



## GENERAL TERMS AND CONDITIONS OF THE IBERDROLA GROUP FOR THE SUPPLY OF EQUIPMENT AND MATERIALS

### 1. PURPOSE OF THE DOCUMENT

This document sets out the general contracting terms and conditions for a supply of Equipment and Materials, and Associated Services, that govern the relationship of the companies of the Iberdrola Group that are domiciled and incorporated under the laws of Spain or are domiciled and incorporated under the laws of a country where there are no specific general conditions ("Iberdrola") by any third party entering into Contract for such supply (the "Supplier"). Iberdrola and Supplier are sometimes referred to herein as "Party" and collectively "Parties"

### 2. SCOPE OF THE APPLICATION

**2.1** These general terms and conditions ("GTCs") shall apply to any and all contracting of Equipment and Materials and any Associated Services, unless otherwise agreed by the Parties in a Contract. Therefore, contrary terms proposed by the Supplier (or that may be viewed as implied in the course of negotiations, or by common use, customs or practices) are hereby excluded and, for the avoidance of doubt, shall not form part of the Contract.

**2.2** These GTC shall form part of the contractual relationship between both parties in connection with the supply of Equipment and Materials and shall, together with the other parts of the Contract, set out the reciprocal rights and obligations of the parties.

**2.3** The participation in a tender process organised by Iberdrola for the presentation of a Bid by the Supplier shall automatically imply the awareness and acceptance by the relevant Supplier of these GTC in the event of being awarded the bid.

**2.4** Any exception to these GTCs by Supplier shall be valid only if accepted in writing by Iberdrola. Such exceptions shall apply only to the referenced specific Contract and shall not be effective to any other Contracts.

**2.5** This document is available on the Iberdrola Group web site in the section "Suppliers", "Purchasing Portal".

### 3. DEFINITIONS

In these GTC, the following terms shall have the meanings given to them below:

**"Associated Services"** means those services to be provided by the Supplier that are related or ancillary to the Equipment and Supply agreed upon by both parties, that form part of the Supply and are defined and detailed in the Contract.

**"Availability Notice"** means the document to be issued by the Supplier to inform Iberdrola that the Equipment and Materials or a part thereof is available for immediate collection or delivery (as appropriate)

**"Bid"** means the proposal made by a Bidder in response to a Request for Bid, which shall be binding upon the Bidder during the term set forth therein, and which shall not be binding for Iberdrola, document or give rise to any binding obligation or liability on the part of any Iberdrola Group Company unless and until a Contract has been constituted in accordance with the terms of these GTC.

**"Bidder"** is the physical or legal person that presents an offer to a bid process begun by Iberdrola.

**"Condition"** means a condition set out in these GTCs.

**"Confidential Information"** has the meaning given to it in Condition 7.1.

**"Completion Notice"** means the document to be issued by the Supplier to notify Iberdrola that the Equipment or Material or part thereof has been completely finished and is ready for Iberdrola to issue the relevant Shipment Authorisation after the verification it considers appropriate is conducted.

**"Contract"** means an agreement between the Parties that sets forth the terms and conditions for contractual relationship between the Parties related to the Supply. It shall be formed by the following documents:

- a) Document that formalises the agreement, be it as
  - (i) written contract signed by both parties, or
  - (ii) in the form of an order, which is a binding document issued by Iberdrola and accepted by

the Supplier.

An order is considered as accepted: (i) beginning the moment the Supplier starts to fulfil obligations set out in the order issued by Iberdrola; (ii) through issuing confirmation via any method that faithfully verifies acceptance; or (iii) when the request consists of a framework agreement that is carried out through supply orders once fifteen (15) days have transpired since being issued.

- b) Iberdrola's Corporate Responsibility Policies
- c) Iberdrola Suppliers' Code of ethics
- d) Technical documentation that apply (technical specifications, quality plan, schedule...)
- e) Particular Conditions, where applicable
- f) These GTC
- g) Bid

The Specific Conditions and technical documentation that are issued for each tender shall include the exceptions and variations agreed by and between both parties. In the case of the technical documentation, such exceptions or variations can also be included in an annex thereto.

These documents complement each other so that what is agreed and stipulated in all of them comprises the content of the selected bid, which will be interpreted by the entirety of the documents comprising it.

In the event of a contradiction between any of the Contract documents, that which appears first on the aforementioned list shall prevail.

The Supplier shall make available all of the required documents that comprise the Contract through the Iberdrola Group's website or through the method described under each Offer Request. Therefore, the Supplier must be familiar with it, and the existence of a Contract implies that it has been fully accepted in its totality along with the compliance obligation.

Except for those cases where a different agreement is made, the entry into force of the Contract shall take place upon its formalisation, whether it is through signing the written contract by both parties or the order's acceptance by the Supplier under the terms set out in these GTC.

**"Equipment and/or Materials"** means all goods, equipment, stock, machinery, apparatuses, components, subcomponents, items, elements, materials, reports, data, presentations, documents, software, materials, and any other assets or items (in any format) provided by the Supplier or on its behalf

to Iberdrola under and/or pursuant to the Contract, including (without limitation) those items detailed in the Technical Specification or in any other part of the Contract..

**"Iberdrola Group"** means Iberdrola, S.A. as a holding company and its affiliates according to article 42 Spanish Commerce Code.

**"Letter of Intent"** means a binding agreement between the Parties setting forth the general understanding and agreement of the Parties with respect to the essential terms of a Supply and that formalizes the intention of the Parties to enter into more specific Contract.

**"Particular Conditions"** is the document that sets forth for each particular case the additional terms and conditions, clarifications and exceptions to these GTC or to any other documents included in the Contract.

**"Personnel"** means the workers, employees, managers and supervisors of the Supplier that will carry out or be involved in the execution of the Equipment and Materials Supply.

**"Quality Plan"** means the document which details the set of activities, resources and actions that make up the quality management for Equipment or Materials and for a specific organisation.

**"Request for Bid"** means the invitation issued by Iberdrola to a potential Supplier to take part in a bidding process that sets forth and specifies the equipment or material to be supplied along with the documentation that the Bidder must include and the requirements to fulfil.

**"Supply"** comprises the sum of the Equipment and Materials defined in the Contract, as well as any Associated Services, if applicable.

**"Supplier"** is the physical or legal person responsible for carrying out the Supply, and is party to the Contract together with Iberdrola.

**"Technical Specification"** means the document or set of documents normally prepared for a specific Supply, detailing the required specific and particular technical requirements that the relevant Material or Equipment including, where applicable, testing or inspection procedures

**"Time Schedule"** means a schedule included as part of a Contract specifying the required delivery and related milestones and deadlines of Supplier with respect to a Supply.

## 4. EXECUTION OF THE SUPPLY

### 4.1 GENERAL

The Equipment and Materials, together with their Associated Services, shall be supplied at the risk of the Supplier, and the economic consequences or outcome thereof shall be exclusively on its account.

The Supplier shall supply the Equipment and Materials in strict compliance with legislation and standards applicable to the Contract and with all the instructions of Iberdrola or its authorised contractors, consultants or agents.

**4.1.1** Within the limits set forth by the Contract, the Supplier shall supply the Equipment and Materials in a complete unit capable of carrying out the relevant function, as well as the Associated Services to such unit.

**4.1.2** Unless expressly indicated otherwise, the Supplier shall supply new and not pre-owned Equipment and/or Materials.

**4.1.3** Should the supply of Equipment and Material include the provision of Associated Services at Iberdrola's location, unless otherwise expressly agreed to, the Supplier shall meet the requirements set forth in the general conditions of the Iberdrola Group for the engagement of works and/or services.

**4.1.4** The Supplier shall supply the Equipment and Materials and perform the Associated Services in a timely and professional manner and it shall hold all materials, equipment and tools, drawings, specifications, information and data supplied by Iberdrola to the Supplier (hereinafter, "**Iberdrola Materials**") in safe custody at its own risk, maintain Iberdrola Materials in good condition until returned to Iberdrola, and not dispose of or use Iberdrola Materials other than in accordance with Iberdrola's written instructions or authorisation.

**4.1.5** The Supplier shall not do, or fail to do, anything that may cause Iberdrola and/or any Iberdrola Group company to lose any licence, authorisation, or permission upon which it relies for the purposes of conducting its business.

**4.1.6** The Supplier hereby warrants and undertakes to Iberdrola that:

- a) It has the right, power, capacity, skills, experience and authority to enter into the Contract and to supply the Equipment and Materials and perform the Associated Services;
- b) It shall supply the Equipment and Materials and

perform the Associated Services in accordance with all of the terms of the Contract, to the reasonable satisfaction of Iberdrola, in accordance with Good Industry Practice and in compliance with all Laws relevant to the supply of the Equipment and Materials and the provision of the Associated Services;

- c) It shall use Personnel who are suitably skilled and experienced to perform tasks assigned to them, and in sufficient number to ensure that the Supplier's obligations are fulfilled in accordance with the Contract;
- d) All Equipment and Materials and Associated Services shall conform with all descriptions and specifications set out in the Contract, and the Equipment and Materials and the Associated Services shall be of satisfactory quality and shall be fit for any purpose expressly or impliedly made known to the Supplier by Iberdrola;
- e) It shall (having regard to the terms of the Technical Specification) use the best available quality goods, materials, standards and techniques, and ensure that the Equipment and Materials, and all goods and materials supplied and used in the Associated Services or transferred to Iberdrola, shall be free from defects in workmanship, installation and design;
- f) The use by Iberdrola and/or any Iberdrola Group Companies of the Equipment and Materials, the Associated Services and/or any other items provided by or on behalf of the Supplier or are otherwise used by the Supplier in connection with the provision of the Supply under and/or pursuant to the Contract shall not infringe the Intellectual Property Rights of any third party;
- g) It has and shall continue to have all licences, permissions, authorisations, consents and permits required to perform its obligations under the Contract;
- h) It shall implement and observe sound environmental practices and procedures in connection with the supply of the Equipment and Materials and/or the provision of the Associated Services;
- i) It shall observe fair employment practices and policies in relation to any staff that are engaged in the supply of the Equipment and Materials and/or the provision of the Associated Services;
- j) The Supplier (and all staff engaged in the supply of the Equipment and Materials and/or the provision of the Associated Services) shall comply with all rules, policies and procedures (including, without limitation, health and safety practices and anti-corruption practices) notified to the Supplier in connection with the supply of the Equipment and Materials and/or the provision of the Associated Services; and

k) The Supplier shall afford Iberdrola or its duly authorised representatives such access to the Supplier's premises as may be reasonably necessary to enable Iberdrola to satisfy itself that the Supplier is complying with its obligations pursuant to the Contract, including in connection with the quality standards required under this Condition 4.1.6.

**4.1.7** The Supplier shall neither be relieved of its obligations to provide any of the Equipment and Materials and/or any Associated Services in accordance with the terms of the Contract, nor be entitled to an increase in any of the Prices, as the result of or in connection with any change in any Law which impacts on the performance of the Supplier's obligations under the Contract and which comes into force on or after the effective date of the Contract. Any changes to the Contract that are required as a result of any change in Law shall be documented in accordance with Condition 12.3, provided always, for the avoidance of doubt, there shall be no increase to any Prices and/or the rates of any of the Prices payable by Iberdrola under the Contract.

#### **4.2 ORGANISATION OF THE SUPPLIER**

**4.2.1** Supplier shall act as an independent contractor and all Personnel employees by Supplier in connection with the Supply shall be employees of Supplier or its subcontractors and not employees of Iberdrola. Supplier is not an agent of Iberdrola and shall maintain complete control over its Personnel, including the selection and supervision of its Personnel in connection with the Supply, and exercising management and monitoring authority over the Personnel in accordance with applicable law. In particular, it shall undertake to comply with all the provisions set forth in labour legislation, social security, safety and health in the workplace, as well as with environmental legislation, and must make available any documents requested by Iberdrola that proves such requirements are met.

**4.2.2** When the activities established in the Contract are associated with the supply of electricity, gas and/or other utilities the Supplier shall ensure that the aforementioned supply complies with all applicable legislation and standards.

**4.2.3** The Supplier shall organise its Personnel allocated to the Supply execution so that their responsibilities and lines of action are clearly defined at all times and separate from those of Iberdrola.

**4.2.4** The Supplier shall appoint one suitably senior, qualified and experienced person from its

organisation to act as the single representative before Iberdrola, who shall notify such representative of any possible variation that may arise with regard to the scope of the Supply.

#### **4.3 QUALITY MANAGEMENT**

**4.3.1** The quality management system to be operated by the Supplier comprises the set of planned and systematic actions necessary to provide Iberdrola with assurance that the Equipment and/or Materials shall work and operate satisfactorily under service conditions.

The quality management system shall include the Supplier's Quality Plan which shall specify the set of activities and techniques that make it possible to ensure that a specific Material or Equipment shall meet the established requirements.

**4.3.2** Together with the detailed Time Schedule (to be submitted to Iberdrola in accordance with clause 4.4.4. below) the Supplier shall submit a detailed Quality Plan. It shall be prepared in accordance with the terms reflected in the aforementioned detailed Time Schedule and with the Quality Plan contained in the Bid.

The detailed Quality Plan, which shall be subject to Iberdrola's approval, shall comply with at least the following requirements:

- a) Inclusion of the requirements under applicable legislation and, in general, all those set forth in the Contract.
- b) Identification of the elements and materials to be used.
- c) Establishment of a manufacturing, inspection and test programme.
- d) Description of the qualification of Personnel and laboratory.
- e) Definition of storage, handling, conservation and transport conditions.

**4.3.3** The Supplier shall be responsible for carrying out the required inspections and tests on the Equipment and Materials in accordance with the terms of the Quality Plan and the Contract.

**4.3.4** Iberdrola and its representatives shall have access to the Supplier's facilities and those of its suppliers and subcontractors to carry out the relevant quality monitoring activities.

**4.3.5** Accordingly, the Supplier shall notify Iberdrola in writing, with at least ten (10) days prior notice, of the dates programmed for the tests or

manufacturing phases previously defined by Iberdrola in the manufacturing, inspection and test programme and which have to be presented by the Supplier to Iberdrola as part of the detailed Quality Plan, according to clause 4.3.2 above. The definitive confirmation of the relevant date shall be notified with at least three (3) days prior notice. In addition, the Supplier shall provide the name of the person acting as its contact person.

**4.3.6** The Supplier shall supply Iberdrola with the examination and test procedures at least forty-five (45) days prior to the date it is scheduled to be done. Such procedures shall be subject to Iberdrola's approval.

**4.3.7** The Supplier shall provide Iberdrola with all the certificates, test reports, non-conformity reports and notices of major repairs in the shortest possible term after the relevant operation has been performed.

**4.3.8** Once the manufacture of an item has been completed and prior to each shipment, the Supplier shall issue a certificate of compliance with the applicable specifications, codes and standards. This certificate shall be sent to Iberdrola and shall be required for Iberdrola issuing the Shipment Authorisation for the relevant item.

**4.3.9** Based on the documents drawn up within the scope of the detailed Quality Plan and regardless of the documentation supplied as per previous clauses, the Supplier shall prepare and send to Iberdrola a technical report that shall be sent to Iberdrola, together with the Equipment and Materials, for its approval and filing.

**4.3.10** Once the Work Completion Notice has been received, Iberdrola shall perform a final inspection of the Equipment or Material or part thereof in order to issue the relevant Shipment Authorisation. In order to perform such final inspection, where applicable, Iberdrola and the Supplier shall follow the procedure set forth in clause 12.2.

**4.3.11** Iberdrola may require additional tests or examinations besides those laid out in the Contract. Such additional examinations or tests shall be considered, where applicable, as changes, in accordance with the provisions of clause 12.3.

**4.3.12** If, during the tests, any result fails to comply with the provisions contained in the applicable Technical Specifications and/or any other document that is part of the Contract, the Supplier may choose to replace the affected Equipment or

Material or repair it, on its own account, as long as such repair is allowed by applicable legislation and standards and the new schedule meets Iberdrola's requirements.

**4.3.13** Neither the implicit or explicit acceptance or approval nor the omission of the indication of defects in the components of the Equipment and Materials by Iberdrola or its representatives shall release the Supplier from any of its responsibilities.

#### **4.4 DELIVERY TERMS AND CONDITIONS.**

Supplier shall comply the delivery terms and conditions for the Supply including the Time Schedule set forth in the Contract and/or those notified at any moment by Iberdrola to the Supplier in accordance with the Contract.

Any partial deliveries agreed upon shall be made in accordance with the Time Schedule, where Iberdrola shall reserve the right of accepting advanced, unscheduled, deliveries when considered appropriate.

The following two sections shall not apply for the supply of Equipment or Materials available in the Supplier's warehouse or terms of delivery below three (3) months.

**4.4.1** One month after the Bid acceptance, the Supplier shall provide a detailed Time Schedule in accordance with the Time Schedule submitted in the Bid, comprising at least the following activities and the relevant dates:

- Information and data to be supplied by Iberdrola.
- Delivery of plans, calculations, inspection procedures, instruction books and other documents of the Supplier for approval.
- Stock of subcontracted raw materials and parts.
- Workshop manufacturing plan and final tests.
- Transport and deliveries.
- Assembly at site.
- Preliminary tests and provisional reception at site and final acceptance.
- Sending of final dossier.

Some of the above activities may not apply, depending on the scope of the supply covered by the Contract.

The delivery sequence shall be logically associated with an ordered assembly sequence.

The beginning of the Time Schedule shall be the date agreed in the Letter of Intent or in the Contract

and/or the date specified by Iberdrola to the Supplier.

**4.4.2** On a monthly basis and arising from the issuance of the detailed Time Schedule, the Supplier shall send Iberdrola a progress report showing the work carried out during the preceding month and a comparison with the agreed planning.

Such report shall list the components and services included in the scope of the Supply, indicating the anticipated delivery dates.

Iberdrola and its representative shall have access to the Supplier's facilities and its respective sub-suppliers' facilities to carry out any monitoring activity they consider necessary to ensure fulfilment with the planning.

**4.4.3** The delivery procedures that shall be followed are set out below:

- a) In any event the Supplier shall send to Iberdrola the Work Completion Notice, indicating the Equipment or Material or part thereof to which the said notice refers.
- b) When the Equipment or Material or part thereof has to be removed by Iberdrola from the Supplier's facilities, the Supplier shall issue the Availability Notice, which shall contain the following information:
  1. Contract reference number of Iberdrola.
  2. Number of packages available, indicating for each package: Material or Equipment contained, size, weight.
  3. Estimated value of the goods with regard to storage and transportation insurance.
  4. Indications to be considered with regard to transportation due to the specifications of the Materials or Equipment.
  5. Reference number of the Equipment or Material if provided by Iberdrola.
  6. Specific address of the place of collection of the goods.
- c) When the Equipment or Material or part thereof is to be delivered by the Supplier to Iberdrola's facilities, the Supplier shall issue the Shipment Notice, indicating the following:
  1. Contract reference number of Iberdrola.
  2. Number of packages sent, indicating the material contained in each package, as well as the estimated value of the goods for purposes of the storage insurance.
  3. Reference number of the material if provided by Iberdrola.
- d) The Supplier shall not ship the Equipment or

Material or part thereof until it receives the Shipment Authorisation from Iberdrola.

This Shipment Authorisation issued by Iberdrola shall contain at least the following information:

1. Contract reference number of Iberdrola.
2. Name of the Supplier and/or subcontractor, if applicable.
3. Authorised Equipment or Materials.
4. Signature or signatures of the persons responsible for the acceptance.

In any case, a copy of the Shipment Authorisation shall be attached by the Supplier to the delivery note of each of the items delivered and covered by the aforementioned authorisation.

**4.4.4** If a Material or Equipment or part thereof cannot be delivered for any reason once it has been finished, the Supplier shall store it in accordance with prudent industrial practices until it can be delivered, and the storage expenses incurred shall be on the account of the Supplier, just as the risks of loss or damages.

#### **4.5 PACKAGING AND MARKING**

**4.5.1** Supplier shall ensure that the Equipment and Materials packaged and handled in accordance with prudent industrial practices, taking as many precautions as required (maritime transport packaging, etc.).

**4.5.2** The Supplier shall be responsible for any damage resulting from defective or inappropriate packaging of the Equipment and Materials.

**4.5.3** All the Equipment and Materials shall be duly marked, referenced and labelled for correct and easy identification and reception. The marking and labels to be put on each piece of Equipment and Materials or part thereof shall be those indicated in the Contract and, in any case, they shall indicate the Contract number

**4.5.4** Iberdrola reserves the right, for itself or its representatives, to inspect all the packages prepared for a shipment. Such inspections shall not release the Supplier of its responsibility regarding the packaging and marking of the Supply.

**4.5.5** The Contract shall be permitted to specify the packaging requirements for the requested Equipment or Material.

**4.5.6** Supplier shall ensure that each package containing the Equipment and Materials includes a

delivery note detailing the Equipment and Materials included in the package, the applicable price and quantity and the applicable Contract number visible place

**4.5.7** The Supplier shall ensure that:

- a) the Equipment and Materials are properly packed and secured in such manner as to ensure that they reach their destination in good condition and in compliance with the warranties and undertakings under the Contract; and
- b) the Equipment and Materials are suitably and sufficiently marked, endorsed and labelled with information and advice necessary to instruct and warn any persons into whose hands the Equipment and Materials may come about any hazards to health and/or safety that are reasonably foreseeable as arising from despatching, handling, using or possessing the Equipment and Materials and also about the necessary precautions to be taken in relation to the Equipment and Materials. If it is not reasonably practicable to label the Equipment and Materials in accordance with this Condition 4.5.7.b), the relevant information and advice must be provided by the Supplier by means of a written notice which accompanies the Equipment and Materials.

**4.5.8** Iberdrola accepts no liability for pallets, containers, cases, drums or any other form of packing material used by the Supplier in supplying the Equipment and Materials.

**4.5.9** The Supplier shall supply the Equipment and Materials on the relevant date(s) and to the relevant location(s) specified by Iberdrola during Iberdrola's normal hours of business, or as otherwise instructed by Iberdrola in writing.

**4.5.10** The Supplier shall not supply the Equipment and Materials in instalments without Iberdrola's prior written consent. Condition 4 shall apply equally in relation to any instalment of Equipment and Materials.

#### **4.6 TRANSPORTATION**

Transportation shall be carried out in accordance with the provisions set forth in the Contract or specifically notified by Iberdrola to the Supplier.

- a) Should it be on the account of the Supplier, it shall be carried out under the best conditions of safety and speed.
- b) Should the transport be on the account of

Iberdrola, the delivery shall be deemed to have occurred when the Equipment or Material is placed in the transport element. If it is also classified as "special", due to the size or weight of the Equipment or Material, the Supplier shall send Iberdrola a description thereof indicating weights, size and any other information required at least ninety (90) days prior to the foreseen availability date so that Iberdrola can properly organise transportation.

#### **4.7 TRANSFER OF OWNERSHIP AND RISK OF LOSS**

The property and risk of loss or damage to the Equipment and Materials shall be understood as transferred from the Supplier to Iberdrola at the moment in which it has been effectively delivered and unloaded at the destination point agreed, to in the Contract, and where applicable once its set-up and/or configuration by the Supplier is complete and its suitable functioning is proven, as the case may be. The Supplier warrants that all Equipment and Materials it transmits to Iberdrola are the absolute and unencumbered property of the Supplier and are not subject to any liens, charges and/or other third party rights of any nature.

#### **4.8 SUPPLY ACCEPTANCE**

**4.8.1** In the case of compliance with the requirements set out in the Contract, the acceptance of the Supply shall be at the moment of delivery, or after being set up and its functioning declared to be suitable as the case may be.

Any Equipment or Materials or Associated Services shall not be deemed accepted by Iberdrola until Iberdrola establishes to its reasonable satisfaction that such Equipment, Materials or Associated Services conform to the requirements under the applicable Contract through inspection or testing thereof. Iberdrola shall have the right to reject any part of the Supply not conforming to the requirements set forth in the applicable Contract at any time upon giving a written notice to Supplier.

**4.8.2** The Supplier shall provide Iberdrola with all the information or documentation required in accordance with applicable legislation, evidencing the legal importation of the Equipment and Materials of the Supply, and it shall be fully responsible for the payment of any taxes, duties, fees, contributions, etc. due as a result of the importation or re-exportation of the relevant goods.

## 4.9 WARRANTIES

**4.9.1** The Supplier hereby warrants with respect to the Supply that (i) the ownership and title of both the Equipment and Materials supplied and the intellectual and industrial property thereof, (ii) the non-existence of both apparent and hidden burdens or defects, and (iii) the correct operation, according with the terms set forth in the following sections. The warranties set forth in this clause are not intended as a limitation, but are in addition to all other express warranties set forth in the Contract, and such other warranties as are implied by law, custom, and usage of trade.

- (i) The warranty of ownership and title shall establish that the Equipment and Materials covered by the Supply are owned by the Supplier, transferred free and clear of any kind of encumbrances and are legally and freely transferable. Additionally, it shall warrant the transfer of the intellectual or industrial property needed for the proper use of the Equipment and Materials included in the Supply.
- (ii) Without prejudice to Iberdrola's other rights other rights and/or remedies under and/or pursuant to this Contract, the warranty for apparent defects shall allow Iberdrola to choose between either (i) the return or (ii) repair of the Equipment and Material or (iii) a reduction in the price, where the Supplier shall be responsible for any expenses that may arise. Iberdrola shall have a term of ninety (90) business days from the effective delivery of the supply to inform the Supplier of the existence of such apparent defect.
- (iii) The warranty of operation shall determine if the Equipment and Materials of the Supply are adequate for the specified function. The Supplier shall be answerable for said functioning of the Supply until twelve (12) months have passed since the start-up date of the Equipment and Materials or eighteen (18) months from delivery, whichever is later.

If, during the term of this warranty of operation, Iberdrola notifies the Supplier of a defect, the Supplier shall repair, replace, adjust or modify the relevant Equipment or Material as required for the fulfilment of the warranty on its own account. The choice between the alternatives given and the appropriate moment for implementing them shall be determined by Iberdrola.

If within a prudent time period and in compliance with the date indicated by Iberdrola, the Supplier

does not carry out the required correction, Iberdrola shall be authorised to, after having made the Supplier aware, conduct the repairs on its own or through a third party, with any related expenses assigned to the Supplier. In a case such as this, Iberdrola shall be equipped to execute the Compliance Warranty (just as will be defined below) and the Supplier shall be obligated, furthermore, to reimburse Iberdrola for any and all damages and losses that may have been caused by non-compliance with its obligations.

- (iv) Once the warranty of operation has expired, the warranty for latent defects shall entitle Iberdrola to request and obtain from the Supplier the repair, substitution, adjustment or modification of any part or component with a hidden defect during a minimum term of three (3) years from the delivery of such part or component, all without prejudice of any indemnification for applicable damages.
- (v) The parts of the Equipment and Materials that have been repaired, replaced, adjusted or modified by virtue of the warranty in this clause, shall be covered by the operation warranty for an additional period until the later date of either (i) twelve (12) months from the date on which the defective Equipment or Material become available again or (ii) the end of the initial term of warranty of such Equipment or Material, with the longer term of the two mentioned options being applicable.
- (vi) The Compliance Warranties given by the Supplier to Iberdrola shall be applicable in order to ensure compliance.

## 4.10 REMEDIES

**4.10.1** If the Supplier fails to supply any Equipment and Materials and/or perform any Associated Services by the applicable delivery date required by Iberdrola, Iberdrola shall, without limiting its other rights or remedies, be entitled to exercise one or more of the following rights:

- a) terminating the Contract with immediate effect through written notification to the Supplier;
- b) refusing to accept any subsequent supply that the Supplier attempted delivery or redelivery by Supplier to Iberdrola;
- c) requiring Supplier to refund any sums that Iberdrola paid in advance for the Equipment and Materials and/or any Associated Services including (but not limited to) any additional costs derived from obtaining the supply of the



contracted Equipment and Materials that have not been supplied or performed by Supplier in accordance with the applicable Contract within a period of no more than three (3) days at the date of request by Iberdrola, in the bank account established by Iberdrola;

- d) require the Supplier to reimburse Iberdrola for any additional costs, losses or expenses incurred by Iberdrola which are in any way attributable to the Supplier's failure to supply the Equipment and Materials contracted with third parties;
- e) withholding payment under the applicable Contract;
- f) offsetting any amounts due and payable by Supplier to Iberdrola pursuant to any other agreement between Supplier and Iberdrola; and/or
- g) calling the bonds granted by the Supplier.

**4.10.2** If the Supplier has performed (or has failed to perform) any aspects of the supply of the Equipment and Materials and/or any Associated Services in a way that does not comply with any of the obligations, commitments and/or warranties set out in the Contract, without limiting its other rights or remedies, Iberdrola shall be entitled to exercise one or more of the following rights whether or not it has accepted the Equipment and Materials:

- a) reject any Equipment and Materials (in whole or in part) whether or not title has passed to Iberdrola and to return them to the Supplier at the Supplier's own risk and expense;
- b) require the Supplier to repair or replace any rejected Equipment and Materials and/or properly re-perform the relevant Associated Services; and/or;
- c) exercise any or all of the rights set out in clauses 4.10.1 letters a) to g).

**4.10.3** These GTC shall also apply to any substituted or repaired Equipment or Material supplied by the Supplier.

**4.10.4** Iberdrola's rights and remedies under this clause are in addition to its rights and remedies under the remainder of the Contract and any applicable legislation.

#### 4.11 INSURANCE

Without prejudice to the responsibilities established for the parties to the Contract, the Supplier shall contract and maintain in full effect, and with insurance companies of recognised status and solvency, each and every one of the insurance

coverages indicated below.

- Other compulsory and/or mandatory insurances to be in force according to the current legislation or statutory requirement.

Without damage to what is set out in these GTC with respect to subcontracting, as the case may be, these insurance policies must be required by the Supplier of all its subcontractors.

- Insurance that covers all civil liability that includes full coverage and an insured sum no less than €3,000,000 per damage of the liability of claims stemming from any activity of the Supplier in regards to the Contract (including, minimally, the responsibility for contamination and for the goods that have been delivered, for damage to the property of Iberdrola under its control and custody as well as the responsibility for transporting Equipment or Materials if it is done by the Supplier) resulting from:

- loss, damage or loss of use of third-party property including Iberdrola's.
- personal damage, including damage to personnel in service to the Supplier and/or Iberdrola.

In the corresponding policy, the insurance companies shall renounce the right to any substitution that could be offered to Iberdrola.

The Supplier shall send Iberdrola a copy, before starting the execution of the Contract, and to the full satisfaction of Iberdrola, (for example, through the timely certification of the Insurance Company) attesting to the full validity, scope of insurance coverage and adequacy of the corresponding insurance to the conditions contained therein, undertaking to extend the scope thereof if, in the opinion of Iberdrola, it were necessary. The fact that the Supplier has remitted a copy of the required insurance policies or certification thereof shall not mean that Iberdrola has approved them or that they necessarily comply with requirements.

The Supplier shall communicate to Iberdrola any changes that effect the efficacy of the policies indicated in the above sections. In the event a policy expiration takes place while the Contract is in force, it shall be necessary to give evidence of its renewal and the compliance of the requirements indicated in this clause. In addition, when so required by Iberdrola, a copy of the insurance contracts and receipt justifying payment shall also be provided.

If the Supplier does not get the insurance or maintain it under the required terms, Iberdrola reserves the right, after having notified the Supplier, to contract an adequate policy in its name. The cost of said insurance shall be deducted from any amount that Iberdrola may owe the Supplier

#### 4.12 WORKPLACE HEALTH AND SAFETY

The supply of Equipment and Materials shall be conducted in compliance with legal regulations in force covering fabrication and sales. Specifically, and without being exhaustive, the requirements to follow are established in:

- R.D. 1801/2003, of 26 December on general safety of products.
- R.D. 1644/2008, of 10 October on trade and commissioning of machinery.
- R.D. 1215/1997, of 18 July on minimum health and safety regulations for using work equipment.
- R.D. 1407/1992, of 20 November on placing on the market and the free trade of personal protective equipment.
- (EU) Regulation 2016/425 of the European Parliament and the Council of 9 March 2016 with respect to personal protective equipment and which overturns Directive 89/686/CEE of the Council.

Additionally, the requirements set out for those products and materials subject to specific regulations, Iberdrola standards (NI Standards) or UNE standards must be fulfilled. In particular, and without being exhaustive, all products or materials must include, as the case may be:

1. Safety details.
2. Operating and maintenance instructions.
3. CE
4. Declaration of conformity.

As applicable, prior to supply and in keeping with the business coordination methods agreed to between Iberdrola and the Supplier, Iberdrola shall inform the Supplier in writing of the risks inherent to the Supply center or location, as well as other possible related activities, any time they may have serious or very grave effects upon risks to the Supplier's Personnel. Likewise, as appropriate, it shall notify the Supplier of the health and safety measures or instructions designed to prevent or ameliorate said risks, the coordination methods, and the established emergency directives.

Where regulation (R.D. 171/2004) is applicable, the Supplier shall be equipped to inform Iberdrola in writing of its compliance with legal obligations in terms of workplace risk prevention, and specifically, risk assessment, adopting preventive measures and health monitoring.

#### 5 ECONOMIC CONDITIONS

##### 5.1. PRICES

**5.1.1** Prices set forth in the Contract shall be the full and exclusive consideration for the supply of the Equipment and Materials and shall be inclusive of all taxes, customs, duties and other public dues and the costs of package, supply, insurance, carriage, delivery and installation of the Equipment and Materials, unless otherwise agreed in writing by Iberdrola, considered as compensation for the Supply, meaning the total and final price

All prices are given in Euros except if Iberdrola and the Supplier have expressly agreed to use a different currency.

**5.1.2** Prices shall be broken down into (i) the price of the Equipment and Materials, (ii) the price of the Associated Services and (iii) the relevant VAT and taxes, where applicable.

The price of the Equipment and Materials shall include the design and engineering, as well as the resulting plans, graphs, instruction books, lists of spare parts and other documents to be supplied by the Supplier.

**5.1.3** The price of Supply shall adopt the modality of transport, packaging and insurance paid by the Supplier up to the installation required by Iberdrola and, in the case of Supplies from abroad, in accordance with the DDP modality given in the Incoterms of the International Chamber of Commerce. With regard to the delivery, ownership and insurance, etc., the terms and conditions shall be those established by the International Chamber of Commerce, except where such provisions are in contradiction with the terms and conditions set forth in the Contract, in which case the latter shall prevail.

**5.1.4** Prices set forth in the Contract shall be considered fixed and not subject to review.

**5.1.5** Changes in currency exchange rates shall not allow any variation or review on the agreed prices.

**5.1.6** No increase in the Prices may be made (whether on account of increased material, labour or transport costs, indexation, fluctuation in rates of exchange or otherwise) without the prior written consent of Iberdrola. No amount in addition to the Prices shall be payable by Iberdrola unless agreed in writing and either (i) signed by authorised representatives of Iberdrola or (ii) confirmed by the issue by Iberdrola of an amendment to the Contract.

## **5.2 INVOICING**

**5.2.1** A sole original invoices shall be sent to Iberdrola's address indicated in the Contract and with the tax number of Iberdrola indicated therein. In addition to the formal requirements contained in current legislation, they must expressly contain the Contract number they correspond to, separately detailing the quantities and applicable unit prices, the taxable amount, applicable retention, type and sum of VAT, the total amount of the invoice and the sum to retain as a compliance warranty, all expressed in the currency stipulated in the Contract.

The invoices which include total or partial cancellations of advance payments shall be detailed as follows:

- a. Amount of the Supply excluding taxes
- b. To be deducted: advance payment applied, excluding taxes
- c. Resulting amount
- d. % of VAT of the resulting amount
- e. Amount due
- f. Total of the warranty to withhold from payment

**5.2.2** Under no circumstances may invoices be issued based solely on the execution of the Contract.

**5.2.3** Unless otherwise provided in the applicable Contract, the date of each invoice shall be the effective date of the acceptance of the relevant Supply by Iberdrola in accordance with the Contract and shall not be prior to the date on which, in accordance with the Contract, it is to be issued. Invoices may only be issued for the items received and registered in accordance with the above mentioned conditions of delivery.

**5.2.4.** Each invoice may only apply to a single Contract.

**5.2.5** A single invoice shall be issued by the Supplier upon the completion of the Supply.

For the Supplies to be provided by means of partial

deliveries on a fixed date, an invoice shall be issued with the date of each partial delivery.

However, the issue of partial invoices and advance payments may be accepted as long as they comply with the following conditions:

- There are no invoices prior to signing the Contract.
- Invoices shall be based on the actual progress of the work carried out by the Supplier and not on dates set regardless of such progress.
- Invoices shall be conditioned to the delivery or execution by the Supplier of the Equipment and Materials or Associated Services whose contractual dates precede each invoice in accordance with the Time Schedule.

**5.2.6** In invoices corresponding to Associated Services, where applicable, the Supplier shall attach the relevant certificates for the services provided, duly accepted by Iberdrola.

**5.2.7** Invoices that do not meet any of the above requirements or the requirements set forth in the Contract shall not be accepted and shall be returned. The partial non-fulfilment of any of the relevant obligations shall be considered as a failure to comply with all of them.

**5.2.8** Items may be invoiced through the auto-invoicing system as long as the parties so agree in the Contract.

**5.2.9** The payment of invoices shall not release the Supplier from its responsibilities or obligation contained in the Contract.

**5.2.10** The Supplier shall maintain complete and accurate records of the time spent and materials used by the Supplier in supplying the Equipment and Materials and providing the Associated Services, and the Supplier shall allow Iberdrola to inspect such records at any time on Iberdrola's reasonable request

## **5.3 PAYMENTS**

**5.3.1** All payments shall be done in the term of sixty (60) days starting with the receipt of the corresponding valid invoice that has been properly rendered in accordance with the Contract. The effective date of payment of the invoice shall be the first payment date so established in the Iberdrola Group's administrative calendar after the invoice becomes due. The aforementioned administrative calendar shall establish at least one (1) payment day every month.

Payments shall only be made to the name of the Supplier and via transfer to an open bank account held by the Supplier, be it in the country where the Supplier or the Iberdrola Group corporation that has contracted out for the Supply have a business domicile, or in the country where the Supply has been delivered. As appropriate, the Supplier shall prove ownership and provide identifying details concerning the bank account where the payments are to be made. Iberdrola may retain any relevant payment, without incurring any liability, until the Supplier prove the ownership of the bank account.

In the event that Iberdrola is delayed in paying the price, late-payment interest shall apply that corresponds to a third of the interest type established for this purpose in the current legislation concerning this issue in the fight against defaults in business operations.

**5.3.2** Should Iberdrola realise that the Supplier is in breach of its obligations in such a way that it may lead to liability or other direct action against Iberdrola, regardless of whether or not the Contract is executed, and as soon as it is aware of such a circumstance, Iberdrola may retain all the payments pending to be made to the Supplier in an amount that is sufficient to cover such liabilities; it may also pay such liabilities on the account of the Supplier.

This right of retention and payment on account of the Supplier shall extend to any damages resulting from the Supplier's breach referred to above, or any other case in which liability could be diverted to Iberdrola.

**5.3.3** Iberdrola shall be entitled to withhold and offset any pending payment to the Supplier, from the amount that the Supplier owes to Iberdrola or any of the companies of the Iberdrola Group.

**5.3.4** Payment of the price does not imply Iberdrola's acknowledgement of the Supplier having fulfilled all its obligations under the Contract or waive any rights Iberdrola might hold hereunder concerning the Supplier, expressly retaining the exercise of those rights without harm to any fulfilled payments.

**5.3.5** Iberdrola shall withhold from payments those taxes that correspond to current legislation, meaning the Supplier must prove or certify as the case may be, prior to payment of the invoice, any exemptions or percentage reductions of the withholding, for reasons of residence or any other circumstance that bestows the right to a more favourable treatment.

**5.3.6** In no case shall payments be made to a Supplier that is not current with its tax or social obligations until it resolves the issue.

**5.3.7** Supplier shall not be entitled to assign its obligations or collection rights under the Contract without the prior written consent of Iberdrola.

#### **5.4 FULFILMENT WARRANTY**

The Supplier and Iberdrola agree that for each payment made in this regard that has no associated advance payment, Iberdrola shall withhold 10% (ten percent) of the sum as a warranty of fulfilment by the Supplier of its obligations under the Contract (hereinafter, the **Fulfilment Warranty**).

Iberdrola may accept to replace such deduction by the delivery of the Supplier to Iberdrola at the beginning of the Supply as a surety of a bank warranty for 10% (ten per cent) of the total amount of the Supply, issued by a financial entity accepted by Iberdrola, where the relevant expenses shall be on the Supplier's account.

The bank warranty terms and conditions shall expressly state the following:

- Its irrevocable and unconditional character, excluding the benefit of discussion, division and order.
- It shall be a first demand warranty, payable within a period of five days beginning with the requirement issued by Iberdrola.
- The validity period in agreement with the Contract plus an additional 12 months.
- Subject to Spanish legislation and under the jurisdiction of the courts of Madrid.

Cancellations shall only be made after Iberdrola has issued its written consent.

#### **5.5 DELAY LIQUIDATED DAMAGES**

**5.5.1** The time is an essential aspect of the Contract. Without prejudice to Iberdrola's other rights and remedies under the Contract and/or applicable legislation, should the Supplier fail to fulfil such Time Schedule or delivery deadlines established in the Contract or notified by Iberdrola, the Supplier shall pay Iberdrola, as a penalty for the delay (the "**Liquidated Damages**"), an amount equal to one per cent (1%) of the final total price of the supply of the Equipment and Materials and any Associated Services (defined as the initially agreed Prices plus any adjustments or reviews carried out according with the terms of the Contract resulting from modifications,

extraordinary work, revision of prices, or any other reason) of the supply for each full calendar week's delay.

Without prejudice to Iberdrola's other rights and remedies under and/or pursuant to the Contract and/or at law, such Delay Penalty shall never exceed fifteen per cent (15%) of the final total price of the Supply, defined as the initially agreed price of the Supply plus any adjustments or reviews carried out according with the terms hereunder.

The Delay Liquidated Damages shall apply and be due immediately upon the Supplier failure to comply with the Time Schedule or the established deadlines.

Notwithstanding the foregoing, if the damages caused to Iberdrola as a result of the delay can be quantified and they represent an amount that is higher than the Liquidated Damages calculated in accordance with the above, Iberdrola may choose between requesting payment of the Liquidated Damages or indemnification of damages.

Regardless of the application of the above paragraphs, should the Supplier not keep to the time line, any loss, penalty, claim or action suffered or incurred by Iberdrola to a third party due to breach of applicable contractual commitments to third parties, which are directly related to the relevant supply, shall be fully met by the Supplier.

**5.5.2** Iberdrola is allowed to deduct any Liquidated Damages due from the payment of any pending invoices.

**5.5.3** In no event shall the payment of any Liquidated Damages excuse Supplier from performance of any of its other obligations under this Contract or prejudice Iberdrola's rights under the Contract or applicable law.

**5.5.4** This Condition 5.5 is without prejudice to any other liquidated damages applicable to the Supplier's supply of the Equipment and Materials (and the performance of any Associated Services) that are set out in any other part of the Contract.

**5.5.5** Where any Delay Payments, service credits and/or liquidated damages payments are due or payable by the Supplier (and/or are applied by Iberdrola to reduce any Prices that are payable to the Supplier) in accordance with the terms of the Contract in connection with any breach and/or failure by the Supplier, the parties acknowledge and agree that:

- a) the amount(s) and/or rate(s) of the relevant Delay Payments, service credits and/or liquidated damages payments (as applicable) that are set out in or are applied pursuant to the Contract: i) do not constitute a penalty; ii) represent a reasonable, proportionate and legitimate adjustment to the Prices to reflect the reduced value to Iberdrola and/or other Iberdrola Group Companies of the relevant Services provided by the Supplier as a result of the relevant breach and/or failure by the Supplier; and iii) in any event (and without prejudice to Condition 5.5.5 b), are proportionate to the legitimate commercial interest of Iberdrola in ensuring that the Supplier performs the relevant obligation in accordance with the terms of the Contract, and include, without limitation, a genuine pre-estimate of the minimum amount of the Losses that will be suffered or incurred by Iberdrola and/or other Iberdrola Group Companies as a result of the relevant breach or failure by the Supplier; and
- b) unless expressly stated to the contrary in the Contract, the payment or application of any Delay Payments, service credits and/or liquidated damages payments shall not be Iberdrola's sole or exclusive remedy in connection with the relevant breach or failure by the Supplier.

## 5.6 TAXES

**5.6.1** All the taxes, duties, compensation quotas, contributions and public prices or fees resulting from the execution of the Contract shall be on the account of the Supplier, except for those which correspond to Iberdrola in accordance with applicable legislation.

**5.6.2** The party responsible for a specific importation shall be responsible for all the duties, taxes and other encumbrances related to such importation.

**5.6.3** Iberdrola and the Supplier shall co-operate on obtaining the exemptions and other tax benefits that apply to the Supply and they shall further undertake to jointly establish, together with Iberdrola, the best way for the determining thereof. When, due to the lack of diligence or any other reason attributable to the Supplier, Iberdrola loses a tax benefit applicable to the Supply, Iberdrola may discount the amount relevant to such benefit from the agreed price.

## 6 ASSIGNMENT AND SUBCONTRACTING

**6.1** Supplier shall not assign or otherwise transfer the Contract or any of the rights, interests or

obligations thereunder without the prior written consent of Iberdrola, and any attempted assignment in violation hereof shall be void.

Iberdrola shall have the right to assign, subcontract or otherwise transfer the Contract or any rights, obligations or interests thereunder to any other company belonging to its group or to any third party without obtaining the prior consent of Supplier.

**6.2** Supplier shall neither subcontract nor permit any portion of the Supply to be subcontracted without the prior written consent of Iberdrola.

Any time it were desired to raise the possibility of subcontracting or modifying an activity, proper authorisation must be expressly sought indicating the identity of the subcontractor, the aspect of supply it would be responsible for, the name of the company proposed to act as subcontractor, the duration of said subcontract and the region in which it would function. In the event Iberdrola expressly authorises a subcontract in accordance with this clause, the Supplier shall be the sole responsible party answerable to Iberdrola for the entire scope of Supply under the terms of this Contract.

Therefore, the Supplier recognises and agrees that said authorisation shall not free it in any way from the responsibilities under the Contract, meaning it remains responsible for all acts or omissions committed by subcontractors and its Personnel, whose acts or omissions are considered to have been committed by the very same Supplier.

An obligation on the Supplier under and/or pursuant to the Contract to do, or to refrain from doing, any act or thing shall include an obligation upon the Supplier to ensure that all sub-contractors and Personnel also do, or refrain from doing, such act or thing.

The Supplier shall expressly indicate in the contract or other documentation executed with the assignee or subcontractor the latter's obligation of meeting all the requirements set forth in the Contract that binds Iberdrola to the Supplier, indicating the technical and quality requirements, terms of execution, and also Iberdrola's right to have access to the assignee's or the subcontractor's facilities, and to obtain all the documentation that certifies the above.

In addition, the Supplier shall expressly include in the contract or other documentation executed with the subcontractor the latter's waiver of any action against Iberdrola derived from the Contract or from the subcontracting agreement.

Any assignee or subcontractor shall have to prove and give evidence of the fulfilment of and compliance with relevant and required technical qualification for carrying out the subcontracted work, if so requested by Iberdrola.

In the event that Iberdrola should accept a subcontracting proposal, said acceptance shall be understood as awarded during the term indicated in the request, and any changes (in terms of time frame, company, subcontracted services, region, etc.) shall require an additional prior and express authorisation by Iberdrola. Notwithstanding the foregoing, Iberdrola shall be able to rescind said authorisation at any time, by simply issuing to the Supplier communication to this effect in the manner described in these GTC.

**6.3** Should the Supplier subcontract or assign Associated Services, it shall require the subcontractors or assignees to comply with all the provisions set forth in applicable legislation and standards concerning social security and workplace safety and hygiene, as well as environmental legislation providing Iberdrola with all the relevant certifying documentation evidencing such compliance. The Supplier shall obtain from the relevant subcontractor or assignee written confirmation of awareness of its provision, which shall be sent to Iberdrola on or before the date on which the subcontractor or assignee starts executing its work. Even if Iberdrola does not demand this confirmation, the Supplier remains responsible for providing it.

**6.4** The Supplier shall not accept the imposition of subcontractors, as they must be chosen solely based upon the objective criteria of technical solvency and ultimate service quality to be provided Iberdrola. Any imposition intent shall be rejected and notified to Iberdrola using the Supplier Ethics Mailbox available in the website of Iberdrola.

Non-compliance with the obligation described in the above paragraph shall be considered non-compliance with the Suppliers' Code of Ethics.

**6.5** In any case, the Supplier shall be responsible, under the terms of article 1596 of Civil Law (CC), for the performance of works or services by the subcontractors. In case of any of these making a claim, judicially or extra-judicially, or announcing their intention to do so by means of article 1597 of the CC, against Iberdrola, the latter will be entitled to withhold any amounts or warranties, and any amounts owed to the Supplier, in order to cover the

principal amount claimed plus any other reasonable amounts budgeted for expenses and costs that could arise, to direct said retained sums to the direct payment of the claimed amounts. .

## 7. CONFIDENTIAL INFORMATION

**7.1** The Supplier undertakes to maintain in the strictest confidence:

- (i) all information obtained from IBERDROLA and/or any IBERDROLA Group Company or third parties (whether verbally or in writing and in any format) regarding the Contract, and/or any other activity of IBERDROLA and/or any IBERDROLA Group Company (including, without limitation, the Request for Bid, the Bid, the Contract and any other information relating to IBERDROLA's and/or any IBERDROLA Group Company's respective customers, personnel, contractors, business and/or activities and any Company Data or personal data, as defined below); and
- (ii) all information created, developed or formulated from any of the information referred to in Condition 7.1(i),

together, the "**Confidential Information**".

For the purpose of the Contract, "**Company Data**" means any information that relates to the operation or functionality of plants, factories, networks, or grids of IBERDROLA or its affiliates or to which the IBERDROLA or its affiliates have access, including, without limitation, infrastructure information and internal financial information.

Confidential Information is considered to be "Protected Information" for the purpose of implementing the necessary cyber-security and information protection measures set forth in section 9 of these GTCs.

The Supplier and its Representatives (as defined below) may have access to commercially sensitive information which could give a competitive advantage, where applicable, to market regulated power sales companies. Therefore, unless IBERDROLA expressly advises the Supplier otherwise, the disclosure of such information by the Supplier and/or any of its Representatives to any of these companies (whether or not they belong to IBERDROLA Group) is prohibited. The purpose of this Condition is to comply, where applicable, with the provisions of the Code of Incompatible Activities for the IBERDROLA

Group companies with regulated activities published on the [www.IBERDROLA.com](http://www.IBERDROLA.com) corporate website.

The following will not be considered Confidential Information:

- i if it is in the public domain on the disclosure date by IBERDROLA or later becomes so without any non-compliance with this Condition 7 on the part of the Supplier;
- ii. if it is known to or is legally in the possession of the Supplier, without any restriction or obligation of confidentiality regarding it, before the disclosure date by IBERDROLA;
- iii. if it is legitimately obtained from a third party not subject to obligations of confidentiality; or
- iv. if it is developed independently by the Supplier without using Confidential Information.

**7.2** Should the Supplier be legally required to disclose any Confidential Information by any competent judicial or administrative authority (including but not limited to, oral questions, interrogations, requests for Confidential Information or documents, civil, administrative or criminal investigations or similar proceedings), it shall immediately and prior to disclosing any Confidential Information, communicate such requirement and the relevant information to IBERDROLA in writing, such that IBERDROLA may initiate relevant actions, including seeking an appropriate protective order, aimed at preventing, whenever legally possible, the disclosure of such Confidential Information or waive compliance with this provision.

If in the absence of a protective order or the receipt of a waiver hereunder, Supplier is nonetheless advised by legal counsel that it is legally compelled to disclose such information, Supplier shall furnish only that part of the Confidential Information that, in the opinion of its legal advisers, it is obliged to disclose, and will use its best efforts to ensure the Confidential Information disclosed is treated confidentially, including making any applications or requests, for confidential treatment in the event that IBERDROLA has no standing to make such application or request.

In the absence of specific instruction by the competent authority regarding the part of the Confidential Information that must be disclosed by legal imperative, any decision on this must be taken by the Supplier after consultation with IBERDROLA.

**7.3** Supplier may only disclose Confidential Information to its Representatives provided that (i) the disclosure is necessary to carry out Supplier's obligations under the Contract, and (ii) such

Representatives are bound by the same confidentiality obligations set forth in the Contract, and (iii) Supplier shall remain responsible for any breach of the obligations set forth in the Contract to the same extent as if Supplier caused such breach.

**7.4.** The Supplier guarantees and undertakes (i) that the Confidential Information to which it and/or its Representatives (as defined below) has access will be protected with adequate security measures to prevent the Confidential Information from being disclosed to third parties, including, but not limited to, in accordance with the provisions of Condition 9 below; and (ii) that it shall have and shall ensure that its Representatives exercise the degree of care and take the actions necessary to comply with the confidentiality obligations imposed under this Condition 7.

**7.5** The confidentiality obligations described in this Condition 7 shall remain in force indefinitely.

**7.6** The Supplier shall be liable for any breach of the confidentiality obligations set forth in the Contract by any of its shareholders, administrators, Personnel, assignees, subcontractors or professional advisers (hereinafter, its "**Representatives**") who have had access to the Confidential Information. IBERDROLA reserves the right to take pertinent legal actions to defend its interests regarding the breach of confidentiality.

**7.7** The Supplier will indemnify IBERDROLA for all losses, claims damages, expenses and costs suffered or incurred by IBERDROLA and/or any IBERDROLA Group Company arising directly or indirectly from the breach by the Supplier and/or by any of its Representatives of the confidentiality obligations provided for in this Condition 7 or the disclosure or unauthorised use of the Confidential Information.

## **8. PROTECTING PERSONAL DATA**

For the purposes of the Contract, the term "**personal data**" means any information or data stored, processed or transmitted by the Iberdrola Group that relates to a particular identified or identifiable living individual or any other meaning or definition according to applicable data protection legislation.

Personal data are considered to be "**Protected Information**" for the purpose of implementing the necessary cyber-security and information protection measures set forth in Section 9 of these GTCs.

The personal data of the representatives of the Parties and those of the designated persons of contact who may take part in the Contract, shall be process, respectively, by each Party, acting independently as data controller. Such data shall be process for the purposes of complying with the rights and obligations derived from the Contract. The legal basis of such processing is the performance of this Contract and the compliance with any legal obligations of the Parties.

The personal data shall be stored for as long as the contractual relationship established herein is in force, and thereafter, such data shall be duly blocked, until the expiry of the statute of limitation of any available legal actions. The data shall be only process by the Parties, and those third parties to which they are by law or contract obliged to disclose (such being the case of third parties that are services providers entrusted with any service connected with management or performance of the Contract).

The data subject may exercise, in the terms established in the applicable laws, the rights of access, rectification and erasure, as well as the rights of restriction to processing, to object and to data portability, by means of serving a written notice to each Party to the addresses indicated in the contract and, in the case of Iberdrola, also by serving the communication to its data protection officer at the e-mail address: [dpo@iberdrola.com](mailto:dpo@iberdrola.com) for Iberdrola, S.A. or [dpo@iberdrola.es](mailto:dpo@iberdrola.es) for any other company of the Iberdrola group in Spain. Where the rights of the individuals are not properly satisfied, the data subject has the right to lodge a claim with the Spanish supervisory authority, that is, the Agencia Española de Protección de Datos, or with any other competent control authority .

Each Party expressly agrees to inform their employees and other contact persons of the terms of this clause, and shall holding the other party harmless and indemnify it from any damages arising from the breach of this obligation.

### **8.1 Access by the Supplier, its Personnel or subcontractors to personal data whose handling is under the management of IBERDROLA.**

#### OPTION 1: NO ACCESS TO PERSONAL DATA

Apart from the data of the Parties representative and the personal data of the contact person mentioned before, in the event that any activity to be carried out by the SUPPLIER, by its nature, does not necessitate access to personal data whose handling falls under



the responsibility of IBERDROLA, the SUPPLIER is expressly prohibited from such access in the event it were to accidentally be able to access said information.

Thus, the SUPPLIER attests to having informed its employees about the following aspects, and retaining accreditation of compliance with this requirement:

- a) The prohibition against accessing personal data while conducting work for IBERDROLA.
- b) The obligation to inform IBERDROLA of any safety incident related to service that could or does give rise to an eventual access to personal data.
- c) The duty to maintain confidential any information of Personal Data with those who may eventually have access, which must also remain so after the Contract has ended, and not to use it for any purpose whatsoever.

Notwithstanding the foregoing, if as a result of any security incident or if it were inevitable for executing the Contract, the Personnel of the SUPPLIER or its subcontractors were to access or handle Personal Data owned by IBERDROLA, the SUPPLIER commits to immediately inform IBERDROLA of such access or handling, which shall be regulated by what is set out in option 2 below.

#### OPTION 2: HAVING ACCESS TO PERSONAL DATA

Apart from the data of the Parties representative and the personal data of the contact person mentioned before, when handling Personal Data that is under the control of IBERDROLA that the SUPPLIER were to have access to as a result of the Contract or the provision of Associated Services, it must respect what is set out in current regulations at the time of executing the Contract, both national and local.

The SUPPLIER shall be considered responsible for processing, and the access to personal data shall not be considered as data communication whenever the processing by the responsible party is regulated by a contract that fulfils the legally stipulated requirements. With the purpose of fulfilling the above obligation, access to personal data by the data processor shall be regulated in an annex to the Contract provided by IBERDROLA.

#### **8.2 Processing by IBERDROLA of Supplier personal data**

Apart from the data of the Parties representative and the personal data of the contact person mentioned

before, in the event IBERDROLA handles SUPPLIER'S or its subcontractors personal data for specific, explicit and legitimate purposes such as managing the building security and access control, compliance with the legislation on workplace risk prevention and management and contracting paperwork, the SUPPLIER states that it shall comply with the principles and legality of personal data processing and declares:

- a. That the information given concerning the situation in the Social Security system (high, low, travel inside and outside the European Community), legal situation in Spain (ID card, NIE [foreign ID number], Passport, work permit and residence), fitness for work, training, qualification, delivery of personal protective equipment and information on the prevention of occupational hazards of their workers.
- b. That it commits to keeping them updated throughout the Contract's duration in such a way as to reflect the current situation.
- c. That, before providing the personal data to Iberdrola:
  - (i) It has informed its Personnel, subcontractors and subcontracting employees and has legitimized them in accordance with the applicable legislation, indicating that such personal data will be process by Iberdrola for the purposes indicated in this clause 8.2 and pointing out also the potential assignment of personal data as a consequence of the application of the legislation in force; that the legal basis of the processing is the fulfilment of the Contract, the legal obligations of Iberdrola and the legitimate interest of Iberdrola in guaranteeing the security of its facilities.
  - (ii) It has informed its Personnel and subcontracting employees that: (i) the personal data shall be stored for as long as the contractual relationship established herein is in force, and thereafter, such data shall be duly blocked, until the expiry of the statute of limitation of any available legal actions; and (ii) they may exercise its rights free of charge, attaching a copy of the identity document or equivalent accreditation document, by contacting to data protection officers indicated in this Condition 8.

## 9. CYBER-SECURITY AND INFORMATION SECURITY

The Cyber-security conditions set out in this section are applicable to the supply of all works, services, equipment and materials under and/or pursuant to the Contract.

**9.1** “**Cyber-infrastructure**” means the electronic information and communication systems and services, as well as the information contained therein. These systems, both those housed within the facilities as well as those that are cloud-based, be they proprietary or third-party, in any manner, are comprised of hardware and software for processing (creating, accessing, modifying and destroying), storing (on magnetic, electronic or other formats) and sending (shared use and distribution) information, or any combination of said elements that include any type of electronic device such as, without limitation, standard computers (desktop/laptop) with internet connections, digital storage methods used on computers (e.g. hard drives), mobiles, smartphones, personal digital assistants, data storage media, digital and video cameras (including CCTV), GPS systems, etc.

Likewise, “**Protected Information**” means any information created, received, transmitted or stored that by its nature or value to IBERDROLA and/or any IBERDROLA Group Company requires reinforced protection measures, including but not limited to Confidential Information, Company Data, private or secret information, personal data, credit card data, commercially sensitive information, critical infrastructure information, strategic business information, credentials, encryption data, system and application access logs, or any other information that may be affected by a regulation.

**9.2** When the Supplier is expressly authorised by IBERDROLA to subcontract, the Supplier undertakes that the sub-contractor shall assume the same obligations assumed by the Supplier under this Condition, and in any case, the Supplier shall be liable for any breach by the sub-contractor or its personnel of the obligations established here concerning cyber-security and information security and privacy.

**9.3** Data or information related to the Contract that is property of IBERDROLA and/or any

IBERDROLA Group Company or the Cyber-infrastructure elements provided to the Supplier by IBERDROLA and/or any IBERDROLA Group Company, shall only be processed and used by Supplier for the purpose of fulfilling the obligations contained within the Contract and for no other purpose whatsoever.

The Supplier shall ensure compliance with all applicable data protection, privacy and security laws and regulations and shall not place IBERDROLA, by act or omission, in a situation of non-compliance.

**9.4** The Supplier must, at all times, know the level of information protection that should be afforded to the Protected Information as the corresponding standards and applicable laws and regulations, and it shall adopt the technical and organizational security measures adequate thereto.

Supplier shall, at least, maintain technical and organizational security measures consistent with the type of Protected Information being processed and the services being provided by Supplier, to secure Protected Information, which measures shall implement industry accepted protections which include physical, electronic and procedural safeguards to protect the Protected Information supplied to Supplier against any Data Security Breach or other security incident, and any security requirements, obligations, specifications or event reporting procedures set forth in the Contract. As part of such security measures, Supplier shall provide a secure environment for all Protected Information and any hardware and software (including servers, network, and data components) to be provided or used by Supplier as part of its performance under the Contract on which Protected Information is contained to the extent the same is located on Supplier’s premises.

For the purpose of the Contract, “**Data Security Breach**” means: (A) the loss or misuse (by any means) of Protected Information; (B) the inadvertent, unauthorized and/or unlawful Processing, corruption, modification, transfer, sale or lease of Protected Information; or (C) any other act or omission that compromises the security, confidentiality, or integrity of Protected Information.

The Supplier is not authorised to disclose, provide direct or indirect access to the Protected Information or provide it to a third party, including affiliates, even for storage purposes. The Supplier is also not authorised to provide the capacity to decrypt encrypted passwords. Should intervention by a third party be necessary, express written authorisation from IBERDROLA indicating its purpose must be obtained, and the third party will be required to fulfil the same obligations that are required of the Supplier.

**9.5** If, in order to fulfil the purpose of the Contract, IBERDROLA makes available to the Supplier's Personnel or its subcontractors or subsidiaries any electronic devices or other computerised media or resources, or it provides a IBERDROLA email account or credentials for accessing applications, internet connectivity, or other Cyber-infrastructure elements of IBERDROLA, the Supplier shall be responsible for ensuring that Personnel and subcontractors are informed and expressly commits to comply with the security and acceptable use conditions established by IBERDROLA, which shall be provided in a separate appendix. The Supplier shall retain the documents that prove compliance with these duties and shall deliver them to IBERDROLA upon request.

**9.6** When the scope of the Contract implies the use or connection of the Supplier's cyber-infrastructure to that of IBERDROLA, IBERDROLA shall make available reasonable physical, technical and administration security measures to protect itself and to help prevent any data Security Breach or other security incident from taking place in respect of its own Cyber-infrastructure.

1. The connection between IBERDROLA's and the Supplier's network is not permitted, unless expressly agreed to in the Contract, in which case it must be done by establishing encrypted and authenticated virtual private networks, and the number of interconnection points between the two networks must be the minimum that is compatible with the required level of availability. The connection with the Supplier's network shall be removed as soon as there is no need for it.

Direct user connections from the Supplier to IBERDROLA's network are not permitted. If necessary, they will set up only after IBERDROLA has authorised it and only for the agreed upon duration.

2. If the Contract is fully or partially carried out at the Supplier's facilities, the Supplier must establish the mechanisms and procedures for physical access to said facilities so as to prevent unauthorised personnel from accessing the Cyber-infrastructure or Protected Information during the time in which the Supplier has access to Protected Information.
3. The Supplier shall establish the mechanisms and procedures for identifying, authenticating and controlling logical access necessary to prevent unauthorised personnel from accessing its Cyber-infrastructure elements and IBERDROLA's Protected Information, and, in particular:
  - a. Supplier will have procedures based on the principle of least privilege when granting, assigning and withdrawing authorized access and permissions to Personnel of the Supplier or its subcontractors including privileged users or administration taking into account the need for, the use of and the confidentiality of the data and resources to perform their tasks;
  - b. Supplier will maintain an updated inventory of the access and permissions granted and will withdraw access permissions from its Personnel who cease working within a period of less than 24 hours in order to comply with the purposed defined in the Contract. Credentials must always be encrypted when stored and transmitted;
  - c. It shall have policies and procedures that ensure the strength of the passwords and that they are updated regularly. Passwords shall be changed during the installation processes of new hardware or software, and in particular, the Supplier's default passwords will be changed;
4. The Supplier shall implement the technical and organisational measures necessary to ensure operational continuity under the service level agreements adopted for the

Contract (including but not limited to contingency plans, backup and recovery procedures). In particular:

- a. The Supplier shall make backup copies of the Protected Information as frequently as is required for the performance of the Contract and according to the nature of the data, establishing the appropriate procedures and mechanisms to ensure that the data can be retrieved, that only authorised Supplier's Personnel obtain them and that they are transferred and stored in such a way as to prevent access or manipulation by unauthorised persons.
  - b. The same security measures shall apply to backups as to the original Protected Information.
5. In the event access has been expressly authorised by IBERDROLA to use the Supplier's own computing equipment for accessing IBERDROLA 's and/or any IBERDROLA Group Company's Cyber-infrastructure, the Supplier shall guarantee and undertake that there are adequate security measures to protect the stationary or portable computing equipment and mobile devices used to access such Cyber-infrastructure or for storing, processing or transmitting the Protected Information, including but not limited to:
- a. Automatic locking if the device is left unattended for a certain period of time. User authentication will be required for unlocking.
  - b. Protection against malicious software and known vulnerabilities.
  - c. Updating the operating system as often as the Supplier requires.

Insofar as possible the Supplier's Personnel will avoid storing any Protected Information on portable equipment or mobile devices. Should the performance of the Contract so require, IBERDROLA's prior authorisation will be sought and said data must be protected by encryption or any other mechanism that guarantees that the information is

not legible or manipulated by unauthorised personnel.

The Supplier shall maintain an action procedure should the equipment or device be lost or stolen, ensuring, insofar as possible that the event be communicated promptly, Protected Information regarding IBERDROLA be deleted safely in accordance with recognised standards, and access to IBERDROLA's systems or systems containing IBERDROLA's data be suspended.

Before equipment is reused or replaced, the Supplier must protect, or if applicable remove, all of the Protected Information stored on it, ensuring that unauthorised personnel cannot access or recover it.

6. The Supplier shall establish adequate procedures to guarantee protection against loss or unauthorised processing of files, computer media and paper documents containing information related to the Contract and guarantee that they are destroyed when the reasons for their creation no longer apply. Extracting data from a file and downloading it to a server or delivering it electronically is considered equivalent to the computer media for the purposes of complying with these measures.

IBERDROLA may solicit information concerning any processing of Protected Information by the Supplier. In these cases the Supplier must apply security measures according to the sensitivity of the information that they contain.

7. The Supplier shall include security measures appropriate to the nature of the information processed in developing, maintaining and testing the equipment that will be used in fulfilling the Contract. The Supplier will adopt secure code development standards and ensure that no real data is used in test environments. If absolutely necessary, IBERDROLA's express authorisation will be required and the same security measures required for the work environment will be applied to these tests environments.

**9.7** When the scope of the Contract includes the supply of equipment and/or materials, the Supplier shall prove that best security practices and standards have been applied for the design, fabrication, maintenance, and, where applicable, installation of the supplied equipment and/or materials, including its components.

For any such equipment and/or materials with information processing capacity or network connectivity options:

- a. The Supplier shall provide evidence or certificates that guarantee design security, firmware/software updates and malware protection.
- b. The Supplier shall conduct periodic analyses of vulnerabilities and inform IBERDROLA about any necessary updates, especially those that affect security.
- c. All internet connected devices shall be protected with adequately complex passwords that can be changed by IBERDROLA.
- d. The configuration of devices, equipment and materials shall be adjustable exclusively according to IBERDROLA's needs, and any unnecessary functionality deactivated. Should the Supplier conduct any configuration, documentation to that effect shall be provided.

**9.8** The Supplier shall implement a procedure to notify of and manage any Data Security Breach or security incidents, which it will disclose among its Personnel, and will act with special diligence in those cases involving critical elements of IBERDROLA's Cyber-infrastructure or Protected Information or when the reputation or legal responsibility of IBERDROLA and/or any IBERDROLA Group Company or the interests of the persons whose information is processed may be affected.

The Supplier shall immediately notify IBERDROLA of the existence of any security incident always within a maximum period of 24 hours after becoming aware of it, or if shorter, the shortest legal period, and shall assist and cooperate with IBERDROLA in terms of any necessary communication to third parties and other reasonable measures to remedy the situation when IBERDROLA requests it or as required by law.

Merely by way of example, the Supplier shall notify IBERDROLA the following:

- a. Access or attempts to access systems, equipment, applications, files, repositories, devices etc. by unauthorised persons or programs.
- b. Disclosing or compromising protected Information including but not limited to credentials, authentication or encryption data.
- c. Total or partial loss of data or information for any reason.
- d. Uncontrolled distribution: sending information to people who should not receive it.
- e. Loss or removal of computer equipment or storage media, files, repositories or part of their contents.
- f. Attacks caused by viruses / malicious software that may affect the exchange of information between the Supplier and IBERDROLA.
- g. Others: any irregularity or deficiency detected regarding compliance with the safety criteria indicated in this section.

The Supplier and IBERDROLA must agree on the necessary actions, resolution times and follow-up mechanisms insofar as is necessary by the potential impact.

**9.9** Once the Supplier's contractual performance has been completed, or in the event of a termination of the Contract, the Supplier shall return to IBERDROLA or securely destroy, at IBERDROLA choice, all information owned by IBERDROLA that may be in its possession, as well as any media or document that includes Protected Information. Should information destruction be selected, the Supplier shall provide its corresponding certification by following recognised standards for doing so.

Furthermore, all equipment, devices and storage media owned by IBERDROLA shall be returned and any potential connectivity to IBERDROLA's Cyber-infrastructure will be suspended. The same shall occur whenever the infrastructure elements or information are no longer needed for the performance of the Supplier's obligations under the Contract.

If the Supplier is required by applicable law to retain IBERDROLA's Protected Information, it shall keep both the Protected Information and the items that contain it duly protected and

only for the time necessary in accordance with applicable laws and regulations. Once said period has lapsed, they will be destroyed or returned to IBERDROLA, at IBERDROLA choice, as will any media or documents containing any such data and no copy of the information will be kept.

**9.10** At IBERDROLA's request, the Supplier shall provide evidence of security assessments or audits. IBERDROLA shall have the right to conduct independent audits and/or inspections of the Supplier's security measures at its data processing facilities and any cloud storage services. Such audits or inspections shall be conducted by IBERDROLA or by a representative or audit agency approved by IBERDROLA. The Supplier undertakes to comply with the possible plan of action that may result from said audits.

**9.11** The Supplier shall provide IBERDROLA with reasonable and timely support in responding to any request, complaint or other communications received by any individual, government, governmental agency, regulatory authority or other bodies that may have an interest in the use, leakage, disclosure or misuse of any data or information related to the Contract, included Protected Information, insofar as they comply with the processing the data or information by the Supplier.

IBERDROLA must be informed in advance of any communication of data that the Supplier must perform pursuant to a legal or judicial provision.

**9.12** To the extent that Supplier is afforded regular access in any way to "Cardholder Data" as defined below and for so long as it has such access, the following requirements shall apply with respect to the Cardholder Data:

- a. Supplier represents that it is presently in compliance, and will remain in compliance with the Payment Card Industry Data Security Standard ("**PCI Standard**"), and all updates to PCI Standard, developed and published jointly by American Express, Discover, MasterCard and Visa ("**Payment Card Brands**") for protecting individual credit and debit card account numbers ("**Cardholder Data**").
- b. Supplier acknowledges that Cardholder Data is owned exclusively by IBERDROLA,

credit card issuers, the relevant Payment Card Brand, and entities licensed to process credit and debit card transactions on behalf of IBERDROLA, and further acknowledges that such Cardholder Data may be used solely to assist the foregoing parties in completing a transaction, supporting a loyalty program, providing fraud control services, or for other uses specifically required by law, the operating regulations of the Payment Card Brands, or the Contract.

- c. To the extent Cardholder Data is regularly maintained on the premises or property of Supplier, Supplier shall maintain a business continuity plan addressing the possibility of a potential disruption of service, disaster, failure or interruption of its ordinary business process, which business continuity plan provides for appropriate back-up facilities to ensure Supplier can continue to fulfil its obligations under the Contract.
- d. Supplier agrees that, in the event of a Data Security Breach or other security incident arising out of or relating to Supplier's premises or equipment contained thereon, Supplier shall afford full cooperation and access to Supplier's premises, books, logs and records by a designee of the Payment Card Brands to the extent necessary to perform a thorough security review and to validate Supplier's compliance with the PCI Standards; provided, that such access that be provided during regular business hours and in such a manner so as to minimize the disruption of Supplier's operations.

## **10. SUSPENSION AND TERMINATION**

### **10.1 CONTRACT SUSPENSION**

Iberdrola may, by written notice, direct Supplier to suspend performance of any or all of the Supply pursuant to any Contract for a specified period of time.

If such suspension is caused by the default of Supplier or any other cause that allows Iberdrola to terminate the Contract, Iberdrola (without prejudice to its rights under clause 10.2, which shall subsist during any period of suspension) shall not be obliged to pay the prices and/or any other costs, fees, charges or other amounts to the Supplier during any period of suspension.

If such suspension is not caused by the default of Supplier, Supplier will be compensated with (i) an equitable amount for all Supply satisfactorily performed by Supplier as of the date of such suspension in accordance with the payment terms of the applicable Contract, and (ii) any other equitable amounts directly related to the Supply performed prior to suspension, provided that such amounts are reasonably documented by Supplier and accepted by Iberdrola.

Upon receipt of such notice to suspend, Supplier shall: (i) suspend its performance of the Supply, (ii) place no further orders in connection with the Supply, (iii) suspend all orders related to the Supply, (iv) protect and maintain the Supply, and (v) otherwise mitigate Iberdrola's costs and liabilities for those portions of the Supply suspended.

Supplier shall promptly resume the Supply upon receipt of instructions from Iberdrola to do so, subject to equitable adjustments to the schedule and cost for performing the Supply, as may be agreed to by the Parties.

Supplier recognizes and accepts that the exercise of the suspension right in accordance with this Section 10.1 by Iberdrola shall not give right to Supplier to any additional payment or compensation pursuant to the Contract.

## 10.2 CONTRACT TERMINATION

**10.2.1** The Contract may be terminated, wholly or partially, upon mutual agreement between the parties.

Should this occur, the parties shall endorse a termination agreement that shall stipulate payment for completed work, or any that stands at an advanced state upon the moment of termination notification.

**10.2.2** The Contract can be fully or partially terminated by Iberdrola without the Supplier being able to seek compensation, penalty or liability in the following cases:

- a) Non-compliance on the part of the Supplier of any of the Contract duties.
- b) When there are delays in the delivery terms caused by the Supplier that permit the application of delay penalties on three occasions.
- c) When, for reasons attributable to the Supplier, the Supply is suspended or stopped or there is no continuity or due diligence in the execution

- thereof, including when such events are due to strikes or conflicts whether or not they are beyond the purview of the Supplier's company.
- d) Dissolution, transformation, merger, takeover or any other structural modification to the company, change of control, fundamental change to the corporate purpose, reduction of capital or death of the Supplier.
  - e) If the Supplier seeks bankruptcy status, or seeks the application of the benefits given in article 5 bis or the Fourth Additional Provision of Law 22/2003 of 9 July, Insolvency, or if any other type of insolvency status were to occur, or if, pursuing the request of a third party, it is party to a judicial resolution, likewise, if the Supplier were to be submitted to judicial proceedings or subject to collections or if it recognises its incapacity to generally fulfil its debt obligations when they come due or were to initiate renegotiation of the entirety or a substantial part of its payment duties, or were to carry out any other similar action or measure, legal or private, that would produce identical results.
  - f) When Contract compliance implies a conflict of interest for the Supplier or for Iberdrola.
  - g) When the Supplier contracts with companies that compete with Iberdrola or any of the Iberdrola Group's companies.
  - h) When so ordered by any administrative or judicial authority or legally required by any third party.
  - i) Upon the unilateral will of Iberdrola, through written notification to the Supplier with a prior notice period of one (1), month, without the need for any justification whatsoever.
  - j) The draw-down of any or all of the assets and/or businesses of the Supplier, as well as ceasing or the threat to cease its business activity.
  - k) If Iberdrola, acting reasonably, considers any conduct, act or omission of the Supplier (or its Personnel or sub-contractors) to be harmful to the interests and/or reputation of Iberdrola, so that it affects compliance with the Supplier's Code of Ethics.
  - l) In the event the credit risk of the Supplier reduces or invalidates the assessment requirement of such risk for Iberdrola.
  - m) Should there be substantial changes in the financial, monetary or debt markets, decreases in the credit ratings or similar circumstances that could affect the liquidity, solvency or asset situation of Iberdrola.

Whenever one of the above causes occurs, Iberdrola shall be able to fully or partially put an early end to the Contract, and must reliably communicate this to the Supplier without such an early termination giving rise to any compensation or penalty in favour of the

Supplier and with Iberdrola assuming the sole duty of paying the amounts that had accrued to the Supplier until such a moment for work already carried out.

The Supplier, upon receiving termination communication issued by Iberdrola, it shall cease any work or activity connected to the Supply or, as appropriate, it shall follow the instructions given by Iberdrola concerning the termination of supply already under way. Additionally, at the request of Iberdrola, it shall return or deliver to Iberdrola all documents, information and any other material it possesses and that contains Protected Information, being likewise obligated to compensate Iberdrola for damage or harm it suffers as a result of non-compliance by the Supplier and early termination of the Contract.

Expiry or termination of the Contract for whatever reason shall not affect the accrued rights of the parties at the date of expiry or termination and, in particular, the right to recover damages, therefore after termination the provisions of the Contract that expressly or implicitly have such an intention shall remain in force.

## 11. LIABILITY

The Supplier is solely liable to Iberdrola for the due execution of the Contract, including any duty to repair damages and give compensation for any harm that may result. The approval by Iberdrola of documents or proposals prepared by the Supplier or its Personnel in fulfilling the Contract, or carrying out reviews, tests or trials, while still to Iberdrola's satisfaction, shall not free the Supplier from its liability nor mean that said responsibility is shared by Iberdrola.

The recommendations or observations formulated by Iberdrola during Contract execution or any reviews, tests or trials shall not exempt the Supplier from such liability or have it lessened, nor excuse the Supplier from complying with the terms of the Contract, except for those cases in which Iberdrola demanded the pursuit of said recommendations or observations and with the express reservation of the Supplier regarding compliance.

A strike during Contract execution shall never constitute an exculpatory reason for liabilities.

The contractual risks, obligations and responsibilities of the Supplier are not limited by taking out the insurance policies referred to in these GTC, and as a result, the amount and scope of the duties and responsibilities that arise from taking on such risks

shall not be reduced in any way by the named insurance policies or failure to contract or have sufficient coverage for them to the detriment of Iberdrola or third parties.

Supplier specifically and expressly agrees to indemnify, defend, and hold harmless Iberdrola and its officers, directors, Personnel and agents (hereinafter collectively "Indemnitees") against and from any and all claims, demands, suits, losses, costs and damages of every kind and description, including attorneys' fees and/or litigation expenses, brought or made against or incurred by any of the Indemnitees to the extent resulting from or arising out of any acts or omissions of Supplier, its employees, agents, representatives or subcontractors of any tier, their employees, agents or representatives in the performance or non-performance of Supplier's obligations under Contract or the breach of any applicable legislation.

The indemnity obligations under this Section 11 shall include without limitation:

- a. Loss of or damage to any property of Iberdrola, Supplier or any third party; and
- b. Bodily or personal injury to, or death of any person(s), including employees of Iberdrola, or of Supplier or its subcontractors of any tier.

The invalidity, in whole or part, of any of the foregoing paragraphs will not affect the remainder of such paragraph or any other paragraph in this Section. Supplier's indemnity obligation under this Section shall not extend to any liability to the extent caused by the sole gross negligence or wilful misconduct of any of the Indemnitees.

## 12. OTHER CLAUSES

### 12.1 Sanctions

Neither the Supplier, its subsidiaries nor to the knowledge of the Supplier, any of their employees, directors, officers or agents or any persons acting on their behalf (the "Related Persons") are currently or can reasonably expected to be in the future subject of (a) any U.S. sanctions administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC") or (b) any measures equivalent to such OFAC measures administered or enforced by (i) the European Union, (ii) Her Majesty's Treasury, (iii) the U.S. government or (iv) the United Nations Security Council (collectively, "Sanctions"), nor is the Company



located, organized or resident in a country or territory that is the subject of Sanctions.

Notwithstanding anything in the Contract to the contrary, in the event that the Supplier or any of the Related Persons are subject of any Sanctions: (i) the Supplier shall immediately notify Iberdrola; (ii) Iberdrola shall have the right to unilaterally terminate the Agreement without penalty and (iii) the Supplier shall defend, indemnify and hold harmless Iberdrola against any and all costs, damages, losses, liabilities, expenses, judgments, fines, settlements and any other amounts of any nature, including reasonable attorneys' fees, arising from, caused by or related to the Supplier or any of the Related Persons being subject of any Sanctions.

## 12.2 Notices

All notifications, requests and other communications that must occur between the parties shall be done in writing and be considered complete, if they are, primarily, supplied using a sure communication informatics system implemented by Iberdrola for such a purpose and that provides adequate warranties over the validity and the propriety of the provided information. Otherwise, the communications shall be (i) delivered personally, (ii) sent by fax or email (with receipt confirmation), or (iii) sent by mail (with delivery confirmation) to the address given for each party in the Contract, being obligated to give warranty notice of any address change or transfer.

## 12.3 Amendments or supplements

**12.3.1** Iberdrola may request a change to the timing, nature, description or extent of the supply of the Equipment and Materials (and the performance of any Associated Services) at any time. Any change that is agreed in writing and signed by both Parties shall be subject to the terms of the Contract.

**12.3.2** Except as expressly provided to the contrary in the Contract, no variation to the Contract shall be binding upon the parties unless made in writing and signed by authorised representatives of each of the parties.

## 12.4 Industrial and intellectual property

The Supplier recognises that Iberdrola is and shall remain the exclusive owner of the industrial and intellectual property rights that arise from Contract execution, for an unlimited period and globally, with the power to cede it to third parties, and pursue any means of exploitation, support or diffusion methods. Therefore, the Supplier shall provide any documents

needed for effective transfer of rights as a function of this clause, following applicable legislation at all times and/or in all regions, and for inscription in any patent office or intellectual property registry.

The Supplier warrants authorship and originality of the results of industrial and intellectual property that may arise from Contract execution, as well as the peaceful enjoyment of rights that are bestowed through this document, stating that no commitments or levies of any kind are or shall be contracted contingent to it. The Supplier shall hold Iberdrola harmless from all claims that may arise from a third party with respect to authorship, originality or ownership of the rights bestowed upon Iberdrola through this document, being liable to Iberdrola for all actions or claims that may be asserted.

Iberdrola shall have the right to name the attorneys or solicitors it wants as representation and defence in legal actions or administrative proceedings that come up in this regard, and the Supplier shall handle all expenses, allowances and fees that must be paid to these professionals.

The endorsement of the Contract does not imply the cession of any intellectual or industrial property rights owned by IBERDROLA, unless there is express written authorisation. Any use, publication or printing by the Supplier of the trade names, trademarks, emblems, logotypes, or any other distinctive symbol of Iberdrola or its partners shall require prior approval in writing by Iberdrola.

## 12.5 Codes and standards

Without prejudice to the Supplier's other obligations under and/or pursuant to the Contract, as a general rule, and except as expressly specified otherwise in the Contract the Equipment and Materials and any Associated Services shall be designed, manufactured, inspected and tested in accordance with the applicable legislation of Spain.

Prudent industrial practices shall be followed for the design, manufacturing, inspection and test processes with regard to any provision not regulated by the applicable legislation and standards.

## 12.6 Language and units of measure

The Contract, all the documents, plans and notifications by and between the Supplier and Iberdrola and the instructions and specifications plates shall be in Spanish.

International Measurement System units shall be

used in all the documents and plans, and all the recording or indexing instruments shall be designed without exception in units of the aforementioned system.

## 12.7 Licences, permits and authorisations

Each party shall obtain and maintain, on its own account, the licences, permits and authorisations required to fulfil the contractual obligations, save to the extent that other specific obligations regarding the obtaining and/or maintaining of any particular licences, permits and/or authorisations are set out elsewhere in the Contract.

Each party shall provide the other with reasonable assistance for obtaining and maintaining such licences, permits and authorisations. In particular, the Supplier shall supply Iberdrola with information and documents such as plans, diagrams, calculations, etc. that may be required by the competent bodies to authorise the commissioning of the facility to which the Equipment and Materials are incorporated.

In the cases of importation, both parties, regardless of the established delivery condition, shall obtain and maintain, on their own account, any exportation and importation licences, permits and authorisations required by any government authority in their respective countries.

## 12.8 Force majeure

**12.8.1** For the purposes of these GTC, an event or circumstance of force majeure is an event that:

- (a) prevents or delays the affected Party from complying with its obligations in accordance with the Contract or these GTC; and
- (b) is beyond the reasonable control of the affected Party; and
- (c) is not the result of fault or negligence of any of the Parties; and
- (d) could not have been prevented by the party that experiences it, through the exercise of due diligence.

The above-mentioned four (4) conditions must be met for the relevant fact to be considered as an event of force majeure. Economic difficulties of either of the parties shall not be deemed to be an event of force majeure.

In any case, the events considered as force majeure shall include, without limitation, the following:

- Earthquakes, tidal waves, fires, floods or other

natural disasters officially declared as catastrophes by the competent authorities and in accordance with applicable legislation.

- Damage caused by terrorist acts or produced in a time of war or by sedition or riots.
- Legal strikes that exceed the scope of the Supplier's business and whose termination does not depend on the supplier's decision.

In all cases of force majeure, the affected parties shall notify the other party in writing no later than seven (7) days after the Party became aware, or should have become aware, of the relevant event or circumstance constituting Force Majeure.

The party invoking an event of force majeure shall carry the burden of proof.

Upon receipt of the aforementioned notification, the parties shall be relieved from complying with their duties in light of the Contract while the force majeure persists. As soon as possible, the parties shall conduct good faith negotiations in order to proceed with the Contract compliance. In any case, the party affected by the force majeure event must pursue any reasonable effort to mitigate the effects of said cause in order to enable the ongoing execution of the Contract. A Party shall give notice to the other Party when it ceases to be affected by the Force Majeure

Iberdrola shall be entitled to terminate the Contract (without Iberdrola having any liability to the Supplier) with immediate effect by notice to the Supplier in the event that a force majeure event affects the Supplier's performance of all or any significant part of its obligations under the Contract for a continuous period of seven (7) days or for multiple periods which total more than 15 days.

Should the parties not reach an agreement regarding the application of force majeure, the situation shall be resolved in accordance with clause 12.10 below.

### 12.8.2 Consequences of Force Majeure.

- (a) Neither Party shall be entitled to recover from the other any costs, damages, losses or expenses (including those relating to prolongation) arising or occasioned from Force Majeure.
- (b) No liability of either Party which arose before the occurrence of the Force Majeure shall be excused as a result of the occurrence;
- (c) a Force Majeure shall not be the basis for pricing changes or additional compensation under the Contract; and
- (d) each Party shall be responsible for its own expenses and costs related to a Force Majeure.

## 12.9 Severability

If any term or provision of these GTC or the Contract is determined by a court of competent jurisdiction to be invalid, illegal or incapable of being enforced by any rule of Law or public policy, all other terms, provisions and conditions therein shall nevertheless remain in force and effect. Upon such determination, the parties shall negotiate in good faith to modify these GTC or the Contract so as to achieve the original intention of the parties as closely as possible to the fullest extent permitted by law, to the end that the object of the agreement is fulfilled to the extent possible.

Any right, term or conditions of these GTC or the Contract may be waived at any time by the party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by the party waiving such right, term or condition. Notwithstanding the foregoing, no failure or delay by any party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise preclude any other further exercise thereof or the exercise of any other right hereunder. The exercise of rights or options contained in the Contract by one of the parties shall not impede nor limit the exercise of any other right that may also be contained therein.

## 12.10 Law and Jurisdiction

**12.10.1** These GTC and the Contract shall be governed by the laws of Spain.

**12.10.2** Any dispute arising in connection to the Contract shall be definitively resolved by the courts and tribunals of the city of Madrid.

**12.10.3** Where a party considers that a dispute exists (the “**Dispute**”) that Party shall give formal written notice to the other party of the existence of the Dispute.

**12.10.4** All Disputes between the Parties shall be in the first instance referred by the Parties to their relevant respective representatives for resolution.

**12.10.5** If any Dispute cannot be resolved by the Parties’ relevant representatives within thirty (30) working days after the date of referral under Condition 12.10.3, the dispute shall be definitively resolved pursuant to the Condition 12.10.2.

## 13 Corporate social responsibility of the Supplier

In complying with the provisions of this GTCs and the Contract carrying out the Supply, the Supplier shall endeavour:

- a. To promote good practices for support and respect for the protection of human rights;
- b. To avoid involvement of any kind in the abuse of the said rights;
- c. To respect the freedom of union membership and the right to collective bargaining, subject to applicable legislation;
- d. To eliminate all kinds of forced labour, understood as any work or service required of an individual under the threat of any penalty and for which the individual does not voluntarily offer his services;
- e. To avoid any form of child labour in his organisation, observing the minimum age for contracting Personnel in accordance with current applicable legislation and implementing the appropriate, reliable mechanisms for verifying the age of his employees;
- f. To eliminate all discrimination in employment and occupation. For these purposes, it shall be considered as discrimination any distinction, exclusion or preference based on race, colour, gender, religion, political leaning, national or social origin whose purpose is to cancel or alter equal opportunities in employment and occupation;
- g. To keep a preventive focus on environmental issues in order to achieve sustainable development, limiting the activities whose impact on the environment is questionable.

The Supplier undertakes to comply with current applicable legislation governing the aforementioned principles.

The Supplier undertakes to notify Iberdrola of any situation in which the breach of the aforementioned principles is noticed, as well as the plan for correcting the situation. If such correction plan is not implemented by the Supplier in a reasonable term, Iberdrola reserves the right to terminate and cancel the Contract or Accepted Order with no liability or responsibility on its side.

Supplier shall establish the aforementioned principles as part of the terms and conditions of any agreement it enters into with any subcontractor or assignee.

At all times during the term of the Contract, the Supplier shall allow Iberdrola's personnel to review

the level of fulfilment with the principles established in this clause.

#### 14 Business Ethics.

The Supplier represents, warrants and undertakes as follows:

##### (a) General

- i. The Supplier is duly organized and validly existing under the laws of the state of its organization and has all requisite legal power and authority to execute the Contract and carry out its obligations thereunder.
- ii. The Supplier is currently and will in the future be in compliance with all relevant laws and regulations applicable to its performance under the contract, including but not limited to any anti-bribery laws.
- iii. The Supplier will maintain in full force and effect all licenses and permits required for its performance under the Contract.
- iv. The Supplier further agrees to cooperate fully in the collection, compilation and maintenance of data within its possession or control as may be required to be reported by Iberdrola under any statutes, regulations, orders or other contractual commitments.
- v. No director, officer, employee or representative of the Supplier has (or will have during the term of the contract) any personal or business interest that would present an actual, potential or apparent conflict of interest with the performance of the Contract determined by Iberdrola in its sole discretion. Conflicts of interest include, but are not limited to: (i) gifts or payments made directly or indirectly to an existing employee of Iberdrola, its parents or affiliates, by the Supplier at any time prior to, during, or following the term of the contract; (ii) having an existing employee of Iberdrola serve as officer, director, consultant, advisor, representative or be an employee of the Supplier; or (iii) any officer, director, employee, related legal entity or representative of the Supplier being related in any way (personal, business interest or otherwise) to an employee of Iberdrola without the Supplier first disclosing such relationship to Iberdrola in writing prior to the execution of the Contract.

(b) **Standard of Conduct.** The Supplier will at all times employ the highest standards of honesty, integrity and fair dealing in rendering its services under the

Contract. Further, the Supplier will make no representations or guarantees concerning Iberdrola or its services that are false, misleading or inconsistent with Iberdrola's instructions to the Supplier or with representations contained in any promotional materials, literature, manuals or price lists published and supplied by Iberdrola from time to time and, further, will do nothing to damage the reputation of Iberdrola or its services.

(c) **Reviews of the Supplier.** The Supplier allows Iberdrola to carry out at any time of a background review of the Supplier including, but not limited to, financial and potential criminal matters, and it hereby expressly ratifies any such reviews conducted by Iberdrola prior to the execution of the Contract. Upon Iberdrola's request, the Supplier agrees to provide Iberdrola written notice of the address, telephone number and contact information for its business offices.

(d) **Notification.** The Supplier will notify Iberdrola in writing immediately upon the occurrence of any of the following events: (1) any claim or notification made or threatened against or in relation to the Supplier, Iberdrola or any other party with respect to the supply; (2) any change in the ownership of the Supplier; or (3) any action or event that may cause the Supplier to become involved in a conflict of interest with Iberdrola.

(e) **Anti-Corruption.** The Supplier represents, warrants and undertakes that:

- i. It has and will continue to comply with all applicable anti-corruption laws. The Supplier agrees that it has not and will not, directly or indirectly, offer, promise, pay, authorize or give, money or anything of value to corruptly (1) influence any official act or decision, in any way relating to the Contractor any related activity, of any Covered Party, any government, any government-owned or controlled entity or any government instrumentality; (2) secure any improper advantage in connection with the Contractor any related activity; or (3) obtain or retain business, or to direct business to any person or entity, in connection with the Contractor any related activity;

For purposes of the Contract, a "Covered Party" includes any official, officer, employee or representative of any: (i) federal, state, provincial, county or municipal state government or any department or agency thereof; (ii) public international organization or

any department or agency thereof; or (iii) company or other entity owned or controlled by any government, including state-owned, operated or controlled utilities or other energy-related concerns; as well as any political party or party official, or any candidate for political office.

- ii. It has maintained and agrees that it will maintain complete and accurate books and records related to the Contractor any related activity, including records of payments to any third parties, in accordance with generally accepted accounting principles. The Supplier agrees that it will grant Iberdrola access to such books and records for inspection from time to time upon reasonable notice by Iberdrola. Such notice shall be deemed reasonable if it occurs at least fourteen (14) calendar days prior to the noticed inspection date.
- iii. No political contributions or charitable donations or other payments of anything of value have been or will be given, offered, promised or paid by the Supplier or at the request of any Covered Party that is in any way related to the Contractor any related activity, without Iberdrola's prior written approval.
- iv. If Iberdrola reasonably and in good faith believes that the Supplier has violated any of the anti-corruption terms of this GTC, the Supplier will cooperate in good faith with Iberdrola to determine whether such a breach has occurred.

Non-compliance with any of the terms of this clause will constitute a material breach of for the purposes of these GTC.

## 15 Environmental Conditions

The Supplier undertakes to fulfill as many duties as fall to it by application of current environmental legislation, notwithstanding any modifications which may take place in the future concerning this area. In particular, the Supplier must comply with environmental legislation concerning packaging, labeling and return of packaging of products, and transport of hazardous substances and preparations. These examples are provided as illustrative, not exhaustive.

As far as possible, the Supplier must supply products or materials with ecologically-sound labeling, and must reuse and recycle waste resulting from the products or materials supplied.