

## General Assembly Conditions (GAC)

Version: 15.09.2022

### 1. General conditions

- 1.1 The following conditions (hereafter referred to as "GAC") shall apply in addition to the "General Delivery Conditions for Supplies and Services in the German Electrical Industry" – Grüne Lieferbedingungen [*Green Delivery Conditions*] – (Version as of May 2021) (hereafter referred to as "GL") for assembly works and services similar to assembly works as well as to any construction works of SPL Powerlines Germany GmbH and all group companies affiliated with SPL as defined by Section 15 AktG [*German Stock Corporation Act*] (referred to as the "Supplier" in the GL and hereafter referred to as the "Contractor") with or without the supply of products.
- 1.2 Supplementing Article 1 No. 2 GL, the Contractor, without any limitation, reserves its proprietary rights and copyrights of use and exploitation also pertaining to any studies, drafts, methods, software, software tools and technical media made available to the Purchaser. Apart from that, Article 1 No. 2 GL shall apply accordingly.

### 2. Scope and performance of the works

- 2.1 The Purchaser shall notify the Contractor's construction site manager and/or representative in due time of any accident prevention regulations to be complied with which exceed the regulations of the Federal German Employers' Liability Insurance Association for Precision Mechanics and Electrical Engineering. The Purchaser shall take its best efforts to prevent accidents.
- 2.2 Normal working hours shall be based on the statutory and collectively agreed provisions applicable to the Contractor. Should deviations from normal working hours become necessary or be requested by the Purchaser, the Purchaser will assist the Contractor in obtaining the permit from the authority.
- 2.3 The Contractor shall be entitled to refuse work requested by the Purchaser in case the Contractor has serious reservations about such works (e.g. concerning the safety regulations).
- 2.4 Where products and materials furnished by others are assembled, the Contractor shall not be liable for the quality and suitability of such products and materials. Should the Contractor have reservations about their quality and suitability, the Contractor shall notify the Purchaser thereof immediately. If the Contractor's serious reservations are not eliminated, the Contractor shall be entitled to refuse the performance of the works concerned.  
The Purchaser shall bear the risk of accidental loss and accidental deterioration as well as the risk of theft of the products and materials supplied.
- 2.5 The Contractor shall not be liable for defective works performed by third-party staff unless the Contractor has given wrong instructions or is guilty of a breach of its duty of supervision.

### 3. Billing, payment and price adjustment

- 3.1 Unless the parties have agreed in writing on billing based on flat sums or unit prices/measurement, the works performed and services rendered will be billed individually on a time and expenditure basis.  
In this case, the Contractor may additionally charge for:
- 3.1.1 the material used;
- 3.1.2 the provision of special tools, measuring and test devices according to the Contractor's rates;
- 3.1.3 safety checks of the assembly staff required on site based on time and expenditure.
- 3.2 The following general provisions shall apply to all methods of calculation:
- 3.2.1 Unless otherwise agreed in writing, the Contractor's applicable accounting rates shall be used for staff, devices and vehicles.
- 3.2.2 Unless otherwise agreed in writing, the Contractor shall charge its assistance in commissioning and test runs separately based on time and expenditure.
- 3.2.3 Should the Contractor have to perform works at times or under circumstances that deviate from the working conditions laid down in the contract and require additional efforts, the Purchaser shall have to pay the Contractor's usual extra-over prices which do not exceed 150% of the normal price. This shall not apply if the Contractor is responsible for the requirements specified in Clause 1 herein.
- 3.2.4 The Contractor shall charge the statutory VAT at the applicable rate.

3.2.5 Mutual supplies of materials on the construction site shall be confirmed by receipts and shall be signed by the Contractor's construction site manager and/or representative and by the Purchaser or by the Purchaser's respective agent. The same shall apply mutatis mutandis for services rendered and works performed.

3.3 Unless otherwise agreed in writing, the Contractor shall be entitled to claim additional remuneration in the amount of 50% of the difference between the calculated and the actual purchasing costs in case the purchasing costs for necessary materials on which the Contractor's tender estimate is based increase demonstrably by more than 5% compared to the actual purchasing costs in the period between the tender estimate and the timely order of the materials. No surcharge relating to general business expenses, site overheads, risk and profit etc. shall be charged on the additional remuneration.

3.4 Unless otherwise agreed in writing, the Purchaser shall receive a credit note in the amount of 50% of the difference between the calculated and the actual purchasing costs in case the purchasing costs for necessary materials on which the Contractor's tender estimate is based decrease by more than 5% compared to the actual purchasing costs in the period between the tender estimate and the timely order of the materials. The calculated surcharges for general business expenses, site overheads, risk and profit shall remain unchanged.

3.5 This shall not affect any statutory claims for price adjustment.

### 4. Force majeure

4.1 Supplementing Article IV No. 2 a) to c) GL force majeure and/or any other event beyond the Contractor's control shall include any declared or not declared armed conflict, an international geopolitical crisis, a political conflict, an economic crisis, a pandemic or a health crisis, a shortage or lack of raw materials, components, liquids, energy of any kind or any other element connected with it as well as natural disasters, fires, floods, changes of the performance conditions, such as the restriction of free access to the premises or the construction sites or to the site accommodation facilities or the restriction of free movement within these premises, construction sites or site accommodation facilities if the Contractor was unable to foresee the occurrence, the extent and/or the impact and the duration of such events at the point of time at which the Contractor submitted its quotation on which the contract is based.

4.2 In the cases specified in Section 4.1, the performance periods shall be extended by the duration of the non-availability of the materials plus a reasonable extra period for the resumption of the works.

4.3 This shall not affect the Contractor's rights of adjustment and rescission pursuant to Article XI No. 2 GL.

### 5. Interruption of work and downtimes

5.1 The Purchaser shall bear the costs incurred for the Contractor's assembly staff's downtimes and interruptions of work which require a withdrawal or re-assignment of the Contractor's assembly staff and the reasons for which result from the Purchaser's sphere of responsibility. Pursuant to Section 286 Subsect. 2 BGB [*German Civil Code*], a notice of default to the Purchaser is not necessary. The costs according to Clause 1 hereof include in particular the actually incurred expenses for necessary trips. The above provisions shall not apply if the Contractor is responsible for the downtimes and/or interruptions of work.

5.2 In the cases described in Section 5.1 above, the Contractor shall additionally be entitled to claim compensation for the useless and/or unproductive provision of its assembly staff as well as of its devices and vehicles. The compensation claim shall be calculated based on time and expenditure at the amount of the accounting rates agreed on under Section 3.2.1 herein unless other accounting rates have been agreed on in writing. However, the Contractor shall have to deduct the expenditure it saves as a consequence of the cases described in Section 5.1 above or the amount it acquires through any other use of its staff or refrains from acquiring with evil intention.

5.3 Should the Purchaser insist on the assembly works being continued despite adverse circumstances (e.g. inclement weather), the liability for the damage caused by such continuation shall pass to the Purchaser.

### 6. Supplementary provisions for construction works

If the works performed by the Contractor are construction work as defined by Section 650a Subsect. 1 BGB, the following provisions shall apply in addition:

#### 6.1 Changes of the contract; rights to give orders

6.1.1 The Contractor shall be obliged to perform any works and services not agreed under the contract, which constitute a change of the agreed work result or additional works/services or which are required to achieve the agreed work result, if the Purchaser orders such works/services in writing. Concerning changed or additional works or services, this shall only apply if the performance of such works/services can be reasonably expected of the Contractor. The parties agree that Section 650b Subsect. 1 Clause 3 BGB shall not apply.

- 6.1.2 The amount of the remuneration claim for the Contractor's increased or reduced expenditure as a consequence of an order according to Section 6.1.1 above shall be calculated based on the actual costs plus reasonable surcharges for general business expenses, risk and profit. Any discounts agreed on shall be considered. What has been agreed between the parties shall apply to the amount of the surcharges for general business expenses, risk and profit. If the parties have not made an agreement in this respect, the statutory provisions shall apply. To the extent the Contractor's performance obligations also comprise the planning of the works/services affected by the change, the Contractor shall be entitled to claim remuneration for increased expenditure.
- 6.1.3 The Contractor may perform additional works/services necessary for the production of the contractual works up to an amount of 10% of the net order value without prior consultation with the Purchaser. The Contractor's additional remuneration shall be calculated according to the provisions of Section 6.1.2 above. Should works/services according to Clause 1 hereof become necessary, the Contractor shall be obliged to immediately inform the Purchaser in writing about the necessity and the expected extent of such additional works and services.
- 6.1.4 The Contractor shall furnish to the Purchaser a written supplemental offer specifying the prices without delay but in due time before the performance of the works or services. In preparing its offer, the Contractor may use the rates stated in the possibly available tender estimate. In such case it is assumed that the remuneration updated on the basis of the tender estimate corresponds to the remuneration according to Section 6.1.2 above.
- 6.1.5 If possible, the parties shall agree on the new price prior to the commencement of the works or services. On the Purchaser's written request, the Contractor shall perform the works/services even without a remuneration agreement. In such case, the Contractor may request 80% of the remuneration stated in its supplemental offer according to Section 6.1.4 above as an on-account payment.
- 6.1.6 The parties agree that Section 650b Subsect. 1 Clause 5, and Section 650c Subsect. 1 Clause 2 BGB shall not apply.
- 6.1.7 If a completion date has been agreed on for the completion of the works and services under the contract, the period of performance shall be extended by the period of time that is needed for the performance of the works and services according to Clause 1 of Section 6.1.1 above (including the delivery time for parts ordered that are necessary for the performance of the works) and such extension period shall begin to run on the date of the Purchaser's written order sent to the Contractor.
- 6.1.8 The Contractor shall not be obliged to perform the works or services in its own premises. The Contractor shall be entitled to commission subcontractors with the performance of such works or services.

#### **6.2 Risk of loss**

- 6.2.1 If the completely or partly performed works or services are damaged or destroyed before acceptance due to an event specified in Section 4 herein ("Force Majeure"), the works and/or services already performed shall be billed based on the contractual prices and in addition the costs are to be remunerated that the Contractor has already incurred and that are contained in the contractual prices of such part of the works/services that has not yet been performed.
- 6.2.2 The completely or partly performed works/services shall include all works/services directly connected with the physical structure and incorporated in its substance irrespective of the level of completion. Furthermore, the completely or partly performed works/services shall include the materials and components not yet installed as well as the site set-up and set-out, auxiliary constructions and scaffolding.
- 6.2.3 Unless otherwise resulting from Sections 6.2.1 and 6.2.2 above, the risk shall pass to the Purchaser upon acceptance. Section 644 Subsect. 1 Clause 2 and 3 BGB as well as Section 645 BGB shall remain unaffected.

#### **6.3 Period of limitation for claims based on defects**

The period of limitation for claims based on defects shall be 4 years.

#### **7. Special termination right**

If the Purchaser suspends payments, if a temporary insolvency administrator is appointed or if insolvency proceedings are instituted against the Purchaser's assets, the Contractor shall be entitled to terminate the contract completely or in part.

#### **8. Confidentiality**

The Contractor and the Purchaser undertake to treat all information and documents becoming known to them in the tender negotiations and during the performance of the contract confidentially irrespective of the nature (technical, financial, commercial or other) and form (oral or written, as a draft or final, readable by humans or machines) of such in-

formation and/or documents. Information that has become part of the public domain at the point of time of its disclosure or would have become generally known later on without either party's fault shall not be deemed to be confidential information.

#### **9. Compliance und ethics**

The Purchaser and the Contractor have been informed about the Compliance Policy of the POWERLINES Group and the fundamental ethical principles laid down therein and published on the website [www.powerlines-group.com](http://www.powerlines-group.com) > Company > Ethical principles and undertake to comply with them. The Purchaser and the Contractor undertake to implement rules and methods in their respective companies to ensure adherence to the Compliance Policy of the POWERLINES Group and to perform regular assessments. Any violation of the provisions of the Compliance Policy of the POWERLINES Group by the Purchaser constitutes a breach of contract which shall entitle the Contractor to terminate the contract for good cause. This shall not affect the Contractor's right to claim damages.