



**RED**  
**ELÉCTRICA**  
CORPORACIÓN

**GENERAL CONDITIONS OF CONTRACT FOR THE  
PROVISION OF SERVICES**

**JUNE 1, 2018**

## INDEX

1.	OBJECT AND SCOPE OF APPLICATION.....	2
2.	DEFINITIONS.....	3
3.	OBJECT OF THE CONTRACT OR PURCHASE ORDER.....	5
4.	ASSIGNMENT .....	7
5.	SUBCONTRACTING .....	8
6.	PERFORMANCE OF THE CONTRACT OR PURCHASE ORDER.....	10
7.	EMPLOYMENT & LABOUR LAW, OCCUPATIONAL HEALTH & SAFETY AND ENVIRONMENTAL OBLIGATIONS AND DUTIES .....	13
8.	PROGRAMME OF WORK, INSPECTIONS, VERIFICATION AND TESTING .....	16
9.	PERIOD OF COMPLETION .....	17
10.	ORGANIZATION OF WORK .....	19
11.	CONTRACTOR'S GUARANTEES .....	21
12.	FINANCIAL GUARANTEE (PERFORMANCE BOND).....	22
13.	CERTIFICATION, PRICE, INVOICING AND PAYMENT.....	24
14.	PENALTIES .....	26
15.	SUSPENSION AND TERMINATION OF THE CONTRACT OR PURCHASE ORDER .....	31
16.	INDUSTRIAL AND INTELLECTUAL PROPERTY.....	36
17.	CONFIDENTIALITY .....	37
18.	LIABILITY.....	38
19.	INSURANCE .....	41
20.	FORCE MAJEURE .....	42
21.	CORPORATE SOCIAL RESPONSIBILITY .....	43
22.	DATA PROTECTION .....	44
23.	APPLICABLE LAW AND DISPUTE RESOLUTION .....	47
24.	NON-EXCLUSIVITY .....	47
25.	NOTICES AND LANGUAGE.....	47
26.	INVALIDITY .....	48

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 '**Contractor**' or '**Supplier**'), for contracting services (hereinafter referred to as '**Services**').

1.2 These GCC are incorporated into the contractual relationship relating to the provision of contracted Services 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 Contractor 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 Contractor 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. If the performance of the Services also involves the additional supply of components, equipment and systems or any other material by the Contractor, the terms and conditions for the acquisition of such additional supply shall be governed by the corresponding 'General Conditions of Contract for the Supply of Equipment and Materials.

Similarly, if the performance of the Services should entail services intended for the fulfilment or execution of construction work by the Contractor, the terms and conditions for the execution of these Services shall be governed by the RE's 'General Conditions of Contract for Construction Works.

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 Contractor 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 and published 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 Contractor, 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 Equipment and/or Materials:** Refers to all those goods, stock, equipment, reports, data, presentations, documents, software, materials and any other asset, in any format, provided by the Contractor to RE as a part of or in connexion to the execution of the Services, including (without limitation) those goods detailed in the Technical Specifications or in any other part of the Contractual Documentation.

**Completion Report:** Document that may be required by RE from the Contractor upon completion of the execution of the Services, in the manner and with the content specified in the Contractual Documentation, in order for RE to verify compliance with the technical requirements and the fulfilment of the contractual obligations of performance of the Services.

**Contract:** Document that, validly signed, states the concurrence of wills between the Contractor and RE with respect to the provision of the Services. Every Contract may be accompanied by one or more Purchase Orders.

**Contractor:** Individual or legal entity or grouping thereof, responsible for the provision or carrying out of the contracted services, 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.

**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 Contractor'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 Contractor'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 Services.

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.

**Monthly work reports:** Document that RE may request be provided by the Contractor after each month of work for continuing-performance (open-ended) contracts, in order for RE to verify compliance with the technical requirements and the fulfilment of the contractual obligations regarding the execution of the Services.

**Offer:** Proposal made by a Contractor in response to a Request for Bid, which shall be binding for the Contractor 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 Contractor in its Offer.

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

**Programme of work:** Document in which the main activities and milestones of the Contractor are set out, in a general manner, in order to meet the delivery schedule foreseen.

**Purchase Order:** Document issued by RE for the contracting of Services. 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 Contractor; (ii) have been accepted by the Contractor, 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 Contractor, the Contractor 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 Contractor.

The period of validity of the Purchase Order shall be extended until the end of the provision of services or execution of the work, 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 Contractor.

**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. RE's Performance Bank Guarantee Policy document is published on the RE website

**Request for Bid:** Invitation by RE to a possible Contractor for a specific contracting process and that specifies the documentation that the Contractor 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 Contractor. RE will not assume any costs derived or related to the presentation of the Contractor's offer. The offers accepted by RE shall be formalised through the corresponding Contract or Purchase Order.

**Services:** Shall be all the work and/or services for which the Contractor has been contracted by RE and that is defined and detailed in the Contractual Documentation.

**Services linked to a works contract:** Services intended for the performance or execution of construction works by the Contractor.

**Services linked to work involving special risks:** Services intended for the performance of work qualified by the regulations as work with special risks.

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

**Technical specifications:** Document or set of documents, prepared for each specific Service, which describes the technical requirements and, if applicable, the procedures for verification of such requirements required by RE Group and the manner in which the Services object of the Contract or Purchase Order shall be carried out or provided.

### 3. OBJECT OF THE CONTRACT OR PURCHASE ORDER

- 3.1 The provision or execution of the Services contracted by RE shall be the object of the Contract or Purchase Order, which the Contractor undertakes to carry out, including the

supply of equipment and materials directly associated to the Services ('Associated Equipment and/or Materials'), and which the Contractor is also obliged to provide.

- 3.2** The object of the Contract or Purchase Order includes, in addition to the provision of the Services detailed in the Contract or Purchase Order, all operations and work which have not been specifically excluded by the Contractor and are necessary until the total completion of the Works pursuant to the technical specifications established for its definition and the statutory regulations.
- 3.3** In accordance with all the above, the object of the Contract or Purchase Order shall include, on the Contractor's behalf and at the Contractor's expense, but not limited to, the following:
- a) Engineering, design and the necessary technical projects.
  - b) 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.
  - c) Supply of all materials, equipment, tools, and machinery that are necessary and that RE is not expressly obliged to provide. This includes their transportation to the site where the construction work or services are to be carried out as well as their reception, unloading, storage, movement or handling at the site.
  - d) Supply of means and establishment of adequate measures and equipment necessary to ensure the health and safety of the personnel at the site where the Services are to be provided.
  - e) Prepare and carry out, with the Contractor's own personnel and means, all the operations and work included or required in the object of the Contract or Purchase Order.
  - f) The organisation of the Contractor's own personnel assigned to the execution of the Services, with their responsibilities and courses of action being clearly defined at all times.
  - g) Perform routine inspections, verification and testing, in addition to those required by RE in the Contractual and Request for Bid documentation for the improved execution of the service.
  - h) Insurance policies covering the risks which the Contractor must have subscribed to in accordance with that set out in section 19 of these GCC.
  - i) 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.
  - j) Whatever other items specified in the RE's Request for Bid or which the Contractor has offered.

**3.4** 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 these GCC.

**3.5** No modification may be made to the object of the Contract or Purchase Order on the Contractor'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 Contractor and expressly accepted in writing by RE.

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

**3.6** The Contractor 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 Contractor's guarantee and liability in relation to the Contract or Purchase Order.

The new period for delivery, if applicable, shall be established by agreement of the Parties, following a reasoned proposal by the Contractor. 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.

**3.7** The Contractor shall supply all the required specialised technical staff and shall fully assume the organisation and management responsibilities as pertains to the execution of the aforementioned work or services.

#### **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 Contractor.

**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 Contractor or substitution of the Contractor**

**4.3** The Contractor 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 Contractor 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 Contractor to any third party without prior due notification to RE.

Thus, once the Contractor agrees to assign the corresponding receivables to a third party, they will take full legal effect provided that the Contractor 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 Contractor'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 Contractor.

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 Contractor, 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 Contractor, 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 Contractor (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 Contractor, 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 Contractor shall, using its own means, carry out the execution of the Services object of the Contract or Purchase Order. 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 Contractor be authorised to subcontract, the Contractor 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 Contractor may require from its subcontractors.

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

- 5.4** The Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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 work, 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 Contractor 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 Contractor. RE may also pay such payment commitments on behalf of the Contractor.

Any use of subcontractors in the execution of the activity does not exclude nor limit the obligations undertaken by the Contractor under the contract, and the Contractor 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 Contractor 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 Contractor 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 execution 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 Contractor will carry out the performance of the Contract or Purchase Order at its own risk and peril, so the economic outturn will be borne by the Contractor up to the date when the Services are performed and completed.
- 6.2** The Services which are the object of the Contract or Purchase Order and, when applicable, the Associated Equipment and/or Materials, shall comply with the Contract or Purchase Order, with the Technical Specifications established for its definition, with the 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 Contractor must also fulfil and fully comply with the quality control terms and conditions which RE may establish.
- 6.4** The Contractor 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 the diagrams and progress reports, as well as reports on visits of its own inspectors to suppliers and subcontractors, in addition to any other data or analogous information that may be requested by RE.
- 6.5** If RE notices at any time that the Contractor fails to comply with what is provided in the foregoing paragraphs, RE may, without waiting for the work to be completed, reject the improperly carried out services or works performed and order them to be restarted, at the Contractor's sole expense, with no costs or expenses being borne by RE as specified in clause 8.9.
- 6.6** For the provision of the Services, the Contractor shall establish an organisation of the work

to be furnished, appointing a Site Manager and Representative, in accordance with that set out in Section 10 of these GCC.

- 6.7** The Contractor shall be obliged to use the machinery, auxiliary means and the products, equipment and materials that are most suitable, according to the characteristics of the object of the Contract or Purchase Order.
- 6.8** The Contractor must use its own tools, machinery and vehicles or any elements that may be necessary for the execution of the Contract or Purchase Order. It is also committed to providing at all times the necessary material means for carrying out the contracted Services.
- 6.9** The Contractor undertakes to comply with the applicable legislation of the country in which the service is to be carried out, 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 Contractor's non-fulfilment of the obligations arising from said legislation.
- 6.10** The Contractor shall be obliged to deliver the following documentation to RE:

- a) The Contractor shall deliver to RE a certification from the Tesorería General de la Seguridad Social (General Treasury of the Spanish Social Security) stating it is fully up to date with regard to contributions owed to the Social Security. Also, the Contractor expressly declares that all employees contracted who are participating in the performance of the contracted services are affiliated in the Régimen General (General Regime) of the Spanish Social Security.

The Contractor, as sole employer of all personnel providing the contracted Services, shall be responsible before Labour Administration and Social Courts for the proper performance and application of current laws related to its personnel, especially for all issues related to labour, social security, and health and safety at work.

Whenever requested, the Contractor must justify to RE the fulfilment of such obligations, and specifically being current in the payment of all salaries and contributions to Social Security for all the workers attached to the provision of services object of the Contract or Purchase Order herein.

- b) Similarly, prior to the signing of the Contract or Purchase Order, the Contractor, in accordance the applicable tax law, will deliver the following certificates to RE:
- Contractors that carry out their business without a registered office in Spain:
    - Should a tax treaty exist to avoid double taxation signed between the Contractor's country of tax residence and the country of tax residence of the company of the RE Group that signs the Contract, and the Contractor invoke the application of provisions of such treaty/agreement, the Contractor 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 Contractor 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 Contractor 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 Contractor shall submit another valid certificate.

- Contractor'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 Contractor 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 new certificates within the aforementioned period shall be a necessary condition for payment of any Contract or Purchase Order amount.

- c) If applicable, the Contractor shall provide a copy of the Occupational Health and Safety Risks assessment corresponding to each RE work centre in which they carry out work. In Contracts or Purchase Orders that involve manual labour, the Contractor shall prepare the Occupational Health and Safety Risks document in accordance with the technical specifications given by RE, filling out the risk and safety measures form that should correspond to the activity undertaken by the Contractor and for the RE work centre in which the work is to be carried out.
- d) Provide proof that the employees have received the necessary training to properly perform the contracted work, and for the correct use of the machinery and other tools that will be used at work. Proof of such training must be provided periodically and always before accessing RE's facilities.
- e) Any other documentation that may be compulsory under current law (Safety study, etc.).

**6.11** Maintenance, conservation, handling and transportation of any equipment and/or materials delivered by RE for the execution of the Services are the sole responsibility of the Contractor and shall be borne at its own cost and expense.

**6.12** In the event that the execution of the Services entails the supply of Associated Equipment and/or Materials by the Contractor, RE's 'General Conditions of Contract for the Supply of Equipment and Materials' will be applicable as set forth in Section 1.4.

**7. EMPLOYMENT & LABOUR LAW, OCCUPATIONAL HEALTH & SAFETY AND ENVIRONMENTAL OBLIGATIONS AND DUTIES**

**Employment & Labour Law and Occupational Health & Safety obligations**

- 7.1** It is the responsibility and obligation of the Contractor and its employees to comply with current labour legislation and with the Prevention of Labour Risks and Occupational Health and Safety standards, as well as with the Collective Bargaining Agreement of the sector or company, as the case may be.

To this end, the Contractor declares to be aware of all its obligations and duties regarding employment & labour law, social security, and occupational health & safety and prevention, whereby it is obliged to duly and correctly fulfil and comply with them. In particular, it is obliged to comply with the obligations and duties set out in the Country Annex, which depend on the country in which the contracting RE company resides.

- 7.2** The Contractor shall adopt the occupational health and safety risk prevention measures for individual and collective protection that are required pursuant to applicable regulations, in order to achieve the safety of the workers against the risks derived from the activity object of the Contract or Purchase Order.
- 7.3** In the case of performing work that is specifically regulated by internal regulations of RE, and whose existence has been communicated in the form of a reference to the Contractor, whether in the Contract, in the Purchase Order, in the work order or by any other means, shall require the Contractor to request such regulation from RE, and in all cases shall be responsible for passing it on to its workforce and ensure that its employees comply with the safety and quality criteria set out in it, and are obliged to use all the safety systems detailed by RE.

In addition, if the Services entail any work classified by the applicable regulations as work with special risks, the Contractor is obliged to adopt the occupational health and safety risk prevention measures applicable to the execution of works contracts established in the applicable regulations.

- 7.4** The Contractor shall organise its personnel assigned to the performance of the Contract or Purchase Order in such a way that its responsibilities and courses of action, separated from those of RE, are clearly defined at all times. Similarly, all the personnel assigned to the performance of the Contract or Purchase Order shall have the appropriate specialisation to carry out the work that is the object of the same, as well as the necessary training and information in relation to occupational health and safety risk prevention.
- 7.5** The Contractor shall supply all its personnel with all safety equipment and materials necessary to comply with the demands of the aforementioned regulation and guarantee that all personnel providing services to RE have obtained a favourable medical examination which is no more than 12 months old.
- 7.6** If the contracted Services are carried out within the framework of a Safety Plan or Construction Project, the Contractor shall be obliged to comply with and supervise that its employees comply with it, immediately following the indications given by safety coordinators contracted by RE.
- 7.7** The Contractor shall be responsible for training its personnel, especially the necessary

training in matters regarding the Prevention of Labour Risks, in relation to the nature of the object of the Contract or Purchase Order (information on the risks and safety measures of the product, information on tools and machines that are to be used in the execution of the Contract or Purchase Order, information on electrical facilities and equipment, high-altitude work, work in confined spaces, use of specific machines and equipment) which must comply with current legislation and RE's internal regulations.

RE shall be entitled to request that the Contractor provide the training certificate of the workers assigned to the performance of the Contract or Purchase Order.

- 7.8** If the Services should entail any work classified by the applicable regulations as work with special risks, the Contractor shall be responsible for training its personnel, especially the necessary training in regard to Prevention of Labour Risks, which shall comply with current legislation and RE's internal regulation and, specifically, to that established in the safety document approved for the work in question.

RE shall be entitled to request that the Contractor provide the training certificate of the workers assigned to the performance of the Contract or Purchase Order.

Additionally, the employees of the Contractor must utilise their own Individual Protection Equipment ('IPE') for their work. Only when and if it is detected that any one of the employees is not equipped with the necessary IPE to remain in the Facility/Site, and prior warning that they should have their own, they shall be required to use that supplied by RE, refusal to do so shall mean they shall be requested to abandon the premises immediately.

In everything not specifically regulated in this Section of these GCC, it is established that for those services entailing work classified by applicable regulations as work with special risks shall be governed by that set out in the GCC for Construction Works.

- 7.9** The Contractor, during the term of the Contract, undertakes to comply with the following obligations:

- a) Carry out the object of the Contract or Purchase Order in full compliance with the provisions of the same, as well as all applicable legal provisions, regulations, technical standards and requirements issued by the competent Authority that may be in force at any time of the performance of the Contract or Purchase Order, accepting responsibility for all relevant obligations and duties.
- b) Guarantee that its personnel are legally employed, complying with remuneration, tax and social security obligations provided for in the law and in the applicable Collective Bargaining Agreements.
- c) Respect all the legal regulations in force regarding occupational health and safety, as well as the environment.
- d) Take all necessary measures to allow RE, or a third party designated by it, to be able to identify its personnel.
- e) Request express authorisation from RE before subcontracting any activity of the Contract, always before the start of the subcontracted activity, pursuant to the terms established in Section 5 of these GCC.
- f) Provide RE with a nominal list with the names and surnames and the social security

data of each one of the workers involved in the performance of the Contract or Purchase Order, whether own or subcontracted workers. The document must be certified by the competent Authority.

- 7.10 The validity of the Contract or Purchase Order is subject to the delivery by the Contractor to RE of all the documentation detailed in Section 6 of these GCC.
- 7.11 Whenever an accident involving a worker occurs, whether of the Contractor or of its subcontractors, this shall be notified immediately to the RE Representative. The Contractor shall carry out the investigation of all its accidents and shall send a final investigation report to RE. Similarly, RE may require the Contractor to provide it with accident reports of the Contractor's Company or of its subcontractors.
- 7.12 Notwithstanding the assumptions mentioned above, the Contractor shall also inform RE's Representative of any incident that has caused significant material damage or that could potentially have caused material or personal damage, that is considered opportune for its investigation or in order to review of the control measures established.
- 7.13 The Contractor will assume the additional cost overruns caused by the stoppage of work in the event of any of the foregoing indicated accidents or incidents, as well as due to breach of any aspect of occupational health and safety.

**Environmental obligations**

- 7.14 The Contractor 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.
- 7.15 Regarding the supply of products and services, the Contractor 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 Contractor 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.
- 7.16 Similarly, the Contractor shall ensure that all its personnel, employees, workers, agents, authorised subcontractors and consultants involved in the provision of the services or the execution of the work 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.
- 7.17 The Contractor 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 services or the execution of the work object of the Contract or Purchase Order, in addition to the control measures that must be applied. The Contractor 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 Contractor, at the request of RE, will provide sufficient evidence to



demonstrate such compliance.

- 7.18** In order to respect such environmental commitments, the Contractor 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 Contractor shall immediately inform RE and will keep them informed of all the circumstances that may have a significant impact on the environment.
- 7.19** The Contractor 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 Contractor's procedures and resources.
- 7.20** The Contractor 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.
- 7.21** All documentation required by RE regarding this matter will be sent by the Contractor in accordance with section 25 of these GCC on Notices and Language.

## **8. PROGRAMME OF WORK, INSPECTIONS, VERIFICATION AND TESTING**

### **Programme of work**

- 8.1.** When required by RE, in relation to Contracts or Purchase Orders for consulting and assistance and for those of a continuing-performance (open-ended) nature, the Contractor shall be obliged to submit a work schedule that shall be approved by RE.

### **Inspections, verification and testing**

- 8.2** RE may, whenever it considers it appropriate due to the nature of the object of the Contract or Purchase Order, inspect the performance of the contracted Services at any time during their execution and shall be entitled to carry out such inspections by using its own staff or any other person or entity that it may designate.
- 8.3** Without prejudice to RE's inspection rights, the Contractor 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.
- 8.4** Contractor shall notify REE in writing at least twenty days in advance of the dates on which these inspections, tests and verifications 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 tests and verifications carried out, certified with the corresponding certificates or protocols, even if RE inspectors or representatives were present thereat.
- 8.5** Without prejudice to the foregoing rules, the verification or testing shall be carried out, in the event they should be deemed applicable to the object of the Contract or Purchase Order, adjusting them to the Schedule of inspection points submitted by the Contractor and approved by RE.

**8.6** 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 Contractor.

**8.7** The performance of inspections, verification or 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 Contractor from its liabilities if it is not accepted.

Neither shall such liability be excluded or reduced, or the Contractor 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, verification and testing, unless these expressly modify the agreed specifications.

**8.8** Notwithstanding the right to terminate the Contract or Purchase Order, if the outcome of an inspection, or of a verification or 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 demand that the Contractor proceed in accordance with clause 11.2 without waiting for completion of the Services contracted. RE shall also have open to it the option as envisaged in clause 11.4.

**8.9** 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.

**8.10** Exigencies, time and conditions for the execution of the above obligations shall in no case be invoked by the Contractor as a cause or justification of delays in the stipulated deadline.

**8.11** The Contractor is obliged to provide RE inspectors with the assistance they may require during the execution of the work.

## **9. PERIOD OF COMPLETION**

### **Period for completion**

**9.1** The contracted Services shall be completed on the date indicated to that effect in the Contract or Purchase Order.

**9.2** If no specific date is indicated in the Contract or Purchase Order, the period for completion shall start counting from the date the Contract was signed, or the Purchase Order issued.

**9.3** 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.

**9.4** The Contractor undertakes to comply, not only with the final completion date set in the

Contract or Purchase Order, but also with each and every one of the partial dates that may have been established in the Contract or Purchase Order for specific stages of the Services.

- 9.5 Completion dates may not be delayed, nor execution periods be extended, except for reasons attributable to and recognised by RE or due to force majeure.

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

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.

- 9.6 The Contractor undertakes to put in place, at its sole expense, all means reasonably available to it in order to recover, in as far as possible, any delay in the completion dates, or execution deadlines, even when the delay is justified.

**Notices and documentation of completion of the provision of Services**

- 9.7 Once the period for completion of the contracted Services has expired, the Contractor shall inform RE in the shortest period possible.

- 9.8 The Contractor must provide the Services within the stipulated period. Upon completion, RE's representative will perform, as the case may be, an examination of the documentation submitted or of the services carried out in accordance with the provisions of the Contractual Documentation, and if said representative deems the object of the Contract or Purchase Order duly fulfilled, it will issue the certification of completion of the Contract or Purchase Order.

- 9.9 In the event that the that performance of the Contract or Order is deemed as not having been duly fulfilled, the RE representative shall give the Contractor precise and detailed written instructions in order to remedy, as the case may be, the faults or defects observed, stating in such written document the period of time granted to correct them and the observations that it deems appropriate.

- 9.10 If the defects have not been corrected within the period granted by RE, then RE may, taking into consideration the overall circumstances, opt for the termination of the Contract or Purchase Order or grant a new deadline to the Contractor.

- 9.11 Should a new breach occur, RE will proceed to terminate the Contract or Purchase Order, without prejudice to RE's right to impose a penalty on the Contractor, in accordance with the provisions of Section 14.

- 9.12 RE shall be entitled to impose a penalty on the Contractor, pursuant to that set out in Section 14, if at any time before the deadline to rectify is granted, the Contractor waives to rectify such defects or shortcomings.

- 9.13 The deadlines granted by RE to the Contractor for the rectification of defects or shortcomings shall not have, in any case, the consideration of an extension of the completion periods set out in the Contract or Purchase Order, whereby the Contractor

shall be solely liable for the penalties and/or compensation for damages that may arise as a result of not meeting the agreed completion period.

- 9.14** In this sense, without prejudice to RE's power to resolve and its right to receive compensation for any damages deemed applicable and that it may suffer, the failure to meet a final deadline or an extension of a deadline, constitutes a fundamental breach of the contractual relationship by the Contractor or Supplier, leading to the imposition of the corresponding penalties, in accordance with that set forth in these GCC.
- 9.15** If the work performed is not suitable for the contracted service as a result of faults or defects attributable to the Contractor, RE may reject such work, releasing it from the obligation to pay or entitling it to the right, as the case may be, to recover the payment made for such work.

**Transfer of ownership and risk**

- 9.16** The property, as well as the risks inherent to the ownership and possession, including the risks of loss and damage, shall be deemed transferred to RE at the time of acceptance, without prejudice to the possibility of agreeing in advance said transfer in each case and without prejudice to the Guarantee established in Section 12 of these GCC.

**10. ORGANIZATION OF WORK**

**Contractor's personnel**

- 10.1** The Contractor shall have all of its workers under its management and control, and shall designate a specific person in-charge ('Project Manager') that will represent it and who shall be responsible for the personnel that carry out the work. RE may request the replacement of the Project Manager, in the event it considers that the designated person does not adequately fulfil the duties entrusted, and the Contractor will be obliged to replace the person in-charge within one week.
- 10.2** When required by RE, based on the nature of the object of the Contract or Purchase Order, the Contractor's Project Manager shall be present during the execution of the work or execution of the Services.
- 10.3** The Contractor's personnel shall directly report to the Project Manager exclusively and for all purposes. The Contractor's designated Project Manager shall have as a mission, among other duties and responsibilities, to give direct orders to the personnel of the Contractor's workforce, taking responsibility for the good performance of the work or services and to comply with and enforce as many rules regarding occupational health and safety risk prevention concerning the personnel who report to him/her and/or are under his/her supervision.
- 10.4** The Contractor shall be obliged to verify the conditions of the workplace where the work will be performed prior to presenting their bid, and as such they shall be considered as knowing the conditions where work will be carried out, and any other condition which may affect the organisation and execution of such work.
- 10.5** The personnel of the Contractor shall be required at all times to wear their identification in a clearly visible manner, access to the work site shall not be permitted for personnel

not clearly identified.

- 10.6 The Contractor's employees must wear their work clothes and have their own changing rooms. Similarly, and in the event that they are authorised to use the changing rooms of the RE facilities and should they require permanent services (lockers, benches, etc.), they must be furnished by the Contractor.
- 10.7 Throughout the duration of the Contract or Purchase Order, RE will continue establishing internal organisational and disciplinary standards it deems necessary for the correct carrying out of the work. Such standards shall be mandatorily complied with by all personnel of all Contractors on the work site.
- 10.8 The Contractor's Project Manager shall be responsible for the discipline of their direct personnel and of their subcontractors, although RE reserves the right to request the replacement of any undisciplined personnel and that it be done in the shortest period possible.

#### **Work days and working hours**

- 10.9 The Contractor shall be obliged to establish the work days and the distribution of the working hours in accordance with the established working day regulations in force in the country/region where the contracted work or service is to be performed. In any case, the work schedule shall be adequate to fulfil the contractually agreed periods for executing the works and in accordance with current Collective Bargaining Agreements and applicable legislation, or agreements between RE and the workforce, with the special permission of the competent labour authorities.
- 10.10 The time invested by personnel in travelling to and from the site shall, in no case, be calculated as working hours, for the purpose of the contractual arrangement with RE.
- 10.11 Before starting their activities, RE may request that the Contractor submit for approval by RE the work schedule they intend to establish. Any modification to the aforementioned work schedule, such as night working, Saturday or Bank holiday working, should be authorised by RE.
- 10.12 The Contractor shall not have the right to claim economic compensation in the case an official regulation or Collective Bargaining Agreement reduces the normal weekly work schedule.
- 10.13 RE reserves the right to vary the normal weekly work schedule of the Contractor, when the needs for the execution of the Services justify it, establishing shifts or ordering normal daily work be carried out on Saturdays or Bank holidays. In these cases, RE shall compensate the Contractor for the increased cost of overtime working hours, in accordance with the time and materials price scales set out in the Contract or Purchase Order.

#### **Representation of the Parties**

- 10.14 RE shall appoint a representative who will work with the Contractor's Project Manager, as well as with the Contractor's representative, in order to resolve any issues or problems that may arise in the performance of the Contract or Purchase Order.
- 10.15 When it is necessary that the provision of the Services be carried out in RE's construction

sites or facilities, the Contractor is obliged to maintain, during the entire period required to carry out the Works, a representative with full decision-making powers in all aspects, both technical and economic. The Contractor's representative shall also act in environmental matters in order to decide and act in situations of environmental emergency and also in occupational health and safety situations.

- 10.16** The Contractor must replace their construction site representative within ten days, provided that RE requests it.
- 10.17** In order to carry out its duties, the Contractor's representative will work with RE's representative and shall conform to the work and organisational scheme, programme of Services, coordination of activities with other contractors established by RE's representative, and it shall require that all Contractor personnel under its direct supervision comply with all orders or instructions given; and shall comply with the utmost diligence when it affects occupational health and safety.
- 10.18** The Contractor must comply with the orders and instructions that RE's representative may give or issue, without prejudice that it may later claim against them.
- 10.19** The powers and legal authority of RE's representative include that of requiring the Contractor to increase machinery, auxiliary resources and personnel employed in the performance of the Contract or Purchase Order, or to vary, request the replacement or reduction of said elements, when the representative deems it necessary for the good progress of the work.
- 10.20** Failure by the Contractor, or its personnel, to comply with or follow the orders of RE's representative when said non-compliance is reiterated or refers to orders that were duly served to it in writing and which expressly warned that they are essential for the successful completion of the Contract or Purchase Order, shall be considered to be subject to that set out in paragraph j) of Clause 15.11.

#### **Coordination between Contractors**

- 10.21** In the event that there are several Suppliers or Contractors at the location of the performance of the Contract or Purchase Order, the Contractor is obliged to coordinate, through RE's person in charge, all and any of the work to be provided under their responsibility that is linked or may be linked to the work to be provided by other Contractors or Suppliers in order to coordinate and establish their working timetable.
- 10.22** For this purpose, the RE Representative shall be the one who coordinates, resolves, decides and organises the interactions that may occur between the Contractor and other Contractors or Suppliers or between both, or between any of them, with RE, being able to adopt justified decisions with respect to any act, performance of work or services, controversy or allegation of responsibility of the Contractor and/or of the other contractors in relation to the interaction that exists or may exist between the performance of work of the Contractor and other contractors.

### **11. CONTRACTOR'S GUARANTEES**

- 11.1** Taking into consideration the nature of the object of the Contract or Purchase Order, the Contractor guarantees RE that:

- a) All Services performed fulfil the agreed specifications and the applicable rules and regulations, good practice terms and standards, are suitable for the intended use and comply with the demanded quality requirements.
  - b) The Services provided are free of defects in their design, work performed (both own and of subcontractors) and functioning.
- 11.2** In order to fulfil its guarantee, the Contractor shall undertake to again carry out whatever work was incorrectly performed, and should this not be possible, it shall return the cost which was charged for such work.
- 11.3** The obligation established in the foregoing shall be fulfilled solely by the Contractor at its own cost, with no expense or disbursement by RE. The Contractor shall also assume the costs of fulfilling the obligation (also in adjoining facilities).
- 11.4** RE shall also have the option to accept the work incorrectly performed, at a lower price and/or with an extension of the guarantee period, if RE reaches an agreement with the Contractor on the issue.
- 11.5** In order to fulfil the guarantee obligation, any work that needs to be re-done shall be carried out 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 in the execution of the Services or stoppage of facilities, or should this not be possible, to keep such delays to a minimum or to minimise any kind of stoppage time, total or partial, in facilities.
- 11.6** If the Contractor fails to fulfil, with the required promptness, its guarantee obligation, or fails to comply with any work pursuant to the guarantee within the established time period, RE can do it on its own or with third parties at the Contractor's expense and without voiding the guarantee. The Contractor shall be obliged, also, to compensate RE for any damages it may have caused.
- 11.7** The guarantee period for the contracted Services shall cover the period of time stipulated in the Contract or Purchase Order, or if not stipulated, for a period of one year.
- 11.8** The period of such guarantee shall be interrupted, and consequently extended for the period of time given over to repair and corrective work pursuant to the guarantee coverage.
- 11.9** Such repairs or corrections shall in turn be guaranteed as from its completion for a period equal to the guarantee period.
- 11.10** The end of the guarantee period does not release the Contractor from any liability for latent faults or defects nor from any other liabilities under applicable law.
- 11.11** In cases in which the nature of the object of the Contract or Purchase Order requires it, RE may demand that the Contractor or Supplier contract civil liability insurance in substitution of the guarantee regulated in the foregoing Clauses.

## **12. FINANCIAL GUARANTEE (PERFORMANCE BOND)**

- 12.1** The Contractor 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 Contractor.

- 12.2** In the absence of application of the abovementioned document, and when agreed in the Contractual Documentation, RE may demand that the Contractor 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 Contractor in agreement with that set forth and regulated in this Section.
- 12.3** The provision of the performance bond does not mean that the liabilities that may be demanded from the Contractor 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.
- 12.4** The Contractor shall establish the performance bank guarantee at the time of the start of the provision of the Services, presenting RE with a performance bond upon first request.
- 12.5** 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 Contractor 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.
- 12.6** If the total amount of the Contract or Purchase Order is increased during its execution, RE may request from the Contractor 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.
- 12.7** In the cases in which the Contractor 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 Contractor 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.
- 12.8** 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 Contractor and/or its subcontractors as consequence of any breach of the obligations undertaken under the Contract or Purchase Order.
- 12.9** 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 Contractor (depending on whether it is a performance bond established or withholdings) will proceed upon previous written request of the Contractor and once the corresponding deductions have been made.

- 12.10 The Contractor 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.
- 12.11 The financial costs of the performance bond (financial guarantee) shall be borne by the Contractor.
- 12.12 In cases in which the nature of the object of the Contract or Purchase Order requires it, RE may demand that the Contractor or Supplier contract civil liability insurance in substitution of the guarantee regulated in the foregoing Clauses.

### 13. CERTIFICATION, PRICE, INVOICING AND PAYMENT

#### **Certification of the work**

- 13.1 RE shall approve the reception of the Services executed by means of corporate systems specially designed to this effect, generating the entry sheet with the corresponding identification number (certification) and providing the Contractor with all the necessary information to complete the invoice.
- 13.2 RE's representative, in view of both the work actually performed and the contracted prices, will issue the corresponding certifications once the Services are rendered.
- 13.3 Once RE issues the certifications of the work performed, RE will approve the payment to the Contractor of the amount resulting from applying the unit prices to the units actually performed, following the presentation by the Contractor 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 corresponding work carried out has been verified by RE's representative in accordance with the same established methodology (prior RE approval of all certifications against duly completed invoice in accordance with RE's guidelines).

#### **Prices**

- 13.4 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 Contractor 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.
- 13.5 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.

- 13.6** 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 the acquisition of Associated Equipment and/or Materials performed prior to the express approval by RE, in writing, of said price revisions.
- 13.7** Payment will not be made for work or services not included in the Contract or Purchase Order unless their execution had been previously submitted in writing by the Contractor, clearly stating the price, and accepted, also in writing, by a duly authorised RE representative.

#### **Invoicing**

- 13.8** 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.
- 13.9** The date of each invoice 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 Services that have been executed and received in accordance with the delivery schedule.
- 13.10** In general, all invoices shall be admitted provided that all services invoiced for have been 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 Services object of the Contract or Purchase Order and whose amounts are compliant with the approved prices.
- 13.11** At the proposal of RE or the Contractor, and provided that the object of the Contract or Purchase Order justifies it due to its nature 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.
- 13.12** 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.
- 13.13** In those cases where Equipment and/or Materials linked to the Services is applicable, the Contractor shall attach to the corresponding invoices, the certifications of the goods or services provided, duly accepted and signed-off by RE.
- 13.14** Should the aforesaid requirements not be met, the invoices will not be accepted by RE.

## **Payment**

- 13.15** Payments shall always be made against the invoice presented by the Contractor, 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.
- 13.16** All payments corresponding to partial invoices that are made to the Contractor before the provisional reception of the work object 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.
- 13.17** In all the stages of the Contract or Purchase Order, the payment of the invoice will be conditional on the fulfilment by the Contractor of RE's internal regulations regarding quality control, as well as to the fact that all the documentation contemplated in Clause 6.9 b) of these CGC has been made available regularly by the Contractor to RE.
- 13.18** Payments shall be made respecting the maximum periods established under current legislation.
- 13.19** In the event that RE confirms that the Contractor 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 Contractor in sufficient amount to cover said liabilities, and may even pay such obligation commitments on behalf of the Contractor.
- This right to withhold and pay on account of the Contractor 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 Contractor, in the amount that the latter in turn owes to RE or to any of the companies of the RE Group.
- 13.20** The payment of the price does not imply that RE considers the Contract or Purchase Order fulfilled by the Contractor or that it waives any of the rights to which it may be entitled in respect of the Contractor. RE expressly reserves such rights, notwithstanding the payment made.
- 13.21** 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.

## **14. PENALTIES**

- 14.1** Without prejudice to that set forth in Section 15 of these GCC, RE shall impose to the

Contractor 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 in the performance of object of the Contract or Purchase Order**

- 14.2 Contractor's infringement of the execution deadlines or completion dates of the Services, whether final or partial, set forth in the Contract or Purchase Order will be sanctioned accordingly with a penalty.
- 14.3 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.
- 14.4 If the delay extends beyond four (4) weeks, the penalty amount will increase to 5% weekly.
- 14.5 The making up of the delays of the execution deadlines or completion dates of the Services 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.
- 14.6 Penalties for late delivery will be applied automatically once the deadline has passed and without the need to issue prior delay complaint.
- 14.7 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.
- 14.8 The collection of penalties shall not deprive RE of the possibility to impact on the Contractor all costs and cost overruns that RE may have to pay to third parties as a direct result of the delay.
- 14.9 If within the guarantee period RE should be deprived of the use and possession of any of RE's facilities, due to defects in the execution of the work which require they be repaired or made good pursuant to such guarantee, the Contractor 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.
- 14.10 RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond (financial guarantee) established by the Contractor, 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 Contractor as a business debt.
- 14.11 The Contractor 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 Contractor**

- 14.12 In case the Contractor 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 Contractor.

- 14.13** Furthermore, RE may impose a penalty on the Contractor if at any time before the deadline to rectify is granted, the Contractor waives to rectify such defects or shortcomings.
- 14.14** If such penalty has not been specified, the penalty amount shall be 10% of the Contract or Purchase Order Sum.
- 14.15** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond (financial guarantee) established by the Contractor, 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 Contractor as a business debt.

**Penalty clause for breach of occupational health and safety matters**

- 14.16** Contractor'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 Contractor as eligible to be contracted by RE.
  - e) Definitive withdrawal of the qualification of the Contractor 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 work, as long as the regulation infringed is not corrected. In these cases, the Contractor will assume the additional cost overruns caused by the stoppage of work 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.
- 14.17** The Contractor may also be financially sanctioned for not supplying in time the data requested by RE in the manuals and rules relating to the Contractor, these data consisting of:
- a) Complaints raised by third parties regarding the work performed.
  - b) Incidents or accidents involving its personnel occurred during the execution of the work.
- 14.18** RE may collect the applicable penalties by deducting the amount of the penalty from any

kind of pending payment due to the Contractor, by executing any performance bond established by the Contractor, 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 Contractor as a business debt.

**Penalty clause for noncompliance with aspects regarding quality**

- 14.19** The Contractor shall be the sole responsible Party for the quality control, 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 Contractor's exclusive responsibility.
- 14.20** If any quality reduction in the Services provided were found to exist, RE may apply the penalty set forth below. A warning notice shall be issued in such case.
- 14.21** If it is established that the Services 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.
- 14.22** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond established by the Contractor, 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 Contractor as a business debt.

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

- 14.23** Without prejudice to RE's right to terminate the Contract, RE may impose on the Contractor those penalties corresponding to a serious breach of the obligations arising out of the Contractor 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.
- 14.24** If such penalty has not been specified, the penalty amount shall be 10% of the Contract or Purchase Order Sum.
- 14.25** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond established by the Contractor, 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 Contractor 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**

- 14.26** Failure by the Contractor 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.

- 14.27** 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.
- 14.28** If the delay extends beyond four (4) weeks, the penalty amount will increase to 5% weekly.
- 14.29** 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.
- 14.30** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond (financial guarantee) established by the Contractor, 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 Contractor as a business debt.
- 14.31** The Contractor 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**

- 14.32** Failure by the Contractor to comply with its environmental obligations foreseen under the applicable legislation of the country in which the service is carried out, or of the measures adopted by RE during the performance of the services or work, 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 Contractor as eligible to be contracted by RE.
- 14.33** 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 work 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.

**14.34** RE may collect the applicable penalties by deducting the amount of the penalty from any kind of pending payment due to the Contractor, by executing any performance bond (financial guarantee) established by the Contractor, 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 Contractor as a business debt.

**Other penalties**

**14.35** 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**

**14.36** 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, special work, price revision or any other cause.

**15. SUSPENSION AND TERMINATION OF THE CONTRACT OR PURCHASE ORDER**

**Suspension at the request of RE**

**15.1** 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 Contract or Purchase Order 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 Services, nor the costs, fees, charges or other amounts that may be due to the Contractor regarding the object of the Contract or Purchase Order.

**15.2** 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 Contractor in writing specifying the cause and the expected duration of the suspension. As a result, the Contractor shall immediately interrupt all works.

**15.3** RE will pay all finished works or those works that might be well underway at the time of the notice of suspension to the Contractor. 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.

**15.4** Contractor 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**

- 15.5 The Contract or Purchase Order may be terminated, either wholly or partially by mutual agreement between the Parties.
- 15.6 In such case, the Parties will set out in writing the termination agreement and the Contractor shall immediately interrupt all works under the Contract or Purchase Order, as well as new stockpiles of materials in case the Services include the supply of Associated Equipment and/or Materials (components, equipment and systems or any other material supplied by Contractor).
- 15.7 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**

- 15.8 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 Contractor. In such an event, RE shall indemnify the Contractor for any direct damages that may be actually generated thereby.
- 15.9 Damages shall be sufficiently proven by the Contractor and 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.

- 15.10 Upon receiving the notice of termination of the Contract or Purchase Order, and at the request of RE, the Contractor 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 Contractor**

- 15.11 RE may terminate the Contract or Purchase Order, wholly or partially, by serving formal notice to the Contractor, 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 Contractor's legal and contractual obligations.

- b) When the Contractor 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 Contractor's legal personality.
- d) Decease of the Contractor, 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 Contractor is an actual natural person.
- e) Relinquishment, interruption or suspension by the Contractor in the fulfilment of the Contract or Purchase Order, including the stoppage of work, except in the case of proven force majeure.
- f) Delay in the provision of contracted work by more than half of an interim period of execution and foreseeably irrecoverable in full; or for a period longer than one third of the total period; or due to nonfulfillment of completion dates considered essential for the satisfactory conclusion of the Contract or Purchase Order or for having incurred delay penalties reaching 10 per cent of the total amount of the contract, as established in the foregoing 14.7 Clause.
- g) Any other serious or recurring circumstance that is deemed to be an infringement of the Contractor'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 Contractor 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 Contractor'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 Contractor's stocks/shares or otherwise an effective change of control, direct or indirect, in the

Contractor or in one of the companies who have control over or that it reports to, without the express consent of RE.

- 15.12** 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 Contractor or, where appropriate, the Contractor'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 Contractor stating the events occurred and the grounds for termination, as well as the effective termination date of the contractual relationship.
- 15.13** Should the above decision be based on clause 15.11, paragraph d), the Contractor or where appropriate, the Contractor'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.
- 15.14** Should RE's decision be based on clause 15.11, paragraphs e) and f), the Contractor 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.
- 15.15** In the event of termination of the Contract or Purchase Order, the Contractor must immediately return to RE the total amounts charged in advance on account. In the event the Contractor 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 Contractor, in accordance with same paragraph.
- 15.16** 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 Associated Equipment and/or Materials that the Contractor 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 Contractor or its subcontractors or suppliers, even if the price of acquisition has not yet been fixed.
- 15.17** In any case, the Contractor 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 Contractor (even payments due for other Contracts or Purchase Orders). Except for in the case of clause 15.11, paragraph d), the termination of the Contract or Purchase Order shall also carry the loss of the performance bond that the Contractor 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 Contractor.

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 Contractor (even if these are for other Contracts or Purchase Orders).

- 15.18** In the case that the Contractor 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 Contractor in order to fulfil the obligations that as a result of the performance of the Contract or Purchase Order the Contractor might have with regard to third parties. RE may execute payments on behalf of the Contractor.
- 15.19** 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 Contractor 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.
- 15.20** 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 Contractor:
- a) Suspend outstanding payments (even related to another contract).
  - b) Execute the deposits, bank guarantees or any other type of guarantees the Contractor may have (even related to another contract).
  - c) Retain the Contractor's stockpiled materials and machinery and items that may be in the possession of RE.
- 15.21** After termination, RE will certify the pending amounts due to the Contractor for all the work 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 Contractor as full and final settlement of the Contract or Purchase Order.
- 15.22** In the settlement of the works executed and/or goods or services provided up until the termination of the Contract or Purchase Order, RE will not value or pay for the works executed, or goods or services that are incomplete or unfinished.
- 15.23** The balance following the settlement shall be paid according to the established payment conditions, if it is in favour of the Contractor; and without any postponement or delay if it is in favour of RE.

**Termination of contract by the Contractor**

- 15.24** The Contractor 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 Contractor 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.

- 15.25** 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.
- 15.26** 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.

## **16. INDUSTRIAL AND INTELLECTUAL PROPERTY**

- 16.1** The Contractor, 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 Contractor also guarantees that the aforesaid registrations and licences do not infringe any third-party rights.
- 16.2** The Contractor 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 Contractor's own expense.
- 16.3** To conform to the guarantee set forth above, the Contractor hereby releases RE from all liability for infringements of industrial property that it (the Contractor) 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.
- 16.4** If a third party should file a claim against RE for any Contractor's breach of the obligations set forth in the above clause, the Contractor shall, at the request of RE, be obliged to 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.
- 16.5** Any judicial or extra-judicial claims filed by third parties against the Contractor in connection with industrial or intellectual rights shall formally serve due notice to RE immediately after receipt thereof.
- 16.6** RE is the owner of all documents, designs, drawings or blueprints, computer programmes and specifications, and copies thereof, that RE hands over to the Contractor 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 Contractor for the purposes of the work.

The Contractor 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 Contractor 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 Contractor. The Contractor shall take the adequate protection measures according to the instructions or guidelines issued by RE.

- 16.7** Likewise, the Contractor 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 Contractor during the performance of the Contract or Purchase Order will become the property of RE. The Contractor shall take the adequate protection measures according to the instructions or guidelines issued by RE.

## **17. CONFIDENTIALITY**

- 17.1** The Contractor 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 Contractor);
- c) that at or prior to the time of disclosure the Contractor was already in possession of such information or documentation;
- d) that after being disclosed is made known or supplied to the Contractor by a third party entitled to disclose such information;
- e) is or has been independently developed or conceived by the Contractor without the use of the confidential information.

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

- 17.3** 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.
- 17.4** 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.
- 17.5** The Contractor 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.
- 17.6** In the event that the Contractor 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.
- 17.7** Upon finalisation of the Contract or Purchase Order, the Contractor 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 Contractor is obliged to provide access *in situ* to the authorised representatives that RE may designate to carry out the appropriate verification procedures.
- 17.8** In any event, RE and the Contractor 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.
- 17.9** In the event of assignment or subcontracting of the Contract or Purchase Order, pursuant to the terms set forth in these GCC, the Contractor shall be obliged to subscribe, with the subcontractor or assignee, a confidentiality agreement on the same terms as those specified above.
- 17.10** The Confidentiality Agreements, prior agreement of the Parties, shall comply with the content set out in RE's corresponding confidentiality commitment document.
- 17.11** Similarly, RE shall safeguard and not disclose any information provided by the Contractor that it deems confidential as per the agreed terms and conditions.

## **18. LIABILITY**

- 18.1** The Contractor 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.
- 18.2** The Contractor 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 Contractor, provided that it has been authorized by RE, uses for these purposes.

- 18.3** The Contractor 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.
- 18.4** When the Contractor 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.
- 18.5** The Contractor shall be liable to RE for any damages that the Contractor 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 Contractor or on behalf of any of the aforesaid persons.
- 18.6** The liability of the Contractor 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 Contractor that may exceed such limit.
- 18.7** The Contractor 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 Contractor.

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 Contractor shall be liable for any damages that may be caused to them.

- 18.8** The Contractor 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 Contractor.
- 18.9** The Contractor is responsible for the thorough compliance of its legal and contractual obligations with its contractors 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 Associated 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.
- 18.10** The Contractor 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.
- 18.11** Specifically, the Contractor 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 Associated Equipment and/or Materials and how many other environmental specifications are included in current legislation. In this regard, the Contractor undertakes to supply, whenever possible, Associated 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 Contractor 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 work object of the Contract or Purchase Order, in accordance to the terms established by the corresponding legislation.

- 18.12** The Contractor 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.
- 18.13** The Contractor 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.
- 18.14** The non-compliance by the Contractor 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 Contractor.
- 18.15** In the event that RE establishes that the Contractor 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 Contractor in sufficient amount to cover said liabilities, and may even pay said obligations on behalf of the same.
- 18.16** This right to withhold and offset the amounts pending payment to the Contractor 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 Contractor, in the amount that the latter in turn owes to RE or to any of the companies of the RE Group.
- 18.17** 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 Contractor 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 Contractor.

## 19. INSURANCE

**19.1** The Contractor shall contract 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 Contractor 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) Civil Liability, in which RE appears as an additional insured party without losing the status of a third party, and which guarantees payment of compensations which the Contractor, its subcontractors or suppliers, or RE or its staff should result liable vis-à-vis third parties as civilly liable for accidental damages or consequential losses, caused to the said third parties and/or to RE, in their persons or properties, by action or omission, being such liability either directly or subsidiarily as a consequence of the execution of the Contract or Purchase Order.
- e) Any other insurance required by the legal provisions in force and that are applicable to the work and services carried out by the Contractor in relation to the Contract or Purchase Order.

**19.2** 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, Professional and Post-Works Civil Liability Civil Liability for Products and Civil Liability for pollution and damage to the environment for the supply 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.

**19.3** 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.

**19.4** 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.

**19.5** The Contractor shall accredit the fulfilment of the regulation on industrial occupational accident insurance policies of the country in which the service is to be performed by providing a certificate of insurance or similar document as proof of the said coverage.

The Contractor, 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 Contractor shall submit the policies and the proofs of payment to show that the policies are in full force when requested to by RE.

**19.6** The Contractor undertakes to notify RE of any modification or renewal of the indicated policies, during the execution of the Contract or Purchase Order.

**19.7** Contractor'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 Contractor or Supplier.

**19.8** Regardless of the foregoing, the Contractor or 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.

The Contractor or Supplier, under their exclusive responsibility, shall require that their subcontractors contract the necessary insurance. They will not exempt the Contractor or Supplier against liability to RE.

**19.9** In all insurance policies contracted in compliance with these GCC, express mention shall be included of the exemption from liability of RE with the express waiver of the right of repetition and subrogation against it by the insurance companies of said policies.

## **20. FORCE MAJEURE**

**20.1** 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 Contractor'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.

**20.2** The Contractor 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 Contractor 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 Contractor or its subcontractors, except those of a national or sectoral nature.
- e) The conditions of the premises for the provision of the services, which should be known by the Contractor prior to the start of the performance of the Contract or Purchase Order.

**20.3** 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 work 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.

**20.4** 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.

**20.5** The Contractor 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.

**20.6** In the event the Contractor 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 Contractor 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.

## **21. CORPORATE SOCIAL RESPONSIBILITY**

**21.1** By means of these GCC the Contractor 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.

**21.2** The Supplier Code of Conduct document is available on the RE website.

**21.3** Moreover, the Contractor, in the performance of the Contract or Purchase Order, assumes RE's "Supplier Code of Conduct" regarding its suppliers.

- 21.4 Any evidence of non-compliance with the provisions of the aforesaid document may constitute grounds for termination of the Contract or Purchase Order.
- 21.5 The Contractor undertakes to comply with the applicable regulations in force regarding the principles set forth in the previous documents.
- 21.6 The Contractor shall, in turn, be responsible for ensuring compliance of its suppliers with RE's corporate social responsibility policies.

## 22. DATA PROTECTION

### **Information and access to personal data of the Contractor**

- 22.1 RE informs the Contractor 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 Contractor 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**

- 22.2 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 Contractor unintentionally have access to any data of a personal nature, the Contractor shall undertake to guarantee the security and protection of said data

In the event of non-compliance by the Contractor 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**

- 22.3 When for the service provision under the Contract or Purchase Order, the Contractor or Contractor'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 Contractor, necessary for the fulfilment of the obligations under the service provision as Contractor 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 Contractor may have access

exclusively for the fulfilment of the Contractor'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 Contractor.

Specifically, the Contractor, 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 Contractor or /Contractor'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 Contractor 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 Contractor need to subcontract the service provision in order to fulfil the obligations under the Contract or Purchase Order, the Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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-authorized 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 Contractor's obligations set forth herein will be binding for the Contractor's personnel, both external and internal partners and subcontractors, and the Contractor shall be responsible for their compliance with the above obligations. The Contractor 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 Contractor and/or obtained by the Contractor on behalf of RE as a result of the agreed services, regardless any contractual relationships of RE with third parties.

The Contractor shall inform its personnel and, where appropriate, employees and subcontractors, of the obligations established in this Section. The Contractor 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 Contractor shall collaborate with RE so that RE can ensure that the Contractor 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 Contractor.

If any owner (aka data subject) of personal data should request to the Contractor 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 Contractor 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.

- 22.4** In the event of non-compliance by the Contractor 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.
- 22.5** In the event that the purpose of the contract includes the installation and supervision of a Closed-Circuit Television (CCTV), the Contractor 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 Contractor (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 Contractor 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 Contractor provide this information, but only after receiving prior written authorization from RE.

- 22.6** Both RE and the Contractor 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.

## **23. APPLICABLE LAW AND DISPUTE RESOLUTION**

- 23.1** 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 Contractor is obliged to know the tax legislation of the country where it will provide the service in order to assume any taxes set out in the tax law corresponding to such country.

- 23.2** Both RE and the Contractor 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.

- 23.3** 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.

- 23.4** 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.

## **24. NON-EXCLUSIVITY**

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

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

## **25. NOTICES AND LANGUAGE**

- 25.1** Any notices or communications between RE and the Contractor regarding the performance of the Contract or Purchase Order, shall be done in writing and in Spanish, by the persons designated therein.

- 25.2** 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.

- 25.3** 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.

**26. INVALIDITY**

- 26.1** 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.
- 26.2** 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.