

NKT

**Service Agreement
Framework Contract**

**LITGRID AB
NordBalt Interconnector**

Handwritten initials/signatures in blue ink.



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FRAMEWORK CONTRACT *No. 20VP-SUT184*

For cable related services as specified in the Attachments.

LITGRID AB a company with Lithuanian registration number **302564383** whose registered office is at Viršuliškių skg. 99B, LT-05131, Vilnius, Lithuania hereinafter referred to as the "Employer",

and

NKT HV Cables AB, a company with Swedish company registration number 559079-0290, whose registered office is at Lyckeby, Sweden, hereinafter referred to as the "Supplier",

have this day entered into the following Service Agreement for cable related services, hereinafter referred to as the "Agreement". The Employer and Supplier are sometimes individually referred to as a "Party" and sometimes collectively referred to as the "Parties".

1 Preamble

- 1.1 This Agreement provides the Employer with the right to request certain services from the Supplier in order to facilitate repairs of the Employer's Service Objects specified in Attachment 1. When such services are requested by the Employer, they shall be performed by the Supplier in accordance with the conditions set forth in this Agreement.
- 1.2 This agreement covers the Eastern part of NordBalt Interconnector HVDC cable from KP 197.489 up to HVDC terminations at the converter station in Lithuania. Scope of the Contract - Emergency repair works of NORDBALT direct current cable in Baltic sea, Curonian lagoon, onshore.

2 Subject of the Agreement

- 2.1 The subject of this Agreement is:
 - (i) that the Supplier shall have resources available for the fulfilment of the Services included in this Agreement as set out in clause 3;
 - (ii) that the Supplier shall, after a written request from the Employer, provide the aforesaid Services with respect to repairs of defects in or damages to the Employer's Service Objects; and
 - (iii) that the Supplier shall have the exclusive right to provide the Services included in this Agreement on the Service Objects to the Employer and its Affiliates;all in accordance with the provisions of this Agreement.
- 2.2 During the Supplier's performance of repair work on the Employer's Service Objects, the Employer shall provide the Supplier with the spare cables, spare parts or other components that may be needed for the performance of the Supplier's services.
- 2.3 The Employer and the Supplier may agree upon deliveries or services that are not within the scope of this Agreement as stated above such as e.g. deliveries of spare cables, spare parts, other components or an all-inclusive (turnkey) marine operation. In the event of this, any such deliveries or services shall be subject to a separate written agreement with regard to scope, price and conditions. This Agreement does not contain any obligations for the Supplier to be able to deliver, or within a certain time be able to deliver, spare cables, spare parts or other components to the Employer. It is the Employer's sole responsibility to ensure that its stock of spare cable, spare parts and other components is sufficient for the Supplier to be able to perform its services in accordance with this Agreement.

3 The Supplier's undertakings

- 3.1 Upon written request by the Employer during the term of this Agreement, the Supplier undertakes, with respect to the items listed in Attachment 1, the "**Service Objects**", to perform, if included in this Agreement by the marking with an "X" in the appropriate boxes in the attachments, the following services:
- (i) Telephone support and on-site support in accordance with Attachment 2,
 - (ii) Fault locating in accordance with Attachment 3,
 - (iii) Cable exposing and burial in accordance with Attachment 4,
 - (iv) Cut and cap in accordance with Attachment 5,
 - (v) Repair work in accordance with Attachment 6,
 - (vi) Engineering in accordance with Attachment 7,
 - (vii) Storage and maintenance of spare parts in accordance with Attachment 8, and
 - (viii) RPP & preventive maintenance in accordance with Attachment 9,
 - (ix) all-inclusive (turnkey) marine operation services in accordance with Attachment 10, Attachment 13, Attachment 14 and clause 9.13 of this Agreement, or
 - (x) other scope or services as agreed and documented with supplementing Attachments to this Agreement,
- hereinafter together referred to as the "**Services**".
- 3.2 For the avoidance of doubt, the Services include only such services that are marked with an "X" in the appropriate boxes in the attachments.
- 3.3 The Supplier shall be able to commence the performance of the Services in Attachments 2-10 within the time frames stipulated in the respective attachments. However, this Agreement does not include any undertaking by the Supplier to be able to complete the Services within a certain time period.
- 3.4 As required for the performance of the Services, the agreed Services are conditional upon that the Supplier, at the Employer's cost, provides suitable vessels and/or equivalent equipment. The Supplier shall present the costs for such vessels and/or equipment for the Employer's approval prior to commencement of work.
- 3.5 The Supplier is only obliged to perform one of the included Services, or one of similar services for other service objects contracted by the same Employer in separate Agreement, at the time. Thus, if the Employer for example has requested cut and cap services on one of the Service Objects, he is not entitled to simultaneously request for example repair work on another of the Service Objects to be performed during the time period when the cut and cap services also shall be performed.
- 3.6 The Supplier shall not be obliged to perform Services under this Agreement on a cable which the Supplier, due to the cable's life cycle and the general availability of cable accessories, reasonably declares as being obsolete.

4 The Employer's undertakings

- 4.1 When the Employer requests any of the Services above, the Employer thereby also undertakes to:
- (i) pay the price for the Services set out in clause 7 below;
 - (ii) (when so applicable) be responsible for the coordination in accordance with applicable legislation in respect of working environment and, before the commencement of the Services, inform the Supplier (by written notice) of who is responsible for the coordination;

- (iii) provide the Supplier with applicable administrative procedures and safety regulations for relevant places of work and be responsible for providing the Supplier's personnel with relevant instructions arising from local conditions within these areas;
 - (iv) in connection to the Supplier's performance of the Services, through the person at the Employer who is responsible for the use of electrical power, be responsible for shutdown, disconnect and secure, and preparations and for providing necessary documents such as work certificates, schedules, drawings etc.;
 - (v) to the extent applicable and reasonable: ensure that the personnel that it provides have the qualifications and experience required for the task and follow the instructions given by the Supplier and
 - (vi) without cost to the Supplier provide personnel at appointed times for operating equipment and connected machinery and carrying out connected processes to the extent reasonable;
 - (vii) only if agreed on a case by case basis: provide insurance for the Service Objects in accordance with clause 10, and
 - (viii) obtain all permits necessary for the Supplier's performance of the Services such as electrical- and environmental permits and rights of way and the like (being understood that Supplier shall obtain its own working permits, etc).
- 4.2 During the term of this Agreement, the Employer (and its Affiliates) shall exclusive procure the Services on the Service Objects from the Supplier, and the Employer (and its Affiliates) shall not, directly or indirectly, discuss, negotiate or accept any inquiries or proposals or offers for the Services from any person or entity other than Supplier.

5 Additional and removed Service Objects

- 5.1 The Service Objects that are included in this Agreement at the time of signing the Agreement are listed in Attachment 1. The Parties agree that Attachment 1 shall be updated and agreed annually where Service Objects may be added to or removed from Attachment 1, or being updated at such other times when the Parties so agree.
- 5.2 Only Service Objects that the Employer, or a company within Employer Group, (for the purpose of this clause 5, Employer and such company are jointly defined as "Employer"), owns 50 % of or more than 50% of can be included in Attachment 1. In respect of the Service Objects listed in Attachment 1 which are transferred by the Employer, in such a manner that after the transfer it owns less than 50% of the cable, these shall with immediate effect and without further notification be removed from Attachment 1.
- 5.3 If a cable is not fully owned (100%) by the Employer, the Employer undertakes to (i) obtain permission of the other owner(s) for the Supplier's performance of the Services on the cable, and (ii) indemnify and hold harmless the Supplier against any claim that the other owner(s) of the cable may make against the Supplier with regard to the Supplier's performance of the Services, any damage to the cable(s) or otherwise with respect to this Agreement.

6 Request for the services and contact persons for the services

- 6.1 A request by the Employer for the Services shall be made in writing.
- 6.2 When requesting the Services, the Parties' contact persons shall be the persons named in Attachment 11. Attachment 11 is to be updated annually.

7 Remuneration

- 7.1 In return for the Supplier's undertaking to keep personnel/parts/equipment/ documentation in 24/7 readiness for the applicable services according to Attachments 2-7, for the storage and maintenance of spare parts according to Attachment 8, for preventive maintenance according to Attachment 9 and

for the standby of all-inclusive (turnkey) marine operation services according to Attachment 10, the Employer shall pay the Supplier the annual fee set out in Attachment 12. This fee shall be paid by the Employer whether or not any of the Services have been requested and whether or not any storage has taken place. The annual fee shall be paid in advance divided into agreed number of payments as stated in Attachment 12.

- 7.2 The prices stated in Attachment 13 shall otherwise apply for the Services.
- 7.3 All prices in Attachments 12 and 13 are exclusive of value added taxes and other taxes that can be levied on the Supplier in the Employer's country and shall be adjusted on a yearly basis to allow for (i) cost increases, and (ii) currency fluctuations.
- 7.4 The adjustment for cost increases shall be made in accordance with Statistic Sweden's (Statistiska Centralbyrån) Index SNI 2007 25-30, 33, where 133,2 for the month of February 2020 shall be the base for such adjustments.
- 7.5 These adjustments shall be made at the annual Follow-up meeting (see clause 13 below) or any such time the Parties may agree upon.

8 Terms of payment

- 8.1 The Employer shall make payments of the annual fee set out in Attachment 12 and for requested services within 30 days of receipt of the Supplier's invoice.
- 8.2 If the Employer does not pay on time the Supplier is entitled to:
- (i) charge interest on overdue payments with 10% on relevant amount, and
 - (ii) suspend all its undertakings under this Agreement until full payment is received.
- 8.3. The invoice is submitted electronically only. Electronic invoicing in accordance with the European standard for electronic invoicing, the reference of which was published in 2017. October 16 Commission Implementing Decision (EU) 2017/1870 on the reference of the European electronic invoicing standard and the publication of the list of syntaxes in accordance with Directive 2014/55 / EU of the European Parliament and of the Council (OJ 2017 L 266, p. 19) (hereinafter European electronic invoicing standard)) is provided by means chosen by the contractor. Electronic invoices that do not comply with the European electronic invoicing standard can only be submitted using the information system "E. saskaita". The seller must ensure that invoices can be submitted in .CSV format (Microsoft Excel Comma Separated Values File)

9 Conditions for the services

For the Services to be performed by the Supplier in accordance with this Agreement, the following terms and conditions shall apply.

- 9.1 With the exception of the Services set forth in Attachment 4, Attachment 6 and Attachment 10, normal working hours for the Supplier's personnel, for which the day rates in Attachment 13 shall apply, shall be 8 hours work between 06.00 and 18.00 hours, five days in a week. In case of overtime, such work shall be pre-approved by the Employer and shall be charged in addition to the day rates in Attachment 13-13C, provided, however, that the Employer cannot require the Supplier's personnel to work overtime on a regular basis. With respect to the Services set forth in Attachments 4 and Attachment 6, the day rates in Attachment 13 are for work during 24 hours (i.e. the personnel mentioned in Attachment 13 regarding the Services under Attachment 4 and Attachment 6 will work in shifts).
- 9.2 If, for reasons for which the Supplier is not responsible (including but not limited to bad weather), the Supplier's personnel is forced to wait or to work less hours than the normal working hours, such waiting time shall be charged as normal working time.

- 9.4 The Employer shall ensure that the premises where the Supplier's personnel perform the Services are in a suitable condition for the Services in question.
- 9.5 The Employer shall do all that is reasonably necessary and its sole control, with regard to the nature of the Services and the conditions under which they are carried out, in order to prevent the Supplier's personnel from being exposed to health hazards or risk of injury.
- 9.6 If any of the Supplier's personnel suffers illness or injury in connection with the performance of the Services, the Employer shall, without cost for the Employer, arrange for medical care including as necessary hospital treatment and pharmaceutical drugs. If repatriation is necessary, the Employer shall arrange for this for the Supplier's account in the quickest and most suitable manner.
- 9.7 The Employer shall at its cost obtain any necessary permits and licenses for import of the Employer owned equipment/or spares to be used by the Supplier to - and re-export from - the country where the Services are carried out..
- 9.8 Subject to clauses 10 and 11, the Supplier gives the following guarantee regarding the performed Services.
- 9.8.1 If technical specifications for the Services have been agreed, the Services shall be performed in accordance with such agreed technical specifications. If the Services have not been performed by the Supplier in accordance with such agreed technical specifications, the Supplier shall, subject to clauses 9.8.3 – 9.8.5, without delay remedy the deviation.
- 9.8.2 If technical specifications for the services have not been agreed, the Supplier shall perform the Services in a workmanlike manner. If the Services have not been performed in a workmanlike manner, the Supplier shall, subject to clauses 9.8.3 – 9.8.5, without delay remedy the deviation.
- 9.8.3 If the Employer – or anybody the Employer is responsible for – performs any part of the Services under the supervision of the Supplier, the Supplier is only liable for such Services to the extent the Supplier has given incorrect instructions. In such case, the Supplier shall, subject to clauses 9.8.4 – 9.8.5, without delay remedy the deviation.
- 9.8.4 For services performed by the Supplier off-shore, the following shall apply. The warranty for off-shore services is valid one (1 year) from Taking Over. The Employer may at any time prior to the expiry of the warranty period, and at the latest 7 days after the expiry of the warranty period, notify the Supplier of any defects occurred during the warranty period. Defect under this provision means any defect if it is related to the off-shore service performed by the Supplier and which arises from any defective workmanship or materials, provided by the Supplier under such off-shore services. The Supplier's responsibility shall be restricted to repair the defective works or to replace it with a new product delivered up to the original point of delivery or to re-perform the faulty service. The Supplier shall not be responsible to locate any defect or damage, or to uncover, dismantle, excavate or otherwise gain access to the faulty work (including gaining access to the cable), or to cover it, backfill or re-install it, unless if and to the extent such work was part of the scope of work of the Supplier under this Agreement.
- 9.8.5 For services performed by the Supplier on-shore, the Employer must notify the Supplier of any deviations no later than 12 months after the date the Services were completed. Thereafter, the Employer shall have forfeited its right to notify deviations under clauses 9.8.1 – 9.8.3.
- 9.9 The guarantee undertaking by the Supplier in clause 9.8 shall be the sole guarantee undertaking by the Supplier with respect to the Services under this Agreement.
- 9.10 The remedies of the Employer set forth in clause 9.8 shall be to the exclusion of any other remedy of the Employer with respect to the Supplier's guarantee undertaking for performed Services.
- 9.11 With regard to the Services according to Attachment 8 (storage and maintenance of spare parts), it is noted that the Parties agree that the Supplier's undertaking to perform these does not make the Supplier responsible for ensuring that the Employer's stock of spare parts is sufficient for a swift and

immediate repair of the Service Objects. It is the Employer's sole responsibility to assess which spare cables and spare parts the Supplier shall store and handle in accordance with Attachment 8. It is with respect to storage in accordance with Attachment 8 also specifically agreed that the Supplier shall not be responsible for any loss or damage to the stored spare cables and spare parts due to theft, fires or for any other reason, unless such loss or damage is caused by the Supplier's negligence.

- 9.12 Any all-inclusive (turnkey) marine operation services according to Attachment 10 shall be regulated by a separate agreement. The Parties agree that each such separate agreement shall be on the terms and conditions set out in Attachment 14 subject to the prices as set out in Attachment 13 and the relevant factual project information added in clauses which include "[]". For the avoidance of doubt, section 22 of Attachment 14 shall be completed with the prices set out in Attachment 13. All such services are to be performed in accordance with the terms of such agreement only.

10 Damage to the Service Objects and insurance

- 10.1 The risk for loss or damage to the Service Objects shall vest with the Employer. Thus, the Supplier does not by this Agreement assume any responsibility with respect to loss or damage to the Service Objects, unless the Supplier, when handling a particular cable portion causes physical damage, in which case the Supplier shall bear the risk for that particular cable portion. In case the Supplier has caused damage to a cable portion by its negligence in accordance with the above, the Supplier shall be liable for such damage, subject to a limitation of liability of ten (10) times the contractual price for the performed service/services in question being called-off under any of the Attachments 3 to 9 and also the over-all limitations of liability set out in clause 11 below.
- 10.2 Only to the extent agreed between the parties on a case by case basis: The Employer shall keep the Service Objects insured in such a manner that in case the Supplier causes damage to the Service Objects when performing the Services, the insurance of the Employer shall cover such damage.

11 Limitation of liability

- 11.1 Notwithstanding anything to the contrary in this Agreement, its attachments, at law or otherwise, the following shall apply:
- (i) the total liability of the Supplier to the Employer under this Contract shall in no case exceed 100% of the yearly service agreement fee
 - (ii) the Supplier shall in no case be liable for loss of profit, loss of revenue, loss of use of the Service Objects, loss of production, loss of contracts, loss of power, costs of capital, costs of replacement power, costs connected with interruption of operation or any other indirect or consequential damage whatsoever; and
 - (iii) if arbitral proceedings regarding a claim for damages are not initiated within two years from the occurrence of the circumstance giving rise to the claim, then such claim shall be deemed to have been forfeited and the Supplier shall in no case be held liable.

12 Confidentiality

- 12.1 All information, either technical and/or commercial, submitted by one Party to the other under this Agreement shall be treated as confidential and shall remain the property of the submitting Party. Such information shall not be used for any other purpose other than the performance of the parties' obligations under this Agreement. The information shall not in any way be used, copied, communicated or transmitted to a third party, provided, however, that the Supplier can share such information with its subcontractors which is necessary to provide the Services subject to such subcontractor being subject to an obligation to keep such information confidential which is at least similar to the obligation set out herein.

13 Following up on the agreement

- 13.1 The Parties shall meet once a year to follow up on the Agreement, hereinafter referred to as the "Follow-up meeting". The time for the Follow-up meeting is to be agreed between the Parties and the following issues shall be discussed at such meeting:
- (i) additional or removed Service Objects (if any);
 - (ii) changes with regard to contact persons (if any);
 - (iii) applicable price adjustments (to be calculated by the index in accordance with clause 7 above), and
 - (iv) other issues under this Agreement.
- 13.2 Attachments to this Agreement that are adjusted by the Parties at the Follow-up meeting shall be signed by both Parties and thereafter form part of this Agreement. All other changes to this Agreement shall be in writing and duly signed by authorized representatives of the parties in order to be valid.

14 Liquidated damages

- 14.1 If specifically set forth in any of the Attachments 2-6 or Attachment 10 that liquidated damages shall apply for delay, the following stipulation regarding liquidated damages shall apply with respect to the Services under such Attachment.
- 14.2 If the Supplier any such delay is attributable to the Supplier, the Supplier shall pay the Employer liquidated damages as set out in the relevant Attachment. Notwithstanding the aforesaid, the maximum annual amount of liquidated damages under this Agreement shall not in the aggregate exceed an amount of 100% of yearly fee set out in Attachment 12.
- 14.3 The aforesaid liquidated damages shall be the Employer's sole and exclusive remedy for the Supplier's delay within the time frame(s) stipulated in the relevant Attachment(s).
- 14.4 If not specifically set forth in any of the Attachments that liquidated damages shall apply, no such liquidated damages shall apply with respect to the Services.

15 Term

- 15.1 The period of Agreement validation is till execution of all contractual obligations, however period of execution of works is 3 years from the day both Parties has signed the Agreement with possibility to extend Agreement 2 (two) times for 12 month period.

16 Contract documents and order of priority

- 16.1 This Agreement consists of the following contract documents:

This contract document

Attachment	1	Service Objects
Attachment	2	Telephone- and On-site support
Attachment	3	Fault locating
Attachment	4	Cable exposing, burial and civil works
Attachment	5	Cut and seal
Attachment	6	Repair work
Attachment	7	Engineering
Attachment	8	Storage and maintenance of spare parts

Attachment	8A	Storage Agreement (if used)
Attachment	9	RPP & preventive maintenance
Attachment	10	All-inclusive (turnkey) Marine Operation Services
Attachment	11	Contacts
Attachment	12	Yearly fee & firm sums
Attachment	13	Rates
Attachment	14	Marine Turnkey Repair Contract
Attachment	15	Technical specification
Attachment	16	Procurement documents, their explanations and clarifications
Attachment	17	Minutes of the Procurement commission meeting No 1., 5th of June 2020;
Attachment	18	Minutes of the Procurement commission meeting No 2., 15th of June 2020;
Attachment	18	The Seller's final Tender
Attachment	19	The Suppliers list.

- 16.2 In case of any conflict or discrepancy between the documents listed above, this contract document shall prevail over the attachments and the Attachments 12 and 13 shall prevail over all other attachments.
- 16.3 If any of the clauses in this contract document or any attachments to this Agreement (or parts thereof) becomes invalid or unenforceable, such invalidity or unenforceability shall not invalidate or render unenforceable the entire Agreement or remaining Attachments, but rather the entire Agreement and Attachments shall be construed as if not containing the particular invalid or unenforceable provision or provisions, and rights and obligations of the Employer and Supplier shall be construed and enforced accordingly.
- 16.4 If the Employer and the Supplier enters into a separate agreement regarding services that are not included in this Agreement the separate agreement supersedes any and all conditions in this Agreement with regard to the services included in such separate agreement.

17 Termination

- 17.1 Either Party may terminate this Agreement with 12 months' notice to the end of a calendar year.
- 17.2 Either Party shall be entitled to terminate this Agreement with immediate effect if the other party commits a fundamental breach of contract. However, no breach shall be regarded as fundamental unless the party in default has received fair warning in writing and then has failed within 60 days to take proper steps to remedy the breach. Clauses 11, 12 and 19 shall survive such termination. A "fundamental breach" shall be understood according to the Swedish law.

18 Assignment

- 18.1 Neither of the Parties shall be entitled to assign this Agreement to a third party without the other Party's prior approval in writing, such approval not to be unreasonably withheld.

19 Governing law and disputes

- 19.1 This Agreement shall be governed by and interpreted in accordance with Swedish law
- 19.2 Any dispute, controversy or claim arising out of or in connection with this Agreement, or the breach, termination or invalidity thereof, shall be finally settled by arbitration in accordance with the Rules of the Stockholm Arbitration Institute. The arbitral tribunal shall be composed of three (3) arbitrators. The seat of arbitration shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English.

- 19.3. The terms and conditions of performance guarantee, which shall be provided by the contractor prior to the conclusion of the Agreement :
- 19.3.1 The fulfillment of the Agreement shall be ensured by the first demand, unconditional and irrevocable guarantee of the bank acceptable to the Employer (the list of banks is specified in Annex 11 to the Procurement Terms and Conditions).
- 19.5. The bank guarantee shall be governed by Swedish law and by the Rules of the Stockholm Arbitration Institute.
- 19.6. The amount of performance guarantee is - **10 percent from the annual preparation fee**, the term of validity is one year, at least 30 (thirty) days before the end of bank guarantee for the Contract performance, the Employer shall be provided with an extension of the bank guarantee for the next one year and thus until all the fulfillment of all Supplier's obligations under the Agreement and 60 (sixty) days thereafter.
- 19.7. Conditions for the bank guarantee to be provided to ensure the performance of the repair works contract: size - 10 percent on contract price excl. VAT; the term of validity is until the fulfillment of all Supplier obligations under the contract and 60 days after. The repair contract guarantee is provided prior to signing the contract.

20 Notices under the Agreement

- 20.1 Unless otherwise stipulated in the Attachments 2-10 with respect to the Services, all notices under this Agreement shall be in writing and sent to each Party's contact person for this Agreement. At the date of signing of this Agreement, the Parties' contact persons for this Agreement are set out in Attachment 11.
- 20.2 Electronic mail shall be regarded as written notice provided that the receiving Party has confirmed the receipt of the electronic mail. For the avoidance of doubt, the preparedness of engineer to start to travel to be on site with 24 hrs shall be calculated from the request by phone.
- 20.3 A Party may replace its contact person for this Agreement by written notice to the other Party, in which case Attachment 11 shall be updated forthwith.

21 Bribery and corruption

- 21.1 Both the Supplier and Employer confirm that they acknowledge the other party's respective Codes of Conduct for Suppliers, as amended or adjusted from time to time (the "Codes"). The respective Codes valid at the time of Agreement signing for the Employer and the Supplier respectively are attached to this Agreement as Appendices.

In addition to that, the Supplier and the Employer are participants in the UN Global Compact (the "Global Compact") and the Parties intend, in good faith, (i) to abide by the UN Global Compact principles in all their business activities to the extent reasonably within their control and (ii) to the extent applicable, to implement the Global Compact in their business principles and practices.

- 21.2 Either Party shall be entitled but is not obliged to conduct or have conducted an inspection of the other Party and its Affiliates for the sole purpose of determining compliance with the other Party's Code and the UN Global Compact principles including processes to ensure monitoring compliance thereof as it relates to the performance of this Agreement (the "Purpose"). Any such inspection shall be made during normal business hours and only at the other party's and its Affiliates offices or operations that are involved in the performance of this Agreement. Either Party is thereby for the Purpose, inter alia, entitled to visit permitted sites, review management systems and interview managers. The inspections may be conducted by a reputable third party auditing firm reasonably acceptable to the other Party. Each Party agrees to cooperate to the extent possible and reasonable

in order to facilitate the inspection and will use its best endeavours to ensure that its Affiliates do the same. The inspection rights do not encompass access to confidential or proprietary information.

21.3 Either Party has the right to terminate this Agreement without notice, if the other Party and/or its Affiliates, offices or operations involved in the performance of this Agreement demonstrably commits or has committed a breach of the Code or the UN Global Compact principles, which is so severe that continuing with the Agreement until the end of its term is reasonably unacceptable, and, in case rectification is possible, if the Party in breach and/or its Affiliate do not rectify the non-compliance within a reasonable period of time following a written notification.

21.4 For the purpose of this Agreement, "Affiliate" shall mean with respect to a Party any entity which is directly or indirectly

- (i) controlled by that Party; or
- (ii) owning or controlling that Party; or
- (iii) under the same ownership or control as that Party.

The Supplier shall establish reporting channels where the Employer and its employees may report suspected violations of applicable laws, policies or standards of conduct.

This Agreement has been executed in two (2) originals of which the Supplier and the Employer have each received one.

