

1 Remuneration

The agreed prices do not include Value Added Tax which shall be invoiced separately, if applicable.

In case (i) the Contractor is domiciled outside the Federal Republic of Germany and (ii) the Purchaser is obliged to make payments to the Contractor under the Contract which will be subject to German withholding tax, such withholding tax shall be borne by the Contractor. The Purchaser shall deduct the amount of withholding tax from the agreed payment and will pay such amount in the name of Contractor to the competent authority.

In case of construction work, to be executed within the Federal Republic of Germany, within the meaning of § 48 of the German Income Tax Act (*Einkommenssteuergesetz*) the Purchaser shall be entitled to deduct such withholding tax. The Contractor shall submit to the Purchaser by the latest 4 weeks prior to the first payment under the Contract the appropriate and valid certificate of exemption issued by the competent Tax Office (*Freistellungsbescheinigung*). In case Purchaser will not make the deduction the Contractor shall indemnify and hold Purchaser harmless from and against any obligations resulting there from.

The agreed terms of payment shall be to the exclusion of any statutory provision providing for an earlier due date (f.i. providing for down payments). Any payment shall be due 30 days after the later of, and only to the extent that, (i) (a) the agreed key events for such payment have been fulfilled or (b), if no such key events have been agreed, Purchaser has accepted the Work in full, and (ii) receipt by Purchaser of an invoice. Final payment shall be made 30 days after receipt of the final invoice and submission and acceptance of the work results, which must have been rendered in full, the documents and the documentation. The fulfilment of the requirements of the provision (i) have to be proven by Contractor and confirmed by the Purchaser. The Purchaser shall only be in delay upon receipt of a reminder after the due date. Place of performance for these payments shall be the location of the Purchaser's division entering into the Contract.

2 Set-off and Assignment

The Purchaser shall be entitled to set off all and any claims he, ABB AG, Mannheim/Germany, or any company in which ABB AG directly or indirectly holds the majority of shares may have against the Contractor, against all and any claims which the Contractor has against the Purchaser or against one of the companies described above. On Contractor's request the Purchaser shall hand over a list of such companies.

The Contractor may only set off his claims which are undisputed or have been adjudicated by non-appealable judgement.

Rights arising from this Contract may be assigned to third parties only in case of Purchaser's express consent. Such consent shall be deemed to have been given if and to the extent the Contractor is bound to a retention of title towards its supplier in the ordinary course of business.

3 Inventions

The Work and other results (such as knowledge, inventions, drawings, reports, texts, models, signs) obtained by the Contractor or his personnel in connection with the Work performed for the Purchaser (the "Results") shall be vested exclusively in the Purchaser, without geographical or time limits. The Contractor shall inform the Purchaser immediately of all Results and hand over to Purchaser existing drawings, models or written documentation etc.

The Purchaser is entitled to apply for industrial property rights for the Results worldwide in his own name. To the extent that the Purchaser makes use of these rights, the inventor shall receive, directly from the Purchaser, inventor's compensation within the meaning of the law concerning employee's inventions ("*Arbeitnehmererfindungsgesetz*"). The amount and time of falling due shall be subject to the Purchaser's internal guidelines on inventions by own employees. The Contractor shall not be entitled against the Purchaser to any reimbursement or compensation whatsoever exceeding the agreed remuneration.

Insofar as the Results provided by the Contractor to the Purchaser are not capable of being protected, the Purchaser's rights under sub-para 1 of this Clause 3 shall be covered by the agreed remuneration.

The Contractor shall be obliged to take all organisational and legal measures, such as the demanding on the inventions towards his personnel, and to make any declarations necessary for the Purchaser to assert the rights mentioned above.

Contractor shall insure that the Purchaser shall be entitled to use the Results geographically and timely unlimited and, in particular, that neither the Contractor nor any third party shall be in a position to prohibit the use of the Results (f.i. based on any preexisting intellectual property rights including copyrights and exploitation rights thereof). Contractor shall hold harmless and indemnify Purchaser from and against any such claims and the cost/expenses incurred by Purchaser. This shall be without prejudice to any other or further claims or rights of Purchaser.

4 Execution of the Contract

The details of the work to be performed (herein: "Work") shall be described in the working documentation, which shall form part of the Contract and must be returned to the Purchaser complete and in good order upon completion of the Work.

The Contractor confirms that he has at his own responsibility obtained a clear understanding of all details of the Work. In particular the Contractor shall inquire about the nature of the property and of the locality. He may not at a later date plead error or lack of knowledge thereof or lack or clarity in terms of the task to be performed.

The Contractor shall perform his duties at his own responsibility, with his own staff and his own equipment. He shall appoint a person ("authorized co-ordinator") with the necessary authority to manage staff deployment and to receive the working documentation from the Purchaser's delegate. The cost of the Contractor's authorized co-ordinator shall be covered by the agreed prices. Insofar as necessary, in order to prevent possible mutual endangering the Purchaser shall appoint a co-ordinator according to § 6 of the Accident Prevention Order (§ 6 of the *Unfallverhütungsvorschrift* UVV 1.0) for co-ordinating the Work.

Unless and to the extent not agreed otherwise, the Contractor shall provide the materials (raw materials, auxiliary materials and resources), equipment (machinery, special tools, lifting gear, vehicles) and the usual tools for the execution of the Work. The Contractor assumes full liability for any equipment and tools taken over from the Purchaser as the case may be and agrees to compensate the Purchaser if it should be lost or damaged beyond normal wear and tear. Loading and unloading of the materials/tools set out above and any necessary movements thereof within the site shall be made by Contractor at its own cost and risk. The Contractor shall move material/tools in case that working on site or the organisation of the site so requires. Materials and containers, which are in Purchaser's ownership, shall be loaded and unloaded by Contractor.

If the Contractor employs free-lance staff or third-party companies for the performance of its tasks, these must be approved in advance and in writing by the Purchaser. Such approval of the Purchaser shall not affect Contractor's liability for such persons employed for the performance of the contract ("Representative") (*Erfüllungsgelilfe*).

The Contractor undertakes to allow the contact person named by the Purchaser to inspect the documents prepared and the corresponding work results at any time and to inform Purchaser of the status of the work.

At the Purchaser's request, and where it is in the interests of better co-ordination, the Contractor shall perform his contractual obligations on the Purchaser's premises or on Purchaser's site.

Business Ethics:

- a) The Contractor hereby warrants that it will not, directly or indirectly, and it has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment

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to its customers, to government officials or to agents, directors and employees of Purchaser or any other party in a manner contrary to applicable laws (including but not limited to the U.S. Foreign Corrupt Practices Act) and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption.

- b) Nothing in this Contract shall render Purchaser liable to reimburse the Contractor for any such consideration given or promised.
- c) The Contractor's violation of any of the obligations contained in this Section "Business Ethics" in connection with this Contract or material violation in other cases constitute a material breach of this Contract and shall entitle Purchaser to terminate this Contract with immediate effect and without prejudice to any further right or remedies on the part of the Purchaser under this Contract or applicable law. The Contractor shall indemnify Purchaser for all liabilities, damages, costs or expenses incurred as a result of any such violation of the above mentioned obligations and termination of this Contract.
- d) The Contractor shall procure that it receives in due time a copy of the Code of Conduct of ABB. The Contractor is aware that he may obtain ABB's Code of Conduct also via internet. The Contractor agrees to perform, and shall ensure that all of its agents, employees, directors and subcontractors perform, its contractual obligations under this Contract with substantially similar standards of ethical behavior.
- e) The Purchaser has established the following internet portal where the Contractor and its employees may report suspected violations of applicable laws, policies or standards of conduct: www.abb.com/ethics.

5 Acceptance, Penalty and Inspection

The inspection for acceptance shall be carried out by the Purchaser upon completion of the Work or of separable sections thereof. The presumable date of completion will be announced by Contractor with reasonable notice. Following successful testing and if the submitted documents and documentation are considered acceptable, the Purchaser shall start acceptance of the Work. In addition acceptance shall require the successful completion of the agreed acceptance test. A joint acceptance protocol shall be issued by the contracting parties to this effect. The acceptance of the Work shall always be subject to the Purchaser's reservation of all rights in view of any defects. The Purchaser shall be entitled to insist on payment of any agreed penalty up to the final payment, even if he has accepted the Work without any special reservation. Any statutory provision providing for an acceptance implied by law shall be excluded.

In case of delay in acceptance of the work the Contractor shall pay to the Purchaser a penalty amounting 1 % per completed week of delay, in the maximum not exceeding 5 %, each calculated as of the price agreed for the work. The Purchaser shall be entitled to reserve the right to assert the penalty up to the time of final payment. Purchaser's further claims and rights in view of delay shall be unaffected; the liability shall be unlimited.

Any obligation of Purchaser to inspect the goods shall be limited to the inspection without undue delay to the extent whether such delivered goods meet the ordered quantity and type and whether externally visible defects or damages resulting from transport exist. In case the Purchaser is obliged to inform the Contractor of defects without undue delay, the Purchaser shall be entitled to do so (i) in case of latent defects within two weeks and (ii) in case of other defects within one week, upon detection of the defect by Purchaser.

6 Obligations of the Contractor

The Contractor shall have the full responsibility for the deliveries and works of the third parties employed by Contractor for the Work, whether Contractor has acted negligently or not (assumption of the full risk).

The Contractor shall observe the recognized rules of the art, in particular the regulations and guidelines on implementation, safety at work, fire prevention and environmental protection issued by the legislator, the supervisory authorities, the Industrial Accident Insurance and Industrial Safety Corporations and the VDE (Association of German Electrical Engineers). In addition the Contractor shall ensure that the ABB Regulations for companies and their employees ("*ABB-Regelungen für Fremdfirmen und deren Mitarbeiter*") are observed which shall apply in addition to these Conditions for Work Contract. The provisions of this sub-para shall also apply to the Contractor's subcontractors (Subcontractor).

The Contractor shall prior to commencing the Work submit to Purchaser a schedule containing the names and data of the personnel to be employed on the Purchaser's premises or the site (herein together "Site"). The Contractor shall inform the Purchaser of any changes thereof well in advance.

In case the Contractor, his Subcontractor (which shall include sub-suppliers) or any Subcontractor's Subcontractor employs for the Work any employee requiring the aliens' labour permit under German law (in particular a "Arbeiterlaubnis-EU" or a "Aufenthaltstitel") – „permit“ -, the Contractor shall submit to the Purchaser the original or a copy of each such permit prior to commencing the Work. In case any such permit will be subject to changes, amendments, revocation etc., the Contractor shall submit without undue delay to Purchaser the notice of the authority so changing, amending, revoking etc. the permit concerned. If the permit is subject to time limit, the Contractor shall submit a new permit prior to the expiry of the expiring permit. In case the employee has no valid permit being required or in case the Contractor has not submitted such permit to Purchaser in time, the Purchaser shall be entitled to expel the employee concerned from the Site. The Contractor shall impose corresponding obligations on his Subcontractors (including the obligation to impose corresponding obligations on the Subcontractors' Subcontractors).

Contractor assures and guarantees that he shall comply with the minimum requirements for conditions of employment as set out in the German legislation concerning the delegation of employees ("*Arbeitnehmerentsendegesetz*"), if applicable, and that he shall not employ for the Work any employee who does not have the aliens' labour permit required under German law. The Contractor shall obtain from any Subcontractor prior to its employment a corresponding assurance/guarantee and shall impose on any Subcontractor the obligation to impose corresponding obligations (including the obligation to impose the obligations on its subcontractors) on further Subcontractors. The requirement of Purchaser's approval for the employment of any Subcontractor shall remain unaffected in any case.

The Contractor shall indemnify and hold Purchaser harmless from and against any liability or obligation of the Purchaser towards third parties (including joint institutions of the parties to a collective agreement, "*gemeinsame Einrichtungen der Tarifvertragsparteien*") which such parties assert in view of the violation of the provisions of the "*Arbeitnehmerentsendegesetz*" by Contractor, by any Subcontractor of Contractor or by a hirer out of temporary worker ("*Vertreher von Leiharbeitnehmern*") engaged by Contractor or its Subcontractor.

The Contractor's employees may not interfere with the labour relations existing between the Purchaser and his employees and must refrain from anything which could adversely affect labour relations.

Moreover, the Contractor undertakes to participate in additional tests, modifications, additions and commissioning procedures insofar as these are not included in the agreed scope of services, upon request of the Purchaser and under the conditions of this Contract.

7 Confidentiality

The Contractor shall keep strictly confidential towards third parties the Work carried out by his personnel and the results reached as

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well as all information, business procedures, drawings, samples, documentation and verbal information received or acquired by the Contractor or its personnel in connection with this Contract (herein collectively referred to as: "the Information") and shall not make the Information accessible to third parties in any way. All rights in the Information provided to the Contractor shall remain exclusively with the Purchaser. This applies particularly in view of granting of patents or registration of utility models.

The Contractor shall use the Information exclusively to perform the duties imposed on him by this Contract. He may not use it for other purposes without a special contractual agreement with Purchaser, in particular he shall not apply for any protective rights for the Information.

The Contractor undertakes, at the Purchaser's request, immediately to return any drawings, samples and documentation, to retain no copies and to destroy or permanently erase all records of information.

The Contractor shall procure that the persons employed by him for the performance of the Contract shall agree prior to commencement of the Work in writing to be bound by the secrecy obligations contained in the preceding provisions. One copy of each such secrecy declaration containing the signatures of the persons concerned shall be handed over by Contractor to Purchaser.

Unless contractually agreed otherwise the obligation to confidentiality of the Contractor and his personnel shall continue after any termination of this Contract.

8 Prohibition of Pirating Employees

Contractor and Purchaser shall mutually refrain from pirating each other's personnel during the execution of the Work. Former employees of the Purchaser may be deployed by the Contractor only with the Purchaser's express previous written approval.

9 Defects; Liability

The Contractor shall be liable for the proper execution of the Work undertaken. The Contractor shall be liable for the deliveries and works of third parties, employed by Contractor in view of the execution of the Work, in the same way as for his own deliveries/works; this shall apply in particular in view of defects. The third party employed by Contractor for such deliveries/works shall be Contractor's representative (*Erfüllungshelfe*).

The period for notice of defects (warranty period) shall commence upon commencement of the statutory limitation period for claims for defects. If commissioning takes place later than the Acceptance, the warranty period shall commence not earlier than the day of commissioning. The warranty period shall be 3 years. In case of warranty measures undertaken by Contractor, such as making anew or repair, the warranty period shall begin anew upon completion of such measures. Claims in view of defects shall be subject to a limitation period of 6 months upon expiry of the warranty period. Without prejudice to the statutory suspension (*Hemmung, Ablaufhemmung*) or renewal the warranty period as well as the limitation period shall be extended by the period of time during which the operation is interrupted because of defects. The warranty period as well as the afore mentioned limitation period shall not apply to the extent that any longer statutory limitation period will apply, f.i. under § 438 para (1) no. 2 (buildings and material for buildings), § 479 para (1) (claim for re-course) or § 634a para (1) no. 2 (defects in connection with buildings) of the German Civil Code (*Bürgerliches Gesetzbuch*).

In any case Purchaser shall have the option between repair and making anew. In emergency cases or if the Contractor fails to fulfil his obligations of warranty in due course, the Purchaser shall also be entitled to remedy such defects, to have them remedied or to procure a replacement, all at the expense of the Contractor. It shall be at the Purchaser's best discretion to decide if and when an emergency exists. A repair shall be considered as non-successful (*Fehlschlagen*), if and when the first attempt to repair has not made good the defect.

The Contractor shall be liable for all damage or losses caused by him or his personnel during or as a result of carrying out their work. The Contractor shall indemnify and hold the Purchaser harmless from and against all third party claims. The Contractor shall cover these risks through an employer's liability insurance. He shall provide evidence of this insurance at the Purchaser's request.

In the others, the Contractor shall be liable subject to the applicable law. Contractor shall be liable without any limitation whatsoever.

10 Force Majeure

In case of force majeure (including strikes, lock-outs and shut-down of factory) the Purchaser will have no or substantially no continuing demand for the work, the Contractor shall have no claim for execution of the Work. In such case, the Contractor shall in particular have no claim to the remuneration. In such case each party to the Contract may demand that the Contract shall be modified or suspended in accordance with the changed circumstances.

The Purchaser shall then pay for the Work performed before the intervening event according to the terms agreed. The Contractor shall have no further claims.

11 Place of Jurisdiction; Miscellaneous

The sole place of jurisdiction for all disputes arising directly or indirectly from this Contract (including legal action based on bills of exchange) is Mannheim, Germany.

In view of construction work the "*Vergabe und Vertragsordnung für Bauleistungen*" (VOB) part B (commercial terms) shall apply supplementarily to these Conditions.

This Contract shall be governed and construed by the substantive laws of Germany. However, the Vienna Convention on the International Sale of Goods (CISG, "UN-Kaufrecht") shall not apply.

The Contractor may use the Purchaser for reference purposes only upon Purchaser's written approval.

Amendments and supplements to this Contract must be made in writing.

If any provision of this Contract is or becomes invalid, the validity of all other provisions shall remain unaffected.

These Conditions for Work Contract shall apply to all orders placed by the Purchaser. They shall be deemed to have been accepted when the Contractor acknowledges or performs the order. This shall also apply if the Contractor states that deliveries are subject to his own conditions. Any other conditions and deviations from these Conditions shall not be binding unless agreed to by the Purchaser in writing.