HITACHI ABB POWER GRIDS GENERAL TERMS AND CONDITIONS
FOR PURCHASE OF PROJECT DESIGNED GOODS

(2020-7 GERMANY)

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1. DEFINITIONS AND INTERPRETATION

1.1 The following terms have the following meaning:

Acceptance Test Certificate: the document issued by Hitachi ABB Power Grids Contractor in accordance with Clause 8.7;

Affiliate: any entity which directly or indirectly controls, is controlled by, or is under common control with a Party, by virtue of a controlling interest of 50% or more of the voting rights or the capital;

Client: the person, firm or company who has employed or will employ Hitachi ABB Power Grids Contractor for the execution of the Project;

Delivery: delivery of the Project Designed Goods Free Carrier FCA (named place of delivery as specified in the Subcontract) Incoterms 2020;

Effective Date: the day when the Subcontract becomes effective as stated in the Subcontract;

Embedded Software: software necessary for operation of the Project Designed Goods and embedded in and delivered as integral part of the Project Designed Goods, however excluding any other software, which shall be subject to a separate license agreement;

Final Acceptance Certificate: the document issued by Hitachi ABB Power Grids Contractor to Subcontractor in accordance with Clause 8.10;

Hitachi ABB Power Grids Contractor: the party ordering the Project Designed Goods from Subcontractor;

Hitachi ABB Power Grids Contractor Data: any data or information, including Personal Data, acquired by Subcontractor in preparation of or during the fulfillment of the Subcontract, irrespective of whether such data or information relates to Hitachi ABB Power Grids Contractor, its Affiliates or their respective customers or suppliers;

Hitachi ABB Power Grids GTC/Project Designed Goods: these Hitachi ABB Power Grids General Terms and Conditions for Purchase of Project Designed Goods (2020-7 Germany);

Intellectual Property Rights: (a) patents, utility models, copyrights, database rights and rights in trademarks, trade names, designs, knowhow, and invention disclosures (whether registered or unregistered); (b) applications, reissues, confirmations, renewals, extensions, divisions or continuations for any of these rights; and (c) all other intellectual property rights and similar forms of worldwide protection;

Main Contract: the contract between Client and Hitachi ABB Power Grids Contractor in respect of the Project;

Open Source Software: publicly available and accessible software which can be used, modified and further developed in compliance with the applicable license terms and conditions;

Order: Hitachi ABB Power Grids Contractor’s order issued to Subcontractor for the purchase of the Project Designed Goods;

Party: Hitachi ABB Power Grids Contractor or Subcontractor, collectively referred to as the Parties;

Personal Data: any data or information of an identified or identifiable natural person;

Project: the project to be executed by Hitachi ABB Power Grids Contractor under the Main Contract;

Project Designed Goods: all material, components, machinery, equipment, supplies, Subcontractor Documentation and Services as per Clause 3.16, to be delivered or rendered, as the case may be, as specified in the Subcontract;

Provisional Acceptance Certificate: the document issued by Client which unconditionally and irrevocably evidences that the Project has met the performance criteria and other requirements as specified in the Main Contract, provided, however, that such certificate shall in no case be considered to be an acceptance of the Project Designed Goods under the Subcontract;

Schedule: the time for completion of the Delivery as specified in the Subcontract;

Site: the location where the Project is to be completed;

Special Terms and Conditions: any additional terms and conditions agreed between Hitachi ABB Power Grids Contractor and Subcontractor (e.g. derived from the Main Contract);
Subcontract: a written agreement, comprising (in the following order of precedence):
- the subcontract execution document and/or the Order, which is accepted by Subcontractor and Hitachi ABB Power Grids Contractor.
Subcontractor shall be deemed to have accepted the Subcontract by starting performing the Subcontract.
- Special Terms and Conditions (if any),
- the HSE related documents and requirements as referred to in Clause 4.1 (as between them: in the order of precedence as laid down in Clause 4.1),
- Hitachi ABB Power Grids GTC/Project Designed Goods, and
- annexes to any of the documents above (if any);
Subcontractor: the party providing the Project Designed Goods to Hitachi ABB Power Grids Contractor;
Subcontractor Documentation: any HSE, operation, training and maintenance manuals, user guides, drawings, calculations, technical data, logic diagrams, progress reports, quality confirmation certificates, bills of lading, certificates of origin, export authorizations and licenses, and any such other documents as required to be delivered by Subcontractor under the Subcontract and/or applicable laws;
Subcontract Price: the price to be paid by Hitachi ABB Power Grids Contractor to Subcontractor as specified in the Subcontract for the Delivery of the Project Designed Goods and/or for provision of the Services;
Variation Order: Hitachi ABB Power Grids Contractor’s written instruction of a change to the Subcontract such as to alter the Schedule, or to amend, omit, add to, or otherwise change the Project Designed Goods or any parts thereof.
1.2 References to clauses are references to clauses of the Hitachi ABB Power Grids GTC/Project Designed Goods.
1.3 Headings are for convenience only and do not affect the interpretation of the Hitachi ABB Power Grids GTC/Project Designed Goods.
1.4 Capitalized terms used in the Hitachi ABB Power Grids GTC/Project Designed Goods and the Subcontract shall have the meaning and shall be interpreted in the way described under Clause 1.1 above or as otherwise expressly defined in the Hitachi ABB Power Grids GTC/Project Designed Goods, or the Subcontract.

2. APPLICATION
2.1 The Subcontract, including the Hitachi ABB Power Grids GTC/Project Designed Goods, shall be the exclusive terms and conditions which shall govern the contractual relationship between Hitachi ABB Power Grids Contractor and Subcontractor. To the extent not otherwise provided for in the Hitachi ABB Power Grids GTC/Project Designed Goods or in other parts of the Subcontract, the order of precedence shall apply as set out in the definition “Subcontract” in Clause 1.1.
2.2 No terms or conditions delivered with or contained in Subcontractor’s quotations, acknowledgements, acceptances, specifications or similar documents shall form part of the Subcontract, and Subcontractor waives any right which it might have to rely on such terms or conditions.
2.3 Any amendments to the Subcontract shall be agreed in writing.

3. SUBCONTRACTOR’S RESPONSIBILITIES
3.1 Subcontractor shall provide the Project Designed Goods, including the Subcontractor Documentation:
3.1.1 in accordance with the applicable laws and regulations, including but not limited to statutes, ordinances, permits or approvals (collectively, the Applicable Laws) of any federal, state, local or other authority or labour union applicable to the Project Designed Goods, and shall keep Hitachi ABB Power Grids Contractor indemnified against all penalties and liabilities for non-compliance with any such Applicable Laws unless caused by Hitachi ABB Power Grids Contractor’s gross negligence or intentional act. To the extent that such regulations are advisory rather than mandatory, the standard of compliance to be achieved by Subcontractor shall be in compliance with generally accepted best practice of the relevant industry;
3.1.2 in accordance with the Subcontract and Hitachi ABB Power Grids Contractor’s instructions hereunder;
3.1.3 free from defects and from any rights of third parties (including without limitation any Intellectual Property Rights);
3.1.4 on the dates specified in the Schedule;
3.1.5 in the quantity specified in the Subcontract; and
3.1.6 by skilled, experienced and competent engineers, foremen and labour, hired in numbers necessary for the proper and timely Delivery of the Project Designed Goods.
3.2 Subcontractor shall not substitute or modify any of the Project Designed Goods or make any changes to the Project Designed Goods without Hitachi ABB Power Grids Contractor’s prior written approval.
3.3 Subcontractor shall carry out and be responsible for the design and engineering of the Project Designed Goods. Subcontractor shall prepare drawings, calculations, software programs, samples, patterns, models, operation and maintenance manuals, and other Subcontractor Documentation in sufficient detail to meet all Applicable Laws and regulatory approvals and to provide Hitachi ABB Power Grids Contractor and Client and other persons concerned with sufficient information to operate, install, commission, repair, alter, maintain and otherwise use the Project Designed Goods.
3.4 Subcontractor must obtain prior approval from Hitachi ABB Power Grids Contractor of any transport company (including the vehicles such as trucks, aircrafts, vessels etc.) which Subcontractor intends to use for the transportation of the Project Designed Goods. Unless Hitachi ABB Power Grids Contractor denies approval within ten (10) calendar days of receipt of the list of transport companies including the vehicles intended to be used, such list shall be deemed approved by Hitachi ABB Power Grids Contractor. Vessels used for transportation shall be less than fifteen (15) years old.
3.5 Subcontractor shall satisfy itself as to all aspects of the Project insofar as they affect the Project Designed Goods or the performance of the Subcontract.
3.6 Subcontractor’s failure to obtain all information required shall not relieve Subcontractor neither from the responsibility of estimating properly the costs of delivering the Project Designed Goods, nor from the responsibility for additional costs and delays arising out of or in connection with such omission, nor from the responsibility for the performance of the Subcontract.
3.7 Subcontractor is deemed to have examined and taken into consideration all relevant conditions, risks, contingencies, legal requirements, necessary schedules, drawings and plans and all other circumstances which may affect the Project Designed Goods or its obligations under the Subcontract, and to have obtained all additional information and details which Subcontractor requires for the performance of the Subcontract. Hitachi ABB Power Grids Contractor shall not be responsible for any costs or losses due to Subcontractor’s failure to obtain such information.
3.8 Subcontractor shall give all notices and obtain and pay for all permits, visas, licenses and fulfill all other requirements necessary for the provision of the Project Designed Goods.
3.9 Subcontractor shall ensure that the Project Designed Goods are contained, packaged and/or marked in a manner that will preserve and protect the Project Designed Goods until risk transfers to Hitachi ABB Power Grids Contractor under the Subcontract. In addition, Subcontractor shall comply with any such packing and marking standards as required under the Special Terms and Conditions.
3.10 Subcontractor shall access the Site only with Hitachi ABB Power Grids Contractor’s prior written approval. Hitachi ABB Power Grids Contractor shall grant Subcontractor access to the respective portions of the Site (as may be required in accordance with the Schedule) to enable Subcontractor to perform its obligations under the Subcontract. Subcontractor shall not carry out any work activity on the Site without
Hitachi ABB Power Grids Contractor first reviewing Risk Reduction and Method Statement specified in Clause 4.1.

3.11 Subcontractor shall pay and be responsible for the suitability and availability of access routes to the Site as well as for any special or temporary rights of way required for access to the Site and performance of the Subcontract. Subcontractor shall take precautions to keep all public or private roads or tracks clear of any spillage or droppings from its traffic. Subcontractor shall immediately clear all such spillage or droppings at its expense.

3.12 Notwithstanding the Incoterms provisions applicable to the Delivery, Subcontractor bears the risk of loss of or damages to the Project Designed Goods until issuance of the Acceptance Test Certificate and shall be responsible for any loss of or damages to the Project Designed Goods caused by Subcontractor after issuance of the Acceptance Test Certificate.

3.13 Subcontractor shall co-operate with Hitachi ABB Power Grids Contractor to schedule and perform the Subcontract so as to avoid conflict or interference with work performed by other parties at Site.

3.14 If Subcontractor’s performance of the Subcontract depends on provision of equipment or execution of works by Hitachi ABB Power Grids Contractor, Client or third parties, Subcontractor shall, prior to proceeding with the affected part of the Subcontract, without undue delay report in writing to Hitachi ABB Power Grids Contractor any apparent discrepancies or defects in equipment or execution of work or material. Otherwise such equipment or execution of works shall be deemed accepted by Subcontractor.

3.15 Subcontractor shall be responsible for any activities performed by its employees in relation to the Subcontract. In particular:

3.15.1 Subcontractor assumes full and exclusive responsibility for any occupational accident or disease occurred to its employees in relation to the Subcontract;

3.15.2 The Parties agree that the Subcontract does not imply any employment relationship between Hitachi ABB Power Grids Contractor and Subcontractor, or between Hitachi ABB Power Grids Contractor and Subcontractor’s employees assigned to the performance of the Subcontract. Hitachi ABB Power Grids Contractor shall remain free of any responsibility or liability for labour, social security or taxes with respect to Subcontractor and its employees assigned to the performance of the Subcontract;

3.15.3 Subcontractor shall hire in its own name all employees required to perform the Subcontract, who shall under no circumstances act as Hitachi ABB Power Grids Contractor’s employees;

3.15.4 Subcontractor shall be solely and exclusively responsible for any claims and/or lawsuits filed by its employees in connection with the performance of the Subcontract and – unless caused by Hitachi ABB Power Grids Contractor’s gross negligence or intentional act – defend, indemnify and hold harmless Hitachi ABB Power Grids Contractor from any claim, proceeding, action, fine, loss, costs, damages and expenses arising out of or relating to any such claims and/or lawsuits and any noncompliance with Applicable Laws. Subcontractor undertakes to appear in court at its own costs if requested by Hitachi ABB Power Grids Contractor, acknowledging its status as sole and exclusive employer, and to provide Hitachi ABB Power Grids Contractor with all requested documentation necessary to ensure proper legal defence of Hitachi ABB Power Grids Contractor in court.

3.15.5 Hitachi ABB Power Grids Contractor is authorized to make any payments due to Subcontractor’s employees performing the Subcontract, in order to avoid lawsuits, liens or encumbrances. Such payments may be made through withholding Subcontractor’s credits, offsetting or in any other way. Subcontractor shall provide any support requested by Hitachi ABB Power Grids Contractor with regard to such payments and indemnify Hitachi ABB Power Grids Contractor for any payments made.

3.16 In the event Hitachi ABB Power Grids Contractor orders services for the Project Designed Goods to be performed by Subcontractor or any of its sub-contractors / sub-suppliers (herein collectively: sub-suppliers), the following provisions shall apply:

3.16.1 Services: means all services to be executed by Subcontractor or any of its sub-suppliers and all other undertakings, obligations and responsibilities of Subcontractor specified in the Subcontract and relating to the Project Designed Goods. Without limiting the generality of the foregoing, Services shall include the supervision of the proper installation, commissioning and testing of the Project Designed Goods. References to Project Designed Goods in provisions of the Subcontract shall include references to the Services, unless to the extent otherwise provided or where the context requires otherwise. Subcontractor shall coordinate the performance of the Services with Hitachi ABB Power Grids Contractor’s Site management, taking into account the conditions prevailing at Site. Subcontractor shall supply all equipment required to perform the Subcontract, including without limitation any special tools of whatever kind, commissioning spares and consumables required for these Services. For the avoidance of doubt, special tools shall include without limitation all items required to work on the instrumentation and the control equipment and to install, set-up and configure the controls and transmitters provided with the Project Designed Goods. All spare parts, special tools and consumables shall become the property of Hitachi ABB Power Grids Contractor.

3.16.2 Personnel to execute Services: Subcontractor shall in a timely manner obtain and pay for all permits, licenses, visas and approvals necessary to allow its personnel to execute the Services in accordance with the Schedule. Personnel shall comply with particular country specific travel safety instructions and/or restrictions as provided by Hitachi ABB Power Grids Contractor. Subcontractor shall employ and provide sufficient number of competent and experienced personnel for the execution of the Services. Upon Hitachi ABB Power Grids Contractor’s request Subcontractor shall remove forthwith from Site any person who, in the reasonable opinion of Hitachi ABB Power Grids Contractor, misconducts or is incompetent or negligent. Any person so removed shall be replaced within fifteen (15) calendar days by a competent substitute. All costs relating to such removal shall be borne by Subcontractor. Subcontractor shall employ only persons free from contagious diseases.

3.16.3 Site conditions: Subcontractor shall satisfy itself as to the specifics of the Site, and all aspects thereof insofar as they affect the performance of the Services. Subcontractor shall also satisfy itself as to the means of access to the Site, the accommodation which may be required, the extent and nature of work and materials necessary for performance of the Services, and whether Subcontractor has reasonably considered all such aspects in the Subcontract Price.

3.16.4 Hitachi ABB Power Grids Contractor may request Subcontractor to nominate and use a local sub-supplier to provide Services or parts thereof in the country of Site and to enter into the respective supply agreement with such sub-supplier if and to the extent the Subcontract (e.g. the Special Terms and Conditions) indicates such required local content. In all cases where Subcontractor nominates a sub-supplier for this purpose, Subcontractor warrants and undertakes to Hitachi ABB Power Grids Contractor that Subcontractor will coordinate its respective duties and obligations with the duties and obligations of that sub-supplier. Subcontractor will also ensure that Subcontractor and its sub-supplier jointly provide the supervision of the installation, commissioning and testing of the Project Designed Goods and perform all work incidental thereto and/or otherwise necessary to ensure that the Project Designed Goods are completed and operational in accordance with the Subcontract.

3.17 Subcontractor shall neither employ for the performance of the Subcontract any person who does not have the aliens’ labor permit required, nor employ any subcontractor or any hiring company for temporary workers (Verleiher von Leiharbeitnehmern) without prior written approval by Hitachi ABB Power Grids Contractor. Subcontractor shall obtain from any of its direct or indirect subcontractors and from any hiring company in the contractual chain of companies (hereinafter
4.3 Subcontractor shall allocate sufficient and qualified HSE resources to satisfy its obligations with regard to HSE. Resources allocation shall be reviewed periodically by Subcontractor and shared with Hitachi ABB Power Grids Contractor to ensure HSE Requirements can be met. Subcontractor shall ensure that all its personnel working on Site have received relevant training and introduction before being allowed to work on Site. Subcontractor shall have qualified HSE engineers, officers and advisors at senior level to support the line management throughout the entire performance of the Subcontract. Subcontractor shall without undue delay remove from Site any person who, in Hitachi ABB Power Grids Contractor’s reasonable opinion, fails to comply with any HSE Requirements.

4.4 Regular HSE meetings shall be held between Hitachi ABB Power Grids Contractor and Subcontractor personnel as per a meeting schedule to be agreed upon, and upon reasonable Hitachi ABB Power Grids Contractor request. Subcontractor shall also hold regular HSE meetings involving line management and employees’ representatives. The minutes of all the meetings shall be recorded and be available promptly for review by Hitachi ABB Power Grids Contractor upon written request. In addition to these regular meetings, ad-hoc meetings shall be organized by Subcontractor for specific design, construction or installation issues, to address risk identification and risk assessment related to the activity and/or related to the potential consequence on the Project.

4.5 Subcontractor shall perform daily monitoring of Site activities by Site supervisory personnel as an integral part of the Subcontract. Informal daily Site tours shall be conducted regularly during each shift to ensure all activities comply with the agreed method statement as referred to in the Special Terms and Conditions. Subcontractor shall actively participate in all Hitachi ABB Power Grids HSE forums, meetings, inspections and initiatives.

4.6 Subcontractor shall be solely responsible for the health and safety of all its employees at Site and shall advise without undue delay Hitachi ABB Power Grids Contractor and the relevant authority, if so required, of the occurrence of any incident or near-miss on or about the Site or otherwise in connection with the provision of the Project Design Goods. Within twenty four (24) hours after the occurrence of any such incident or near-miss, Subcontractor shall furnish Hitachi ABB Power Grids Contractor with a written report, which shall be followed within fourteen (14) calendar days by a final report. Subcontractor shall also provide such a report to the appropriate authority when required. This procedure shall not relieve Subcontractor from the full responsibility to protect persons, environment and property, and from any of its liabilities and property, and from its liability for damages.

4.7 Subcontractor shall, if requested by Hitachi ABB Power Grids Contractor, perform medical examination of its employees prior to arrival on Site and provide Hitachi ABB Power Grids Contractor with the results of such examination, unless such provision would violate Applicable Laws. Hitachi ABB Power Grids Contractor reserves the right for medical reasons to deny Subcontractor’s personnel access to Site.

4.8 Subcontractor shall store, transport, treat and remove to, at and from Site any substances or material that could cause damage or harm to the environment in the most environmental friendly way possible and in accordance with Applicable Laws and other regulations. Subcontractor shall also clear all its items constituting a fire hazard from Site. If Subcontractor fails to immediately comply with written instructions to clear materials, Hitachi ABB Power Grids Contractor shall clear such materials at Subcontractor’s risk and expense.

4.9 Subcontractor shall notify Hitachi ABB Power Grids Contractor of all hazardous materials (as such term is defined in Applicable Laws) which are contained in the Project Design Goods. Subcontractor shall furnish Hitachi ABB Power Grids Contractor with copies of all applicable safety data sheets and provide any appropriate special handling instructions for the Project Designed Goods no later than ten (10) calendar days prior to (i) commencement of the manufacture of the Project Designed Goods or (ii) in case the decision to use a particular material will be taken later: the first use of such materials.
4.10 Subcontractor shall communicate in time to Hitachi ABB Power Grids Contractor its audits and inspections plan, in order to allow Hitachi ABB Power Grids Contractor to participate in its audits and inspections if Hitachi ABB Power Grids Contractor wishes so. In addition, Hitachi ABB Power Grids Contractor shall have the right to carry out its own HSE audits at Site during all phases of the Subcontract to assess Subcontractor compliance with the HSE Requirements. Subcontractor shall provide all relevant resources, documentation and assistance as required by Hitachi ABB Power Grids Contractor to perform such audits.

4.11 Hitachi ABB Power Grids Contractor shall have the right to request Subcontractor to suspend the performance of the Subcontract or any part thereof, including postponing the provision of Subcontractor’s work, for such times and in such manner as Hitachi ABB Power Grids Contractor reasonably considers necessary (i) for proper HSE compliance in the performance of Subcontractor’s work or (ii) due to any default by Subcontractor with HSE Requirements, in which case Subcontractor shall bear all costs and be liable for the delay arising from such suspension. Without prejudice to any other rights or remedies to which Hitachi ABB Power Grids Contractor may be entitled, Hitachi ABB Power Grids Contractor shall have the right to terminate the Subcontract with immediate effect in accordance with Clause 19.2.

4.12 Subcontractor shall ensure that its sub-suppliers are subject to and comply with the same obligations and HSE Requirements as applicable to Subcontractor.

5. VARIATION ORDERS

5.1 Hitachi ABB Power Grids Contractor may request Subcontractor to alter the Schedule, or to amend, omit, add to, or otherwise change the Project Designed Goods or any parts thereof.

5.2 Upon receipt of a request as per Clause 5.1, Subcontractor shall within ten (10) calendar days of such request submit its written proposal for performing any such request and (if applicable) a programme for the implementation of such request. In addition, such proposal shall reflect any adjustment of the Subcontract Price and/or the Schedule, if Subcontractor believes that any such request of Hitachi ABB Power Grids Contractor involves or constitutes a change to the Schedule and/or the Subcontract Price. Without any limitation of Subcontractor’s obligation to provide a proposal in other cases, the Parties agree: Subcontractor shall not deny to make a proposal for the variation with a view to Hitachi ABB Power Grids Contractor’s responsibility (if any) for the planning, if Hitachi ABB Power Grids Contractor (a) has made the planning in the manner and to the extent and detail of the original planning made by Hitachi ABB Power Grids Contractor, and (b) has handed over such planning to Subcontractor. In case of increased scope Subcontractor shall be responsible for planning of the variation. After receiving Subcontractor’s written proposal, Hitachi ABB Power Grids Contractor shall respond by either approving or commenting Subcontractor’s written proposal.

5.3 Where Hitachi ABB Power Grids Contractor approves Subcontractor’s written proposal, Hitachi ABB Power Grids Contractor shall issue a Variation Order. Where Hitachi ABB Power Grids Contractor comments Subcontractor’s written proposal, Hitachi ABB Power Grids Contractor and Subcontractor shall agree on the performance of such request and a change to the Schedule and/or the Subcontract Price (if any); however, if no such agreement is achieved between Subcontractor and Hitachi ABB Power Grids Contractor within a reasonable period of time, Hitachi ABB Power Grids Contractor may instruct the performance of such request, and the Parties shall agree on the consequences for the Schedule and/or the Subcontract Price (if any) afterwards. Subcontractor shall not postpone or delay the performance of such request and/or a Variation Order on the grounds of dispute, or that it is subject to acceptance by Subcontractor, or agreeing to the value amount, and/or time extension to Schedule. Except as expressly provided hereinbefore, Subcontractor shall carry out a variation only upon receipt of a written Variation Order and continue to be bound by the provisions of the Subcontract.

5.4 The value of a Variation Order shall be calculated in accordance with the agreed unit price list as defined in the Subcontract or, in the absence of such unit price list, as a lump sum to be agreed between Hitachi ABB Power Grids Contractor and Subcontractor, and then be added to or deducted from the Subcontract Price. In addition, the Variation Order shall, as the case may be, express the amount of time by virtue of which the Schedule shall be shortened or extended accordingly. Subcontractor shall comply with the calculation of the value of the Variation Order when preparing its written proposal as per Clause 5.2.

5.5 If Subcontractor believes that any act or omission (other than a request as per Clause 5.1) of Hitachi ABB Power Grids Contractor involves or constitutes a change to the Subcontract, Subcontractor shall within twenty-eight (28) calendar days of such act or omission request Hitachi ABB Power Grids Contractor to issue a Variation Order by submitting its written proposal for such a Variation Order.

5.6 Any request by Hitachi ABB Power Grids Contractor as per Clause 5.1, or acts or omissions of Hitachi ABB Power Grids Contractor as per Clause 5.5, which (i) do not affect the Schedule or do not result in additional cost, or (ii) are due to Subcontractor’s default, shall in no case entitle Subcontractor to any extension of time for performance of its obligations and/or cost compensation (as the case may be).

6. DELIVERY

6.1 Delivery shall be in accordance with the Schedule. Partial Delivery is not accepted, unless otherwise agreed by Hitachi ABB Power Grids Contractor in writing or where partial Delivery reasonably should be accepted by Hitachi ABB Power Grids Contractor.

6.2 Subcontractor shall submit for Hitachi ABB Power Grids Contractor’s approval a detailed execution plan (including agreed milestones as specified in the Subcontract) for the performance of the Subcontract and shall assist and cooperate with Hitachi ABB Power Grids Contractor in all respects of scheduling and planning.

6.3 Unless requested otherwise, Subcontractor shall at least weekly in the form requested by Hitachi ABB Power Grids Contractor, report the status of the Delivery. The report shall provide a statement regarding the timely Delivery and steps proposed for expediting whenever required. The report shall be provided to Hitachi ABB Power Grids Contractor within five (5) calendar days from the end of the month covered by the report. If the Delivery of any Project Designed Goods is behind the Schedule, Subcontractor shall submit in writing a recovery plan specifying its activities for reaching compliance with the Schedule. Upon Hitachi ABB Power Grids Contractor’s request, Subcontractor shall provide all information regarding the Delivery. Hitachi ABB Power Grids Contractor reserves the right to withhold payments under the Subcontract if Subcontractor fails to submit any reports.

6.4 Subcontractor shall provide no later than at the time of acceptance of the Subcontract the customs tariff numbers of the country of consignment and the countries of origin for all Project Designed Goods; proofs of preferential origin, if a free trade agreement between the country of consignment and the country where the Site is located exists.

For controlled items (goods, services, software, technology), the relevant national export control numbers must be indicated and, if the Project Designed Goods are subject to U.S. export regulations, the U.S. Export Control Classification Numbers (ECCN) or classification numbers of the International Traffic in Arms Regulations (ITAR) must be specified. Proofs of preferential origin as well as conformity declarations and marks of the country of consignment or destination are to be submitted without being requested; certificates of origin upon request.

For the performance of the Subcontract, Subcontractor shall not deploy nor subcontract persons or subcontractors which are listed in actual sanction lists of following regulations:

- (EG) Nr. 2580/2001 Terrorism;
- (EG) Nr. 881/2002 Al-Qaida;
- (EU) Nr. 753/2011 Afghanistan;
- Embargo Regulations of EU.
6.5 Subcontractor shall give Hitachi ABB Power Grids Contractor ten (10) calendar days written advance notice of each Delivery and shall ensure that such Delivery is accompanied by a delivery note, which shall contain the following minimum information (unless required otherwise by Hitachi ABB Power Grids Contractor): Order number, date of Order, number of packages including dimensions, weights and contents and, in case of partial delivery, the outstanding balance remaining to be delivered.

6.6 Subcontractor (or its appointed carrier) shall provide Hitachi ABB Power Grids Contractor with such additional import/export documents as are requested by Hitachi ABB Power Grids Contractor together with a delivery note.

6.7 Ownership of Project Designed Goods shall pass on to Hitachi ABB Power Grids Contractor at whichever is the earliest of the following: (i) when loaded on the means of transport to be used for carriage of the Project Designed Goods, or (ii) progressively as payments for the Project Designed Goods are made by Hitachi ABB Power Grids Contractor, or (iii) when ownership transfer is required from Hitachi ABB Power Grids Contractor by Client under the Main Contract. In case ownership in the Project Designed Goods as per the preceding sentence has not passed on to Hitachi ABB Power Grids Contractor prior to handing over of the Project Designed Goods to Hitachi ABB Power Grids Contractor (or a third party designated by Hitachi ABB Power Grids Contractor as addressee), the ownership shall pass on to Hitachi ABB Power Grids Contractor upon arrival at Hitachi ABB Power Grids Contractor’s (or Hitachi ABB Power Grids Contractor’s addressee’s) premises or at Site.

6.8 As soon as materials provided by either Hitachi ABB Power Grids Contractor or Subcontractor, as the case may be, are sufficient to be delivered in accordance with the Contract, Subcontractor shall mark them with an identification number and Hitachi ABB Power Grids Contractor’s name, and as far as possible keep them separate from other items.

7. DELAY

7.1 If Subcontractor does not comply with the Schedule, Hitachi ABB Power Grids Contractor reserves the right to instruct Subcontractor in writing to expedite its performance. Subcontractor shall take such measures as instructed by Hitachi ABB Power Grids Contractor for acceleration of progress so as to complete the Delivery of the Project Designed Goods, or the relevant part thereof, according to Schedule. Subcontractor shall not be entitled to any additional payment for taking such steps to meet the Schedule, unless such failure is not due to Subcontractor’s default. Subcontractor shall notify Hitachi ABB Power Grids Contractor in writing within twenty-four (24) hours of the occurrence and cause of any delay and make every effort to minimise or mitigate the costs or the consequences of such delay.

7.2 If Subcontractor fails to deliver the Project Designed Goods according to Schedule, Subcontractor shall pay the agreed penalty to Hitachi ABB Power Grids Contractor as for the rate specified in the Subcontract. Subcontractor shall pay the penalty upon written demand or upon receipt of an invoice from Hitachi ABB Power Grids Contractor. Hitachi ABB Power Grids Contractor reserves the right to deduct the amount of the penalty being due from any payments due or which may become due to Subcontractor, or from Subcontractor’s financial guarantees, without prejudice to any other recovery method. The agreed penalty shall not affect Hitachi ABB Power Grids Contractor’s claim for damages whatsoever nor shall payment of such penalty relieve Subcontractor from any of its obligations or liabilities under the Subcontract. Hitachi ABB Power Grids Contractor shall be entitled to reserve the right to assert the penalty up to the time of final payment.

7.3 If the delay in Delivery is such that Hitachi ABB Power Grids Contractor is entitled to maximum penalty and if the Project Designed Goods are still not delivered, Hitachi ABB Power Grids Contractor may in writing demand Delivery within a final reasonable period (not less than one week).

7.4 If Subcontractor does not deliver within such final period and this is not due to any circumstance for which Hitachi ABB Power Grids Contractor is responsible, then Hitachi ABB Power Grids Contractor shall have the right to:

7.4.1 rescind the Subcontract or terminate the Subcontract with immediate effect pursuant to Clause 19.2.2 (Termination);
7.4.2 refuse any subsequent delivery of Project Designed Goods;
7.4.3 in addition to the penalty under Clause 7 recover from Subcontractor any costs and expenses reasonably incurred by Hitachi ABB Power Grids Contractor in obtaining the Project Designed Goods in substitution from another sub-supplier; and/or
7.4.4 claim in addition to the penalty under Clause 7 damages for any costs, losses, expenses and damages incurred whatsoever by Hitachi ABB Power Grids Contractor which are reasonably attributable to Subcontractor’s delay.

7.5 Hitachi ABB Power Grids Contractor shall also have the right to rescind the Subcontract or to terminate the Subcontract with immediate effect by notice in writing to Subcontractor, if it is clear from the circumstances that a delay in Delivery will occur which under Clause 7 would entitle Hitachi ABB Power Grids Contractor to maximum penalty.

8. TEST AND ACCEPTANCE OF PROJECT DESIGNED GOODS

8.1 Subcontractor shall perform tests as required in the Special Terms and Conditions, and any other tests required to meet regulations, codes and standards or reasonably deemed necessary by Hitachi ABB Power Grids Contractor to verify that the Project Designed Goods comply with the Subcontract.

8.2 At any time prior to Delivery and during Subcontractor’s business hours, Hitachi ABB Power Grids Contractor and/or Client’s nominee may at its own discretion (i) inspect the Project Designed Goods and Subcontractor’s manufacturing units upon providing reasonable notice, and/or (ii) witness factory tests of the Project Designed Goods, or any parts or materials thereof. In addition, Hitachi ABB Power Grids Contractor and/or Client shall have the right to inspect and/or test the Project Designed Goods at Site.

8.3 If such inspection or test give Hitachi ABB Power Grids Contractor reason to believe that the Project Designed Goods do not comply or are unlikely to comply with the Subcontract, Hitachi ABB Power Grids Contractor will inform Subcontractor and Subcontractor without undue delay shall take any action necessary to ensure compliance with the Subcontract. In addition Subcontractor shall re-perform any such inspection or testing at Subcontractor’s costs, and bear Hitachi ABB Power Grids Contractor’s and Client’s costs of attending such inspection and testing of the Project Designed Goods.

8.4 Subcontractor shall prepare and transfer to Hitachi ABB Power Grids Contractor within fifteen (15) calendar days from the Effective Date a detailed schedule of all tests, including a drawing showing the test arrangement as well as a circuit diagram for the test procedure stating all instruments, equipment to be used, and indicating the estimated dates for the tests. Subcontractor shall furnish all instruments, labour, material and assistance required for inspection and witness of testing of the Project Designed Goods.

8.5 Subcontractor shall inform in writing Hitachi ABB Power Grids Contractor at least four (4) weeks in advance when the Project Designed Goods are ready for the agreed inspections and tests.

8.6 The costs of any tests are included in the Subcontract Price.

8.7 Hitachi ABB Power Grids Contractor will issue an Acceptance Test Certificate when the Project Designed Goods have passed all required tests, including but not limited to factory tests, the Project Designed Goods are free from any major defects and deficiencies, the works have been completely finished and Subcontractor has met all obligations under the Subcontract. Such Acceptance Test Certificate shall constitute acceptance of the Project Designed Goods. The issuance of the Acceptance Test Certificate should be made in writing. Any fictions of
acceptance provided by applicable law shall require that the Project Designed Goods have been completely finished and are substantially in line with the Subcontract. Cases where the applicable law provides for partial acceptance shall in any case be unaffected.

8.8 If the Project Designed Goods do not pass the tests or other preconditions set out in Clause 8.7 are not fulfilled (hereinafter collectively: deficiencies and defects), the Parties shall prepare and sign a protocol indicating all relevant test results and the deficiencies and defects preventing Hitachi ABB Power Grids Contractor from issuing the Acceptance Test Certificate. Subcontractor shall remedy the deficiencies and defects within the shortest time possible or, if applicable, by the date specified in said protocol.

8.9 Hitachi ABB Power Grids Contractor is entitled to issue the Acceptance Test Certificate as a conditional acceptance, despite major deficiencies and defects identified during the inspection and testing program. In such case the conditional character and the deficiencies and defects shall be described in the Acceptance Test Certificate, and Subcontractor shall remedy these deficiencies and defects within the shortest time possible, however not later than thirty (30) calendar days from the date of the conditional Acceptance Test Certificate. After all deficiencies and defects have been remedied in due time, the Acceptance Test Certificate shall become effective. Hitachi ABB Power Grids Contractor is entitled to withhold any outstanding payments until all these deficiencies and defects have been remedied. Should Subcontractor fail to remedy the same within the thirty (30) calendar days’ time period, the issued conditional Acceptance Test Certificate shall be deemed null and void and Hitachi ABB Power Grids Contractor shall – without prejudice to any other rights or remedies it may have at law or under the Subcontract – be entitled (i) to treat the failure as a delay in completion, and (ii) to call any guarantees in its possession. In no event shall the warranty period commence under such conditional Acceptance Test Certificate save as expressly provided in Clause 11.3.

8.10 Hitachi ABB Power Grids Contractor will issue the Final Acceptance Certificate when all defects and deficiencies have been remedied, Subcontractor has met all obligations under the Subcontract and the warranty period has expired.

8.11 Hitachi ABB Power Grids Contractor is entitled to issue the Final Acceptance Certificate as a conditional acceptance, despite deficiencies and defects notified during the warranty period. In such case the conditional character and the deficiencies and defects shall be described in the conditional Final Acceptance Certificate, and Subcontractor shall remedy these deficiencies and defects within the shortest time possible, however not later than thirty (30) calendar days from the date of the conditional Final Acceptance Certificate. Hitachi ABB Power Grids Contractor is entitled to withhold any outstanding payments until all deficiencies and defects have been remedied. Should Subcontractor fail to remedy the same within the thirty (30) calendar days’ time period, the issued conditional Final Acceptance Certificate shall be deemed null and void and Hitachi ABB Power Grids Contractor shall – without prejudice to any other rights or remedies it may have at law or under the Subcontract – be entitled (i) to treat the failure as a delay in performance, (ii) to compensate Subcontractor for all costs, damages and losses incurred as a result of these deficiencies and defects, (iii) to call any guarantees in its possession, and (iv) to demand a price reduction instead of the other remedies. In case of (iv) above, a Variation Order will be issued to reflect an equitable reduction in the Subcontract Price, and such adjustments shall be effected whether or not final payment has been made. After all deficiencies and defects have been remedied, the Final Acceptance Certificate shall become effective.

8.12 Subcontractor shall provide at its own expense sufficient equipment, workmen and services as required to obtain from Hitachi ABB Power Grids Contractor the Acceptance Test Certificate and the Final Acceptance Certificate. Any extension of time requires written application of Subcontractor (including explanation of the reasons for not complying with the Schedule) and written approval of Hitachi ABB Power Grids Contractor.

8.13 Hitachi ABB Power Grids Contractor may under circumstances endangering the Project Designed Goods and/or the performance of the Subcontract, without any effect on the obligations of either Party under the Subcontract, take possession of any part of the Project Designed Goods prior to Delivery and at its discretion. Such possession shall not constitute acceptance of the Project Designed Goods and shall not relieve Subcontractor of any obligations or liabilities under the Subcontract.

8.14 Subcontractor shall remain fully responsible for compliance of the Project Designed Goods with the Subcontract. This applies whether or not Hitachi ABB Power Grids Contractor has exercised its right of appeal, inspection, testing and/or test sampling and shall not limit Subcontractor’s obligations under the Subcontract. For the avoidance of doubt, appeal, inspection, testing or test sampling of Project Designed Goods by Hitachi ABB Power Grids Contractor shall not exempt Subcontractor from nor limit Subcontractor’s warranties or liability in any way.

9. SUSPENSION OF THE SUBCONTRACT

9.1 Hitachi ABB Power Grids Contractor may at its own discretion suspend performance of the Subcontract at any time for convenience for a period of ninety (90) calendar days in the aggregate without any compensation to Subcontractor. In case the suspension extends beyond ninety (90) calendar days, Subcontractor shall be compensated by Hitachi ABB Power Grids Contractor for reasonable costs incurred by such suspension, such as costs of protection, storage and insurance. The agreed time for performance of the Subcontract or the concerned part thereof shall be extended by the time of the suspension plus a reasonable time for resumption of the Subcontract.

9.2 Subcontractor shall suspend the performance of the Subcontract or any part thereof, including postponing the Delivery, for such times and in such manner as Hitachi ABB Power Grids Contractor reasonably considers necessary (i) for Subcontractor’s default to comply with proper HSE performance, or (ii) due to any other default by Subcontractor. Subcontractor shall bear all costs and be liable for the delay arising from such suspension.

9.3 During any suspension Subcontractor shall properly protect, insure and secure the Project Designed Goods.

9.4 Subcontractor shall make every effort to minimise the consequences of any suspension.

9.5 Unless otherwise provided by applicable law or the Subcontract, Subcontractor shall not suspend performance of the Subcontract.

10. FORCE MAJEURE

10.1 Neither Party shall be liable for any delay or failure to perform its obligations under the Subcontract if the delay or failure results from an event of Force Majeure, provided that the affected Party serves notice to the other Party within ten (10) calendar days from occurrence of such Force Majeure event and of the time Subcontractor becomes aware of such event or should reasonably be aware thereof.

10.2 Force Majeure means the occurrence of any of the following events, provided that they are unforeseeable and beyond the control of the affected Party: flood, earthquake, volcanic eruption, war (whether declared or not), or terrorism.

10.3 The affected Party shall provide continuous updates on status and efforts to resolve the delay, and shall ultimately be entitled to an extension of time only, but no monetary compensation for the delay. Each Party shall use reasonable endeavours to minimise the effects of the Force Majeure event.

10.4 If a Force Majeure event exceeds twelve (12) months, either Party may rescind the Subcontract or terminate the Subcontract with immediate effect by written notice to the other Party without liability to the other Party. In case of such termination Subcontractor shall be compensated by Hitachi ABB Power Grids Contractor for (i) separate parts of the Project Designed Goods already provided or manufactured by
Subcontractor fully in line with the Subcontract, not already paid for by Hitachi ABB Power Grids Contractor and irrevocably transferred and handed over to Hitachi ABB Power Grids Contractor and/or, as the case may be, (ii) expenses for provision of the Project Designed Goods as per the Subcontract which Subcontractor cannot avoid or reduce. Hitachi ABB Power Grids Contractor shall have the right to take possession of Subcontractor’s Project Designed Goods or parts thereof, as the case may be. In any case the total claims for compensation by Subcontractor shall not exceed the amount which would have been due to Subcontractor if the Project Designed Goods had been completed. However, in case and to the extent that Hitachi ABB Power Grids Contractor cannot reasonably use the parts of the Project Designed Goods – whether provided and paid for in the past or not – Hitachi ABB Power Grids Contractor shall be entitled to reject such parts (transferred or not) and to claim repayment for such parts.

11. WARRANTY AND REMEDIES

11.1 Subcontractor warrants that:

11.1.1 the Project Designed Goods comply with the Subcontract, including but not limited to the specifications as stipulated therein and Subcontractor’s responsibilities as defined in Clauses 3 and 4;

11.1.2 the Project Designed Goods are fit for the particular purpose of the Project, whether expressly or impliedly made known to Subcontractor in the Subcontract;

11.1.3 the Project Designed Goods are new and unused at the date of Delivery;

11.1.4 the Project Designed Goods retain the functionality and performance as expected by Client; and

11.1.5 the Project Designed Goods remain free from defects in design, workmanship and material during the warranty period.

11.2 Subcontractor warrants that the Embedded Software does not contain hidden files, does not replicate, transmit, or activate itself without control of a person operating the computing equipment on which it resides, and does not contain license activation or authorization key or other function, whether implemented by electronic, mechanical software, or other means, that restricts or may restrict use or access to the Embedded Software, and each Embedded Software logs any failure and assists incidents in a log file which may be reviewed online.

11.3 The warranty period is forty-eight (48) months from the date of issuance of Acceptance Test Certificate for the respective Project Designed Goods or, if conditional, from the date it becomes effective as per Clause 8.9, and in the absence of such Acceptance Test Certificate without Subcontractor’s default, the warranty period shall be forty-eight (48) months from Delivery in full compliance with the Subcontract and, in case of separate Services, from the complete performance of the Services in full compliance with the Subcontract. However, in case Hitachi ABB Power Grids Contractor has obtained the Provisional Acceptance Certificate the warranty period shall be thirty-six (36) months from the date thereof, but shall – save as provided otherwise in Sentence 3 below – in no case exceed the warranty period as described in Sentence 1 above. Notwithstanding the foregoing, if the applicable law foresees a longer warranty period for the structural portion of the Project Designed Goods, such longer warranty period shall apply.

11.4 In case of a breach of warranty, the warranty period shall be extended by a time period which is equal to the time period for the performance of the remedial work by Subcontractor.

11.5 Upon Hitachi ABB Power Grids Contractor’s written request Subcontractor assigns, transfers and conveys to Hitachi ABB Power Grids Contractor all of its rights, title and interests under all warranties with respect to the Project Designed Goods.

11.6 In case of non-compliance with the warranty provided under this Clause 11, Hitachi ABB Power Grids Contractor may at its own discretion request Subcontractor to carry out any additional work necessary to ensure that the terms and conditions of the Subcontract are fulfilled within twenty (20) calendar days from Hitachi ABB Power Grids Contractor’s notice or such longer or shorter period reasonably to be granted by Hitachi ABB Power Grids Contractor in view of the circumstances involved, or, at Hitachi ABB Power Grids Contractor’s choice, to deliver within the time period set out above new Project Designed Goods in accordance with the Subcontract. If not otherwise agreed in writing by the Parties, such remedial work requires acceptance by Hitachi ABB Power Grids Contractor.

11.7 In case Subcontractor fails or refuses to remedy the defects within the period as provided in Clause 11.6 or in other cases where the applicable law waives the requirement to set a time period for remedy, Hitachi ABB Power Grids Contractor may at its own discretion enforce any or more of the following remedies at Subcontractor’s own expense:

11.7.1 perform any additional work necessary to make the Project Designed Goods comply with the Subcontract or to instruct a third party to do so;

11.7.2 refuse any further Project Designed Goods, but without exemption from Subcontractor’s liability for the defective Project Designed Goods for which Hitachi ABB Power Grids Contractor shall be entitled to a price reduction, instead of requiring their correction, replacement or removal. A Variation Order shall be issued to reflect an equitable reduction in the Subcontract Price. Such adjustments shall be effected whether or not final payment has been made;

11.7.3 claim such costs and damages as may have been sustained by Hitachi ABB Power Grids Contractor as a result of Subcontractor’s breach; and/or

11.7.4 terminate the Subcontract with immediate effect in accordance with Clause 19 or rescind the Subcontract.

11.8 The remedies as per Clauses 11.6 and 11.7 shall be at Subcontractor’s own expense (including, without limitation, costs of transportation to Site, disassembly, cleaning, upgrade, assembly, installation, testing, insurance, completion, and acceptance) and risk.

11.9 The rights and remedies available to Hitachi ABB Power Grids Contractor under the Subcontract are cumulative and are not exclusive of any rights or remedies available in view of defects whatsoever.

12. STEP IN

If Subcontractor fails to deliver the Project Designed Goods in accordance with the Subcontract, including but without limitation to the Schedule, and if Subcontractor fails to take satisfactory actions (acceptable to Hitachi ABB Power Grids Contractor) to commence correction within seven (7) calendar days after receipt of written notice from Hitachi ABB Power Grids Contractor, Hitachi ABB Power Grids Contractor may, at its own discretion and in addition to any other remedy or rights it may have, employ other subcontractors to complete the Project Designed Goods (or relevant part thereof) or complete it by using its own resources. Any such work shall be performed at Subcontractor’s risk and Subcontractor shall reimburse Hitachi ABB Power Grids Contractor all additional costs incurred thereby. Subcontractor shall pay the amount to Hitachi ABB Power Grids Contractor, or it will be deducted from any amount due or amount that will become due to Subcontractor or from any of Subcontractor’s guarantees. Hitachi ABB Power Grids Contractor shall have the right to take possession at Subcontractor’s premises or at Site of any uncompleted part of the Project Designed Goods and use all drawings, technical information related to the Project Designed Goods, materials, equipment and other property provided (or to be provided) or used by Subcontractor and use it as Hitachi ABB Power Grids Contractor deems fit in order to complete the Project Designed Goods. If Hitachi ABB Power Grids Contractor’s costs for so completing the Project Designed Goods exceed the amount which would have been due to Subcontractor if the Project Designed Goods had been completed by it. Subcontractor shall pay the amount in excess of the Subcontract Price to Hitachi ABB Power Grids Contractor, who otherwise may deduct such amount from any money that is or will become due to Subcontractor or from any of Subcontractor’s financial guarantees.

13. SUBCONTRACT PRICE, PAYMENT, INVOICING

13.1 The Subcontract Price is deemed to cover all obligations of Subcontractor under the Subcontract and includes the costs of the Project

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Designated Goods specified and all other costs necessary for providing the Project Designated Goods, including but not limited to fees, taxes, duties, transportation, profit, overhead, licenses, permits, and travel, whether indicated or described or not. Subcontractor shall bear and pay without undue delay all customs and import duties to national authorities for all goods and material imported to the country where the Site is located.

13.2 The prices stipulated in the Subcontract are firm unless amended in a Variation Order.

13.3 The payment terms and the applicable procedures are specified in the Subcontract.

13.4 Subcontractor shall submit invoices in an auditable form, complying with applicable laws, generally accepted accounting principles and Hitachi ABB Power Grids Contractor requirements set forth in the Subcontract, which shall contain the following minimum information: Subcontractor name, address and reference person including contact details; invoice date; invoice number; Order number; and Subcontractor number; address of Hitachi ABB Power Grids Contractor; quantity; specification of Project Designated Goods; price (total amount invoiced); currency; tax or VAT amount; tax or VAT number; Authorized Economic Operator and/or Approved Exporter Authorization number and/or other customs identification number, if applicable.

13.5 Invoices shall be issued to Hitachi ABB Power Grids Contractor and be accompanied by interim release of rights as referred to in Clause 13.6. The submission of an invoice is deemed to be a confirmation by Subcontractor that it has no additional claims for the Project Designated Goods invoiced, except as may already have been submitted in writing, for anything that has occurred up to and including the last day of the period covered by such invoice.

13.6 Subcontractor shall make payment in due time for all equipment and labour used in connection with the performance of the Subcontract in order to avoid the imposition of any rights against any portion of the Project Designated Goods and/or the Project. In case of the imposition of such rights by any person who has supplied directly or indirectly any such equipment or labour in relation to the Subcontract, Subcontractor shall, at its own expense, without undue delay take all action necessary to cause such rights to be released or discharged. Upon Hitachi ABB Power Grids Contractor’s request, Subcontractor shall furnish satisfactory evidence to verify compliance with the above. As an alternative, Hitachi ABB Power Grids Contractor may, at its own discretion, pay to release such rights and withhold such amounts from Subcontractor.

13.7 Hitachi ABB Power Grids Contractor reserves the right to withhold the whole or part of any payment to Subcontractor which, in the reasonable opinion of Hitachi ABB Power Grids Contractor, is necessary for protection of Hitachi ABB Power Grids Contractor from loss on account of claims against Subcontractor, or failure by Subcontractor to make due payments to its sub-suppliers or employees, or not having paid taxes, dues or social insurance contributions. Hitachi ABB Power Grids Contractor reserves the right to set off such amount owed to Subcontractor, or withhold payment for Project Designated Goods not delivered in accordance with the Subcontract. However, Subcontractor has no right to set off any amounts owed by Hitachi ABB Power Grids Contractor to Subcontractor, unless approved by Hitachi ABB Power Grids Contractor in writing.

14. FINANCIAL GUARANTEES

14.1 Subcontractor shall submit financial guarantees as required in the Special Terms and Conditions, within fifteen (15) calendar days from Effective Date. The guarantees shall be issued by reputable banks accepted by Hitachi ABB Power Grids Contractor. The guarantees shall be unconditional and irrevocable. Subcontractor’s failure to provide such guarantees shall entitle Hitachi ABB Power Grids Contractor to claim compensation for costs and damages as may have been sustained by Hitachi ABB Power Grids Contractor as a result of such failure, without prejudice to any other rights Hitachi ABB Power Grids Contractor may have under the Subcontract. Hitachi ABB Power Grids Contractor may at its own discretion seek additional security from Subcontractor, such as a parent company or bank guarantee, in a form (if any) as provided in the annexes or in the Special Terms and Conditions.

14.2 The financial guarantees shall remain valid until issuance of the unconditional Acceptance Test Certificate (if serving as performance security) or until Final Acceptance Certificate (if serving as warranty security). However, in case an advance payment guarantee is submitted, such guarantee shall remain valid until issuance of the Acceptance Test Certificate, unless an earlier date is agreed.

14.3 If the Parties agree on increased prices, the financial guarantee shall be increased proportionally within twenty (20) calendar days from Hitachi ABB Power Grids Contractor’s written confirmation of the increased price, or otherwise the equivalent amount shall be deducted from each invoice and become reimbursable upon issuance of the Final Acceptance Certificate.

14.4 All costs related to financial guarantees are to the account of Subcontractor.

15. DOCUMENTATION

15.1 Subcontractor shall at its expense:

15.1.1 submit, as part of the Project Designated Goods, the Subcontractor Documentation. Delay in submitting the Subcontractor Documentation is regarded a delay in delivering the Project Designated Goods;

15.1.2 prepare translations into English and/or any other language if so required by Hitachi ABB Power Grids Contractor;

15.1.3 without undue delay upon receipt of Client’s and/or Hitachi ABB Power Grids Contractor’s technical specification, carefully check such specifications and notify Hitachi ABB Power Grids Contractor without undue delay of any errors, omissions or discrepancies. Hitachi ABB Power Grids Contractor shall not bear any costs or liability in relation to any errors, omissions or discrepancies which Subcontractor ought to have found during its check;

15.1.4 provide Hitachi ABB Power Grids Contractor with updated copies of the drawings (‘as-built’) and specifications showing all changes made during the performance of the Subcontract prior to (and as a condition for) issuance of the Acceptance Test Certificate or, if earlier, at the dates set out in the Subcontract.

15.2 Where certificates are required, Subcontractor shall submit such certificates at its expense and in accordance with Hitachi ABB Power Grids Contractor’s reasonable instructions. Certificates are subject to approval by Hitachi ABB Power Grids Contractor, and Subcontractor shall not fabricate or deliver Project Designated Goods represented by such certificates without such approval. Certificates shall identify the certified Project Designated Goods and include but not be limited to the following information: Subcontractor’s name, name of the item, manufacturer’s name, reference to the appropriate drawing, technical specification section and paragraph number, all as applicable.

15.3 All Subcontractor Documentation is subject to approval by Hitachi ABB Power Grids Contractor. Subcontractor is not entitled to any compensation for a modification of the Project Designated Goods as a result of Hitachi ABB Power Grids Contractor’s comments prior to an approval by Hitachi ABB Power Grids Contractor, if Subcontractor performs prior to such approval.

15.4 Hitachi ABB Power Grids Contractor shall approve or comment on Subcontractor Documentation within the time period specified in the Subcontract, provided that the Subcontractor Documentation is in a condition that enables Hitachi ABB Power Grids Contractor to decide if the Subcontractor Documentation is to be approved or revised.

15.5 Subcontractor Documentation commented by Hitachi ABB Power Grids Contractor shall be corrected and resubmitted for approval within seven (7) calendar days from the date of receipt of Hitachi ABB Power Grids Contractor’s comments or such longer period reasonably to be granted by Hitachi ABB Power Grids Contractor in view of the circumstances involved.

15.6 Approvals by Hitachi ABB Power Grids Contractor do not constitute acceptance of the details, general design, calculations, analyses,
16. INTELLECTUAL PROPERTY
16.1 Subcontractor hereby grants Hitachi ABB Power Grids Contractor and/or Client, or undertakes to procure that Hitachi ABB Power Grids Contractor and/or Client is granted, a perpetual, irrevocable, transferrable, sublicensable, non-exclusive, royalty-free license to use the Intellectual Property Rights in the Project Designed Goods, including Subcontractor Documentation and including Embedded Software or other software to be provided to Hitachi ABB Power Grids Contractor under the Subcontract, if any.

16.2 If any Intellectual Property Rights in the Project Designed Goods are to be transferred from Subcontractor to Hitachi ABB Power Grids Contractor or Client, the terms and conditions for such transfer shall be separately agreed in the Special Terms and Conditions.

16.3 If the Embedded Software contains or uses Open Source Software, Subcontractor must inform Hitachi ABB Power Grids Contractor in writing and prior to Delivery about all Open Source Software contained in or used by the Embedded Software. If Hitachi ABB Power Grids Contractor does not approve Open Source Software components contained in or used by the Embedded Software, Subcontractor agrees to replace the affected Open Source Software component(s).

17. LIABILITY AND INDEMNITY
17.1 Subcontractor shall indemnify Hitachi ABB Power Grids Contractor and Client against all liabilities, losses, damages, injuries, costs, actions, suits, claims, demands, charges or expenses whatsoever arising in connection with death or injury suffered by persons employed by Subcontractor or any of its sub-suppliers to the extent that the respective liabilities, losses, damages, injuries, cost, actions, suits, claims, demands, charges or expenses were caused by or arise from acts or omissions of Subcontractor, unless caused by Hitachi ABB Power Grids Contractor’s gross negligence or intentional act.

17.2 Without prejudice to applicable mandatory law Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor and Client from all liabilities, damages, costs, losses or expenses incurred as a result of Subcontractor’s breach of the Subcontract; Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor from any claim made by a third party against Hitachi ABB Power Grids Contractor in connection with the Project Designed Goods, including but without limitation to claims that such Project Designed Goods infringe a third party’s Intellectual Property Rights; upon Hitachi ABB Power Grids Contractor’s request, Subcontractor shall assume and pay for the defence of Hitachi ABB Power Grids Contractor against any third party claims; provided in all cases and only to the extent that the respective liabilities, damages, costs, losses or expenses were caused by or arise from culpable acts or omissions of Subcontractor.

17.3 In the event of infringements of third party Intellectual Property Rights caused by or related to the Project Designed Goods, without prejudice to Hitachi ABB Power Grids Contractor’s rights under the Subcontract, Subcontractor shall, upon notification from Hitachi ABB Power Grids Contractor at Hitachi ABB Power Grids Contractor’s discretion, but at Subcontractor’s costs (i) procure for Hitachi ABB Power Grids Contractor the right to continue using the Project Designed Goods; (ii) modify the Project Designed Goods so that they cease to be infringing; or (iii) replace the Project Designed Goods by non-infringing Project Designed Goods.

17.4 Subcontractor assumes full responsibility for the acts or omissions of its employees and/or sub-suppliers, as if such acts or omissions were those of Subcontractor.

17.5 Hitachi ABB Power Grids Contractor reserves the right to set off any claims under the Subcontract against any amounts owed to Subcontractor.

18. INSURANCE
18.1 Until issuance of the Final Acceptance Certificate and as required in the Special Terms and Conditions, Subcontractor shall maintain at its expense with reputable and financially sound insurers acceptable to Hitachi ABB Power Grids Contractor the following type of insurances: marine cargo insurance, public liability insurance, statutory worker’s compensation/employer’s liability insurance.

18.2 All insurance policies (except for statutory worker’s compensation/employer’s liability insurance) shall be endorsed to include Hitachi ABB Power Grids Contractor as additional insured and provide a waiver of insurer’s right of subrogation in favour of Hitachi ABB Power Grids Contractor. All insurance policies and waivers of recourse shall, upon request by Hitachi ABB Power Grids Contractor, be extended to also similarly apply to Client. Subcontractor shall no later than the Effective Date provide to Hitachi ABB Power Grids Contractor certificates of insurance as well as confirmation that premiums have been paid. Subcontractor shall also provide upon Hitachi ABB Power Grids Contractor’s request copies of such insurance policies.

18.3 In case of loss or damage related to the covers in Clause 18, all deductibles shall be to Subcontractor’s account.

18.4 Subcontractor shall furnish notice to Hitachi ABB Power Grids Contractor within thirty (30) calendar days of any cancellation or non-renewal or material change to the terms of any insurance.

18.5 All Subcontractor policies (except worker’s compensation/employer’s liability) are considered primary insurance and any insurance carried by Hitachi ABB Power Grids Contractor shall not be called upon by Subcontractor’s insurers to contribute or participate on the basis of contributing, concurrent, double insurance or otherwise.

18.6 Should Subcontractor fail to provide insurance certificates and maintain insurance according to Clause 18, Hitachi ABB Power Grids Contractor may procure such insurance cover at Subcontractor’s expense.

18.7 Any compensation received by Subcontractor shall be applied towards the replacement and/or restoration of the Project Designed Goods.

18.8 Nothing in this Clause 18 shall relieve Subcontractor from any liability towards Hitachi ABB Power Grids Contractor. The insured amounts cannot be considered nor construed as a limitation of liability.

19. TERMINATION
19.1 Hitachi ABB Power Grids Contractor may at its own discretion terminate the Subcontract for convenience in whole or in part at any time with immediate effect by written notice to Subcontractor. Upon receipt of such notice, Subcontractor shall stop performance of the Subcontract. Hitachi ABB Power Grids Contractor shall pay Subcontractor for the Project Designed Goods delivered and for the materials purchased for manufacturing of the Project Designed Goods before termination which cannot be used by Subcontractor for other purposes (such Project Designed Goods and materials shall become property of Hitachi ABB Power Grids Contractor upon payment), and other verified, proven and direct expenses incurred for discontinuing the Subcontract. However, in no event shall the total amount to be paid by Hitachi ABB Power Grids Contractor exceed the amount of accumulated costs as

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stated in the Special Terms and Conditions, or in the absence thereof the amount due by Hitachi ABB Power Grids Contractor at the time of termination according to the Subcontract. Subcontractor shall have no further claim for compensation due to such termination. Subcontractor waives any claim for compensation of loss of anticipated profits.

19.2 Hitachi ABB Power Grids Contractor may at its own discretion terminate the Subcontract with immediate effect if:

19.2.1 Subcontractor commits a material breach of its obligations under the Subcontract, and fails to remedy that breach within ten (10) calendar days of receiving written notice from Hitachi ABB Power Grids Contractor requiring its remedy (unless otherwise stated under the Subcontract or within such longer period reasonably to be granted by Hitachi ABB Power Grids Contractor in view of the circumstances involved); or

19.2.2 the preconditions of Clause 7.4 are fulfilled, or it is clear from the circumstances that as per Clause 7.5 a delay will occur in Delivery which would entitle Hitachi ABB Power Grids Contractor to maximum amount of the penalty; or

19.2.3 there is any materially adverse change in the position, financial or economic, of Subcontractor, or a resolution on winding-up in view of the Subcontract (taken by the Subcontractor’s shareholders); or

19.2.4 Subcontractor ceases, or threatens to cease, performing a substantial portion of its business, whether voluntarily or involuntarily, that has or will have an adverse effect on Subcontractor’s ability to perform its obligations under the Subcontract; or

19.2.5 an interim order is made against Subcontractor materially affecting the performance of the Subcontract; or

19.2.6 any representation made by Subcontractor in the Subcontract is not true, or inaccurate and if such lack of truth or accuracy can reasonably be expected to result in an adverse impact on Hitachi ABB Power Grids Contractor, unless cured within twenty (20) calendar days after the date of written notice of such lack; or

19.2.7 there is a material change of control of Subcontractor.

19.3 Upon termination according to Clause 19.2, Hitachi ABB Power Grids Contractor shall be entitled (i) in case of rescission: to reclaim all sums which Hitachi ABB Power Grids Contractor has paid to Subcontractor under the Subcontract and to return all Project Designed Goods or parts thereof to Subcontractor, or (ii) in case of other termination: to pay to Subcontractor the part of the Subcontract Price applicable to the Project Designed Goods delivered by Subcontractor until the termination which Hitachi ABB Power Grids Contractor intends to retain. Any payment due to Subcontractor as per this Clause 19.3 shall be reduced by any payments made by Hitachi ABB Power Grids Contractor prior to termination to Subcontractor for the performance of the Subcontract; should payments made to Subcontractor prior to such termination exceed the amount of payments Subcontractor is entitled to as per this Clause 19.3, Hitachi ABB Power Grids Contractor shall be entitled to claim all such exceeding sums from Subcontractor. In addition to the rights set forth in this Clause 19.3, Hitachi ABB Power Grids Contractor shall be entitled to claim compensation for any costs, losses or damages incurred whatsoever in connection with such termination (including without limitation any expenses as per Clause 19.4), and Hitachi ABB Power Grids Contractor shall be entitled to set-off any such amounts against payments due to Subcontractor.

19.4 If Subcontractor does not remove defective or non-conforming Project Designed Goods without undue delay upon written notice from Hitachi ABB Power Grids Contractor, Hitachi ABB Power Grids Contractor, at its own discretion, may (or may instruct a third party to) remove and store them at the expense of Subcontractor. If Subcontractor does not pay the costs of such removal and storage within ten (10) calendar days thereafter, Hitachi ABB Power Grids Contractor may upon ten (10) additional calendar days’ written notice at its own discretion sell such items at auction or at private sale and account for the net proceeds thereof, after deducting all costs of such sale and other costs that should have been borne by Subcontractor. If such sales do not cover all costs of sale and other costs which Subcontractor should have borne, the difference shall be charged to Subcontractor. If payments then or thereafter due to Subcontractor are not sufficient to cover such amount, Subcontractor shall pay the difference to Hitachi ABB Power Grids Contractor.

19.5 Upon termination according to Clause 19.2, Hitachi ABB Power Grids Contractor at its own discretion may (or may employ other sub-suppliers to) complete the Subcontract. Any such work shall be performed at Subcontractor’s risk and expense. Hitachi ABB Power Grids Contractor may at its own discretion take possession at Subcontractor’s premises and/or at Site of any uncompleted part of the Project Designed Goods and use all Subcontractor Documentation, Subcontractor’s equipment and other property provided (or to be provided) or used by Subcontractor and use it as Hitachi ABB Power Grids Contractor deems fit in order to complete the Project Designed Goods. If Hitachi ABB Power Grids Contractor’s costs for so completing the Project Designed Goods exceed the amount which would have been due to Subcontractor had the Project Designed Goods been completed by Subcontractor, Subcontractor shall pay the amount of such excess to Hitachi ABB Power Grids Contractor or it shall be deducted from any money due or money that will become due to Subcontractor or from any of Subcontractor’s financial guarantees.

19.6 Upon termination according to Clause 19.2, Hitachi ABB Power Grids Contractor may enter into, and Subcontractor shall undertake to assign, any agreements with Subcontractor’s sub-supplier. Any costs related to such assignments shall be to the account of Subcontractor.

19.7 On termination of the Subcontract, Subcontractor without undue delay shall deliver to Hitachi ABB Power Grids Contractor all copies of information or data provided by Hitachi ABB Power Grids Contractor to Subcontractor for the purposes of the Subcontract. Subcontractor shall certify to Hitachi ABB Power Grids Contractor that Subcontractor has not retained any copies of such information or data.

19.8 On termination of the Subcontract, but not in case Hitachi ABB Power Grids Contractor has returned to Subcontractor as per Clause 19.3 all Project Designed Goods delivered, Subcontractor without undue delay shall deliver to Hitachi ABB Power Grids Contractor all specifications, programs and other information, data, and Subcontractor Documentation regarding the Project Designed Goods which exist in any form whatsoever at the date of such termination, whether or not then complete.

19.9 Termination of the Subcontract, however arising, shall not affect or prejudice the accrued rights of the Parties as at termination.

19.10 The Hitachi ABB Power Grids GTC/Project Designed Goods shall not limit either Party’s right provided by applicable law to terminate the Subcontract for important reason (aus wichtigem Grund). If the applicable law in such cases also provides for a partial termination, the termination of the whole Subcontract shall only be admissible if the important reason requires the termination of the whole Subcontract (as opposed to partial termination).

20. COMPLIANCE, INTEGRITY

20.1 Subcontractor shall provide the Project Designed Goods in compliance with the Applicable Laws, and codes of practice.

20.2 Subcontractor and its sub-suppliers must comply with the Hitachi ABB Power Grids Lists of Prohibited and Restricted Substances and with the reporting and other requirements regarding Conflict Minerals made available under www.hitachi-abb-powergrids.com/supplying-Material Compliance or otherwise and shall provide Hitachi ABB Power Grids Contractor with documents, certificates and statements as requested. Any statement made by Subcontractor to Hitachi ABB Power Grids Contractor (whether directly or indirectly) with regard to materials used for or in connection with the Project Designed Goods shall be deemed to be a representation under the Subcontract.

20.3 Subcontractor represents and warrants that it is and will remain fully compliant with all applicable trade and customs laws, regulations, instructions, and policies, including, but not limited to, satisfying all necessary clearance requirements, proofs of origin, export and import
licenses and exemptions from, and making all proper filings with appropri-ate governmental bodies and/or disclosures relating to the provi-sion of services, the release or transfer of goods, hardware, software and technology.

20.4 No services, material or equipment included in or used for the Project Designed Goods must originate from any company or country listed in any relevant embargo issued by the authority in the country where the Project Designed Goods shall be used or an authority other-wise having influence over the services, equipment and material form-ing part of the Project Designed Goods. If any of the Project Designed Goods are or will be subject to export restrictions, it shall be Subcon-tractor’s responsibility to inform Hitachi ABB Power Grids Contractor without undue delay in writing of the particulars of such restrictions.

20.5 Both Parties warrant that each will not, directly or indirectly, and that each has no knowledge that other persons will, directly or indi rectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of each Party, or any other party in a manner contrary to applicable laws (in-cluding but not limited to the U. S. Foreign Corrupt Practices Act, the UK Bribery Act 2010 and, where applicable, legislation enacted by member states and signatories implementing the OECD Convention Combating Bribery of Foreign Officials), and shall comply with all rel-evant laws, regulations, ordinances and rules regarding bribery and corrup-tion. Nothing in the Subcontract shall render either Party or any of its Affiliates liable to reimburse the other for any such consideration given or promised.

20.6 Subcontractor herewith acknowledges and confirms that Subcon-tractor has received a copy of Hitachi ABB Power Grids’ Code of Con-duct and Hitachi ABB Power Grids’ Supplier Code of Conduct or has been provided information on how to access both Hitachi ABB Power Grids’ Codes of Conduct online under www.hitachiabb-power- grids.com/integrity. Subcontractor agrees to perform its contractual obligations in accordance with both Hitachi ABB Power Grids’ Codes of Conduct.

20.7 Hitachi ABB Power Grids has established reporting channels where Subcontractor and its employees may report suspected violations of applicable laws, policies or standards of conduct: Web portal: www.hitachiabb-powergrids.com/integrity – Reporting Channels; contact details specified on this Web portal.

20.8 Any violation of an obligation contained in this Clause 20 is a material breach of the Subcontract. Either Party’s material breach shall entitle the other Party to rescind the Subcontract or to terminate the Subcontract with immediate effect and without prejudice to any further rights or remedies available thereunder or at law.

20.9 Notwithstanding anything to the contrary in the Subcontract, Subcontractor shall, without limitation, indemnify and hold harmless Hitachi ABB Power Grids Contractor from all liabilities, damages, costs or expenses incurred as a result of any such violation and/or termination of the Subcontract, or arising from export restrictions concealed by Subcontractor.

21. ASSIGNMENT AND SUBCONTRACTING

21.1 Subcontractor shall neither assign, nor transfer, encumber nor sub-contract the Subcontract nor any parts thereof (including any monetary receivables from Hitachi ABB Power Grids Contractor) without prior written approval of Hitachi ABB Power Grids Contractor.

21.2 Hitachi ABB Power Grids Contractor may at its own discretion assign, transfer, encumber, subcontract or deal in any other manner with the Subcontract or parts thereof to its Affiliates.

22. NOTICES AND COMMUNICATION

Any notice shall be given in the language of the Subcontract by regis-tered mail, courier, fax or by e-mail to the address of the relevant Party as stated in the Subcontract or to such other address as such Party may have notified in writing. E-mail and fax require written confirmation of the receiving Party.

23. WAIVERS

Failure to enforce or exercise any term of the Subcontract does not con-stitute a waiver of such term and does not affect the right later to en-force such or any other term therein contained.

24. GOVERNING LAW AND DISPUTE SETTLEMENT

24.1 The Subcontract is governed by the laws of the country (and/or the state, as applicable) where Hitachi ABB Power Grids Contractor is registered, however under exclusion of its conflict of law rules and the United Nations Convention on International Sale of Goods.

24.2 If Hitachi ABB Power Grids Contractor and Subcontractor are registered in the same country, any dispute arising in connection with the Subcontract, which cannot be settled amicably or by mediation, shall be submitted for resolution to the jurisdiction of the competent courts at Hitachi ABB Power Grids Contractor’s place of registration.

24.3 If Hitachi ABB Power Grids Contractor and Subcontractor are registered in different countries, any dispute arising in connection with the Subcontract, which cannot be settled amicably or by mediation, shall be finally settled under the Rules of Arbitration of the Interna-tional Chamber of Commerce by three arbitrators appointed in accord-ance therewith. Place of arbitration shall be Hitachi ABB Power Grids Contractor’s place of registered. The language of the proceedings and of the award shall be English. The decision of the arbitrators is final and binding upon both Parties, and neither Party may appeal for revi-sion.

24.4 Unless otherwise agreed in writing (or instructed by Hitachi ABB Power Grids Contractor in writing), Subcontractor shall carry on and maintain the timely provision of the Project Designed Goods during arbitration and any dispute or disagreement with Hitachi ABB Power Grids Contractor, including, without limitation, a dispute or disagree-ment about Hitachi ABB Power Grids Contractor’s withholding of pay-ments otherwise due to Subcontractor.

25. CONFIDENTIALITY, DATA SECURITY, DATA PROTECTION

25.1 Subcontractor shall keep in strict confidence all Hitachi ABB Power Grids Contractor Data and any other information concerning Hitachi ABB Power Grids Contractor’s or its Affiliates’ business, their products and/or their technologies which Subcontractor obtains in con-nexion with the Project Designed Goods to be provided (whether before or after acceptance of the Subcontract). Subcontractor shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors or other third parties as need to know the same for the purpose of the provision of the Project Designed Goods to Hitachi ABB Power Grids Contractor. Subcontractor shall ensure that such em-ployees, agents, subcontractors or other third parties are subject to and comply with the same obligations of confidentiality as applicable to Subcontractor and shall be liable for any unauthorized disclosures.

25.2 Subcontractor shall apply appropriate safeguards, adequate to the type of Hitachi ABB Power Grids Contractor Data to be protected, against the unauthorised access or disclosure of Hitachi ABB Power Grids Contractor Data and protect such Hitachi ABB Power Grids Con-tractor Data in accordance with the generally accepted standards of protec-tion in the related industry, or in the same manner and to the same degree that it protects its own confidential and proprietary information – whichever standard is higher. Subcontractor may disclose confidential infor-mation to Permitted Additional Recipients (which means Sub-contractor’s authorised representatives, including auditors, counsels, consultants and advisors) provided always that (i) such information is disclosed on a strict need-to-know basis, and (ii) such Permitted Addi-tional Recipients sign with Subcontractor a confidentiality agreement with terms substantially similar hereto or, where applicable, are re-quired to comply with codes of professional conduct ensuring confi-dentiality of such information. Subcontractor shall comply with, and ensure that the Permitted Additional Recipients comply with, any security procedure, policy or standard provided to Subcontractor by Hi-tachi ABB Power Grids Contractor or any of its Affiliates from time to time.
time and in particular with the Hitachi ABB Power Grids Cyber Security Requirements for Suppliers as made available under www.hitachi-abb-powergrids.com/supplying - Supplier Cyber Security, or as otherwise set out in the Subcontract.

25.3 Subcontractor shall not (i) use Hitachi ABB Power Grids Contractor Data for any other purposes than for providing the Project Designed Goods, or (ii) reproduce Hitachi ABB Power Grids Contractor Data in whole or in part in any form except as may be required by the respective contractual documents, or (iii) disclose Hitachi ABB Power Grids Contractor Data to any third party, except to Permitted Additional Recipients or with the prior written consent of Hitachi ABB Power Grids Contractor;

25.4 Subcontractor shall install and update at its own costs required adequate virus protection software and operating system security patches for all computers and software utilized for the Project Designed Goods;

25.5 Subcontractor shall inform Hitachi ABB Power Grids Contractor without delay about suspicion of breaches of data security or other serious incidents or irregularities regarding any Hitachi ABB Power Grids Contractor Data.

25.6 Subcontractor agrees that Hitachi ABB Power Grids Contractor may provide any information received from Subcontractor to any Affiliate of Hitachi ABB Power Grids Contractor. Subcontractor shall obtain in advance all necessary approval or consent for and to third parties.

25.7 Protection of Personal Data

25.7.1 If Hitachi ABB Power Grids Contractor discloses Personal Data to Subcontractor, Subcontractor shall comply with all applicable data protection or privacy laws and regulations.

25.7.2 Subcontractor shall apply appropriate physical, technical and organizational measures to ensure a level of security of Personal Data appropriate to the respective risk and the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services.

25.7.3 Subcontractor agrees that it will not withhold or delay its consent to any changes to this Clause 25 which in Hitachi ABB Power Grids Contractor’s or its Affiliates’ reasonable opinion are required to be made in order to comply with applicable data protection laws and regulations and/or with guidelines and advice from any competent supervisory authority, and agrees to implement any such changes at no additional cost to Hitachi ABB Power Grids Contractor.

25.7.4 Subcontractor acknowledges that the processing of Personal Data in accordance with the Subcontract may require the conclusion of additional data processing or data protection agreements with Hitachi ABB Power Grids Contractor or its Affiliates. To the extent such additional agreements are not initially concluded as part of the Subcontract, Subcontractor, its relevant Affiliates or subcontractors shall upon Hitachi ABB Power Grids Contractor’s request enter without undue delay into any such agreement(s), as designated by Hitachi ABB Power Grids Contractor and as required by mandatory law or a competent data protection or other competent authority.

26. SEVERABILITY

The invalidity or unenforceability of any term of the Subcontract shall not adversely affect the validity or enforceability of the remaining terms. The Subcontract shall be given effect as if the invalid, or unenforceable term had been replaced by a term with a similar economic effect.

27. SURVIVAL

27.1 Provisions of the Subcontract which either are expressed to survive its termination or from their nature or context it is contemplated that they are to survive such termination shall remain in full force and effect notwithstanding such termination.

27.2 The obligations set forth in Clauses 11 (Warranty and Remedies), 15 (Documentation), 17 (Liability and Indemnity) and 25 (Confidentiality, Data Security, Data Protection) shall remain for an indefinite period and survive expiration or termination of the Subcontract.

28. ENTIRETY

The Subcontract constitutes the entire agreement between the Parties and replaces any prior agreement between the Parties, whether oral or in writing, with regard to its subject.

29. RELATIONSHIP OF PARTIES

The relationship of the Parties is that of independent parties dealing at arm’s length and nothing in the Subcontract may be construed to constitute Subcontractor as an agent or employee of Hitachi ABB Power Grids Contractor or so as to have any kind of partnership with Hitachi ABB Power Grids Contractor or Client, and Subcontractor shall not represent itself as or act on behalf of Hitachi ABB Power Grids Contractor or Client.