



TRANSFORMER SUPPLY CONTRACT

Between

Lageland B.V.

and



Contract no.: 

Version 1.0

Effective Date: **01 September 2026**

BY AND BETWEEN

1. [•] hereinafter referred to as the “Contractor”;
2. Lageland B.V., a company organized and existing under the laws of Netherlands, registered before the Chamber of Commerce under number 94950210, with registered office at Winschoterdiep 50, 9723AB Groningen, represented by Mr. A. Said, hereinafter referred to as the “Client”;

Jointly also referred to as “Parties” and individually as “Party”;

WHEREAS:

- A) The Contractor’s activity includes the design, manufacturing and sale of power transformers.
- B) The Client’s activity includes the construction and operation of the Lageland 110/33kV HV-substation for which it is required to acquire transformer(s).
- C) The Client has issued a EU public tender TN 594518 for the supply of a three-phase oil immersed 110/33kV 110 MVA power transformer including an option for the supply of a 2nd identical power transformer.
- D) The Contractor has submitted a tender offer and was awarded the tender based on best value for money.
- E) The Client and the Contractor now wish to enter into a contract pursuant to which the latter will supply to the former, who will purchase, one (1) three-phase oil immersed 110/33kV 110 MVA power transformer (hereinafter: the “Transformer”) which shall fulfil the technical specifications, as better defined in clause 2.

The Parties agree to enter into this contract (hereinafter: the “Contract”) under the following terms and conditions:

1 DEFINITIONS

- **“As Built Documents”** means the as built documents to be prepared and submitted by the Contractor in accordance with Annex 3 (Technical Specifications).
- **“Base Date”** means the date of submission of the Offer.
- **“Business Day”** means each day other than a Saturday, a Sunday, or a legal holiday in the Netherlands.
- **“Consents”** means any approvals, authorizations, notifications, concessions, acknowledgments, agreements, licenses, permits or decisions required from any Public Authority for performance of the Works (including those required for the Contractor for the design, construction or for import, handling, transport or storage), except for the Permits.
- **“Contract Price”** means the contract price as per Annex 1 (Price Schedule).

- **"Costs"** means all expenses, costs and disbursements, including overhead costs, but excluding lost revenues, lost profits, cost of capital and others indirect or consequential costs.
- **"Engineering Design"** means the Transformer design prepared by Contractor in accordance with Annex 3 (Technical Specifications).
- **"Environmental Liabilities"** means the liabilities resulting from non-compliance with environmental laws.
- **"FAT"** means the factory acceptance tests that are performed at the Contractor's factory as specified in Annex 3 (Technical Specifications).
- **"Final Acceptance"** means the final acceptance of the Transformer by the Client as per clause 13.
- **"Final Acceptance Certificate"** means the Client's Final Acceptance of the Transformer by a written document issued by the Client pursuant to sub-clause 13.1.
- **"Good Engineering and Construction Practices"** means the state of the art practices that a professional contractor engaged in similar works applies.
- **"Guaranteed Performances"** means the Transformer performance on (i) sound pressure against the values submitted by the Contractor as part of the Offer and (ii) Transformer (no) load losses against the higher of: the values submitted by the Contractor as part of the Offer and the values measured during the FAT up to the limitations set forth in sub-clause 16.2.
- **"Intellectual Property Rights"** means any and all intellectual property rights, including patent rights, registered and unregistered design rights, utility models, copyrights, database rights, rights to domain names, trademark rights, confidential technical and scientific information, trade secrets and know-how, and where such rights are obtained or enhanced by registration, any registration of such rights (including the right to apply and the application for such registration) and the right to claim priority from patent applications
- **"Laws"** means all applicable in the Netherlands: national (or state or provincial) legislation, statutes, acts, decrees, rules, ordinances, orders, treaties, international law and other laws, and regulations and by-laws of any legally constituted public authority.
- **"Make Good" or "Making Good" or "Made Good"** means any repair, adjustment, alteration, replacement which may be required to correct a Defect.
- **"Offer"** means the offer, including the appendices belonging to it, which the Contractor has made on the basis of the Tender.
- **"Permits"** means permits (to be) applied for by the Client as specified in Annex 4.
- **"Provisional Acceptance"** means the acceptance of the Works by the Client in accordance with sub-clause 11.
- **"Provisional Acceptance Certificate"** means the Client's Provisional Acceptance of the Works by a written document issued by the Client pursuant to sub-clause 11.1.
- **"Punch List"** means the list of the outstanding minor work still to be completed by the Contractor after Provisional Acceptance as per clause 11.
- **"SAT"** means the site acceptance tests that are performed at the Site as specified in Annex 3 (Technical Specifications).

- **"Site"** means the location of the Lageland 110/33kV HV-substation.
- **"Subcontractor"** means any legal entity to whom any part of the Works has been or was subcontracted.
- **"Tender"** means the EU public tender TN 594518 issued by the Client including all tender documentation.
- **"Transformer Price"** means the price for the Transformer in accordance with item nr. 1.1 of Annex 1 (Price Schedule).
- **"Works"** means the works to be performed by the Contractor as per sub-clause 2.2.

2 SCOPE OF THE CONTRACT

- 2.1 The Contractor hereby undertakes to supply to the Client, and the Client undertakes to purchase from the Contractor one (1) three phase oil immersed power transformer, core type, with two (2) windings, 110 MVA (ONAN), 110/33 kV in compliance with Annex 3 (Technical Specifications).
- 2.2 Without prejudice to sub-clause 2.1, the works to be provided by the Contractor under the Contract (the "Works") shall consist of (i) the engineering, manufacturing, testing (FAT), transportation to Site, off-loading (sliding method) of the Transformer onto its final place of installation, assembly, testing and cold commissioning (SAT), as-built documentation and warranty, and of all other services required to deliver the Transformer to the Client in accordance with the Contract and (ii) the compliance with all other obligations under the Contract.
- 2.3 The scope of the Contract does not include:
 - (a) The supply of universal tools, including but not limited to voltage control relay, voltage transformer for voltage control relay, temperature monitor (only included the fibre optics), parallel device; remote and/or local panel; surge arresters, surge arresters supports, bushing connectors, neutral earthing resistor, jacks and straps necessary for inspection and maintenance;
 - (b) Supply of equipment and/ or materials not foreseen in the Contract.
 - (c) The connections of the transformer to the grid, to the auxiliary supplies and to the SCADA system;
 - (d) Construction works and construction engineering;
 - (e) Coordination with other contractors.

3 OPTIONAL 2ND TRANSFORMER

- 3.1 Within 60 months after the Effective Date the Client may at its discretion order a second (2nd) transformer under the terms and conditions of this Contract, including the scope of the Works as specified in sub-clause 2.2 and the Technical Specifications of Annex 3 and excluding sub-clause 4.1 (Time Schedule) and clause 8 (Contract Price). The price and time schedule for such 2nd transformer and the works shall be (re)negotiated in good faith between the Parties.

- 3.2 For the purpose of this 2nd transformer the Effective Date shall be the date the purchase order therefore is submitted by Client.

4 TIME SCHEDULE AND STORAGE

- 4.1 To the Works the following milestones apply:
- a) submission of the Engineering Design [DATE]
 - b) ex-works (EXW, as defined in Incoterms® 2020): [DATE]
 - c) delivery on Site: [DATE]
 - d) Provisional Acceptance: [DATE]
 - e) as-built documentation submitted: [DATE]
- 4.2 If any of the above deadlines must be changed for reasons not attributable to the Contractor, the Client may request the Contractor to provide storage of the Transformer after ex-works date and until delivery on the Site. The first six (6) months of storage shall be free of charge. Any storage duration beyond the first six months shall be charged to the Client at the monthly rate as set out in Annex I (Price Schedule).

5 CONTRACTOR'S OBLIGATIONS

- 5.1 The Contractor declares that the Works shall comply with the Offer.
- 5.2 The Contractor shall perform the Works in accordance with the provisions of the Contract, the Good Engineering and Construction Practices and the Law, the Consents and the Permits. No other works than the Works shall be performed on the Site. The Works shall be completed in all respects and shall be in accordance with the Contract. The Transformer shall be new and unused.
- 5.3 The Contractor acknowledges that it must rely entirely on its own skills and judgment in the performance of the Works. Accordingly, the obligations and liabilities of the Contractor shall not be affected by any comment or approval, made or given, by or on behalf of the Client, or by the absence thereof.
- 5.4 Notwithstanding the Client's responsibility for the accuracy of all information and requirements provided by it, the Contractor is deemed to have checked that all information or requirements (including the Technical Specifications) provided by the Client are complete, accurate and consistent. On Contractor's request, the Client shall explain and/or adjust possible ambiguities or discrepancies.
- 5.5 The Contractor represents and warrants, and shall ensure that its Subcontractors represent and warrant (i) it has obtained and shall maintain all Consents (including applicable registrations) for the Works, (ii) the Contract, and the transactions contemplated therein do not and will not conflict with any of its contractual undertakings and (iii) no litigation, arbitration or administrative proceeding is pending to restrain the compliance with any of its obligations, under the Contract. The Contractor represents and warrants that it has no social security debts, nor tax debts at the time of the signature of the Contract and during its performance.

- 5.6 The Contractor represents and warrants to the Client that it complies with the international and national laws applicable to the Contract (including any amendments made to those laws during the term of this Contract) relating to:
- i. human rights and individual fundamental freedoms, in particular the prohibition of (a) child labour and any other form of forced or compulsory labour; (b) any type of discrimination within its group or in its dealings with its suppliers or Subcontractors;
 - ii. embargoes, arms and drug trafficking and terrorism;
 - iii. trade, import and export licences and customs requirements;
 - iv. the health and safety of employees and third parties;
 - v. employment, immigration and the ban on using undeclared workers;
 - vi. environmental protection;
 - vii. white-collar crime, mainly corruption and bribery, fraud, influence peddling (or the equivalent offence under the national law applicable to this contract), obtaining by fraud, theft, misuse of company property, counterfeiting, forgery and use of falsified documents, and any related offences;
 - viii. anti-money laundering measures; and
 - ix. competition law.
- 5.7 The Contractor declares having been sufficiently informed by the Client about the employment conditions applicable to the Site.
- 5.8 The Contractor shall comply with and shall ensure compliance by its own suppliers and Subcontractors as well as by any third party involved in the Works, with the requirements set out in this clause.
- 5.9 The Client may require the Contractor to prove its compliance with the requirements set out in this clause at any time and may audit the Contractor, directly or through a third party, at any time and at its own expense, provided that it gives prior notice of the audit to the Contractor. In the event of an audit, the Contractor undertakes to grant the Client's employees access to its premises and/or its sites and to provide the Client with all information and/or documents that it may request for the successful completion of the audit.
- 5.10 Any breach of the provisions of this clause by the Contractor will be treated as a breach of contract justifying the suspension and/or termination of the Contract by the Client on the terms and conditions set out herein.
- 5.11 The Contractor shall design the Transformer so as to ensure useful operation of the Transformer for the normal lifetime or for the lifetime specified in the Technical Specifications.
- 5.12 The Contractor shall be deemed to have been satisfied, at the Base Date, as to the suitability and availability of the access routes to the Site. The Contractor shall take all necessary measures to prevent any road or bridge from being damaged by the Contractor's traffic. These measures shall include the proper use of appropriate vehicles (conforming to legal load and width limits (if any) and any other restrictions) and routes.

- 5.13 The Contractor shall keep the Site free from accumulation of wastes, surplus materials and rubbish. The Contractor shall not create Environmental Liabilities and agrees to fully indemnify the Client from losses in respect of his negligence in this respect.
- 5.14 The Contractor shall provide a comprehensive and adequate training (including the training manuals) for the Client's staff so that they can operate and maintain the Transformer safely and efficiently, before first exposure of the Client's staff to the risks, and at the latest at Provisional Acceptance. The training manuals and the training shall be, in English and/or in Dutch at the Client's sole discretion. The trainer shall be fluent in the relevant language and no translator shall be allowed.
- 5.15 The Contractor guarantees that spare parts shall remain available for 25 years as of Provisional Acceptance.
- 5.16 The Contractor shall comply with the Dutch Wet ketenaansprakelijkheid (Chain Liability Act). Contractor shall indemnify and hold harmless Client against any claims by the Dutch Tax Authorities (Belastingdienst) and/or the Employee Insurance Agency (UWV) arising from Contractor's or its Subcontractors' failure to pay wage taxes and/or social security contributions.

6 CLIENT'S OBLIGATIONS

- 6.1 The Client shall provide free access to the Site during the execution of the Works on Business Days between 07.00 AM and 18.00 PM or any other times if requested at least five Business Days in advance and at the Client's sole discretion.
- 6.2 The Client shall review and accept or reject with comments the Engineering Design within four (4) weeks after its submission.
- 6.3 The Client shall provide the structures below ground level on Site for the off-loading and installation of the Transformer by sliding.

7 TESTING AND THE CLIENT'S RIGHT TO INSPECT

- 7.1 As part of the Works, the Contractor will carry out the routine and type tests in its factory (FAT) and the required tests on Site (SAT) in accordance with the standards referred in the Technical Specifications set out in Annex 3 (Technical Specifications) and for which the Contractor will issue the respective test reports.
- 7.2 At all times, the Client shall be entitled to inspect the materials and workmanship, to attend the tests, and to check the progress of manufacturing of the Transformer or part thereof. The Contractor shall obtain any permission that may be required for the Client for that purpose. During inspections, the Client has the right to make pictures or recordings with regard to the Transformer. Such inspection or attendance of tests do not release the Contractor from any obligation under the Contract. Except for Client's wages, travel and accommodation, costs related to testing are borne by the Contractor.

- 7.3 If tests must be repeated due to revealed shortcomings, all the expenses caused by such additional tests (including the Client's reasonable wages, travel and accommodation costs) will be borne by the Contractor.
- 7.4 The tests shall comply with the Technical Specifications (Annex 3). The Contractor shall notify the Client of the testing date at least fifteen (15) Business Days in advance. If the tests need to be postponed, the Contractor shall notify the Client thereof at least five (5) Business Days in advance. If the Client does not attend the tests, the Contractor shall forthwith submit to the Client duly certified copies of the results. The Client has the right to impose that tests will be repeated in its presence. Such to be repeated tests shall be considered a Variation, unless a test indeed reveals shortcomings.

8 CONTRACT PRICE

- 8.1 The Contract Price for the Works shall be a firm all-inclusive lump sum price.
- 8.2 The prices for the Works, as well as the respective quantities, are defined in Annex 1 (Price Schedule).
- 8.3 The Contract Price shall include the costs for the bank guarantee(s) under clause 10.
- 8.4 Prices are quoted in Euros and shall include all taxes (other than VAT), duties, fees, licenses, permits and commissions.
- 8.5 The Transformer Price is subject to the application of a Price Adjustment Formula, as per the attached Annex 2 (Price Adjustment Formula).
- 8.6 The Transformer Price set out in Annex 1 (Price Schedule) shall be considered the base price (initial quoted price).
- 8.7 The adjusted Transformer Price shall be calculated at ex-works date, by using the applied indexes at a date 5 months prior to the ex-works date and shall be taken into account in the 'Delivery on Site' payment milestone of sub-clause 9.1(d).
- 8.8 The Contract Price shall be adjusted to take account of any increase or decrease in Cost resulting from a change in Laws that:
- (a) affects the Contractor in the performance of its obligations under the Contract;
 - (b) is made and/or officially published after the Base Date; and
 - (c) was unforeseeable by an experienced Contractor at the Base Date.

9 INVOICING AND TRANSFER OF OWNERSHIP

- 9.1 The Contractor shall invoice the Client in accordance with the following milestones:
- (a) Approval of the Engineering Design: 5% of the Contract Price after Client's approval of the Engineering Design including Preliminary Outline Drawing, Preliminary Outline Dimensions and Weights and Technical Data Sheet documentation package.

- (b) Arrival at the Contractor factory of Main Materials: 20% of the Contract Price, payable after the Contractor's submission of proof of delivery by suppliers of the Main Materials to the Contractor factory.
 - (c) Factory Acceptance Tests: 15% of the Contract Price, payable after successful tests and release of FAT test report by the Contractor.
 - (d) Delivery on Site: 30% of the Contract Price, payable after delivery on Site and off-loading of the Transformer.
 - (e) Provisional Acceptance: 20% of the Contract Price, after the issuance of the Provisional Acceptance Certificate:
 - (f) As-built documentation: 10% of the Contract Price, payable after the handover of the As-Built documentation in accordance with Annex 3 (Technical Specifications).
- 9.2 Invoices issued by the Contractor shall be in Euro and shall contain all relevant information required under applicable VAT laws.
- 9.3 Invoices shall be sent by email to: facturen@energiebedrijfgroningen.nl with reference to the Contract number.
- 9.4 Undisputed amounts shall be due and payable by the Client within 30 (thirty) days counted from the date of issuance of the respective invoice.
- 9.5 The ownership of the Transformer shall be transferred to the Client at the payment of the 'Delivery on Site' milestone (sub-clause 9.1(d)) .

10 PERFORMANCE BANK GUARANTEE

- 10.1 Payments by the Client will be due only on condition that Contractor has submitted to the Client a Performance Bank Guarantee in the amount of 40 % (in words: forty percent) of the Contract Price, guaranteeing the performance by the Contractor of its obligations under the Contract. The amount of the Performance Bank Guarantee may be reduced to :
- i 10% (in words: ten percent) after the transfer of ownership of the Transformer pursuant to sub-clause 9.5;
 - ii 5% (in words: five percent) after the issuance of the Provisional Acceptance Certificate 5%.
- 10.2 Such Performance Bank Guarantee shall become effective on the Effective Date and shall remain valid until five (5) days after the Final Acceptance Certificate has been issued.
- 10.3 This Performance Bank Guarantee shall be conform to the attached model in Annex 6.
- 10.4 The Performance Bank Guarantee, of which all the costs shall be borne by the Contractor, shall be issued by a first-class international bank with a minimum rating of A- by Standard & Poor's or A3 by Moody's and having its head office or branch located in EU.
- 10.5 In the event that: the Performance Bank Guarantee (i) expires or terminates prior to the date on which the Performance Bank Guarantee is expected to expire or terminate pursuant to the terms thereof or the Contract, or (ii) shall fail or cease to be in full force and effect at any time

during the term of the Performance Bank Guarantee: or the issuer of the Performance Bank Guarantee cease to be rated at least A- by Standard & Poor's or A3 by Moody's and the Contractor has not delivered to Client a replacement Performance Bank Guarantee which complies with the terms of the Contract, within fourteen (14) Days after request by Client, then Client shall be entitled to draw on the entire outstanding amount of the Performance Bank Guarantee.

- 10.6 If after the issuance of the Performance Bank Guarantee (i) Transformer Price escalation occurs, (ii) options are exercised, or (iii) Variation Orders are issued, the Client shall be entitled to request an increase of the amount of the Performance Bank Guarantee accordingly, provided the value of such escalation, options and Variations exceed 10 % (in words: 10 percent) of the Contract Price.

11 PROVISIONAL ACCEPTANCE

- 11.1 As soon as each of the following conditions are fulfilled, the Contractor will require in writing for the Client to issue the Provisional Acceptance Certificate:

- (a) the site acceptance tests (SAT) have been successfully passed, the performances of the Transformer meet the Guaranteed Performances and the Contractor has issued all applicable test reports;
- (b) the Contractor has removed all its equipment and the Works are in clean and in a workmanlike condition; and
- (c) the Contractor has submitted the As Built Documents in accordance with Annex 3 (Technical Specifications).

If the Client fails to issue such Provisional Acceptance Certificate within 14 (fourteen) days, unless it refuses to do so based on the proven non-compliance with any of the conditions of this sub-clause 11.1, issuance shall be deemed to have been made on the last day of such 14 (fourteen) days deadline.

- 11.2 Minor defects, that do not affect in any way:

- (a) the reasonable use and/or safe operation of the Transformer;
- (b) the Guaranteed Performances of the Transformer; and/or
- (c) the health, safety and/or environment,

will not prevent the Provisional Acceptance. These minor defects will be listed as Punch List items attached to the Provisional Acceptance Certificate and including an agreed milestone schedule for Making Good these Punch List items. The Contractor warrants and guarantees the resolving of these Punch List items in accordance with the agreed milestone schedule.

- 11.3 Risk of loss and damage to the Transformer shall pass to the Customer with the Provisional Acceptance.
- 11.4 The granting of the Provisional Acceptance Certificate shall not restrict the Contractor's obligations under the Contract.

12 DEFECTS LIABILITY PERIOD

- 12.1 Without prejudice to any other obligation under the Contract, the Contractor guarantees and warrants that the Transformer shall be free from all Defects during the Defects Liability Period, which shall be twenty-four (24) months from Provisional Acceptance, and may be extended in accordance with this clause 12.
- 12.2 When any part of the Transformer is repaired or replaced due to any Defects, said part shall be further warranted for a period of twenty-four (24) Months from the date of completion of such repair or replacement.
- 12.3 If, in the course of the Defects Liability Period, the Transformer has been out of operation, as a result of a Defect or a damage resulting from a Defect during a total period of more than two (2) Months, the Defects Liability Period shall be extended by a period equal to the number of days by which the shutdown of the Transformer exceeds two (2) Months.
- 12.4 The Defects Liability Period, as well as any extension hereof, shall in all situations cease at latest at the moment of forty-eight (48) months calculated from Provisional Acceptance.
- 12.5 The Contractor shall Make Good any Defect that occurs during the Defects Liability Period as soon as possible and at its risk and costs. To the extent a Defect is however caused by the Client or by a party not being the Contractor, a Subcontractor or any person/company the Contractor is responsible for, the costs to Make Good made by the Contractor shall be compensated by the Client, subject to the Contractor informing the Client hereof and of the expenses concerned before starting to Make Good and the Client instructing the Contractor to Make Good such Defect.
- 12.6 If any such Defect is not Made Good as soon as reasonably possible or at least within the reasonable time period notified by the Client to the Contractor, having due regard to the extent and nature of the Defect, the Client shall be entitled, at its sole discretion:
- (a) to Make Good or let do the works by others at the Contractor's risk and expense;
 - (b) to obtain a reasonable financial compensation considering the Defect; or
 - (c) to exercise all rights provided in clause 20.
- 12.7 If during the Defects Liability Period there is a reasonable probability that any Defect can appear regularly, or can affect other similar part of the Transformer, the Contractor shall search for other such Defects in the Transformer, unless the Contractor motivates to the Client that such Defect is of incidental nature. If there appears at least one similar Defect, the Contractor shall at its costs and under its responsibility replace all such similar part or the Transformer by component(s) of a suitable quality.
- 12.8 If, during the Defects Liability Period, any of the Guaranteed Performances, is not met, the Contractor shall respond promptly and Make Good such non-compliance, in conformity with the provisions of this clause 12.
- 12.9 The Contractor is liable for hidden Defects being any Defect(s) that becomes apparent within 24 (twenty four) Months following the end of the Defects Liability Period and that the Client could not have reasonably discovered during the Defects Liability Period and of which the

Client demonstrates that such came into existence during the Defects Liability Period. If the Client wishes to demonstrate such by root cause analysis, the Contractor shall provide its reasonable cooperation. Such liability shall be the following:

- (a) the Contractor shall Make Good in relation to the relevant Defect; or
- (b) if the Defect is not Made Good as soon as reasonably possible or at least within the reasonable time period determined by the Client, having due regard to the extent and nature of the Defect, the Client may proceed to Make Good the Defect itself or by others at the Contractor's risk and reasonable costs to the extent the Client or the other followed Good Engineering and Construction Practices.

13 FINAL ACCEPTANCE

13.1 At the end of the Defects Liability Period, subject to any extension as provided in clause 12, the Contractor will require in writing for the Client to issue the Final Acceptance Certificate under condition that each of the following conditions is satisfied and it being understood that such shall not relieve the Contractor of its remaining obligations under the Contract:

- a) all Defects have been Made Good;
- b) the Contractor has fulfilled all its obligations under the Contract;
- c) the Contractor has paid to the Client any amount due at that time;
- d) all Punch List items, if any, have been completed.

If the Client fails to issue such Final Acceptance Certificate within 20 (twenty) days, unless it refuses to do so based on the proven non-compliance with any of the conditions of this sub-clause 13.1, issuance shall be deemed to have been made on the last day of such 20 (twenty) days deadline.

14 LIABILITY AND INDEMNITY

14.1 Each Party shall be liable for and, in relation to third parties shall defend, indemnify and keep indemnified the other Party, its agents and its employees against all liabilities, losses, damages, costs and claims whatsoever, in respect of death or personal injury or loss of or damage to physical property, howsoever arising as a result of or in connection with (i) a breach by that Party of its obligations under the Contract; or (ii) a negligent act or omission, actionable wrong or breach of statutory duty or duty of care committed by the first Party, its employees, agents or any of its Subcontractors; or (iii) any failure of the first Party, its employees, agents or any of its Subcontractors to comply with the Law, Permits or Consents.

14.2 No Party shall be liable to the other Party for loss of profit, loss of revenue, loss of contracts, cost of capital or indirect consequential losses or damage that may be suffered by the other Party in connection with the Contract.

14.3 The Contractor's liability in connection with this Contract is limited to 100% of the Contract Price.

14.4 The limitation of liability in sub-clause 14.2 and sub-clause 14.3 shall not apply: (i) if not allowed under the mandatory provisions of the Law; (ii) in case of wilful misconduct or gross

negligence or (ii) in relation to indemnification for claims made by third parties. For the avoidance of doubt, the cost of Making Good a Defect and the Liquidated Damages (clauses 15 and 16) shall not be limited by the limitation of liability in sub-clause 14.2 and sub-clause 14.3.

15 LIQUIDATED DAMAGES FOR DELAY

- 15.1 The Contractor shall pay the following liquidated damages for exceeding the milestone for Provisional Acceptance pursuant to sub-clause 4.1(d): 1,0% of the Contract Price per each week or part thereof, up to a maximum of 15% of the Contract Price.
- 15.2 The application of such Liquidated Damages for Delay shall be the sole financial remedy but not be exclusive of other remedies to the Client under the Contract or the Law.

16 LIQUIDATED DAMAGES FOR TRANSFORMER LOSSES

- 16.1 The Contractor shall pay the following liquidated damages if and insofar the values of Transformer losses measured during the FAT exceed the values of Transformer losses as included in the Offer:
- a) no-load losses of the Transformer: €5000,- per kW exceedance;
 - b) load losses of the Transformer: €1000,- per kW exceedance.
- 16.2 The Transformer (load and no-load) losses allowed under this Contract are limited to the values as specified in Annex 3 (Technical Specifications).
- 16.3 If the Transformer losses measured as part of the FAT exceed one or more of the maximum levels under sub-clause 16.2 this shall be considered a Defect and the FAT shall have failed. Contractor shall promptly Make Good such Defect and the FAT shall be repeated in accordance with Annex 3 (Technical Specifications) and pursuant to sub-clause 7.3.

17 PAYMENT OF LIQUIDATED DAMAGES

- 17.1 Payment of Liquidated Damages pursuant to clause 15 and clause 16 shall occur within thirty (30) days following the date on which the Client submits to the Contractor an invoice or a debit note therefore. After expiration of this period, the collection of Liquidated Damages may also be done by set off and/or by exercising the Performance Bank Guarantee

18 CONFIDENTIALITY

- 18.1 All information and know-how disclosed by the Parties, orally or in writing, in virtue of or in connection with this Contract (including, without limitation, commercial, financial, operational, legal and/or technical information, trade secrets, data, knowledge, processes, research data or research materials) shall constitute Confidential Information.
- 18.2 The Parties undertake to maintain said Confidential Information under strict confidentiality and not to reproduce, disclose, distribute, release, transfer, or use in any way except to the extent strictly necessary for the execution of the Contract, unless either Party grants written consent to disclose such information.

- 18.3 The Parties shall ensure that Confidential Information is disclosed only to their representatives, directors, officers, employees, agents, consultants, Subcontractors or personnel on a need-to-know basis and in connection with the execution of this Contract, and shall take all reasonable steps to ensure that the aforesaid persons are undertake to comply with the terms of previous paragraphs.
- 18.4 Information or know-how of the Parties shall not be deemed Confidential Information if is already known to the either Party prior to the execution of this Contract, is part of the public domain, is disclosed to a Party by a third party who had no obligation not to disclose such information to others or if it is required by law or by a final judicial or administrative decision to be disclosed.

19 INTELLECTUAL PROPERTY RIGHTS

- 19.1 Intellectual Property – The Contractor grants to the Client a worldwide, transferable license to use, Intellectual Property Rights embedded in or relevant to the Works or the Transformer which were developed by or for the Contractor before or independently of the Works so as to allow the Client to use, complete, maintain, repair, convert, extend, de-assemble, dismantle, sell or given in use the Works and/or the Transformer. The price of such license shall be included in the Contract Price.
- 19.2 The Contractor warrants that neither the performance of the Works under the Contract, nor the use of the Transformer as envisaged by the Client, infringes any third party's intellectual property rights. The Contractor warrant it has obtained the right to transfer or grant a license of use to the Client as required in this clause and will maintain it in full force for the intended lifetime of the Transformer.
- 19.3 In the event of any claim, lawsuit or measure imposed by any Public Authority or other third party proceeding threatening the Client in relation to breach of intellectual property in relation to the Works or the Transformer, the Contractor shall (i) provide all assistance for contesting any such claim, lawsuit or measure and the Contractor shall bear all costs incurred in so doing, (ii) indemnify and hold harmless the Client against all loss, claims, proceedings and liability resulting from the actual or alleged unlawful use, (iii) pay any royalty, fees or damages due to or charged by any third party, holder of any Intellectual Property Rights that has been infringed, and (iv) take all necessary measures in order to allow the Works and the Transformer to be further used by the Client. Should the Contractor fail to comply with any of its obligations defined above within 30 days from the receipt of the Client's notice, the Client may proceed alone in such negotiations and proceedings, the risks and cost of which to be borne by the Contractor.

20 FORCE MAJEURE

- 20.1 A Force Majeure Event means the occurrence of any (or any combination) of the following events or circumstances, which, or any of the consequences of which: (a) are unforeseeable; and (b) are beyond the reasonable control and without fault or negligence of the affected Party; and (c) could not have been prevented in whole or in part by the exercise of reasonable care

and skill by the affected Party; and (d) materially impair or prevent the performance of obligations under the Contract by the affected Party.

- 20.2 The following are not considered as Force Majeure Event: technical failures, normal wear and tear in machinery, or breakdown in equipment, shortage of parts, materials or other similar circumstances for which the Contractor is responsible pursuant to the Contract; late or non-delivery of machinery, equipment, materials, spare parts; a delay or default in the performance of any Subcontractor or supplier, or any other contractor on Site, strike or lock-out affecting only the Contractor and/or its Subcontractor.
- 20.3 In case of a Force Majeure Event, the relevant Party shall be excused from failure or delay in performing its obligations to the extent affected by the Force Majeure Event and if that Party has duly applied the procedure in this clause. Where applicable, milestones shall be reasonably extend to the extent that the performance is impacted by the Force Majeure Event. It is agreed that the Party invoking a Force Majeure Event, shall not be relieved or excused from its obligations if the failure or delay by that Party would have been experienced anyway, even in the absence of the Force Majeure Event.
- 20.4 In case of a Force Majeure Event, each Party shall bear its Cost incurred by such circumstances. Upon the occurrence of any Force Majeure Event, the Contractor shall use its best efforts to continue to perform the Contract, to minimize the adverse effects of such Force Majeure Event and to proposes alternative means to continue the Works.
- 20.5 Notice of Force Majeure - If a Party is affected by a Force Majeure Event, it shall notify the other Party, as soon as possible but within maximum five (5) days from the date of occurrence, giving written details of the event, its effects, the expected duration and, any action taken to minimize the effects of the Force Majeure Event.
- 20.6 In case of a Force Majeure Event affecting the Contractor, within ten (10) Days after giving such notice and at any time the Client requires an update, the Contractor shall deliver to the Client an appraisal report of the Force Majeure Event specifying all consequences on the timeframe, the costs and the interfaces with the Client and/or other contractors. As soon as the Force Majeure Event has ended, the Party claiming the Force Majeure Event shall give written notice to the other Party of the date of the end of the Force Majeure Event and the exact extent, with justification, to which it has actually been affected in the performance of its obligations.
- 20.7 If a Force Majeure Event continues for a period of consecutive 180 days, either Party shall be entitled to serve upon the other Party an additional twenty-eight (28) days' notice to terminate the Contract. If, upon the expiry of that period, the Force Majeure Event is still in effect, the Contract shall, unless otherwise agreed, terminate. If the delivered Transformer or Works carried out until such date are, in the reasonable opinion of the Client, of value and usable to the Client, the Client shall pay to the Contractor the duly realized Works. Any such possible payment under this sub-clause shall replace the Contract Price and shall constitute the full and exclusive remuneration of the Contractor.

21 TERM AND TERMINATION

- 21.1 This Contract shall become effective on the date first written above (the "Effective Date").
- 21.2 Each Party shall be entitled to terminate this Contract, with immediate effect, in the following cases:
- (a) If the other Party materially breaches the obligations set forth in this Contract and said breach is not remedied within 20 (twenty) days from the date of notice by the non-breaching Party;
 - (b) If the other Party is dissolved, liquidated, subject to insolvency or recovery proceedings or enters into any agreement with its creditors affecting its assets.
- 21.3 If the Contract between the Parties is terminated based on contractual breach by the other Party, the breaching Party shall be liable towards the non-breaching Party for all costs and damages suffered by the non-breaching Party due to said breach, within the limitation of liability set forth in this Contract.
- 21.4 Termination of this Contract for whatever cause shall not affect or be deemed to affect any right or obligation of any Party, which arose prior to such termination.

22 SUSPENSION OF WORKS

- 22.1 The Client may at any time instruct the Contractor to suspend the Works or any portion thereof for such time as the Client may reasonably consider necessary. During such suspensions, the Contractor shall properly protect and secure the Works. In giving effect to Client's suspension instruction, the Contractor shall be entitled to a Variation, it being understood that the Contractor shall not be entitled to a Variation or to any costs if the suspension (i) was induced by negligence or wrongful act on the part of the Contractor, (ii) was resulting from wrong information given by the Contractor, or (iii) immediately required for the safe execution of the Works.
- 22.2 Resumption of works – The Contractor shall proceed with the Works as soon as reasonably possible after the Client will have given notice that the Works (or the relevant part thereof) may proceed.

23 VARIATIONS

- 23.1 Any Variations to the Works as defined in clause 2 shall be agreed in writing by both Parties. Variations to the Works may imply adjustments in planning and/or Contract Price, for which the Contractor shall submit to the Client a written document defining all such adjustments within 10 days after the request for such Variation is made by the Client.
- 23.2 The Client may, at any time (including after failure to reach an agreement on a Variation), instruct the Contractor to execute a Variation. The Contractor shall have the obligation to execute such instructed Variation on a "cost plus fee" basis, i.e. for a price equal to the sum of the proven and reasonable costs plus 10% fee applied on such proven costs; if the Price Schedule of Annex 1 specifies the hourly rates for labour or unit prices, these rates and/or unit prices will apply without such 10% fee. The Contractor shall immediately proceed with the

performance of the instructed Variation independently from pending agreement, or the resolution of any dispute.

24 HEALTH, SAFETY AND ENVIRONMENT (“HSE”)

- 24.1 The Contractor shall comply with the Health Safety and Environment Requirements for Contractors stated in Annex 5, HSE instructions of the Site, and with all applicable Laws regarding HSE. The Contractor shall procure that its suppliers and Subcontractors comply with these provisions.
- 24.2 At the latest at Effective Date, the Contractor shall appoint a HSE officer for design activities and a HSE officer for on Site activities. The latter shall be present on the Site when necessary, depending on the circumstances, and in any event be reachable and able to intervene immediately.
- 24.3 The Contractor shall elaborate an HSE file, comprising among others risk assessment reports related to design, all inspection reports, declarations of conformity and/or certificates of equipment and installations required by the Law or the Contract. The HSE file shall be part of the As Built Documents.
- 24.4 All safety related equipment (e.g. valves, electrical switch, etc) used or supplied shall be equipped with a device to safely lock out this equipment, for operation and maintenance activities, to prevent the activation by non-informed people. All safety related equipment will be controlled and certified in accordance with the relevant regulation requirements and such attestations will be available to the Client.
- 24.5 Carcinogenic Materials - The use of carcinogen or potential carcinogen materials must first be approved by the Client.
- 24.6 The Client reserves the right to assess compliance with provisions for health, safety and environment by the Contractor and its Subcontractors during term of the Contract. If the Contractor or its Subcontractors, in the Client’s reasonable opinion, do not comply with the HSE obligations, the Client shall be entitled to take all necessary measures, at the expense and risk of the Contractor. These measures shall not in any way relieve the Contractor from its responsibilities under the Contract.
- 24.7 The Contractor shall indemnify the Client against all damage and costs incurred (including the costs of litigation) as may result from an infringement of law for which the Contractor or its employees or Subcontractors are responsible.

25 COMMUNICATIONS

- 25.1 All communications and notifications between the Parties related to this Contract shall be made in writing, by registered mail or by e-mail to the following persons and addresses:

(a) The Client

Name:

Address:

Phone nr.:

E-mail:

(b) The Contractor

Name:

Address:

Phone nr.:

E-mail:

25.2 Any changes to the aforementioned addresses during the term of this Contract shall be communicated to the other Party by registered letter with acknowledgment of receipt within 5 (five) days after the change of address.

25.3 All communications will be considered made and received: when sent by registered mail, 3 (three) Business Days after sending. Communications made by electronic mail will be deemed to have been made on the following Business Day.

26 WAIVER

26.1 A waiver of any right or remedy under this Contract is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default. A failure or delay by a Party to exercise any right or remedy provided under this Contract or by law shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy.

26.2 No single or partial exercise of any right or remedy provided under this Contract or by law shall preclude or restrict the further exercise of any such right or remedy.

27 SEVERABILITY

27.1 If any court or competent authority finds that any provision of this Contract (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed to be deleted, and the validity and enforceability of the other provisions of this Contract shall not be affected.

27.2 If any invalid, unenforceable or illegal provision of this Contract would be valid, enforceable and legal if some part of it were changed, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable, provided it is changed in conformity with the intention of the original article.

28 INSURANCES

28.1 The Client has in effect and maintains the following insurances:

- (a) Construction All Risks (CAR) insurance which provides cover for the reinstatement cost of the Works, starting from the arrival of the Transformer at the Site until the date of the issuance of the Provisional Acceptance Certificate.

- 28.2 The Contractor has in effect and maintains for the duration of the Contract the following insurances:
- (a) Marine Cargo Insurance including a transport insurance for the value of the materials, goods and equipment being transported to the Site, on an all risks basis.
 - (b) General Liability insurance to cover Contractor's legal liability with a limit of indemnity of not less than EUR 5.000.000,- (five million Euro) (or equivalent in other currency) per occurrence and EUR 10.000.000,- (ten million Euro) (or equivalent in other currency) in the aggregate.
 - (c) Employer's liability/workmen's compensation insurance for its employed personnel in accordance with the applicable Laws.

29 ASSIGNMENT AND SUBCONTRACTING

- 29.1 A Party shall not assign or transfer the Contract or any part thereof or any benefit, obligation or interest therein or there under, to any third party, without the prior written consent of the other Party.
- 29.2 In deviation of sub-clause 29.1, the Client shall be entitled, without the Contractor's (further) consent, to assign or transfer the Contract or any part thereof or any benefit, obligation or interest therein or there under, to any Affiliated Company. However, the Contractor may demand adequate (additional) security (e.g. bank guarantee) if it can substantiate reasonable concerns about the creditworthiness (or if the Contractor is unable to establish this) of the acquiring party.
- 29.3 Except for the subcontracting to Subcontractors listed as such in Annex 7, the Contractor shall not subcontract any part of the Works without the prior written consent of the Client. The Contractor shall remain responsible for the acts, defaults and neglects of any Subcontractor.

30 NO PARTNERSHIP OR AGENCY

- 30.1 Nothing in this Contract is intended to, or shall operate to, create a partnership between the Parties, or to authorize either Party to act as agent for the other, and neither Party shall have authority to act in the name or on behalf of or otherwise to bind the other in any way (including the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).

31 APPLICABLE LAW AND DISPUTE RESOLUTION

- 31.1 This Contract and its Annexes shall be construed in accordance with and governed by the laws of The Netherlands.
- 31.2 Any dispute arising out of or in connection with this Contract and its Annexes that cannot be amicably settled by the Parties, shall exclusively be submitted to the competent Judicial Courts of Groningen, The Netherlands.

32 ANNEXES

The following annexes form an integral part of this Contract:

- Annex 1: Price Schedule (Offer version)
- Annex 2: Price Adjustment Formula (Tender version)
- Annex 3: Technical Specifications (Tender version)
- Annex 4: Permits (Tender version)
- Annex 5: Health Safety and Environment Requirements for Contractors (Tender version)
- Annex 6: MODEL Performance Bank Guarantee (Tender version)
- Annex 7: Subcontractors

This Contract, including its annexes, which form an integral part thereof for all purposes, is entered into, in two originals, one for each Party.

On behalf of [•],

On behalf of LAGELAND B.V.,

[name]

Date of signature: [•]

[name]

Date of signature: [•]

[name]

Date of signature: [•]

[name]

Date of signature: [•]