



RED
ELÉCTRICA
CORPORACIÓN

**GENERAL CONDITIONS OF CONTRACT FOR THE
SUPPLY OF EQUIPMENT AND MATERIALS**

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1. OBJECT AND SCOPE OF APPLICATION

- 1.1** This document contains the General Conditions of Contract (hereinafter referred to as "**GCC**") that regulate the relationship between the companies of the Red Eléctrica Group (hereinafter referred to as "**RE**") and the counterparty (hereinafter referred to as "**Supplier**"), for the procurement of equipment and materials (hereinafter referred to as "**Equipment and/or Materials**").
- 1.2** These GCC are incorporated into the contractual relationship relating to the provision of Equipment and/or Materials and shall regulate, together with the rest of the Contractual Documentation, the reciprocal rights and obligations of the Parties, being excluded from the scope of application any other conditions of sale or of any other type that the Supplier may have established or call upon, unless there is a specific agreement to the contrary.
- 1.3** Participation in a tender process through the submission of an offer by the Supplier shall automatically imply knowledge and acceptance of these GCC in the event of being selected as the awarded bidder of the tender, in all that which does not conflict with or contradict the clauses of the tendering process documents.
- 1.4** These GCC shall be applicable to all Contracts and Purchase Orders formalised by the companies that make up the RE Group. The Contracts and/or Purchase Orders may include associated services, defined in Section 2. In all matters relating to the works or services associated with the Equipment and/or Materials provided by the Supplier, as well as any others that may be agreed between the Parties, that do not strictly constitute a provision of Equipment and/or Materials, the General Conditions of Contract for Construction Works -or- those for the Provision of Services of RE shall be applicable.
- 1.5** These GCC shall be applicable in all those matters not expressly regulated in the Contract or Purchase Order, or in any part of the Contractual Documentation, according to the order of priority that is established.
- Similarly, and depending on the country in which the contracting company of the RE Group resides, the corresponding Country Annex, defined in Section 2 of these GCC, which contain specific regulations for the different countries in which the RE Group operates (in this document, the GCC shall refer to the General Conditions of Contract and the corresponding Country Annex).
- 1.6** In the event that RE and the Supplier agree to any modification to these GCC, it must be formalised in writing, and accepted by both Parties, and shall only be applicable to the specific Contract or Purchase Order for which it has been agreed.
- 1.7** The GCC Document is available on the RE website.
- 1.8** In the event of discrepancies between the original version of these GCC, drafted in Spanish, and the translation of these into other languages, the Spanish version shall prevail.
- 1.9** Any additions and extra sections or clauses added to the Contract or Purchase Order signed between RE and the Supplier, shall be construed restrictively within their amending scope and shall not constitute a new agreement, unless expressly indicated otherwise.

2. DEFINITIONS

2.1 For the purpose of these GCC, the following terms, among others, are used:

Associated services: Those services related to the supply or linked to the same that the Supplier must provide when both Parties have agreed to include them in the acquisition of the Equipment and/or Materials and that are defined and detailed in the Contractual Documentation.

Contract: Document that, validly signed, states the concurrence of wills between the Supplier and RE with respect to the acquisition of Equipment and/or Materials. Every Contract may be accompanied by one or more Purchase Orders.

Contractual Documentation: Set of documents that regulate the relationship between the Parties and which may be comprised of the following documents:

- a) The Contract or accepted Purchase Order with which the awarding or contracting is formalised
- b) The Tender Document and/or the Request for Bid.
- c) The technical specifications.
- d) The Quality Plan.
- e) The Particular Conditions.
- f) These GCC.
- g) The Supplier's Offer.
- h) RE's Performance Bank Guarantee Policy document
- i) Invoicing Policy published on the RE website

In the event of any conflict or discrepancy between any of the documents that make up the Contractual Documentation, the following is the order of precedence of documents that shall prevail, unless RE expressly indicates otherwise:

- The Contract or accepted Purchase Order;
- The Request for Bid and/or the Tender Document, if applicable;
- Technical specifications, if applicable;
- The Quality Plan, if applicable;
- The Particular Conditions, if applicable;
- RE's Performance Bank Guarantee Policy document
- Invoicing Policy published on the RE website
- The GCC of RE;
- The Supplier's Offer.

Country Annex: Document that includes the specific regulation of the country of residence of the company of the RE Group that performs the contracting of the supply.

In general, and depending on the place where the service covered by the Contract or Purchase Order is executed, the corresponding Annexes shall apply and, should it be the

case, shall be attached to these GCC for those cases where it is deemed necessary and that contain specific regulations for the different countries. The GCC shall be interpreted as a single document made up of this document and the corresponding Country Annex.

Equipment and Materials: Refers to all those goods, stock, equipment, reports, data, presentations, documents, software, materials and any other asset, in any format, provided by the Supplier to RE as a result of the performance of the Contract or Purchase Order.

Offer: Proposal made by a Supplier in response to a Request for Bid, which shall be binding for the Supplier during the period stipulated and which shall not be binding for RE Group until the corresponding Contract or accepted Purchase Order is formalised in agreement with these GCC.

Particular conditions: Document that includes, for each specific case, the additional conditions, clarifications or exceptions to these GCC or other documents included in the Contractual Documentation.

The particular Conditions established between the Parties that could conflict with or contradict these GCC shall prevail over the corresponding provisions of the GCC. However, the GCC shall prevail over the terms and conditions that conflict with or contradict the same and are included by the Supplier in its Offer.

Personnel: is the set of workers, employees, directors and supervisors of the Supplier that will participate or be involved in the execution of the Supply.

Purchase Order: Document issued by RE for the acquisition of Equipment and/or Materials. The Purchase Orders shall be binding between the Parties provided that (i) they have been issued by RE in acceptance of an Offer from the Supplier; (ii) have been accepted by the Supplier, expressly or tacitly, subsequent to its issuance by RE; or (iii) have been issued under a Contract.

In the event that RE sends a Purchase Order to the Supplier, the Supplier shall send an acknowledgment of receipt to RE within a period of forty-eight (48) hours, counted from the date of receipt of said Purchase Order. Otherwise, it shall be understood that the Purchase Order has been accepted by the Supplier.

The period of validity of the Purchase Order shall be extended until the end of the supply, including the guarantee period. For the issuance and payment of invoices, the Purchase Order shall come into force and shall take effect from the time that RE has proof of the acceptance of the Supplier.

Quality plan: Set of documents that includes, in a general way, the activities, resources and actions that specify the quality management for a given set or piece of Equipment or Material and for a specific organisation.

RE, or RE Group: Set of companies that make up the RE Group.

RE's Performance Bank Guarantee policy: Document issued by RE, which is part of the Contractual Documentation which sets out and details the performance bonds (financial guarantees) linked to contracts or purchase orders, in favour of RE.

Request for Bid: Invitation by RE to a possible Supplier for a specific contracting process and that specifies the documentation that the Supplier must include and the

requirements that must be met. RE reserves the right to accept or reject the offer without this giving rise to any right to compensation in favour of the Supplier. RE will not assume any costs derived or related to the presentation of the Supplier's offer. The offers accepted by RE shall be formalised through the corresponding Contract or Purchase Order.

Subcontracting: Contracting carried out by the Supplier with third parties, natural or legal, or grouping thereof, by which they partially participate in the fulfilment or execution of the undersigned Contract or Purchase Order, without generating any legal relationship or any direct obligation of RE with said third parties.

Supplier: Individual or legal entity or grouping thereof, responsible for the provision of the supply, which submits an offer responding to a Request for Bid or as a result of having been selected as the awarded bidder in a tendering process.

Supplier Code of Conduct: Document issued by RE, which, as part of the Contractual Documentation, contains the general principles that the Supplier must comply with in the performance of its work and professional activity in its different spheres of activity.

Supply: The set of Equipment and/or Materials defined in the Contractual Documentation, as well as, where applicable, the Services associated with them.

Technical specifications: Document or set of documents, prepared for each specific supply, which describes the technical requirements and, if applicable, the procedures for verification of such requirements required by RE Group for the Equipment and/or Materials.

3. OBJECT OF THE CONTRACT OR PURCHASE ORDER

- 3.1** The procurement of Equipment and/or Materials to be supplied by the Supplier to RE shall be the object of the Contract or Purchase Order, including those works or services directly associated with the supply and/or installation of the aforementioned items which the Supplier undertakes to carry out.
- 3.2** The object of the Contract or Purchase Order includes, in addition to the Equipment and/or Materials together with their associated works or services, if applicable, everything necessary for its delivery, use and perfect functioning, including, on the Supplier's behalf and at the Supplier's expense, but not limited to, the following:
- a) Training of RE staff for the operation and maintenance of the Equipment and/or Materials acquired.
 - b) Organisation of the Supplier's own personnel assigned to the execution of the Supply, ensuring at all times that their responsibilities and courses of action are clearly defined.
 - c) Processing and procurement of visas, authorisations and licenses required in/or for the performance of the Contract or Purchase Order, except for those that, due to their very personal nature, correspond to RE. In those cases where it shall be RE who needs to request such licences and authorisations, the Contractor shall provide RE

whatever is necessary or is at their disposal to process and procure such licences and authorisations

- d) Stockpiling of materials and all stages of manufacturing.
- e) Performance of routine inspections, verification and testing required by regulation and those others that are required and specified by RE in the Contractual Documentation in order to ensure the best execution of the Supply
- f) Painting, protection and packing, whether standard or special.
- g) Transportation and necessary insurance to undertake the delivery of the Equipment and/or Materials in the conditions indicated in these GCCs.
- h) Prepare and deliver to RE, sufficiently in advance to enable its use, all the documentation inherent to the fulfilment of the Contract or Purchase Order, such as drawings, programs, reports, manuals, instruction books, protocols, reception documents, control and test certificates and lists of spare parts and tools.
- i) Whatever other items specified in the Request for Bid of RE or which the Supplier has offered.

3.3 The object of the Contract or Purchase Order, defined for each case in the documents provided therein, shall implicitly be taken also to include all services established by law, practice and good faith, and in particular those provided for in other sections of these GCC.

3.4 No modification may be made to the object of the Contract or Purchase Order on the Supplier's initiative without the prior consent of RE, and any modifications made shall not entail any variation or repercussion in the price or in the delivery period, unless such variation or repercussion had been previously specified by the Supplier and expressly accepted in writing by RE.

RE's consent and acceptance will not imply, in any case, any change in the Supplier's guarantee and liability in relation to the Contract or Purchase Order.

3.5 The Supplier must accept any extensions, modifications or reductions in the scope of the Contract or Purchase Order requested by RE, at the agreed prices, provided that such changes do not represent in total an increase or decrease of more than 10 per cent in the Contract amount. This shall not imply, in any case, alteration of the Supplier's guarantee and liability in relation to the Contract or Purchase Order.

3.6 The new period for delivery, if applicable, shall be established by agreement of the Parties, following a reasoned proposal by the Supplier. Should agreement not be reached, the previous agreement will be modified in proportion to the increase or decrease in the Contract or Purchase Order price.

4. ASSIGNMENT

Assignment of Contract or Purchase Order by RE, or substitution of RE's contractual position

4.1 RE (and companies within the RE Group) may singularly transfer by means of any legal transaction, its position in the Contract or in the Purchase Order, to any other company

of the RE Group provided that the assignment of this contractual position is duly notified to the Supplier.

- 4.2 Furthermore, RE may transfer its contractual position due to any kind of universal transfer (including, but not limited to, those derived of a merger, demerger, spinoff and global transfer of assets and liabilities) whether as a result of a voluntary universal transfer or because of enforcement of sectoral legislation applicable. RE or the RE Group company will notify at the earliest possible moment the transfer date and the identification data of the new Party of the Contract or Purchase Order.

Assignment of Contract or Purchase Order by the Supplier or substitution of the Supplier

- 4.3 The Supplier may not assign, in whole or in part, the rights or obligations arising from the Contract or Purchase Order without prior authorisation in writing by RE.

Such authorisation must be requested to RE in writing, specifying the assignee, and in time so as to avoid any delays, even if the authorisation should be denied. Any assignment done without said authorisation will be null and void for all intents and purposes.

- 4.4 In the legal transaction that shall be formalised with the assignee, the Supplier will expressly include the assignee's obligation to comply with any requirements included in the Contractual Documentation (technical requirements, quality requirements, etc.).

- 4.5 Be that as it may, the assignee assumes any rights and obligations, whether prior or subsequent to the assignment, resulting from the assigned Contract or the assigned Purchase Order.

Assignment of Rights and Receivables

- 4.6 In the same way, the economic, commercial or financial rights and receivables derived from the Contract or Purchase Order shall not be assigned by the Supplier to any third party without prior due notification to RE.

Thus, once the Supplier agrees to assign the corresponding receivables to a third party, they will take full legal effect provided that the Supplier notifies the assignment within five calendar days following the formalisation of the former.

This due notice shall be done in writing, using the appropriate means to provide certainty and proof and shall be issued by the Supplier's representative that entered into the Contract or Purchase Order and addressed to RE's person responsible that entered into the Contract or Purchase Order with the Supplier.

The assignment of economic, commercial or financial rights and receivables arising out of the Contract or Purchase Order does not exempt the assignor or assignee from prior liabilities arising from the Contract or Purchase Order that could be demanded from the Supplier, being subject to eventual compensations, withholdings or deductions by an amount to be fixed, responsibilities that RE may apply because of the vicissitudes stemming from the contractual relationship with the Supplier, in accordance with these GCC, and pursuant to the penalties that may be applied in the case of any possible breach or third party claim.

In accordance with aforesaid, the Supplier (the assignor) shall credibly notify the assignee, or record the proof on the legal transaction to be entered into by assignee and assignor,

about those terms and conditions to which the economic, commercial or financial rights and receivables arising from the Contract or Purchase Order object of the assignment will be subject to.

- 4.7** RE may, with the sole prerequisite that it must notify the Supplier, assign its collection entitlements or payment obligations arising out of the Contract or Purchase Order to any other company belonging to the RE Group.

5. SUBCONTRACTING

- 5.1** The Supplier shall carry out the provision of supplies object of the Contract or Purchase Order using its own means. Therefore, it may not subcontract, totally or partially, the performance of the object of the Contract or Purchase Order, without prior and express authorization in writing from RE in compliance with current legislation.

Such authorisation must be requested to RE in writing, specifying the subcontractor, and in time so as to avoid any delays, even if the authorisation is denied. Any subcontracting done without said authorisation will be null and void for all intents and purposes.

- 5.2** In the event that it be granted, the authorisation from RE to subcontract does not imply the start of a contractual or binding relationship between RE and the subcontractor.

Without prejudice to the above, RE may at any time inspect and monitor the work of the subcontractor, along with the fulfilment of its obligations. The subcontractor must provide RE with all the collaboration that may be required for this purpose (documentation, reports, free access to its installations or facilities, etc.).

- 5.3** Should the Supplier be authorised to subcontract, the Supplier will not be exempted from the obligation to monitor the activity of the subcontractor and shall be held accountable for the performance of the subcontractor and the full compliance with the Contract or Purchase Order, without prejudice to the liabilities that the Supplier may require from its subcontractors.

In any case, the Supplier shall be fully and solely liable to RE regarding the performance of the Contract or Purchase Order.

- 5.4** The Supplier shall duly notify the subcontractor of the obligations undertaken pursuant to the subcontracting agreement, including those stemming from the obligation of confidentiality set forth in these GCC and shall monitor the performance of the activities carried out by the subcontractor, witnessing the execution of the subcontracted services if required and, in any event, whenever requested to do so by RE.

Moreover, the Supplier shall formally inform RE by due notice in writing that the obligations that the subcontractor shall assume pursuant to the subcontracting agreement have been duly transferred.

Additionally, the Supplier undertakes to inform the subcontractor and its employees about the processes, studies and Quality standards, and to require the subcontractor and its personnel to comply with that laid down in the Occupational Health & Safety and Environmental legislation observed by RE, making available to RE all the documentation that confirms it.

- 5.5 The Supplier shall expressly record in the legal transaction formalised with the subcontractor the obligation on the subcontractor to comply with all the requirements contained in the Contractual Documentation (technical, quality, confidentiality, etc.).
- 5.6 RE shall be entitled to order the Supplier to replace the subcontractor at any time, if it considers, according to its criteria, that the subcontractor jeopardises the correct and timely execution of the works, pursuant to the terms and conditions for the execution of the works contained within the Contractual Documentation, without the entitlement to claim any type of compensation for such concept.
- 5.7 RE will not be liable to any subcontractor or any of the subcontractors' employees for any kind of claim. Accordingly, the Supplier will hold RE harmless from any claim the subcontractors may put forward regarding the subcontracted part of the Contract or Purchase Order and will indemnify RE against any cost or expenses incurred in connection with such claims.

In the event of a subcontractor's claim, RE may withhold the amount or amounts claimed by the subcontractors from the pending invoices due to the Supplier. RE may also pay such payment commitments on behalf of the Supplier.

Any use of subcontractors in the execution of the activity does not exclude nor limit the obligations undertaken by the Supplier under the contract, and the Supplier shall be liable to RE regarding the performance of the Contract or Purchase Order as well as liable to third parties for any eventual compensation arising from the execution.

- 5.8 The Supplier is obliged to respect the economic and regulatory obligations set forth in the collective bargaining agreements of each country when so required by the applicable legislation. In addition, the Supplier shall be jointly and severally liable with the subcontractor for these obligations, including, but not limited to, payroll obligations, Social Security obligations, tax contributions and any insurance required by law concerning the workers employed in the performance of the services set forth in the corresponding Contract or Purchase Order.

RE may carry out the verification of the obligations referred to above. Such verification shall be conducted by the professionals responsible for the management and supervision of the Contract or Purchase Order.

6. PERFORMANCE OF THE CONTRACT OR PURCHASE ORDER

- 6.1 The Supplier will carry out the provision of the Supply at its own risk and peril, so the economic outturn will be borne by the Supplier up to the date when the Equipment and/or Materials are delivered.
- 6.2 The Equipment and/or Materials which are subject of the Contract or Purchase Order and, when applicable, the associated Services to those, shall comply with the Contract or accepted Purchase Order, with the technical, commercial and quality Specifications, with the Contractual Documentation, with the Country Annex (according to the country of residence of the company of the RE Group entering into the Contract or Purchase Order), with the applicable laws and regulations and with any instructions or guidelines submitted by RE.

- 6.3** The Supplier must also fully comply with the quality control terms and conditions which RE may establish.
- 6.4** The Supplier undertakes to keep RE informed at all times regarding the performance of the Contract or Purchase Order and report any incidents that arise in connection therewith, providing RE with any information that may be requested.
- 6.5** Maintenance, conservation, handling and transportation of any Equipment and/or Materials delivered by RE for the provision of the Supply are the sole responsibility of the Supplier and shall be borne at its own cost and expense.
- 6.6** In the event that the provision of the Supply entails carrying out associated Services, RE's General Conditions of Contract for Construction Works -or- those for the Provision of Services will be applicable as set forth in Section 1.4.
- 6.7** RE has the right to check and verify that the Supplier fully complies with all the obligations undertaken by means of the Contract or Purchase Order and all the instructions or guidelines issued by RE and that the Supplier suitably complies with all the activities required to perform the Contract or Purchase Order properly in accordance with the terms and conditions set forth in the Contract or Purchase Order.
- 6.8** Unless otherwise agreed, RE's staff and third-party personnel appointed by RE to that end shall have access to the Supplier's workshops or storage facilities and/or to workshops or storage facilities of any of the Supplier's subcontractors to verify the manufacturing, inspection and testing stages and receive information regarding the manufacturing cycles, as well as check the execution of works and services, including the materials used by the Supplier to carry them out.
- 6.9** The Parties hereby agree that such accesses and the resulting feedback shall by no means interfere or limit the Supplier's autonomy in its execution of the contractual activities.
- 6.10** The Supplier undertakes to comply with the applicable legislation of the country in which the equipment and/or material or service is to be supplied as well as adopt the necessary means for its fulfilment by assuming full accountability for any tax-related liabilities and damages that RE may be subject to as a consequence of the Supplier's non-fulfilment of the obligations arising from said legislation.
- 6.11** The Supplier shall be obliged to deliver the following documentation to RE:

Prior to the signing of the Contract or Purchase Order, the Supplier, in accordance the applicable tax law, will deliver the following certificates to RE:

- Suppliers that carry out their business without a registered office in Spain:
 - Should a tax treaty exist to avoid double taxation signed between the Supplier's country of tax residence and the country of tax residence of the company of the RE Group that signs the Contract, and the Supplier invoke the application of provisions of such treaty/agreement, the Supplier shall provide RE with its corresponding certificate of residence certifying its tax residence for the purposes set out in the provisions of the relevant treaty, and for the purposes of classification of the type of income under such treaty, the Supplier shall take into account the interpretation of the taxation granted by the country of residence of

the company of the RE Group that signs the Contract. Said certificate must be presented prior to the signature of the Contract or Purchase Order and also together with invoices issued. RE shall not be responsible for the payment delays that may arise as a result of the Supplier not delivering the certificate of tax residence in due time.

These certificates are valid for one year from the date they are issued, unless the legislation of the country of residence of the company of the RE Group that signs the Contract establishes a shorter period. In any case, when the validity of any certificate presented previously expires, the Supplier shall submit another valid certificate.

- Supplier's certificate of registration in the Registry of Intra-Community Operators and communication to RE of its complete VAT identification number in the event that it is registered in the European Union, for the purpose of applying the VAT Information Exchange System (VIES).

Similarly, the Supplier shall deliver new positive tax certificates to RE before the expiration of the twelve-month period from the date the corresponding Tax Authority issued the previous certificates, unless the specific regulations of the tax certificate establish a different validity period, or should modifications occur regarding the circumstances determining its content.

The delivery of the certificates within the aforementioned period shall be a necessary condition for payment of any Contract or Purchase Order amount.

- 6.12** If RE notices at any time that the Supplier fails to comply with what is provided in the foregoing paragraphs, RE may, without waiting for delivery, reject the faulty goods and require them to be replaced or repaired, at the Supplier's sole expense, with no costs or expenses being borne by RE.

7. INSPECTIONS, VERIFICATION AND TESTING

Inspections, verification and testing

- 7.1** RE may inspect the Equipment and/or Materials object of the Contract or Purchase Order at any time during their manufacture, using its own staff or any other persons or bodies that it may designate, in the plants, workshops or warehouses of the Supplier and also those of its suppliers or subcontractors, to which end RE inspectors shall have free access to such facilities and which must be granted to them whenever necessary.
- 7.2** Without prejudice to RE's inspection rights, the Supplier itself must perform, at its own expense, all the tests and verifications agreed to in the Contractual Documentation, which are required pursuant to official rules and regulations or which are usual in good practice.
- 7.3** Supplier shall notify REE in writing at least twenty days in advance of the dates on which these inspections, verifications and testing are to be performed, so that their authorised inspectors or representatives may be present. Similarly, it shall also notify RE of the results of the verifications and testing carried out, certified with the corresponding certificates or protocols, even if RE inspectors or representatives were present thereat.
- 7.4** The supplier shall not commence or cease any manufacturing, construction or assembling

stage, nor send Equipment and/or Materials before the inspection and testing stage has been successfully completed in the cases when inspection and preventive testing are required, or otherwise before receiving RE's express authorisation, unless after a ten (10) days period from the date in which the Supplier notified that such inspections and tests would be conducted there are no indications to the contrary from RE.

- 7.5 Whenever provided for in the Contract or Purchase Order, in the case of Equipment and/or Materials delivery, the Supplier will not initiate the packaging or shipping of any of the components of the Supply without previously carrying out a full presentation, approved by RE, of such components.
- 7.6 RE, if necessary, may conduct tests and inspections apart from those set forth in the Contract or Purchase Order. In the event these tests and inspections are successful, the additional costs incurred shall be borne by RE. In case of failure, the costs shall be borne by the Supplier.
- 7.7 The performance of inspections, verifications and testing, even if to RE's satisfaction, does not mean that the object of the Contract or Purchase Order meets all the agreed specifications nor that it will necessarily be accepted by RE; nor does it release the Supplier from its liabilities if it is not accepted.
- 7.8 Neither shall such liability be excluded or reduced, or the Supplier be freed from its duty to perform what has been agreed, by any recommendations or remarks that RE engineers or inspectors may have made during the performance of the Contract or Purchase Order on occasion of inspections, tests or analyses, unless these expressly modify the agreed specifications.
- 7.9 Notwithstanding the right to terminate the Contract or Purchase Order, if the outcome of an inspection, or of a verification and testing process should not be satisfactory, or if the subject of the Contract or Purchase Order should not fulfil the agreed specifications or the established quality assurances, RE may, prior to the delivery, refuse the improper delivery and require its replacement or repair at the Suppliers own cost and expense without causing any cost or payment to RE and without affecting by any means time schedules (when applicable) or any other contractually established deadlines.
- 7.10 Should RE require the replacement of Equipment and/or Materials, these shall be clearly identified, and the Supplier will not be able to use them while performing the contractual obligations.
- 7.11 The authorised inspectors or representatives of RE shall try to ensure that the performance of inspections, verification or testing do not hinder the normal performance of the Contract or Purchase Order.
- 7.12 Exigencies, time and conditions for the execution of the above obligations shall in no case be invoked by the Supplier as a cause or justification of delays in the stipulated deadline.
- 7.13 The Supplier is obliged to provide RE inspectors with the assistance they may require during the performance of the presentation of the Equipment and/or Materials object of the Supply.

Quality control

- 7.14** Quality control comprises the set of actions, activities and techniques necessary to provide sufficient confidence that the Equipment and/or Materials object of the Contract or Purchase Order will satisfactorily fulfil the conditions required by RE and, where appropriate, by the corresponding technical standards.
- 7.15** The Supplier shall be solely responsible for the quality control of the Equipment and/or Materials object of the Supply, independently of the controls and tests carried out, or that REE may require, by their own means or by those of a third party, without in any case these tests altering the obligations and responsibilities that exclusively rest on the Supplier. The specific quality control requirements for the Supply, as the case may be, shall be those that appear in the Technical Specifications.
- 7.16** Before commencing the manufacturing process, RE may demand from the Supplier a quality control plan that will include the inspection schedule and the applicable procedures, and must comply with at least the following requirements:
- a) Requirements of the applicable standards;
 - b) Requirements of the Contractual Documentation;
 - c) Materials to be used;
 - d) Manufacturing, inspection, verification and testing schedules;
 - e) Definition of the requirements or conditions of storage, conservation, handling and transport.
- 7.17** Should RE not be satisfied with the above indicated documentation, for justified reasons, the Supplier shall modify it, whereby the Contract or Purchase Order will not come into effect until the necessary corrections have been made in accordance with the modifications specified.
- 7.18** The content of the previous paragraphs of this Section will not be applicable to those Equipment and/or Materials for which RE and the Supplier have signed an Approved Quality Agreement or RE authorizes its dispatch without the presence of its inspectors.
- 7.19** During the performance of the Contract or Purchase Order, the Supplier will give the strictest observance to what is established in the quality control plan approved by RE.
- 7.20** Upon completion of the performance of the Contract or Purchase Order, the Supplier will deliver to RE, for approval, a final quality control report, whose content must conform to the Contract or Purchase Order and the quality plan approved by RE.
- 7.21** The Supplier undertakes to comply with current environmental legislation while carrying out its activities in the construction areas or when handling equipment, substances, products and waste belonging to RE.

Regarding the supply of products and services, the Supplier undertakes to comply with current environmental legislation regarding the use of hazardous or prohibited substances, proper packaging and labelling, transport conditions, emission of noise or odours during the operation of equipment and how many other environmental specifications are included in current legislation. Regarding the supply of hazardous chemical products, the Supplier shall provide the safety data sheets of the products that are the object of the Purchase Order, containing the information described in the current

legislation.

- 7.22** Similarly, the Supplier shall ensure that all its personnel, employees, workers, agents, authorised subcontractors and consultants involved in the provision of the equipment and/or materials (and associated services thereto) object of the Contract or Purchase Order are aware of the content of the environmental specifications and of the obligations incumbent on them under the present Contract or Purchase Order.
- 7.23** The Supplier undertakes to inform all its employees, staff, staff members, agents, consultants and other persons who work on its behalf under this Contract or Purchase Order, of the importance of controlling the effects on the environment derived from the provision of the equipment and/or materials (and associated services thereto) object of the Contract or Purchase Order, in addition to the control measures that must be applied. The Supplier guarantees that it will comply with the laws and all environmental legislation and control of applicable waste, as well as regulations, industry standards and other mandatory regulations. The Supplier, at the request of RE, will provide sufficient evidence to demonstrate such compliance.
- 7.24** In order to respect such environmental commitments, the Supplier shall provide RE, upon request, with any type of information related to the protection of the environment whenever it is required, including, but not limited to, existing commitments, planned actions and the reduction or prevention of environmental damage and pollution. The Supplier shall immediately inform RE and will keep them informed of all the circumstances that may have a significant impact on the environment.
- 7.25** The Supplier undertakes to inform all its employees, agents, subcontractors, consultants and other persons working on its behalf of the importance of each and every one of the preventive and direct actions that may be necessary to limit the environmental consequences of emergency situations identified by RE or that may arise from the Supplier's procedures and resources.
- 7.26** The Supplier shall at all times release RE and hold it harmless from any and all losses or damages arising out of any infringement of the environmental and waste control obligations or out of any breach of any environmental law, permit or authorisation.
- 7.27** All documentation required by RE regarding this matter will be sent by the Supplier in accordance with section 24 of these GCC on Notices and Language.

8. DELIVERY AND RECEPTION

Introduction

- 8.1** The Supply of Equipment and/or Material will be done under the DDP (Delivered Duty Paid) mode, as set out in the Incoterms of the International Chamber of Commerce in force at the time of contracting, unless another mode is expressly stated in the Contract or Purchase Order.
- 8.2** The delivery of Equipment and/or Material shall be done on the date and at the named delivery points indicated to that effect in the Contract or Purchase Order.
- 8.3** If no specific date is indicated in the Contract or Purchase Order, the period for delivery

shall start counting from the date the Contract was signed, or the Purchase Order issued.

- 8.4** Bringing forward the completion date or reducing the execution or delivery deadline is possible only if expressly approved by RE. In such a case, the aforesaid authorisation shall not result in the advance payment of all or part of the price, being the payment terms those laid out in the stipulations of the Contract or Purchase Order, or in these GCC, nor would it affect the guarantee periods, which shall start counting from the time of delivery agreed in the Contract or Purchase Order.
- 8.5** The Supplier undertakes to comply, not only with the final delivery date set in the Contract or Purchase Order, but with each and every one of the partial dates that may have been established for specific phases regarding the performance of the Contract or Purchase Order.
- 8.6** Delivery dates may not be delayed, nor periods for delivery extended, except for reasons attributable to and recognised by RE or due to force majeure.

In order for the delay determined by such causes to be taken into account, it is an essential prerequisite that the Supplier duly notify RE in writing of their start and end dates within forty-eight (48) hours after they occur.

- 8.7** The Supplier undertakes to use all the means available to it, at its sole expense, to make up, in the shortest timeframe possible, any delay in the delivery dates, even when such delay is justified.

Notice of Delivery

- 8.8** The Supplier shall communicate, with no less than 15 days' notice, the date on which the Equipment or Materials will be delivered, in accordance with the regulations established to this effect in Section 24 regarding notices between the Parties.
- 8.9** Similarly, the Supplier agrees to immediately notify RE of any circumstance that could alter the established delivery deadlines. Any change in the date or the point of delivery requires the prior approval of RE and, in the event it were to be granted, does not give the Supplier the right to demand payment of all or part of the price before its due date pursuant to that stipulated in the Contract or Purchase Order or these GCC, nor does it affect the guarantee periods, which shall start counting from the delivery time agreed to in the Contract or Purchase Order.
- 8.10** In the event of noncompliance with the notices indicated above, RE shall be entitled to reject the delivery, and the resulting costs shall be borne by the Supplier.
- 8.11** If the execution period were to be extended due to any cause of force majeure, for a period in excess of one-fourth part of the agreed period or if it is reasonably foreseeable that it will have to be extended beyond this period of time, this shall entitle RE to terminate the Contract or Purchase Order on its own.
- 8.12** Without prejudice to the consideration that the delivery date set in the Contract or Purchase Order has been considered met, RE reserves the right to postpone any dispatch or shipping of Equipment and/or Material until the time period fixed in the Contractual Documentation which, unless another date is specified, shall be one month from the agreed date, and the Supplier shall not be able to charge for this postponement. If delay

of the delivery were extended for a longer time, the Supplies shall be considered delivered after the aforesaid time period, and compensation for the ensuing storage and insurance expenses shall be established by mutual agreement. The Supplier shall pay the storage and insurance costs during the time period fixed in the Contractual Documentation which, if no other one is assigned, shall be one month from the agreed date.

Delivery conditions

- 8.13 All the Equipment and Material shall be properly identified, indicating the number of packages, as well as their weights and dimensions, along with the appropriate information, and labelled so that they can be easily received at their destination, accompanied by a delivery note or a bill of lading of the corresponding country, presented in duplicate, which will include the information specified in the Contract or Purchase Order.
- 8.14 At the time of communicating the notice of delivery (15 days before the effective delivery), the Supplier will provide all the technical documentation and testing protocols established in the Technical Specifications and in the Contract or Purchase Order, if applicable, for their validation by RE. In addition to the aforesaid documentation, the Supplier shall also certify, where appropriate, that the raw materials, materials and the brands and types of all the components are identical to those that were the subject of the standardisation certificate approval.
- 8.15 If the type of Equipment and /or Material should so require, the Supplier shall be obliged to obtain, from the competent agencies, authorities and administrations, the pertinent permits, licenses or administrative authorisations of all types that are required for executing transport. The Supplier shall bear all costs related to any work this may entail, such as transit detours, etc., along with all the expenses or duties associated to obtaining the necessary permits and authorisations.
- 8.16 The costs of transport and delivery, including unloading, shall be borne by the Supplier.
- 8.17 The Supplier shall insure the transport with an insurance company of recognised solvency.

Reception

- 8.18 When verification, testing or inspections are not required or specified, RE's reception of the Equipment and/or Materials object of the Contract or Purchase Order shall be formalised without any more procedures than the signing of the corresponding delivery notes. When the aforesaid items are required, a delivery reception report will be issued, in which reference shall be made to the satisfactory result of the tests, analyses or inspections.

The omissions and deficiencies that may be found and stated in the report, shall be rectified or corrected without delay by the Supplier, after which new tests, analyses and/or inspections will be performed, unless RE specifically exempts the need for them.
- 8.19 The signing of delivery notes or the delivery to RE shall not affect the acceptance of the quantity or the quality specified of the Equipment and/or materials received, which are always subject to the results of the required verification, testing or inspections.
- 8.20 The Supplier agrees that is shall bear all costs, including those of transport and unloading, until the Supplies are delivered at the agreed point, and will assume all the risks up to that

moment.

- 8.21** The Contractor may not - under any circumstances and, therefore, even in the event of disputes - suspend or slow down the execution of contractual activities on its own initiative.
- 8.22** Without prejudice to RE's power to resolve and its right to receive compensation for any damages it may suffer, the failure to meet a final deadline or partial delivery period, or an extended period, constitutes a fundamental breach of the contractual relationship by the Supplier, leading to the imposition of the corresponding penalties, in accordance with that set forth in these GCC.

Transfer of ownership and risk

- 8.23** The title of ownership shall be acquired and the transfer of all the risks from the Supplier to RE shall take place at the time the Equipment and/or Materials are delivered.

In the case of partial deliveries, the title of ownership shall be acquired and the transfer of all the risks from the Supplier to RE shall take place at the time of the reception of each one of the deliveries.

In cases of storage of the Equipment and/or Material in the Supplier's warehouses, the title of ownership shall be acquired and the transfer of all the risks from the Supplier to RE shall take place at the time of delivery at the destination point agreed in the Contractual Documentation. Notwithstanding the aforesaid, in these cases, and when the Parties so agree, the assumption of the title of ownership and the transmission of all risks to RE, can take place prior to the delivery.

- 8.24** From the time of delivery, the Supplier authorises RE to make any necessary use of the Equipment and/or Materials object of the Contract or Purchase Order, including performing work, assemblies or other tasks on them or with them or incorporating them into RE's facilities or construction work sites.

9. PACKAGING

- 9.1** The packaging of the Supplies shall comply with the technical Specifications or, in their absence, with the specific requirements of the items that constitute the Equipment and/or Materials, so as to avoid their deterioration in transport and handling, and to allow them to be identified (Purchase Order number, number of packages, items, weight, dimensions, type of item and manufacturing certificates, and expiration date, if applicable).

10. SUPPLIER'S GUARANTEES

- 10.1** The Supplier undertakes the commitment to guarantee the suitability and exclusive property of the Equipment and/or Materials object of the Contract or Purchase Order, as well as the intellectual and industrial property, and more specifically:

- a) That all the Equipment and/or Materials comply with the laws and meet the Contract technical specifications, provisions and requirements; are suitable for the purpose for which they are intended; are of the required quality, and have not previously been used.
- b) That the Equipment and/or Materials are free of defects in their design, materials,

manufacturing, and functioning or performance.

- c) That the Equipment and/or Materials object of the Contract or Purchase Order are free of liens and encumbrances, and specifically, are not embargoed or in the process of being embargoed, or affected by any type of chattel mortgage or pledge without transfer of possession, or any other charge or levy related to industrial or intellectual property of any other nature.

Unless otherwise specified in the Contract or Purchase Order, the Supplier similarly guarantees the transfer, in the terms provided for by law, of the intellectual or industrial property required for the correct use of the Equipment and/or Materials supplied.

- d) That the works or services have been properly carried out, subject in all respects to the applicable drawings/blueprints and specifications and to the rules and customs of good practice.
- e) That the works or services performed are in perfect condition and that the installations assembled function perfectly and in a regular manner.
- f) The peaceful possession of the required licences and permissions, when dealing with an element of software, whether by itself or as part of a work which is the subject of contracting.

10.2 The guarantee period for the Equipment and/or Materials and all the other guarantees provided shall last the length of time period stipulated in the Contract or Purchase Order. And, in the absence of these, the time period shall be extended to two years from the date on which reception has taken place, pursuant to the terms of the Delivery and Reception Section in these GCC.

10.3 The guarantee does not cover flaws or defects that may occur in the Equipment and/or Materials as a result of improper use on the part of RE, except when said use is due to errors or confusing information in the manuals provided by the Supplier.

10.4 The guarantee also applies to defects in design, latent defects and others specified in the Contract or Purchase Order. Pursuant to said guarantee, the Supplier is obliged to make, within the shortest possible time and at its sole expense, any necessary repair or replacement, including the withdrawal and transport of the defective parts.

10.5 Specifically, the Supplier shall grant to RE a commercial guarantee for its Equipment and/or Materials by means of which the Supplier undertakes to:

- a) Replace any Equipment and/or Materials that fail to comply with what has been agreed or specified, whether they are unsuitable, of deficient quality or are used.
- b) Adjust, repair or replace any Equipment and/or Materials that show any defects in design, materials, labour, manufacture, operation or performance.
- c) Completely replace the Equipment and/or Materials supplied or provided by it in the event of serial defects, and justify the solution adopted so that those defects do not occur in the rest of Equipment and/or Materials pending delivery. A defect shall be considered serial when the percentage of defective Equipment and/or Materials object of the Contract or Purchase Order exceed what is established therein or, in the absence of contractual regulation, 10% of the total sum of the Equipment and/or

Materials.

- d) Correct or remedy any poorly executed work and/or rebuild or reassemble it, or provide the service again.
 - e) Return the equipment or sites placed at its disposal by RE in the same condition in which it was handed over.
 - f) Indemnify RE for third-party claims.
- 10.6** Any adjustments, repairs or replacements required in order for the guarantee commitment to be met shall be made solely at the expense of the Supplier, with no costs or expense being borne by RE, And the Supplier shall moreover cover any costs incurred thereto by RE, such as those of disassembly, transport, insurance and packaging for the return of the materials and the assembly and custody of their replacements, as well as taxes and other similar expenses.
- 10.7** The decision to have any faulty or defective materials adjusted, repaired or replaced shall always rest with RE and shall be taken based on the objective criteria of its experts, in accordance with the requirements and specifications contained within the Contractual Documentation and that empowers them to issue requests for provisional repairs to be performed, notwithstanding any final repairs or replacements that may be objectively deemed necessary.
- 10.8** Should RE choose the option to order a simple repair of the defect, or if the defect justifies its replacement, said option shall be subject to the acceptance of a price reduction and/or an extension to the guarantee period by the Supplier.
- 10.9** Any adjustments, repairs or replacements must be made within the time period indicated by RE, and will be performed in the least prejudicial or damaging manner for RE and without incurring in delays or stoppage of facilities, or should this not be possible, to keep such delays to a minimum or to minimise stoppage time in facilities.
- 10.10** If the Supplier fails to fulfil, with the required promptness, its guarantee obligation, or fails to carry out contracted works in the agreed period, RE can do it on its own or with third parties at the Supplier's expense and without voiding the guarantee. The Supplier shall be obliged, also, to compensate RE for any damages it may have caused.
- 10.11** The guarantee period shall be interrupted on the date on which RE serves formal notice to the Supplier of its decision and shall consequently be extended for the period of time required to repair or replace it under the guarantee coverage.
- 10.12** The repairs or replacements shall in turn be guaranteed as from its completion for a period equal to that of the commercial guarantee.
- 10.13** If the guarantee period elapses before six months have passed since the commissioning of the RE facility for which they are intended or that make up the Equipment and/or Materials object of the Contract or Purchase Order which they are part of, the guarantee period shall automatically be extended until those six months have elapsed.
- 10.14** The expiration of the guarantee period or the final acceptance of the Equipment and/or Materials set forth in the Contract or Purchase Order does not release the Supplier from any liability for visible or latent defects, or from other liabilities under applicable law or

applicable in virtue of the Contract or Purchase Order.

The Supplier shall be liable for latent manufacturing flaws or defects also during the guarantee period and for the duration established in the Civil Code, after the expiration of the guarantee period, apart from the legal or other liabilities that may arise. As a result, the Supplier is obligated to repair or replace the flawed or defective Equipment and/or Materials, regardless of whether RE had received or paid for it.

- 10.15** Once the commercial guarantee period has expired, RE itself, or via a third party, shall be able to modify or change at will the Equipment and/or Materials supplied under the Contract or Purchase Order, even if they are protected by licences, patents or any other industrial property titles in favour of the Supplier.

The Supplier expressly acknowledges that RE shall be authorised to carry out whatever use and/or management of the Equipment and/or Materials object of the Contract or Purchase Order, such use and/or management include, but are not limited to, the reproduction, distribution and transformation.

The Supplier also expressly acknowledges that ownership of any intellectual or industrial property rights to which such use and/or management may give rise to, shall exclusively correspond to RE.

- 10.16** The Supplier undertakes the commitment to provide all spare parts which may be necessary for the maintenance of the Supply for a 10-year period, calculated from the date of reception of the material.

- 10.17** During the guarantee period indicated, and in order to verify compliance with this Contract or Purchase Order, RE reserves the right to perform internal or external audits regarding compliance with the Sections included in the same.

This right can be exercised by RE up to 12 months after the completion of the Contract or Purchase Order. RE shall formally inform the Supplier by due notice, with a minimum of 90 days advance notice, of its decision to exercise its right to perform an audit.

The Supplier shall cooperate and allow the assigned RE team to have access to the documentation and information necessary to perform their work, whether in person at the offices of the Supplier or in RE's offices, so that they can issue a conclusion regarding compliance with the audited Sections of the Contract or Purchase Order.

11. FINANCIAL GUARANTEE (PERFORMANCE BOND)

- 11.1** The Supplier shall establish a performance bond in accordance with the provisions set forth in RE's Performance Bank Guarantee Policy which shall be included as part of these CGC and will become an integral part of the terms and conditions of the Contractual Documentation thereto. The performance bond shall be established to ensure compliance with any obligations or liabilities arising from the Contract or Purchase Order, including the compensations or penalties that may be imposed on the Supplier.

- 11.2** In the absence of application of the abovementioned document, and when agreed in the Contractual Documentation, RE may demand that the Supplier establish and provide a

performance bond (financial guarantee) for 10% of the Contract or Purchase Order Sum (including its revisions and extensions) to ensure compliance of all obligations arising from the same, including the compensation and penalties that may be attributable to the Supplier in agreement with that set forth and regulated in this Section.

- 11.3** The provision of the performance bond does not mean that the liabilities that may be demanded from the Supplier by reason of the Contract or Purchase Order are limited to its amount or period of validity and constitute only a means to facilitate their effectiveness.
- 11.4** The Supplier shall establish the performance bank guarantee at the time of the start of the Supply, presenting RE with a performance bond upon first request.
- 11.5** The performance bond will be established and managed in the manner and with the characteristics described in the Country Annex, depending on the country of residence of the company of the RE Group entering into the Contract or Purchase Order, for the total amount of the same and valid for one month after the date on which it is estimated that the financial guarantee period will end.

If four months before the expiration of the established performance bond, it is foreseen that the financial guarantee period will not end on the date indicated therein, the Supplier is obliged to extend its validity (or to deliver a new performance bond) until the new estimated date of the end of the guarantee period specified by RE. The non-extension of the validity of the performance bond (or the failure to provide a new performance bond) will be considered a breach of the Contract or Purchase Order.

- 11.6** If the total amount of the Contract or Purchase Order is increased during its execution, RE may request from the Supplier a complementary performance bond, of the same characteristics as the previous one, for 10% of the increase of the Contract or Purchase Order, within the following 15 days to the date in which this increase is formalized.
- 11.7** In the cases in which the Supplier does not present the performance bond within the specified periods, as well as in the cases in which RE requires it, the performance bond shall be established by RE withholding from the Supplier 10% of each of the payments to be made in accordance with the Contract or Purchase Order, including payments for price revisions, extensions and/or time & material projects.
- 11.8** Both the performance bond established (when applicable) and the withholdings that may be executed can be used for the reimbursement of the amounts accrued, due to compensation for delay in the delivery, as well as for any liability that may be incurred by the Supplier and/or its subcontractors as consequence of any breach of the obligations undertaken under the Contract or Purchase Order.
- 11.9** The period of validity of the performance bond will be determined in accordance with the Contractual Documentation. The return or payment of the performance bond established by the Supplier (depending on whether it is a performance bond established or withholdings) will proceed upon previous written request of the Supplier and once the corresponding deductions have been made.
- 11.10** The Supplier will forfeit the performance bond established in those cases that warrant the termination of the Contract or Purchase Order, pursuant to that laid down in these GCC.

- 11.11** The financial costs of the performance bond (financial guarantee) shall be borne by the Supplier.

12. CERTIFICATION, PRICE, INVOICING AND PAYMENT

Certification of delivery

- 12.1** RE shall approve the reception of the Supply by means of corporate systems specially designed to this effect, generating the entry sheet with the corresponding identification number (certification) and providing the Supplier with all the necessary information to complete the invoice.
- 12.2** RE's representative, in view of both the Equipment and/or Materials object of the delivered Supply and the contracted prices, will issue the corresponding certifications of delivery once the Equipment and/or Materials are received.
- 12.3** Once RE issues the certifications of delivery for the Equipment and/or Materials supplied, RE will approve the payment of the agreed contracted amount to the Supplier, following the presentation by the Supplier of the invoice duly issued, according to the certification of delivery issued and duly completed, in accordance with RE's guidelines and legal provisions. Cost overrun payments shall be paid off as soon as the delivery of the Equipment and/or Materials object of the Contract or Purchase Order has been verified by RE's representative in accordance with the same established methodology (prior RE approval of all delivery certifications against duly completed invoice in accordance with RE's guidelines).

Prices

- 12.4** The price of the Contract or Purchase Order includes everything within the scope of the same, in accordance with it and with these GCC, and whatever the Supplier must provide or do for its fulfilment, the industrial benefit, as well as whatever expenses or charges are required for its fulfilment, with the sole exception of the concepts or services that have been expressly excluded.
- 12.5** The price includes all taxes (excluding VAT or equivalent tax corresponding to the country of residence of the Company of the RE Group that is the invoice receiving party), fees, contributions, duties and excise taxes that may have an impact on the object of the Contract or Purchase order, or those that may accrue under the same. RE may withhold from the payment of the price the amounts resulting from the application of the current regulations and from writs and notices issued by Public Administration bodies and the courts.
- 12.6** The contractual prices are unalterable. Price increases above those established in the Contract or Purchase Order will not be permitted, nor will additions thereto, except in cases where a price revision system is established for specific conditions that may apply (which shall be stipulated in the Contract or Purchase Order). In the case of price revisions, the prices that result from the revision process will not be applicable to the services, works or acquisition of Equipment and/or Materials performed prior to the express approval by RE, in writing, of said price revisions.
- 12.7** Payment will not be made for materials, works or services not included in the Contract or

Purchase Order unless their execution had been previously submitted in writing by the Supplier, clearly stating the price, and accepted, also in writing, by a duly authorised RE representative.

Invoicing

- 12.8** All invoices must be submitted in the manner indicated in the Invoicing Policy (as at Jan 2018, only available in Spanish) published on the website of RE unless otherwise stated in the Contract or Order, complying with current fiscal/tax and mercantile requirements, including the Order or Contract number and the certification reference. The foregoing must be completed with the provisions of the corresponding Annex-Country depending on the country in which the contracting RE company resides.
- 12.9** The date of each invoice shall coincide with the date of delivery of the Equipment and/or Materials object of the Supply and cannot be prior to the date on which, according to the Contractual Documentation, the issuance of the same should take place. Invoices can only be issued for those items that have been received and delivered in accordance with the delivery deadlines.
- 12.10** In general, all invoices shall be admitted provided that all goods invoiced for have been delivered and received in accordance with RE specifications. Invoices shall include the Purchase Order or Contract number and the certification number issued by RE, refer to the Supply object of the Contract or Purchase Order and whose amounts are compliant with the approved prices.
- 12.11** At the proposal of RE or the Supplier, and provided that the object of the Contract or Purchase Order justifies it due to its nature, delivery or execution period, partial invoicing may be contemplated, the invoice periods and amounts of which shall appear in the Contractual Documentation. In those cases in which partial invoicing is admitted, the invoicing periods shall be linked to the work milestones and/or actual deliveries that have been agreed between both Parties, in accordance with the established schedule.
- 12.12** The invoices generated due to price revisions, in cases where it is deemed applicable, shall be issued separately from the invoices corresponding to the base prices and shall include the detail of the application of the agreed revision formula and the documents that justify it.
- 12.13** In those cases where additional Services are applicable, the Supplier shall attach to the invoices the corresponding certifications of the performed services, duly accepted and signed-off by RE.
- 12.14** Should the aforesaid requirements not be met, the invoices will not be accepted by RE.

Payment

- 12.15** Payments shall always be made against the invoice presented by the Supplier, duly issued in accordance with the corresponding certification and duly completed in accordance with the guidelines of RE and the legal requirements, through bank transfer into a current account, bank cheque or confirming bank or, exceptionally through other legal and valid means of payment, according to the object of the Contract or Purchase Order, respecting the maximum periods established under current legislation. If applicable, withholding shall be made on the corresponding performance bond.

- 12.16** All payments corresponding to partial invoices that are made before the provisional reception of the Equipment and/or Materials, in accordance with the provisions of the Contract or Purchase Order, shall be on account of the price of the Contract or Purchase Order. To this effect, where applicable, payments made upon delivery of the technical documentation shall be considered as advances.
- 12.17** At all stages of the Supply, the payment of the invoice shall be conditional on the fulfilment by the Supplier of the internal regulations of RE regarding quality control of the Equipment and/or Materials.
- 12.18** Payments shall be made respecting the maximum periods established under current legislation.
- 12.19** In the event that RE confirms that the Supplier is in breach of its obligations that may result in joint and severable liability, subsidiary or other direct action against RE, regardless of whether the Contract or Purchase Order is terminated or not, RE may, as soon as it becomes aware of such circumstances, proceed to withhold all payments that for any reason are pending to be made to the Supplier in sufficient amount to cover said liabilities, and may even pay such obligation commitments on behalf of the Supplier.
- This right to withhold and pay on account of the Supplier shall be extended to all damages arising from the non-fulfilment or performance guarantee of the Contract or Purchase Order, or any case that could give way to a liability for RE.
- RE shall be entitled to withhold and offset the amounts pending payment to the Supplier, in the amount that the latter in turn owes to RE or to any of the companies of the RE Group.
- 12.20** The payment of the price does not imply that RE considers the Contract or Purchase Order fulfilled by the Supplier or that it waives any of the rights to which it may be entitled in respect of the Supplier. RE expressly reserves such rights, notwithstanding the payment made.
- 12.21** The invoice payment terms are indicated in the Country Annex, and will depend on the country of residence of the company of the RE Group entering into the Contract or Purchase Order.

13. PENALTIES

- 13.1** Without prejudice to that set forth in Section 14 of these GCC, RE shall impose to the Supplier the penalties set forth in such Section for breach of any of the obligations provided herein and/or in the Contract or Purchase Order and particularly for the following infringements:

Penalty clause for delays or late delivery

- 13.2** Supplier's infringement of partial or final delivery dates or execution deadlines set forth in the Contract or Purchase Order will be sanctioned accordingly with a penalty.
- 13.3** If such penalty has not been specified, the penalty amount shall be 1% of the Contract or Purchase Order Sum for every calendar week of delay during the first four (4) weeks.

- 13.4 If the delay extends beyond four (4) weeks, the penalty amount will increase to 5% weekly.
- 13.5 The making up of the delays of delivery dates or partial execution deadlines will result in the refund of the corresponding applied penalties once deducted the major costs and expenses that such delays may have caused to RE.
- 13.6 Penalties for late delivery will be applied automatically once the deadline has passed and without the need to issue prior delay complaint.
- 13.7 If the imposed penalties reach an amount equal to 10% of the Contract or Purchase Order Sum, RE may either terminate the Contract or Purchase Order for breach of contract or continue and require the fulfilment of the Contract or Purchase Order with the corresponding compensation for the damages caused.
- 13.8 The collection of penalties shall not deprive RE of the possibility to impact on the Supplier all costs and cost overruns that RE may have to pay to third parties as a direct result of the delay.
- 13.9 If within the guarantee period RE should be deprived of the use and possession of any of the contracted Equipment and/or Materials, due to defects, flaws or breakdowns that may have occurred or observed in them, or due to the works necessary to correct them, pursuant to such guarantee, the Supplier will be sanctioned with the penalty as stated in the Contract or Purchase Order, or if not specified, with 0.1 per cent of the Contract or Purchase Order Sum per day the equipment or materials are unavailable.
- 13.10 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond (financial guarantee) established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.
- 13.11 The Supplier must compensate for other possible damages caused by the delay, when the breach of its obligations amounts to fraud or negligence or otherwise contravenes them.

Penalty clause due to defective rectification or waiver to rectify by the Supplier

- 13.12 In case the Supplier should not proceed to rectify the faults, defects or shortcomings identified by RE in the prescribed time-limit, RE may impose a penalty on the Supplier.
- 13.13 Furthermore, RE may impose a penalty on the Supplier if at any time before the deadline to rectify is granted, the Supplier waives to rectify such defects or shortcomings.
- 13.14 If such penalty has not been specified, the penalty amount shall be 10% of the Contract or Purchase Order Sum.
- 13.15 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond (financial guarantee) established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

Penalty clause for breach of occupational health and safety matters

13.16 Supplier's infringement of the occupational risks prevention rules and specifications (whether or not it may have caused victims) shall enable RE to take discretionally one, or several, of the following measures:

- a) Reduction in the scope of the Contract or Purchase Order.
- b) A financial penalty, the amount of which will be defined by RE in accordance with the seriousness of the infringement. The amount of the penalty may range from a minimum of five percent (5%) to a maximum of ten percent (10%). A warning notice shall be issued in such case.
- c) Termination, in whole or in part, of the Contract or Purchase Order in the case of recurrence or when the rules infringed should be particularly serious.
- d) Temporary withdrawal of the qualification of the Supplier as eligible to be contracted by RE.
- e) Definitive withdrawal of the qualification of the Supplier as suitable to be contracted by RE in the case of reoccurrence or when the regulations breached are especially serious.
- f) Partial or total stoppage of works, as long as the regulation infringed is not corrected. In these cases, the Supplier will assume the additional cost overruns caused by the stoppage of works in the event of accident, incident or breach of any aspect of occupational health and safety generated by its workers, subcontractors (including self-employed) that RE considers necessary.

13.17 The Supplier may also be financially sanctioned for not supplying in time the data requested by RE in the manuals and rules relating to the Supplier, these data consisting of:

- a) Complaints raised by third parties regarding the works performed.
- b) Incidents or accidents involving its personnel occurred during the execution of the works.

13.18 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

Penalty clause for noncompliance with aspects regarding quality of the Supply

13.19 The Supplier shall be the sole responsible Party for the quality control of Equipment and/or Materials, regardless of the tests and controls that RE carries out or demands directly or through third parties, and under no circumstance these tests shall alter the Supplier's exclusive responsibility.

13.20 If any quality reduction in the supplied product were found to exist, RE may apply the penalty set forth below. A warning notice shall be issued in such case.

13.21 If it is established that the Equipment and/or Materials are of a lower quality than that defined in the Technical Specifications, in the requirements or in the terms and conditions contractually stipulated, the penalty to apply shall amount to 10% of the Contract or Purchase Order Sum.

13.22 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

Penalty clause for infringement in the assessment procedure to qualify the Supplier as eligible to be contracted by RE

13.23 Without prejudice to RE's right to terminate the Contract, RE may impose on the Supplier those penalties corresponding to a serious breach of the obligations arising out of the supplier assessment, qualification and certification process as well as for providing false information in the documentation submitted or in any other information requested, provided it had been previously requested and it had not complied with such request in the prescribed time-limit.

13.24 If such penalty has not been specified, the penalty amount shall be 10% of the Contract or Purchase Order Sum.

13.25 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

Penalty clause for failing to deliver sufficiently in advance the documentation inherent to the fulfilment of the Contract or Purchase Order

13.26 Failure by the Supplier to deliver, sufficiently in advance for its use by RE, all the documentation inherent to the fulfilment of the Contract or Purchase Order, such as drawings or blueprints, computer programmes, reports, manuals, instruction books, protocols, certificates of receipt, control and testing, etc., shall be sanctioned by applying a penalty.

13.27 If such penalty has not been specified, the penalty amount shall be 1% of the Contract or Purchase Order Sum for every calendar week of delay during the first four (4) weeks.

13.28 If the delay extends beyond four (4) weeks, the penalty amount will increase to 5% weekly.

13.29 If the imposed penalties reach an amount equal to 10% of the Contract or Purchase Order Sum, RE will be entitled to terminate the Contract or Purchase Order for breach of contract and claim the corresponding compensation for the damages caused.

13.30 RE may collect the applicable penalties by deducting the amount of the penalty from any

kind of pending payment due to the Supplier, by executing any performance bond (financial guarantee) established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

- 13.31** The Supplier shall be obliged to compensate for other possible damages caused by the delay, when the breach of its obligations amounts to fraud or negligence or otherwise contravenes them.

Penalty clause for aspects regarding the environment

- 13.32** Failure by the Supplier to comply with its environmental obligations foreseen under the applicable legislation, or of the measures adopted by RE during the performance of the services or works, will enable RE to adopt (at its discretion) one or more of the following measures:

- a) Reduction in the scope of the Contract or Purchase Order.
- b) A financial penalty, the amount of which will be defined by RE in accordance with the seriousness of the infringement. The amount of the penalty may range from a minimum of 0.5% to a maximum of two percent (2%) of the price of the Contract or Purchase Order per day of non-compliance and until compliance with environmental obligations is restored.
- c) Termination, in whole or in part, of the Contract or Purchase Order in the case of recurrence or when the rules infringed should be particularly serious.
- d) Temporary withdrawal of the qualification of the Supplier as eligible to be contracted by RE.

- 13.33** Failure to provide the data requested by RE in a timely manner regarding the following may also carry a financial penalty:

- a) Complaints raised by third parties regarding environmental matters related to the works performed.
- b) Sufficient evidence of the information provided to its employees, personnel, workers, agents, consultants and other persons working on its behalf under this Contract or Purchase Order, on the environmental specifications and the obligations incumbent on them under this Contract or Purchase Order.
- c) Information on action plans for the prevention, mitigation, repair of environmental damage and pollution and/or recovery of areas affected.

- 13.34** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Supplier, by executing any performance bond (financial guarantee) established by the Supplier, by both means or by any other legal way chosen by RE (including withholding payment of invoices concerning other Contracts or Purchase Orders). If there were no pending payments, the penalty shall be paid by the Supplier as a business debt.

Other penalties

- 13.35** RE reserves its right to establish any other kind of penalties, in which case RE will expressly include these in the Contractual Documentation.

Penalty amount limitation

- 13.36** The penalties applied for any of the above detailed concepts, plus any other penalties, may not, as a whole, exceed 15% of the Contract or Purchase Order Sum. "Contract or Purchase Order Sum" means the total sum initially agreed plus any adjustments due to changes, extra works, price revision or any other cause.

14. SUSPENSION AND TERMINATION OF THE CONTRACT OR PURCHASE ORDER

Suspension at the request of RE

- 14.1** In the cases when RE has the right to terminate the Contract or Purchase Order according to its terms, RE (discretionally and without prejudice to the right to terminate the Contract or Purchase Order in accordance with this Section) may suspend the execution of all or part of the Supply during a period of time deemed to be appropriate by RE. In these cases, RE shall not be obliged to pay the price of the Supply, nor the costs, fees, charges or other amounts that may be due to the Supplier regarding the object of the Contract or Purchase Order.
- 14.2** Without prejudice to the aforesaid, if for any cause other than that set forth above RE should deem necessary or should step in to request the temporary suspension of a given Contract or Purchase Order, RE shall notify the Supplier in writing specifying the cause and the expected duration of the suspension. As a result, the Supplier shall immediately interrupt all works.
- 14.3** RE will pay all finished works or those works that might be well underway at the time of the notice of suspension to the Supplier. Payments corresponding to those partial executions of the work or delivery well underway at the time of the notice shall be determined by mutual agreement between the Parties or, if this cannot be achieved, through expert valuation, with the appointment of an expert being made at the proposal of RE and in the absence of agreement, the appointment will be carried out by sortition by the corresponding Chartered Association.
- 14.4** Supplier hereby acknowledges and accepts that the exercise of the above-mentioned right shall not give rise to any other kind of further payment or compensation to RE.

Termination of contract by mutual agreement

- 14.5** The Contract or Purchase Order may be terminated, either wholly or partially by mutual agreement between the Parties.
- 14.6** In such case, the Parties will set out in writing the termination agreement and the Supplier shall immediately interrupt all works under the Contract or Purchase Order being terminated and cease any new material procurement.
- 14.7** Payment for executed works, or for works well underway at the time of termination will be made by RE after signing the termination agreement and in the terms stated thereof. Payments corresponding to those partial executions of the work or delivery well underway at the time of the notice shall be determined by mutual agreement between

the Parties or, if this cannot be achieved, through expert valuation, with the appointment of an expert being made at the proposal of RE and in the absence of agreement, the appointment will be carried out by sortition by the corresponding Chartered Association.

Termination of contract by RE

14.8 RE, at any time, may request the termination of the Contract or Purchase Order, with the sole prerequisite that it shall formally serve due notice to the Supplier. In such an event, RE shall indemnify the Supplier for any direct damages generated thereby.

14.9 'Direct damages' mean the expenses generated due to the cancellation of the orders placed. These expenses shall be sufficiently proven by the Supplier in documentary form to RE. The amount shall be determined by mutual agreement between the Parties or, if this cannot be achieved, through expert valuation, with the appointment of an expert being made at the proposal of RE and in the absence of agreement, the appointment will be carried out by sortition by the corresponding Chartered Association. This compensation by no means shall exceed the total amount belonging to the partial performance of the Contract or Purchase Order subject to suspension or the amount pending at the moment of termination.

Consequential damages and loss of profit are expressly excluded from the above.

14.10 Upon receiving the notice of termination of the Contract or Purchase Order, and at the request of RE, the Supplier shall immediately stop the works currently underway carrying out any necessary actions to satisfactorily preserve the works already executed and their delivery to RE.

Termination for breach of contract by the Supplier

14.11 RE may terminate the Contract or Purchase Order, wholly or partially, by serving formal notice to the Supplier, who shall not be entitled to claim any compensation thereby, in the cases foreseen by the law or in the event of any of the following:

- a) The decrease in the financial standing or economic solvency, or the emergence of legal, economic, financial, or otherwise any other kind of difficulties which may impact on the normal fulfilment of the Supplier's legal and contractual obligations.
- b) When the Supplier has submitted inaccurate information in the initial representations or in any other information submitted to in response to RE's requests for qualification, application, selection of bids, etc. that could affect the proper performance of the Contract or Purchase Order. Among the representations that could be affected by this general condition is, including, but not limited to, the affidavit concerning the requirements needed for contracting, or the representation stating not being subject to a contracting ban.
- c) Extinction of Supplier's legal personality.
- d) Decease of the Supplier, cessation of business or change in their capacity to act, or physical or mental health conditions that might impair or prevent the satisfactory conclusion of the Contract or Purchase Order, when the Supplier is an actual natural person.
- e) Relinquishment, interruption or suspension by the Supplier in the fulfilment of the Contract or Purchase Order, including the stoppage of work or of the Supply, except in

the case of proven force majeure.

- f) Delay in the delivery of contracted Equipment or Materials by more than half of an interim period of delivery; or for a period longer than one third of the total period; or default on delivery dates essential for the satisfactory conclusion of the Contract or Purchase Order or for having incurred delay penalties reaching 10 per cent of the Contract or Purchase Order Sum, as established in the Penalties Section.
- g) Any other serious or recurring circumstance that is deemed to be an infringement of the Supplier's contractual obligations or that implies or hinders the performance of the Contract or Purchase Order.
- h) The assignment, transfer or subrogation of any of the rights and obligations deriving from the Contract or Purchase Order without the prior, written and express consent of RE.
- i) In the case the Supplier subcontracts wholly or partially the subject of the Contract or Purchase Order without the express authorisation of RE.
- j) The repeated non-compliance of the established Technical Specifications or of the required provisions about safety and prevention, corporate social responsibility, labour obligations, or the repeated non-compliance of RE's instructions or guidelines pursuant to any of the provisions of the Contractual Documentation.
- k) Non-compliance of Supplier's labour and social obligations including, but not limited to, non-compliance with payroll payment obligations.
- l) Non-compliance with the obligations deriving from RE's Suppliers' assessment, qualification or standardisation processes.
- m) Non-compliance or infringement of RE's Code of Conduct.
- n) Entering into any legal transaction regardless the form used (sale or transfer of stocks and shares, mergers, demergers or any other corporate operations or legal transactions) leading to a substantial change in the ownership of the Supplier's stocks/shares or otherwise an effective change of control, direct or indirect, in the Supplier or in one of the companies who have control over or that it reports to, without the express consent of RE.

14.12 Should any of the above-mentioned causes occur, the Contract or Purchase Order will be terminated and null and void from the date RE duly notifies the Supplier or, where appropriate, the Supplier's successors and assigns, the decision to terminate the contractual relationship. RE may grant a longer period for non-compliance remedial actions before proceeding to terminate the Contract or Purchase Order. After expiry of the deadline granted by RE, if the non-compliance cause has not been remedied, RE may urge the termination of the Contract or Purchase Order by written communication to the Supplier stating the events occurred and the grounds for termination, as well as the effective termination date of the contractual relationship.

14.13 Should the above decision be based on clause 14.11, paragraph d), the Supplier or where appropriate, the Supplier's successors and assigns, may avoid such termination if, within five days of the notice, they provide enough guarantees, in RE's sole opinion, regarding the normal fulfilment of the Contract or Purchase Order.

14.14 Should RE's decision be based on clause 14.11, paragraphs e) and f), the Supplier accepts as valid all the causes put forward by RE and gives its consent to the decision if, within five days of notification, it does not formulate in writing any justified, proven and duly documented claim.

14.15 In the event of termination of the Contract or Purchase Order, the Supplier must immediately return to RE the total amounts charged in advance on account. In the event the Supplier does not proceed to return the advance, RE may execute the performance bond or letter of guarantee. Should RE proceed to execute its right as reserved in the following paragraph, the obligation to refund shall be limited to the excess that such amount represents in regard to what RE shall have to pay the Supplier, in accordance with same paragraph.

14.16 In the event of termination of the Contract or Purchase Order, RE shall be entitled, but not obliged, to purchase all or any of the Equipment and/or Materials that the Supplier may have already subcontracted, stockpiled, partially manufactured or delivered, fixing the price of this acquisition by mutual agreement or, if this is not achieved, by expert valuation, in accordance with the procedure mentioned above.

When RE exercises this right, RE acquires ownership of the Equipment and/or Materials as a result of the termination of the Contract or Purchase Order and from the date it is effective, from that moment on, the Equipment and/or Materials shall be of free disposition, including their removal from the factories, workshops or warehouses of the Supplier or its subcontractors or suppliers, even if the price of acquisition has not yet been fixed.

14.17 In any case, the Supplier shall compensate RE for the damages generated by the breach. RE may materialise the payment of the compensation by deducting the compensation amount from the pending payments due to the Supplier (even payments due for other Contracts or Purchase Orders). Except for in the case of clause 14.11, paragraph d), the termination of the Contract or Purchase Order shall also carry the loss of the performance bond that the Supplier might have established and that will entirely be transferred to RE as compensation for the damages generated.

If the amount of the financial deposit exceeds the amount calculated for compensation the financial deposit will be lost partially and the remaining amount of the financial deposit, after deducting the compensation sum, will be returned to the Supplier.

If the amount of the financial deposit is lower than the calculated compensation for the damages generated, RE reserves its right to urge the corresponding compensation and may materialise it by deducting its amount from the pending payments due to the Supplier (even if these are for other Contracts or Purchase Orders).

14.18 In the case that the Supplier fails to inform RE regarding the above-mentioned situations, and regardless of RE's right to terminate the Contract or Purchase Order, RE may consign with just cause and/or withhold any pending payment due to the Supplier in order to fulfil the obligations that as a result of the performance of the Contract or Purchase Order the Supplier might have with regard to third parties. RE may execute payments on behalf of the Supplier.

14.19 Even when any of the causes for termination of the Contract or Purchase Order should

occur, RE may also choose to urge its fulfilment. In this case, the Supplier shall remain bound by it unless RE notifies the termination of the Contract or Purchase Order, without prejudice to the corresponding compensation for the damages generated.

14.20 In the cases where the termination of the Contract or Purchase Order is applicable, RE may choose, along with the decision to terminate the Contract or Purchase Order, or alternatively to ensure its fulfilment, to take all or some of the following measures against the Supplier:

- a) Suspend outstanding payments (even related to another contract).
- b) Execute the deposits, bank guarantees or any other type of guarantees the Supplier may have (even related to another contract).
- c) Retain the Supplier's stockpiled materials and machinery and items that may be in the possession of RE.

14.21 After termination, RE will certify the pending amounts due to the Supplier for all the works carried out or delivered satisfactorily until the termination date. Corresponding penalties and compensations will be deducted from this resulting amount and the sum of the procured Equipment and/or Materials acquired by RE, when applicable. The remaining sum, if any, shall be paid to the Supplier as full and final settlement of the Contract or Purchase Order.

Termination of contract by the Supplier

14.22 The Supplier may request the termination of the Contract or Purchase Order to RE through a duly given and well-founded notice. The aforementioned notice shall be issued by the Supplier within a reasonable time and shall be adequate to the specific features and status of performance of the Contract or Purchase Order. In any case, the time shall by no means be inferior to 60 days.

14.23 Both Parties shall mutually agree to agree the conditions to properly carry out the termination, including the corresponding settlement of the Contract or Purchase Order.

14.24 The settlement shall include the compensation for the damages generated to RE that at the time can be determined. All of the foregoing is without prejudice to other compensations that might arise from damages generated to RE that may subsequently be acknowledged.

15. INDUSTRIAL AND INTELLECTUAL PROPERTY

15.1 The Supplier, hereby committed to producing, if required, the relevant documentation, guarantees to RE that is in possession of the trademark registrations, patents, utility models, industrial designs or otherwise the respective licences of such rights, and guarantees to have the prescriptive activity licence, if its activity should require a special permit, to execute the object of the Contract or Purchase Order. The Supplier also guarantees that the aforesaid registrations and licences do not infringe any third-party rights.

15.2 The Supplier shall be responsible for obtaining the required licenses or assignment rights, permits and authorisations from the respective owners of the patents, models and

trademarks, as well as of any intellectual property rights. Any payment due regarding rights or compensations of the latter shall be at the Supplier's own expense.

- 15.3** To conform to the guarantee set forth above, the Supplier hereby releases RE from all liability for infringements of industrial property that it (the Supplier) may commit, and undertakes to do all that is necessary to release RE and hold it harmless from any claims, lawsuits or actions brought against RE and/or RE's to which such infringements may give rise and to indemnify RE for any and all damages, costs and expenses (including counselling, attorneys and court agents fees and costs) incurred in connection with any of such claims, lawsuits or actions or otherwise for any actions in which it should be forced to intervene.
- 15.4** If a third party should file a claim against RE for any Supplier's breach of the obligations set forth in the above clause, the Supplier must, at the request of RE, submit, within a period of ten (10) days, a performance bond (in accordance with the Section 'Financial Guarantee') enough to guarantee the amount of the claim filed against RE.
- 15.5** Any judicial or extra-judicial claims filed by third parties against the Supplier in connection with industrial or intellectual rights shall formally serve due notice to RE immediately after receipt thereof.
- 15.6** RE is the owner of all documents, designs, drawings or blueprints, computer programmes and specifications, and copies thereof, that RE hands over to the Supplier for the performance of the work, as well as all the inventions, patents, utility models and other industrial or intellectual property rights generated or that might be generated on the basis of any documentation handed over by RE to the Supplier for the purposes of the work.

The Supplier shall use such documentation indicated above exclusively for the performance of the Contract or Purchase Order and return the inventions, patents, utility models and other industrial or intellectual property rights to RE upon completion thereof, upholding at all times the suitable precautions and safeguards concerning the processing, handling, management and transmission of the information in accordance with the current, applicable law for each Contract or Purchase Order. Furthermore, the Supplier shall serve immediate formal notice to RE regarding the development of inventions, patents, utility models and other industrial and intellectual property rights generated or that might be generated on the basis of any documentation handed over by RE to the Supplier. The Supplier shall take the adequate protection measures according to the instructions or guidelines issued by RE.

- 15.7** Likewise, the Supplier is the owner of all documents, designs, drawings or blueprints, computer programmes and specifications, and copies thereof, generated throughout the performance of the work on its own documentation and technology, along with any patents, utility models and other industrial or intellectual property rights. However, the designs, documents, drawings or blueprints and computer programmes, and copies thereof, that may have been handed over by the Supplier during the performance of the Contract or Purchase Order will become the property of RE. The Supplier shall take the adequate protection measures according to the instructions or guidelines issued by RE.

16. CONFIDENTIALITY

16.1 The Supplier agrees and undertakes to keep confidential and shall not disclose, provide to third parties or use in third parties works or facilities, without the prior written consent of RE, any of the following: the Contract or Purchase Order as well as the technical documentation, drawings or blueprints, data, procedures, patents, licences or otherwise any kind of information whether oral, written or supplied by any other means, relating to the object and performance of the Contract or Purchase Order, unless such confidential information:

- a) is in the public domain or is subject to an administrative or judicial request;
- b) that after being disclosed is known or becomes known to the public in general (other than as a result of a breach by the Supplier);
- c) that at or prior to the time of disclosure the Supplier was already in possession of such information or documentation;
- d) that after being disclosed is made known or supplied to the Supplier by a third party entitled to disclose such information;
- e) is or has been independently developed or conceived by the Supplier without the use of the confidential information.

16.2 The obligation of confidentiality applies both to the documentation delivered to the Supplier prior to the performance of the Contract or Purchase Order, and to any documentation to which the Supplier may have access to during its execution, and that refers to RE as well as third parties.

16.3 The foregoing obligation also applies to shareholders, administrators, employees or any persons that may have had access to the information. RE reserves the right to take legal actions in defence of its interests regarding non-compliance with this obligation.

16.4 The information and documentation subject to the obligation of confidentiality cannot be disclosed by the Parties during the period that the Contract or Purchase Order is in force, nor for a period of five years after the finalisation of the same.

16.5 The Supplier undertakes to use the information subject to the obligation of confidentiality exclusively in the context of the performance of the Contract or Purchase Order, and for the sole purpose of complying with the agreed thereto, and will be liable for any damages generated to RE that may arise from non-compliance.

16.6 In the event that the Supplier were to be legally required to reveal any confidential information (including, but not limited to, judicial interrogations, requests for documentation, civil, criminal or administrative investigations) it shall notify this fact immediately in writing to RE, so that the relevant measures can be taken to reveal the information affected by the obligation of confidentiality, or the non-compliance with the terms of this Section.

16.7 Upon finalisation of the Contract or Purchase Order, the Supplier is obliged to erase from its files all the information belonging to or provided by RE, and undertakes not to disclose it or supply it to third parties.

In order to verify compliance with the obligation stated in the foregoing paragraph, the

Supplier is obliged to provide access *in situ* to the authorised representatives that RE may designate to carry out the appropriate verification procedures.

- 16.8 In any event, RE and the Supplier will agree on the content, means of communication and the date of publication of any press release, notice or communication of any type regarding the existence of the Contract or Purchase Order, or the content of same.
- 16.9 In the event of assignment or subcontracting of the Contract or Purchase Order, pursuant to the terms set forth in these GCC, the Supplier will be obligated to subscribe, with the subcontractor or assignee, a confidentiality agreement on the same terms as those specified above.
- 16.10 The Confidentiality Agreements, prior agreement of the Parties, shall comply with the content set out in RE's corresponding confidentiality commitment document.
- 16.11 Similarly, RE shall safeguard and not disclose any information provided by the Supplier that it deems confidential as per the agreed terms and conditions.

17. LIABILITY

- 17.1 The Supplier is responsible for the exact fulfilment of and compliance with the obligations undertaken under the Contract or Purchase Order and of those established in the Contractual Documentation.
- 17.2 The Supplier is solely responsible to RE for the correct performance of the Contract or Purchase Order. This condition is indivisible and cannot be delegated to subcontractors that the Supplier, provided that it has been authorized by RE, uses for these purposes.
- 17.3 The Supplier is obliged to prevent situations that may give rise to conflicts of interest, for which reason it shall adopt all reasonable measures for the detection thereof, immediately notifying RE of any conduct that may generate them.
- 17.4 When the Supplier is made up of two or more natural or legal persons or a grouping of them, each and every one of them are jointly and severally liable for the fulfilment of the Contract or Purchase Order and also jointly and severally liable for the obligations established in the latter and in these GCC.
- 17.5 The Supplier shall be liable to RE for any damages that the Supplier itself and the persons for whom it shall be liable, may cause RE or the staff dependant on it, and that may be the result of an act or omission in the performance of the obligations undertaken on behalf of the Supplier or on behalf of any of the aforesaid persons.
- 17.6 The liability of the Supplier to RE may not exceed, except in cases of fraudulent or negligent conduct, 100% of the Contract or Purchase Order sum, without prejudice to the penalties imposed by RE to the Supplier that may exceed such limit.
- 17.7 The Supplier shall be liable for, and shall hold RE harmless against, whatsoever claims of third parties brought against RE for damages caused to said third parties, which are caused by an act or omission in the fulfilment of their obligations on behalf of the Supplier.

For the purposes of the foregoing paragraph, third parties will be considered not only natural or legal persons outside the Contract or Purchase Order (such as subcontractors),

but also RE's staff, whereby the Supplier shall be liable for any damages that may be caused to them.

- 17.8** The Supplier shall be liable to third parties, leaving RE exempt, from any claim for death or accident of its employees or those of third parties as well as those raised by third parties that occur or result from accidents, actions or omissions of the Supplier.
- 17.9** The Supplier is responsible for the thorough compliance of its legal and contractual obligations with its suppliers and subcontractors and, particularly, for the full ownership, non-restricted use, availability and free from any charges and encumbrances in favour of third parties for the Equipment and Materials delivered under the Contract or Purchase Order. Likewise, it shall guarantee that it has the patents, licenses and other industrial and intellectual property documents necessary for the performance of the object of the Contract or Purchase Order.
- 17.10** The Supplier undertakes to fully observe and fulfil, in a timely manner, all obligations related to administration, taxation or labour applicable for the fulfilment of the Contract or Purchase Order as well as to comply with all matters related to prevention of occupational risks, health and safety, the natural environment and quality.
- 17.11** Specifically, the Supplier undertakes to comply with current environmental legislation regarding the use of hazardous or prohibited substances, proper packaging and labelling, transport conditions, emission of noise or odours during the operation of the Equipment and/or Materials and how many other environmental specifications are included in current legislation. In this regard, the Supplier undertakes to supply, whenever possible, Equipment and/or Materials with an ecolabel, as well as those that have a longer useful life, which represent a lower cost and have a lower waste generation potential, and that the elements or substances used in the Equipment and/or Materials are not carcinogenic or chemically unstable. Similarly, the Supplier shall be liable for damage to the Environment or for the imminent threat that it may occur, as well as for the costs for the prevention, mitigation, repair of environmental damage and/or recovery of areas affected as a result of the performance of the works object of the Contract or Purchase Order, in accordance to the terms established by the corresponding legislation.
- 17.12** The Supplier must justify, by providing documented proof to RE as often as deemed necessary by RE, that there is full compliance with that set forth in the foregoing clauses.
- 17.13** The Supplier shall release RE from any liability for non-compliance with the above obligations, as well as for actions or omissions on its part or by its personnel under the Contract or Purchase Order; and, consequently, is obliged to carry out whatever necessary to hold RE harmless from any claims and lawsuits that might be brought against it for that reason, and to compensate RE for all damages which may be filed against it, directly or indirectly, due to said claims or lawsuits.
- 17.14** The non-compliance by the Supplier of that which is regulated in this Section will be considered as a serious breach, and will empower RE to terminate the Contract or Purchase Order due to non-compliance by the Supplier.
- 17.15** In the event that RE establishes that the Supplier is failing to comply with its obligations that may result in joint liability, subsidiary or other direct action against RE, regardless of whether or not the termination of the Contract or Purchase Order is warranted, RE may,

as soon as it becomes aware of such circumstances, proceed to withhold all payments that for any reason are pending to be made to the Supplier in sufficient amount to cover said liabilities, and may even pay said obligations on behalf of the same.

- 17.16** This right to withhold and offset the amounts pending payment to the Supplier shall be extended to all damages derived from the non-compliance or guarantee of the Contract or Purchase Order or to any other possible case that could give rise to a liability to RE.

RE shall be entitled to withhold and offset the amounts pending payment to the Supplier, in the amount that the latter in turn owes to RE or to any of the companies of the RE Group.

- 17.17** The Provider shall pay all the costs or expenses incurred by that RE (including attorneys' fees, court agent fees, provisions of funds on both, certificates, administrative permits, duties, reimbursable expenses, legal deposits for appeals, etc.) resulting from the legal defence against administrative acts, extra or pre-judicial claims and legal actions of any kind brought against it, including actions directed against RE in its capacity as promoter or owner of the work, the workers of the Supplier or its subcontractors and the dependents, subcontractors and self-employed of both, the claims of third parties and any other that could be put forth arising from the performance of the Contract or Purchase Order by the Supplier.

18. INSURANCE

- 18.1** The Supplier shall subscribe to and maintain for the duration of the Contract and Purchase Order, and at its expense, the following insurance policies:

- a) Work Accidents and social security payments under current legislation for all workers.
- b) Civil Liability against third parties through mandatory and voluntary insurances for own vehicles or vehicles contracted to third parties involved in the performance of the Contract and Purchase Order.
- c) The Supplier must insure the material damages to the goods object of the Contract and Purchase Order, as well as the Civil Liability derived from the transport up until the moment the goods are delivered and received by RE.
- d) The Civil Liability insurance policy shall expressly include the guarantees of Civil Liability for Operation and Use, Employer's/Corporate Civil Liability, Civil Cross-Liability, Civil Liability for Products and Civil Liability for pollution and damage to the environment for those supplies of goods that may entail a possible environmental risk.

The policy shall envisage a minimum limit of 3,000,000 Euros per accident, with the minimum limit required per victim being no less than 300,000 Euros.

Said requirements may be increased/broadened/amended for each Contract or Purchase Order, taking into account the concurrent circumstances, as established in the Contractual Documentation of each Contract or Purchase Order.

- e) Any other insurance required by the legal provisions in force and that are applicable to the works and services carried out by the Supplier in relation to the Contract or

Purchase Order.

- 18.2** All the aforementioned policies will act as primary policies and always in the first instance against any other that may be applicable and shall be contracted with insurance entities of recognised solvency, without the possibility of modifying or annulling its terms and conditions during the period of coverage without the express consent of RE.
- 18.3** The foregoing insurance policies will expressly specify that the insurance company will pay the compensations directly to RE when the nature of the policy allows it and whenever those compensations are applicable.
- 18.4** The Supplier shall accredit the fulfilment of the regulation on industrial occupational accident insurance policies of the country in which the equipment and /or material or service is to be supplied by providing a certificate of insurance or similar document as proof of the said coverage.

The Supplier, when requested by RE and prior to the execution of the Contract or Purchase Order, will send to RE accreditation regarding the full force and effect of the policy, the extent and scope of the coverage and that it is in possession of the insurance required, committing to adjust such insurance when requested to by RE. Furthermore, the Supplier shall submit the policies and the proofs of payment to show that the policies are in full force when requested to by RE.

- 18.5** The Supplier undertakes to notify RE of any modification or renewal of the indicated policies, during the execution of the Contract or Purchase Order.
- 18.6** Supplier's liability shall not be limited by the aforementioned insurance policies at the cost of RE. Therefore, the amount corresponding to the obligations and liabilities arising out of the assumption of such risks shall never be lessened at the cost of RE or any third party according to the insurance policies taken out, or due to the lack of insurance or to insufficient contracted coverage. In the case of an insurance claim/loss, any difference arising from the compensation payment whether by application of insurance deductibles or for any other reason, in the contracted insurances, shall be borne by the Supplier.
- 18.7** Regardless of the foregoing, the Supplier may, at its sole expense, take out a contract for supplementary insurance that it deems necessary for full coverage of its interests and liabilities that may arise from the Purchase Order.

19. FORCE MAJEURE

- 19.1** Only the causes listed below shall be considered as a force majeure event of sufficient significance to free the Parties from the fulfilment of the obligations derived from the Contract or Purchase Order:
- a) Earthquakes, seaquakes, fires of catastrophic character or floods officially declared to be catastrophic.
 - b) Damage caused by terrorist acts or produced during wartime or by insurrection or disturbances.
 - c) Legal strikes that exceed the sphere of the Supplier's company and the ending of which does not depend on the decision of the latter.

- d) Whatever others of analogue magnitude that were unforeseeable, or that being foreseeable were beyond the control of the Parties or were not avoidable and that impede complying with the obligations of the Contract or Purchase Order.

19.2 The Supplier may not invoke as grounds of force majeure the following circumstances:

- a) Weather conditions or phenomena that might reasonably have been anticipated by an experienced Supplier and whose harmful effects could have been totally or partially avoided.
- b) Delays or failures in the procurement of materials or labour that have occurred, despite the fact they could be reasonably foreseen, or that could have been avoided or remedied in advance.
- c) Delays of any subcontractor, unless these in turn are the result of force majeure.
- d) Strikes or labour disputes within the organisation of the Supplier or its subcontractors, except those of a national or sectoral nature.
- e) The conditions of the premises for the provision of services, which should be known by the Supplier prior to the start of the performance of the Contract or Purchase Order.

19.3 On the assumption that an event considered to be of force majeure should occur, the affected Party shall inform the other Party in writing as soon as possible, or in any case within forty-eight (48) hours after it has been detected, providing details of the causes, as well as the possible duration and the repercussion on the provision of Supply contracted, and providing, where applicable, those documents that duly accredit it.

The other Party shall likewise be informed of the moment in which the force majeure event has ceased, complying with the aforesaid period of time. In any case, each Party will use its best efforts to avoid or mitigate the effects of the situation of force majeure, as well as to guarantee the continuity of the performance of the Contract or Purchase Order.

19.4 In the event of a delay resulting from one of these causes, the periods stipulated in the Contract or Purchase Order, shall be extended by a maximum period equal to the delay suffered, continuing in effect the compliance of the remaining obligations that are not affected by the circumstance which occurred.

19.5 The Supplier shall not be entitled to claim compensation whatsoever as a result of the eventual application of whatever cause of force majeure and the delay caused, where applicable, shall not represent any additional cost for RE.

19.6 In the event the Supplier invokes a cause of force majeure as a justification for the total or partial abandonment of its contractual obligations, and should the qualification as a cause of force majeure being invoked finally not be deemed fitting, RE may penalize the Supplier with an amount equivalent to 1% of the amount of the Contract or Purchase Order, without prejudice to the compensation for damages that may correspond.

20. CORPORATE SOCIAL RESPONSIBILITY

20.1 By means of these GCC the Supplier acknowledges, accepts and agrees to comply with that set forth in RE's 'Supplier Code of Conduct' in force at the time of acceptance of the

Contract or Purchase Order on his part.

- 20.2 The Supplier Code of Conduct document is available on the RE website.
- 20.3 Moreover, the Supplier, in the performance of the Contract or Purchase Order, assumes RE's "Supplier Code of Conduct" regarding its suppliers.
- 20.4 Any evidence of non-compliance with the provisions of the aforesaid document may constitute grounds for termination of the Contract or Purchase Order.
- 20.5 The Supplier undertakes to comply with the applicable regulations in force regarding the principles set forth in the previous documents.
- 20.6 The Supplier shall, in turn, be responsible for ensuring compliance of its suppliers with RE's corporate social responsibility policies.

21. DATA PROTECTION

Information and access to personal data of the Supplier

- 21.1 RE informs the Supplier that it will manage and/or process personal data of its employees, collaborators and third parties based on the principle of 'minimum contact data/details' required to be able to manage the contracted service. This principle also applies to all data regarding the signatory company of the contract considered necessary for the purposes of managing the contracted service object of this document. The lawful basis for the management and processing of such data is the execution of the contract itself. Personal data will be processed during the period the performance of the service contracted lasts and, once it finalizes, during the period stipulated in current regulations or during the period that may be required by a judge or court. The rest of the companies in the RE Group may be recipients of such data. Any interested party has the right to exercise the rights of access, rectification, deletion, opposition, portability and limitation of the processing of its data. Additional and detailed information on the processing of personal data can be found in RE's Privacy Policy which shall be applicable to the processing procedure (<http://www.ree.es/en/privacy-policy>). The Supplier is obliged to inform its employees, collaborators and third parties about the scope, nature, purposes and context of the personal data processing carried out by RE.

Service provision without access to personal data

- 21.2 Access to any personal data for which RE is responsible, is strictly prohibited. However, should, as a result of the contractual relationship established with RE, the Supplier unintentionally have access to any data of a personal nature, the Supplier shall undertake to guarantee the security and protection of said data

In the event of non-compliance by the Supplier regarding the regulations on personal data protection, RE shall not be held liable or accountable for any administrative or civil liabilities that may arise from its non-compliance.

Service provision with access to personal data

- 21.3 When for the service provision under the Contract or Purchase Order, the Supplier or Supplier's personnel should need to access personal data included in the records controlled by RE, such access shall not be deemed as data transmission or data transfer

but as a mere access by the Supplier, necessary for the fulfilment of the obligations under the service provision as Supplier of RE and consequently considered to be a 'data processing agent' of RE in accordance with to the regulations in force. The purpose of this Section is to establish the obligations and responsibilities of both Parties regarding personal data files owned by RE ('Data Files'), to which the Supplier may have access exclusively for the fulfilment of the Supplier's services under the Contract or Purchase Order without prejudice to the particularities that will be established in the corresponding Processor Contract required by current regulations that must be signed by RE and the Supplier.

Specifically, the Supplier, pursuant to applicable regulations, undertakes to fulfil and enforce the following obligations for its personnel and partners:

- a) In general, comply with all necessary rules and organisational and technical measures and execute any and all required or simply recommendable actions with the view to strictly fulfil their corresponding obligations according to the applicable law and to the sectoral good practice, as a 'processing clerk' of data files owned by RE.
- b) Access personal data contained in the data files owned by RE only when these are deemed necessary for the service provision under the Contract or Purchase Order, and solely and exclusively with the aim to fulfil the obligations arising from the former, always in accordance with RE's instructions or guidelines.
- c) Under no circumstances communicate or transfer to third parties any personal data accessed by the Supplier or /Supplier's personnel included in data files owned by RE, not even for their conservation, and similarly, by no means allow any kind of access to such data by third parties, whether oral, written or through any other electronic, paper-based or computer-based means.
- d) As the case may be, the Supplier shall only allow its personnel to access data when strictly necessary for the service provision under the Contract or Purchase Order provided that its authorised personnel are subject to the same obligations regarding confidentiality and personal data protection than those set forth herein.
- e) Should the Supplier need to subcontract the service provision in order to fulfil the obligations under the Contract or Purchase Order, the Supplier will inform RE about the subcontracting necessity and shall supply the relevant data of the subcontracted company and shall require prior RE's authorisation to order such data processing to the subcontracted company.
- f) The Supplier guarantees RE that it will comply with the security measures that correspond to the type of data, that is, the appropriate technical and organisational measures to ensure a level of security appropriate to the risk.
- g) Once the Contract or Purchase Order has been completed, the Supplier must destroy, unless there is a legal provision that requires its conservation, the data object of the processing, as well as any copy or support on which they were contained and must duly certify in writing to RE the referred destruction.

Both Parties understand the key importance of holding and processing personal data included in the Data Files and thus, that the access and collection, when applicable, of personal data shall be carried out with all the requisite guarantees concerning such data

security in accordance with the applicable law. Therefore, the Supplier expressly undertakes the obligation to comply and adopt any technical or organisational measure necessary to assure security, confidentiality, secrecy and integrity of Data Files, data processing centres, equipment, software and personal data to which the Supplier may be entitled to access and/or obtain on behalf of RE as well as to adopt in the future any security measures required by the laws and regulations intended to keep the secrecy, confidentiality and integrity during the automated personal data processing and prevent alteration, loss and non-authorised access and processing, in light of the state of technology, the nature of the stored data and the risks to which data are exposed whether due to human action or to physical or natural conditions.

The Supplier's obligations set forth herein will be binding for the Supplier's personnel, both external and internal partners and subcontractors, and the Supplier shall be responsible for their compliance with the above obligations. The Supplier will ensure that any natural or legal person beyond the Company's control shall not access personal data contained in Data Files accessed by the Supplier and/or obtained by the Supplier on behalf of RE as a result of the agreed services, regardless any contractual relationships of RE with third parties.

The Supplier shall inform its personnel and, where appropriate, employees and subcontractors, of the obligations established in this Section. The Supplier will issue as many warnings and sign as many documents as necessary with its personnel and, where appropriate, its collaborators and subcontractors, in order to ensure compliance with such obligations.

Likewise, the Supplier shall collaborate with RE so that RE can ensure that the Supplier and its employees and collaborators meet the guarantees for compliance with the regulations regarding the protection of personal data.

In particular, RE is authorized to carry out audits, both internal and external, that it considers appropriate to determine the adequacy and compliance with the regulations regarding the protection of personal data by the Supplier.

If any owner (aka data subject) of personal data should request to the Supplier that it wants to exercise the rights of access, rectification, deletion, opposition, limitation of processing, portability of the data to which they are entitled and not to be subject to a decision based solely on automated processing, the Supplier shall communicate this circumstance to RE immediately and, in no case, beyond the working day following the day on which it was informed or made aware of the same, in order for RE to act accordingly to make such rights effective.

- 21.4** In the event of non-compliance by the Supplier regarding the regulations on personal data protection, RE shall not be held liable or accountable for any administrative or civil liabilities that may arise from its non-compliance.
- 21.5** In the event that the purpose of the contract includes the installation and supervision of a Closed-Circuit Television (CCTV), the Supplier shall implement all the measures provided for in the current regulations that affect RE as the data controller. Specifically, it must notify or advise data subjects of the data processing it carries out on behalf of RE and shall do so by using the models provided by RE to the Supplier (video-monitored zone signage, information clause regarding video surveillance, access control clause for persons and

vehicles, forms for the exercise of rights). These clauses shall be located in visible areas and the forms for the exercise of data subject rights shall be provided to those who request them. The Supplier shall also be obliged to implement appropriate technical and organisational measures and shall respect the deadlines regarding data conservation as established in current regulations. After such period elapses, the images must be deleted. Only at the request of the State Security Forces may the Supplier provide this information, but only after receiving prior written authorization from RE.

- 21.6** Both RE and the Supplier undertake the obligation to comply with the applicable legislation on protection and processing of personal data, as well as with that set forth in the “Country Annex” according to the country of residence of the company of the RE Group entering into the Contract or Purchase Order.

22. APPLICABLE LAW AND DISPUTE RESOLUTION

- 22.1** Save as otherwise provided in the Contract or Purchase Order, it shall be governed by the legislation of the country where the contractual activities are performed. The Supplier is obliged to know the tax legislation of the country where it will provide the service or supply the equipment and/or material in order to assume any taxes set out in the tax law corresponding to such country.

- 22.2** Both RE and the Supplier undertake the obligation to comply with the Country Annex according to the country of residence of the company of the RE Group entering into the Contract or Purchase Order.

- 22.3** Waiving any other jurisdiction to which they may be entitled, the Parties expressly submit themselves to the jurisdiction and competence of the Courts and Tribunals which correspond to the registered office address of the company of the RE Group entering into the Contract or Purchase Order for the settlement of any disputes or litigation that may arise out of the interpretation, performance and/or fulfilment of the Contract or Purchase Order.

- 22.4** If set forth in the Contract or Purchase Order, any dispute arising out of, related to or connected with, including any matters regarding its existence, validity, execution or termination, shall be finally resolved under binding arbitration held in the Court of Arbitration of the Official Chamber of Commerce and Industry of Madrid. The arbitration court appointed to this end shall be composed of three arbitrators and Spanish will be the language of the arbitration proceedings. The place of arbitration will be Madrid, Spain.

23. NON-EXCLUSIVITY

- 23.1** RE is not obliged to any exclusivity agreement with respect to the Supplier regarding possible additional Contracts or Purchase Orders of any nature, which the Supplier may be interested in entering into or formalising.

- 23.2** Without prejudice to any offer that RE may receive from the Supplier, RE will have the right to formalize any additional Contract or Purchase Order with a third party.

24. NOTICES AND LANGUAGE

- 24.1** Any notices or communications between RE and the Supplier regarding the performance of the Contract or Purchase Order, shall be done in writing and in Spanish, by the persons designated therein.
- 24.2** All notices or communications shall be conducted by electronic means, provided that their usage leaves a credible record that the notification or communication has actually taken place.
- 24.3** In all other cases, notices or communications shall be done in writing and in Spanish, and shall be sent to the address indicated in the Contract or Purchase Order.

25. INVALIDITY

- 25.1** If any provision, Section or clause in these GCC, or in the Contractual Documentation, were to be declared invalid, such invalidity shall not affect the remaining Sections or clauses that can be fulfilled without the invalidated Section or clause.
- 25.2** The Parties shall negotiate in good faith the amendment of such provision, analysing the spirit of the GCC to reflect as faithfully as possible the intention of the Section declared invalid.