank Guarantee (Retention Fund)

Issued by (bank/company)

Address

Bank guarantee to invoice address of the company concerned

Date

You have concluded a purchase order (contract) with the company _____

with purchase order date _____

and with purchase order number _____.

Within the scope of this purchase order, the disbursement of retention funds was agreed.

For the purpose of securing said payments, we hereby assume – by order of the above-stated company or its legal successors – a payment guarantee vis-à-vis yourself in the amount of

€ _____ (in words: _____ euros),

irrevocably undertaking to effect a payment to you up to the aforementioned amount within three banking days, upon your first request, without verifying the legal grounds and waiving any objection. This guarantee may also be called up in partial amounts up to the aforementioned total amount.

This bank guarantee shall also secure your claims under Sections 21 et seq. IO (Insolvency Code).

The present guarantee shall lapse if it is not made use of by yourself by means of registered letter by

_____ (day/month/year) at the latest

(date of receipt at our office).

You need not return this guarantee letter upon expiry.

The exclusive place of jurisdiction shall be the materially competent court in Vienna. Austrian law shall apply, to the exclusion of the conflict of law rules and of the UN Convention on Contracts for the International Sale of Goods.

**Corporate signature
(Issuer)**



Appendix 2 Specimen Bank Guarantee (Performance Bond)

Issued by (bank/company)

Address

Bank guarantee to invoice address of the company concerned

Date

You have concluded a purchase order (contract) with the company _____

with purchase order date _____

and with purchase order number _____.

Within the scope of said purchase order, a performance bond was agreed to secure all legal claims.

For the purpose of securing the partial payments as well as all receivables and claims arising from the above-mentioned purchase order, we hereby assume – by order of the above-stated company or its legal successors – a payment guarantee vis-à-vis yourself in the amount of

€ _____ (in words: _____ euros),

irrevocably undertaking to effect a payment to you up to the aforementioned amount within three banking days, upon your first request, without verifying the legal grounds and waiving any objection. This guarantee may also be called up in partial amounts up to the aforementioned total amount.

This bank guarantee shall also secure your claims under Sections 21 et seq. IO (Insolvency Code).

The present guarantee shall lapse if it is not made use of by yourself by means of registered letter by

_____ (day/month/year) at the latest
(date of receipt at our office).

You need not return this guarantee letter upon expiry.

The exclusive place of jurisdiction shall be the materially competent court in Vienna. Austrian law shall apply, to the exclusion of the conflict of law rules and of the UN Convention on Contracts for the International Sale of Goods.

Corporate signature

(Issuer)



Appendix 3 Declaration of Commitment Regarding IT Security

For the contractor (external)

Messrs.

Name

Notes by the principal

Company/OU

Name

Reference

Covenant

All confidential information, data and documents (“confidential information”) made available in any form whatsoever (orally, in writing, on data carriers or electronically) that I/we (have) come to know about in executing my/our contract with and/or for Austrian Power Grid AG are subject to the strictest secrecy.

This shall also apply to all facts that are or were confided in me/us and made accessible to me/us on account of the business contacts.

Accordingly, I/we undertake:

- to keep such confidential information and facts strictly confidential and to neither make them accessible to third parties nor to exploit them,
- to exclusively use such confidential information and facts for the purpose of performing the order,
- to take all requisite measures to ensure confidentiality and the confidential use of the information, data and documents, and to impose this confidentiality and non-disclosure obligation upon the employees involved and other persons in charge,
- to ensure data integrity (accuracy, authenticity, completeness, confidentiality),
- to observe data secrecy according to the provisions of the data privacy act as amended in each case.

I/we am/are aware that

- this obligation shall survive termination of my/our activity,
- violations against data secrecy are punishable under criminal law and that violations against the above-mentioned obligations may entail liability for damages



Continuation of Appendix 3

Explanations regarding IT security

I/we are aware that Austrian Power Grid AG (APG) is committed to a Security Policy, and

- that it is prohibited, in particular, to pass on any data to unauthorised persons or unauthorised offices within and outside of APG or to enable them to find out about such information, as well as to use any data for any other purpose than that associated with the respective proper performance of the relevant duties;
- that data processed by means of automatic data processing that were entrusted or made accessible to me/us due to my/our professional activity must not be transmitted, except upon explicit oral or written instruction by APG or its authorised representatives, without prejudice to any other non-disclosure obligations (“data secrecy” under the data privacy act);
- that any other, more extensive provisions regarding confidentiality obligations shall remain unaffected by the above-stated obligation, unless they are in conflict with legal provisions (data privacy act, telecommunications act etc.);
- that only programs may be used on the IT terminals of APG – without exception – that have been provided or released by APG;
- that any form of reproduction of APG data and/or software for any other purpose than data backup (and even then only in the form determined by APG) shall be strictly prohibited;
- that access security with regard to IT equipment must be ensured through suitable passwords and anti-virus protection;
- that the connection of IT terminals of the undersigned to the APG network may only take place via the connections provided for the purpose by APG, subject to adequate technical safety measures;
- that the APG network connections, as well as APG Intranet and Internet connections are monitored and that records and analyses are performed in this respect;
- that any working materials, access control cards, keys and passwords that have been handed over must be handled with care;
- that, in case of IT security incidences, the responsible IT security officer and/or the IT Helpdesk of APG (+43 (0) 50 320 – DD 56699 | helpdesk@apg.at) shall be notified without delay;
- that the Information Security Policy of APG and the regulations derived therefrom (“IT User Policy”, among others) shall be observed.

I/we declare that I/we have acknowledged **the aforementioned obligation as well as explanations on IT security** and irrevocably undertake to observe the same, regardless of whether they are legal duties or internal instructions.

Place/date: _____

Legally valid signature of the contractor: _____



Appendix 4

Sustainability: Environment, Social Matters and Anti-Corruption

The Code of Conduct of the PRIN as part of the company's mission statement, together with the applicable statutory regulations, forms an important basis for procurement (<http://www.apg.at/de/ueber-uns/strategie-leitbild/Compliance/Verhaltenskodex>).

The PRIN shall oblige its business partners to equally commit to the principles stated therein and to act accordingly. In particular, all provisions relevant under labour, competition, anti-trust and criminal law shall be observed. **This obligation shall therefore also apply to the CON, which shall also ensure that third parties (subcontractors, suppliers) used by the CON to fulfil the contract will also comply with this obligation.**

1 Human rights

The CON shall act in compliance with the human rights proclaimed by the United Nations Organisation (<http://www.un.org/depts/german/menschenrechte/emr.pdf>) and shall take care not to be involved in any acts violating human rights – either actively or tacitly.

2 Equal treatment

The CON shall observe the ban on child and forced labour and shall collaborate with all persons – regardless of their sex, age, religion, culture, colour, education, social background, political conviction, sexual orientation or nationality. Equally, it is committed to fighting any kind of discrimination, bullying or sexual harassment.

3 Working conditions

In the contractual relationship with employees, the CON shall observe collective bargaining agreements (minimum wage for subsistence) as well as regional working time regulations and shall provide for a safe working environment (see also CAC, clause 2.11, Industrial safety/safety engineering).

4 Anti-corruption

The CON is committed to supporting honest, fair and transparent business practices and disapproves of any kind of corruption and bribery. It undertakes to strictly observe applicable compliance and anti-

corruption provisions. Accordingly, it shall not offer or accept any inadmissible benefits of any kind whatsoever in connection with the conclusion of the contract and its performance. The CON confirms that the services and the compensation therefore as agreed in the contract are adequate, and that the contract will exclusively be performed within the scope of its business operation.

5 Environmental protection

The conscientious use of natural resources is an important principle and is an important consideration in all decisions. The CON is expected to identify potential risks/opportunities throughout its entire value chain and to implement preventive measures/improvements in time. The local requirements regarding environmental protection and sparing use of resources, applicable at the respective location and made available to the CON, are part of the purchase order and must absolutely be observed by the CON.

The PRIN lays great store by the CON's employees receiving regular training with respect to relevant environmental topics; it is very important to the PRIN that a certified environmental management system, e.g. under EN ISO 14001, is implemented.

In case of any violation of the obligations and principles specified in this appendix, the PRIN shall be entitled to rescind the contract with immediate effect. In that case, the CON shall not be entitled to any remuneration except for statutory rights and claims.

Upon request, the PRIN shall receive gratuitous evidence – in adequate form – of compliance with the obligations and principles specified in this appendix.