

This "Annex I Brazil" applies to contracts for the Procurement of supplies, services or works (hereinafter referred to as the "Contract") governed by Brazilian law and concluded between the companies of the ENEL Group and the Contractor (hereinafter referred to as the "Parties").

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1. Scope

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

2. Definitions

- **MINUTES OF WORK AND SERVICES ACKNOWLEDGEMENT:** Minutes in which is stated the defects in the finalised work or service and the deadline in which these should be corrected by the Contractor
- **DELIVERY NOTE:** A business document that contains a list of goods supplied and that certifies delivery thereof.
- **SHIPPING AUTHORISATION:** A document issued by ENEL, in which the Contractor is authorised to proceed with total or partial dispatch of the equipment or material under the Contract.
- **NOTICE OF SHIPMENT:** Document issued by the Contractor once all the agreed formalities have been complied, in which ENEL is informed that shipment of all or part of the equipment or materials under the Agreement.
- **AGREED QUALITY:** Agreement concluded between ENEL and the Contractor, according to which, the latter guarantees certain quality standards agreed in advance by both Parties.
- **LETTER OF INTENT or ORDER TO PROCEED:** Non-binding agreement that contains commitments that may or may not be formalised in a Contract.
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- **INSPECTOR: Person or entity designated by ENEL that performs the inspection functions at any stage of the execution of the Agreement.**
- **REQUEST FOR PROPOSAL:** Document through which ENEL calls for an offer. It will set out the technical specifications and commercial and legal specifications, among which are included in the General Terms and Conditions.
- **QUALITY CONTROL PLAN: A document issued by the Contractor specifying the processes, procedures and associated resources, which will be applied in order to fulfil the requirements of the Contract.**
- **INSPECTION ITEMS PROGRAMME:** A document issued by the Contractor and approved by ENEL, in which is stated the different inspections, assay, tests or analysis to be performed.
- **APPROVAL AT SOURCE:** Procedure in which the evidence or tests required for the receipt of the material are conducted in the presence of the ENEL technicians or the person or the authorised by it, and at the premises of the Contractor, its subcontractor or any other entity agreed between both Parties.
- **RECEIPT BY PROTOCOL:** review the testing protocols required, previously performed by Contractor, whereby the ENEL technicians or other person or entity

authorised by it, approves the shipping of the material in question or, conversely, decide on the proof of protocol results stated by the receipt at source.

- **QUALITY ASSURANCE SYSTEM:** System that establishes the requirements that the VENDOR must meet to perform effectively and accurately under the Contract.

3. Language

The original version of this Annex I is in Brazilian Portuguese.

4. Formalisation

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

5. Interpretation and hierarchy

5.1. All matters governed by this Appendix shall be governed by the terms contained in the article of the same, and so the additional terms contained in the relevant articles in the General Part of these Contract Terms and Conditions.

5.2. Excluded from the preceding paragraph are matters the regulation of which in the Annex expressly states will be directly governed the Annex shall be governed directly according to the content in the section with the same name in the General Part of these Contract General Terms and Conditions.

6. Communication

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

7. Economic conditions

7.1. Prices

7.1.1. In case of performing a work or service, the Contract Price includes, at least, unless expressly included in other concepts, the following:

- Direct and indirect labour;
- Machinery and the associated personnel;
- Amortisation of machinery;
- Permanent and interchangeable materials;
- Transport to / and from the work place of the staff, equipment and resources;
- Installation and authorisation of the services;
- Maintenance costs;
- General and beneficial industrial costs;
- Duties, fees and taxes that are legally due to it;
- Resulting costs to the Contractor, the programming, testing and recognition, materials control, control of the implementation, tests, receipts and other analysis;
- Completion of all units in compliance with the Technical Specifications and other Contract documents;

- Construction, demolition and removal of auxiliary facilities, monitoring or storage those executed in compliance with the Occupational Accident Risk Prevention Regulations;
 - Costs of the economic guarantee, insurance or other securities, if applicable;
- 7.1.2. The prices will be separated into the price of services, the price of materials and taxes arising under applicable law.
- 7.1.3. The Contractor will bear any additional costs for freight, shipping and other expenses resulting from the failure to comply with the terms and conditions of delivery and dispatch under the Contract.
- 7.1.4. No payment will be made for materials, equipment or work not included in the Contract if their implementation was not previously offered by the Contractor, in writing, with an express indication of their price, and accepted in writing, by a representative of ENEL, duly authorised thereto.
- 7.1.5. The Contractor is obliged to accept the extensions, modifications and reductions of the scope of the Contract and the agreed prices, provided that they do not jointly represent an increase or a decrease of more than 20% (twenty per cent) of the Contract value. The new delivery deadline, in this case, will be established by mutual agreement between both Parties, by means of a detailed and substantiated proposal issued by the Contractor.
- 7.1.6. If the extensions, modifications or reductions are proposed by ENEL, are duly substantiated together represent an increase or decrease of more than 20% (twenty per cent) of the Contract value, the Contractor may accept or reject them, however, in the latter case ENEL shall be entitled to terminate the Contract.
- 7.1.7. In cases where a unit of work has to be executed, which has not be provided for in the Contract Price list, the corresponding price will be determined between ENEL and the Contractor, whose proposal is duly substantiated, based on a breakdown of costs of other similar units for which there is a unit price.
- 7.1.8. The negotiation of the contradictory price will be independent of the realisation of the unity to which it relates, and the Contractor will be required to execute it immediately after having received the order from ENEL.
- 7.1.9. In case it is not possible to set a negotiated price or in the event where ENEL deems necessary, the price shall be fixed in according to the tables which the Contractor shall include in its proposal, which shall contain the same terms defined in clause 7.1.1.
- 7.1.10. The performance of work by management may only be undertaken on the prior receipt of an order for from ENEL.
- 7.1.11. In staff costs are included the tools related to their own speciality, as well as the equipment for their protection, safety and proper execution of the work.

7.1.12. No additional costs will be allowed in terms of transportation, daily subsistence or the maintenance of the staff of the Contractor.

7.2. Changing Prices

7.2.1. As text contained in the eponymous section of the General Part of these General Terms and Conditions.

7.3. Invoicing

7.3.1. Invoices (or "tax invoices") shall be accompanied by proof on the supplier's registration at the INSS (National Social Security Institute), and specific to the activities related with the subject-matter of the Contract, as well as by proof of the registration of the Contractor in the municipality responsible for the collection of ISS (Tax on Services).

7.3.2. Furthermore, the invoices must include:

- Order or Contract number, IPI (tax on industrialised products) and ICMS (tax on the movement of goods) applicable in the event of the purchase of materials;
- Due Date;
- Specification of the services and/or materials acquired using their respective identifiers;
- Name and CNPJ (National Register of Legal Entities) relating to the ENEL Group that makes the purchase and/or is the recipient of the services;
- Unit value of the materials or equipment;
- Total value of the materials or equipment; and
- Specification of all tax deductions and withholding taxes.

Should ENEL find errors, faults or variations in the invoice, as well as breaches in the compliance with the legal and contractual obligations committed by the Contractor, the payment shall be suspended and shall only be made within a period of 30 (thirty) days after the situation has been rectified by the Contractor.

7.3.3. The revised invoice issued by the Contractor will have the same deadline for the payment, as from the date of its receipt, as well as the invoice originally sent.

7.3.4. ENEL will not be liable for any financial or banking expense necessary for the issuing of the invoices.

7.3.5. Under no circumstances will it be permitted for the Contractor or its subcontractors to issue any credit note against ENEL or against any other

company belonging to the ENEL Group, and the Contractor shall bear all expenses, losses and damages arising from the violation of this provision.

7.3.6. It will be necessary to break down, within the same invoice, the following items:

- a) Any work contracted by management that is supplementary to what was agreed in the Contract.
- b) Increments already invoiced by applying the adjustment formulas set out in the Contract. In this case, it will be necessary to included related to the values of the indices applied and the details of the corresponding readjustment formula.

7.4. Payment terms

- 7.4.1. Invoices shall be paid within the time limit stipulated in the Contract, following the prior review and approval of ENEL concerning compliance with the contractual conditions; in the absence of an express provision in the Contract, relating to a given payment due date, payment will take place on the first payment date no later than 90 (ninety) days after the registration of the Invoice by ENEL, or the invoice approval date, if it is after the registration date.
- 7.4.2. The payment to the foreign Contractor shall comply with the specific procedures provided for in the Contract, which shall also specify the need for procedures at the official institutions, such as the INPI (National Industrial Property Institute) or the BACEN (Central Bank of Brazil).
- 7.4.3. Import invoices should comply with customs regulations and, in particular, the provisions contained in the Decree on Federal Revenue (Ministry of Finance) No. 6759/09 art. 557.
- 7.4.4. All payments made prior to Provisional Receipt, in accordance with the terms of the Contract, shall be deemed advance payments of the final price. In cases where we no financial guarantee has been lodged for the faithful compliance with the Contract, ENEL shall retain 10% (ten per cent) of the Contractor's invoices, in accordance with paragraph 19 of this Annex.

7.5. Electronic billing

- 7.5.1. Without prejudice to the billing system and conditions of payment set out in the preceding paragraphs, the Contractor may use an electronic billing system, if ENEL has such a system. If the Contractor chooses to use the electronic billing system, it shall make use thereof for the duration of the Contract, or whenever such a system is operational.

8. Taxes

In accordance with the same article in the General Part of these General Contract Terms and Conditions.

9. Execution

9.1. General

- 9.1.1. In the execution of services related to the works, as well as in the acquisition of materials needed for their implementation, the provisions of the Contract shall be complied with in their entirety, and shall be fully observed the provisions of the Contract, by ensuring strict compliance with the designs, drawings, technical specifications, especially the requirements established by ABNT (Brazilian Association for Technical Standards) and in strict compliance with the laws and requirements of the federal, State and municipal authorities, exempting ENEL from any liability for the Contractor's failure to comply with any legal requirements.
- 9.1.2. If the Contractor finds any error, omission or discrepancy in the projects, drawings and technical specifications supplied, it shall inform, in writing, ENEL, thereof and detail everything that has to be fixed.
- 9.1.3. The Contractor shall place in a visible location at the work site; a company sign with the Site Manager's name and include his registration number at the CREA (Regional Council of Engineering, Architecture and Agronomy).
- 9.1.4. The supplier shall proceed with the registration of the Record of Technical Liability (ART, Record of Technical Liability) relating to the works and/or services under the Contract in the CREA where the same will be executed, in accordance with the provisions of the applicable legislation, and send a copy of this document to ENEL prior to commencing with the implementation of the object of the Contract.
- The supplier shall request, in good time and in advance from ENEL, the licenses that can only be obtained by it, in such a manner that the execution of works or services is not affected or nor prevent the entry into operation of the machines, and the total costs required to obtain such licenses shall be borne by the Contractor.
- If such request is not made in due time and in accordance with the previous sentence, the Contractor will be subject to the penalties provided for in the Contract and be liable for any losses incurred as a result of this, which are suffered by ENEL.
- 9.1.5. The supplier shall keep accurate and up-to-date records of all costs, expenses, financial transactions and obligations related to the execution of the works and services and the acquisition of materials needed for the performance of the Contract.
- For audit purposes, the records mentioned in this paragraph shall be made available to ENEL, or whomever it appoints, during working hours and at the offices of the Contractor.
- 9.1.6. The Contractor shall register with the competent authorities, all equipment used in the performance of the services, if legally required to do so, especially with regard to the environment, and the Contractor shall be solely and exclusively responsible for all losses and damages suffered by ENEL.
- 9.1.7. The supplier shall equip its employees, under his sole and exclusive

responsibility, with all Individual Protection Equipment (PPE) and Collective Protection equipment (EPC), which has to be used accordance with applicable legislation, in the performance of the Contract.

9.2. Inspections, assays and testing

- 9.2.1. ENEL may inspect the materials and equipment under the Contract at any time during their manufacture, as well as during the execution of the contractual works and services, including the materials that the Contractor employs in the related execution thereof. This inspection may be conducted using its own staff or by persons or entities that it appoints, whether at the work site, offices, factories, workshops or warehouses of the Contractor or its subcontractors, for these purposes ENEL'S inspectors shall have unrestricted access to the said premises, assisting them whenever necessary.
- 9.2.2. Notwithstanding the foregoing provisions, in this Contract, the assays or testing will be conducted in compliance with the Inspection Items Programme prepared by the Contractor and approved by ENEL.

9.3. Quality control

- 9.3.1. Quality control includes the set of actions, activities and techniques necessary to provide adequate confidence that the material, equipment, work or services under the Contract will satisfactorily fulfil the conditions required by ENEL and, if appropriate, by the relevant technical standards.
- 9.3.2. The Contractor shall be solely responsible for quality control, regardless of the controls and tests that ENEL conducts using its own resources or those of a third party. These tests shall not affect the full responsibility pertaining solely to the Contractor.
- 9.3.3. Prior to the commencement of the manufacturing process, or execution of the work or the service Contract, the Contractor shall, at ENEL'S request, for its approval, a Quality Control Plan (according to ISO 10/005 or its equivalent), which shall include the Inspection Items Programme, as well as the description of the applicable operations and procedures.

Once the said Quality Control Plan has been submitted, ENEL may raise an objections regarding the same within a period of 15 (fifteen) working days, always for justifiable reasons, and the Contractor shall undertake to modify it with due diligence, by making the necessary corrections in accordance with the objections raised by ENEL.

- 9.3.4. During the execution of the Contract, the Contractor shall comply strictly and rigorously with the provisions of its Quality Assurance System and Quality Control Plan approved by ENEL, which reserves the right to conduct the necessary audits to prove compliance therewith.

- 9.3.5. On completion of the Contract, the Contractor shall deliver to ENEL, for its approval, a final quality control report, the contents of which tents should be adjusted to the provisions set forth in the Contract and in the approved Quality Control Plan.
- 9.3.6. ENEL may require the Contractor to lodge with a Notary the technical documentation necessary for the manufacturing of the materials and equipment under the Contract. This documentation will be placed at the disposal of ENEL, which may use it in the cases where it is expected that the product catalogue will be discontinued or withdrawn or in instances where the Contractor or its subcontractors or its suppliers are involved in a tender.
- 9.3.7. Compliance with these quality control conditions does not exempt the Contractor, in any case, from its liability for the improper performance of the Contract.

9.4. Terms of delivery and receipt

9.4.1. General

- 9.4.1.1. If the Contract does not specify a particular termination date and only stipulates the performance or delivery deadline, it shall be effective as from the signature of the Contract or from the date on which the Letter of Intention or Order to Proceed is issued.

9.4.2. Materials and / or equipment

- 9.4.2.1. Together with each delivery, the Contractor shall submit all final technical documentation and the protocols and tests set forth in the Specifications, Contract and, if applicable, the relative Technical Standards.
- 9.4.2.2. The Contractor shall, in addition to previous documentation, certify that, if required by ENEL, the design, raw materials, materials, brands, and types of components are identical to those which were approved, where necessary.
- 9.4.2.3. To perform delivery, the Contractor shall submit to ENEL, for the attention of the contact person or person responsible for reception who is mentioned in the Contract, in good time, the Dispatch Notice indicating therein the following details:
- Contract Reference Number;
 - Number of packages sent, indicating the material they contain. If these are the last ones that where contracted, this must be expressly stated;
 - Data relating to the means of transport and / or the company that is responsible for transportation together with data and the telephone number and contact person;

- Date and place where the equipment or the materials are made available.

Moreover, the Contractor undertakes to notify ENEL, immediately, of any circumstances that change the agreed delivery terms.

9.4.2.4. With regard to the materials or equipment subject to quality control, and unless otherwise agreed, the Contractor shall not send the same until it has in its possession the compulsory Dispatch Authorisation after the Reception by Protocol or Reception at the Origin issued by ENEL. From these requirements are excluded the supplies included through a Quality System Agreement. However, if the Contractor proceeds with its dispatch, all costs arising from the same shall be for its account.

9.4.2.5. Unless otherwise agreed in the Contract, the delivery of materials and equipment will be made in the DDP form (Incoterms CCI 2010) in the destination established in the Contract. The terms shall be interpreted, as regards delivery, ownership, insurance etc., in accordance with the Incoterm, unless otherwise stated in the provisions of the Contract.

9.4.2.6. Without prejudice to the delivery date being considered met, ENEL reserves the right to postpone any shipment or consignment of materials or equipment. The Contractor shall bear the storage and insurance expenses during the month following the agreed delivery date. If the postponement of the dispatch continues for even longer, the compensation for the costs arising from the additional storage and insurance shall be mutually agreed upon.

9.4.2.7. Once ENEL receives the material or equipment, a Document of Provisional Acknowledge of Receipt shall be issued, which shall be signed by both Parties, and it shall refer to the satisfactory outcome of the assays or tests and final certifications, or it will contain the circumstances in which the defects therein must be resolved or corrected. Provisional Acknowledgement of Receipt shall be formalised within a maximum period of eight (8) days as from the date on which either party so requests, and all conditions or activities under this Contract have been fulfilled.

When no final assays or tests and certifications are required, delivery by the SUPPLIER of the materials and equipment will be formalised through ENEL'S compliance agreement and receipt of the same.

9.4.3. **Works and / or services**

9.4.3.1. After expiry of the Warranty Period, the Contractor shall notify ENEL of the expiration of such Period, and request the Final Receipt. On receiving such request, ENEL, if necessary, shall notify the Contractor by the date set for the Final Receipt, which should occur within a period not exceeding thirty (30) days as from the receipt of the notification from ENEL.

On the day established by mutual agreement, a check shall be performed, in the presence of the Contractor, of the condition of the contracted work or service and verification shall take place as to whether

it complies with the required conditions, by conducting necessary assays.

9.4.3.2. Management responsible for the designated works or services will respond in full to the Contractor.

9.5. Transfer of ownership and risk.

9.5.1. Materials and / or equipment

9.5.1.1. The Contractor shall be liable for latent defects or manufacturing defects, as well as during the Warranty Period and until the end of the period indicated by applicable legislation, in addition to the legal forms of liability or as otherwise may arise.

9.5.2. Works and / or services

9.5.2.1. The Contractor shall be liable for latent defects or manufacturing defects, as well as during the Warranty Period and until the end of the period indicated by applicable law, in addition to the legal forms of liability or otherwise may arise apply.

10. Assignment of Contract and Subcontracting

- 10.1. It shall be deemed subcontracting of the Contract, according to the specific case, where there is any agreement or action of the Contractor with third parties so that they participate in the fulfilment or performance of the Contract.
- 10.2. It shall be deemed to be an assignment of the Contract, where there is any consent of the Contractor to transfer to third parties all rights and obligations arising from the Contract, and it is expressly stipulated that the transfer may only be if it has previously been authorised by ENEL, in accordance with the terms of the Contract and the related Contractual Documentation.
- 10.3. Under no circumstances will it be deemed that there is a relationship between the subcontractors or assignees and ENEL, and the Contractor shall at all times be responsible for all activities of such subcontractors or assignees, and for the fulfilment of the contractual, legal and tax obligations arising from the performance of their work, as well as for damages and losses caused to ENEL by any subcontractors or assignees, its agents, advisers and employees.
- 10.4. ENEL shall not be liable to any subcontractor or assignee, nor to their staff, nor for any claim did arising directly or indirectly from the Contract, in terms of which the Contractor agrees, undertakes, and is, oblige to perform for ENEL and to do everything within its power to avoid the lodging and / or processing of such claims. Consequently, the Contractor shall be accountable to ENEL and render it harmless for any action, in or out of court, or proceedings instituted directed against ENEL by any subcontractor or assignee, or their staff. The said exemption shall cover both the amount that ENEL has to pay, as expenses or costs of any nature, which ENEL incurs as a result of such claim. The breach by the Contractor of anything governed in these paragraphs shall be deemed to constitute a serious breach, and shall entitle ENEL to terminate the Contract due to the breach committed by the Contractor without prejudice to any other legal action, that ENEL may have

- 10.5. Under no circumstances shall solidarity or subsidiarity, of any nature, be claimed between ENEL and the Contractor, its subcontractors or assigns, nor between ENEL and the employees or representatives of the Contractor, its subcontractors and assigns, with respect to performance of the Contract.
- 10.6. In cases of assignment of the Contract or subcontracting, the Contractor agrees and undertakes to obtain from the assignee or subcontractor the prior acceptance of the obligations in favour of the ENEL against them arising from all contractual, legal, labour, confidentiality and security conditions, and it shall be essential to submit the relevant supporting documentation.
- 10.7. In accordance with what has been set out above, ENEL may at any time inspect and oversee the work or manufactured items of the assignee or subcontractor, and the fulfilment of its obligations. The subcontractor or assignee is required to provide ENEL any cooperation that it may need (documentation, reports, unrestricted access to its factories, workshops, or facilities, etc.)
- 10.8. ENEL reserves the right to reject the subcontractors or assignees that throughout the course of the work it does not deem appropriate to keep.

11. Assignment of rights and credits

ENEL may assign, where the only requirement is that it notifies the Contractor, its rights of recovery or payment obligations arising from the Contract, in favour of any other subsidiary company of ENEL.

12. Obligations of the Contractor

This complies with what has been stated in same paragraph in the General Part of these Contract General Terms and Conditions.

13. Contractor's responsibilities

This complies with what has been stated in same paragraph in the General Part of these Contract General Terms and Conditions.

14. Warranty Period

- 14.1. The Warranty Period for the equipment and materials as well as the works or services contracted extends over the period specified in the Contract, and in the case of defect thereof, for one (1) year as from the date of the Document of Interim Receipt. If the record is not undersigned, the year will be determined as from the year in which ENEL complies with the delivery of the materials or the notice of the completion of the work or services and the delivery, to ENEL, of the documentation by the Contractor for the processing of the administrative authorisation to put the work into service, where appropriate.
- 14.2. If on the expiry of the Warranty Period, and six (6) months have not lapsed since the entry into service of ENEL'S main premises for which it is intended or of which it forms part under the Contract, the Warranty Period shall automatically be extended for a further six (6) months, save where the materials or equipment supplied by the Contractor had to be repaired or

replaced, and in this case, will be guaranteed for a period equal to Initial Warranty Period. Under no circumstances, will this result in higher costs for ENEL.

- 14.3. On the expiry of the Warranty Period and Final Receipt performed, ENEL may proceed, for its sole benefit, directly by itself or through third parties, to freely change or alter the materials or equipment under the Contract or the constructions built or installations mounted, including when they are supported by licences, patents or other forms of industrial property in favour of the Contractor, in anyway preserving the confidentiality due because of these.

15. Penalties

- 15.1. Without to the provisions of paragraph 16.3 of the General Part of the present Contract General Terms and Conditions, on the termination of the Contract for any cause imputable to the Contractor, the breaches committed by it as regards the delivery dates or deadlines for execution, both partial and final, as well as any other breaches expressly provided for in the Contract or in these General Terms and Conditions, shall result in the imposition by ENEL of a penalty that under no circumstances will be of a compensatory nature.

If no other penalty has been specified for delay, a penalty shall be imposed equal to 1.5% (one comma five per cent) of the total Contract Price each week of delay during the first four months, and 4% (four per cent) from the fifth week, and it shall be, in both cases, calculated based on the days that have elapsed.

If during the Warranty Period ENEL is deprived of the disposal or use of contracted materials or equipment, or work done or facilities erected, caused by defects, failure or malfunction arising or detected in the same, which is not attributable to ENEL, or due to the defects in the execution or in work, which requires their correction, in compliance with the Guaranteed Undertaking, the Contractor, will be penalised with the penalty specified for this purpose in the Contract, and where it has not been stipulated, with a penalty 0.1% of the total Contract Price for each day lapsed where the same is not available or cannot be used.

- 15.2. The sum of penalties shall not exceed 15% of the total Contract Price. Should this limit be exceeded, ENEL shall impose a penalty and shall be entitled to terminate the Contract in accordance with the applicable legislation.

The imposition of penalties shall not prevent ENEL from further claiming from the Contractor, all additional expenses and costs that it is compelled to support and / or pay to third parties as a direct consequence of the delay or failure occasioned.

- 15.3. The imposition of the penalties provided for shall not exempt the Contractor from complying with the Contract in its entirety. As a result, the supplier shall be obliged the technical defects found; pay the penalties due; to recover his lost deadline costs and to replace the materials and equipment, redo or repeat, as required, the jobs or services, which are the subject of the Contract, at the request of ENEL.

- 15.4. The procedure for the recovery of any penalties arising from the Contract will be performed in accordance with the information stated in this paragraph.

ENEL shall inform, in writing, by way of a request sent to the Contractor of the penalty, which shall have to be paid, detailing the value thereof. The Contractor shall have a period of fifteen (15) days from the date of the notification to provide the evidence in its defence, which it deems appropriate.

On the expiry of such period, and in the event that ENEL does not accept these arguments, the Contractor shall deduct from its invoice, the value of the penalty imposed. Should the mentioned deduction not be made, a claim will be instituted for the amount of the guarantees provided, or proceed with recovery by any other means contemplated in the Contract, the laws or these General Terms and Conditions, of Contract, where the compensation payable to ENEL shall remain unchanged for the damages and losses that may arise.

Once the economic guarantee has been executed, the Contractor will be obligated to reinstate it for the same value as that prior to execution, as provided for in paragraph 19.

Until restitution takes place, ENEL will retain the residual amount resulting from the difference between the total value of the guarantee and the penalty amount.

If the initial value of the guarantee is insufficient to cover the amount in penalties, ENEL shall offset pending payments needed to cover the total amount in penalties, and the restitution of the guarantee shall remain unchanged as indicated above.

16. Suspension, termination and resolution

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

17. Force majeure

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

18. Legal, labour, occupational safety and health obligations

18.1 The Contract will not create, under any circumstances, employment Contract between ENEL and the employees, agents or subcontractors of the Contractor, who may be appointed to perform the object of this Contract at the premises of ENEL, so that such employees, representatives or subcontractors continue hierarchically and functionally to be subordinate to the Contractor, who will be solely responsible for payment of wages, labour costs and social security, taxes and other related costs arising in relation to such employees.

18.2 If any proceeds of whatsoever natures are instituted against ENEL, for responsibility of the Contractor, or a lawsuit is launched for any act or omission of the Contractor or its subcontractors, it shall be entitled to withhold pending

payments or from the guarantees provided, an amount equivalent to what is being claimed, including payments for social security and income tax, and these shall be refunded to the Contractor, with the appropriate corrections following judgement without the recourse to appeal, dismisses the application or excludes ENEL from the list of defendants. In this case, the Contractor also reimburse ENEL for the hours charged by its attorney, especially in the preparation of petitions and commuting to hearings, and for their representatives, as well as judicial and administrative expenses and costs incurred to produce evidence, providing the basis for the compensation herein agreed to pay the fees of the lawyer and the representative of ENEL, except in cases of refusal or loss of procedural deadlines by ENEL, without prejudice to a possible action for compensation.

18.3 The Contractor shall be solely responsible for the payment of the costs incurred in hiring of its employees, contractors and/or subcontractors, including, without limitation: salaries, additional benefits, leave, extraordinary payments, insurance against accidents at work, contributions and/or expenses payable to social security, to the FTGS (Guarantee Fund for Length of Service) and to the PIS (Social Integration Programme), withholding tax, and any other labour costs, of a contributory or tax nature, exonerating ENEL from any responsibility for any accidents in the supply of the materials and/or equipment, labour claims and/or contributory actions, including on behalf of ENEL, since they are different companies and there is no labour or employment relationship between ENEL and the employees, representatives and/or subcontractors of the Contractor, as stated above.

18.4 Penalties imposed for contraventions of the rules concerning occupational health and safety protection

Without prejudice to the provisions of the General Part of the of these Contract General Terms and Conditions, the following acts will present general conditions of contracting, the following acts will also be sanctioned on the basis of the qualification of the same, as indicated in section 18.2.1 of the text of these Contract General Terms and Conditions.

	The failure to inform ENEL (within 12 hours) of fatal or serious occupational accidents ¹ (with the first prognosis in excess of 30 days or with reserved prognosis) or regardless of the prognosis, electrical accidents or falls from heights.	GG
	Failure to notify the ENEL (within a period of 3 days) of minor accidents at work (with the first prognosis between 1 and 30 days).	G
	The failure to identify the responsible person.	GG
General provisions	Failure to inform ENEL on a monthly basis of the accident statistics related to the	G
	Contract.	

¹ Travelling accidents are excluded

Commencing with operations prior to receiving authorisation from ENEL.	GG
Use of unauthorised personnel by ENEL.	GG
The failure to inform ENEL (within 12 hours) of fatal or serious occupational accidents 1 (with the first prognosis in excess of 30 days or with reserved prognosis) or regardless of the prognosis, electrical accidents or falls from heights.	GG
Failure to notify the ENEL (within a period of 3 days) of minor accidents at work (with the first prognosis between 1 and 30 days).	G
Use of equipment and vehicles that do not comply with safety standards.	GG
Use of vehicles not previously declared.	GG
Non-compliance with working hours and rest periods.	G
Insufficient inspection or supervision of workers in safety procedures.	GG
Unauthorised use of machinery, equipment or systems of ENEL.	GG
Improper handling of temporary structural, safeguards or shelters belonging to ENEL or third parties.	GG
Lack of documentation on the controls and/or evidence, according to rules on working machines at the head office or the premises of ENEL.	G
Breach of the agreements contained in the Health and Safety plan prepared by the Customer and by the specific Contractor.	GG
Absence/obtaining incomplete work permit (when this is required by current legislation on occupational health and safety or required by ENEL).	GG
Non-conformity of personal protective equipment (for example, brands with European certification, regular inspections, preservation, integrity etc.).	G
Non-participation in coordination meeting (if required by existing applicable legislation on occupational health and safety or required by ENEL).	G
Lack of signage in work areas.	G
Non-installation or incomplete installation of temporary road works signs.	G

	The consumption of alcohol or drugs in the workplace.	GG
	Failure to comply with safety signs.	G
	Non-installation or incomplete installation of safety signs.	G
	Inappropriate disposal or arrangement of materials in the work areas.	G
	Handling or modification of scaffolds supplied by ENEL.	GG
	Lack of qualifications on the provisions relating to for health and safety required for the execution of the work.	GG
	Failure, or incorrect compliance with the stipulations received from	GG
	ENEL concerning the prevention of electrical hazards.	
The electrical work	Lack / incorrect use of the earthing and short-circuiting devices on the premises related to the work (in support work).	GG
	Inadequate qualification of the worker to execute work in the electrical installation.	G
Work at heights	Failure to comply / partial compliance with the legislation on health and safety in the regulations on the prevention of the risk of falling from heights.	GG
Mechanical load lifting activities	Incorrect use of lifting equipment and systems or adoption of inappropriate lifting procedures.	GG
	<i>CARCINOGENIC - MUTAGENS FOR THE GERM CELL - acute toxic</i>	
	The lack of notification of entry of these substances in ENEL sites	GG
Chemical hazard	Failure to comply / partial compliance with the legislation on the health and safety and ENEL'S directions on the management, transportation, use and storage of chemicals in accordance with the label and safety data sheets for the substances.	GG
	<i>OTHER CHEMICAL PRODUCTS²</i>	

² E.g. Chemicals which can produce: Skin corrosion/irritation; serious eye damage/eye irritation; respiratory/skin sensitization; specific Target Organ Toxicity; respiratory hazard; reproductive toxicity.

	The lack of notification of entry of these substances in ENEL sites.	G
	Failure to comply / partial compliance with the legislation on the health and safety and ENEL'S directions on the management, transportation, use and storage of chemicals in accordance with the label and safety data sheets for the substances.	G
Driving vehicles or Motorcycles	Violation of local traffic rules: Speeding, not wearing seat belts, failing to use a safety helmet when driving motorcycles, among others.	GG
	Not having cameras on vehicles or not sending the images (in the services defined contractually).	G
Physical agents	Question not notified ENEL on physical agents (e.g. noise, vibrations, and dust).	G
	Failure to comply / partial compliance with the ENEL standards and regulations related to the prevention of fires.	GG
Risk of fire/explosion	Failure to comply / partial compliance with the health, safety and protection legislation and ENEL standard relating to explosive atmospheres (ATEX) for the areas classified as ENEL.	GG
	Failure to comply / partial compliance with health and safety legislation and regulations of ENEL on the prevention of specific risks to which the employers are exposed in closed environments, according to the ENEL.	GG
The work indoors	Lack of /insufficient training and education of the staff employed.	GG
	No /insufficient education and training and the lack/insufficient qualification of staff employed.	GG
Working underwater	The activities carried out in a way that is different to the standards on health and safety and the directives from ENEL on the prevention of underwater work hazards.	GG

Without prejudice to the right to terminate the Contract, and without prejudice to the right to claim for losses suffered, related to any non-compliances with the health and safety protection at the work site, ENEL shall be entitled (at its sole

discretion) to impose the penalties listed below, by giving prior notice to the Contractor by means of registered letter with acknowledgement of receipt.

- a) EUR 500 (five hundred euro) for each breach classified as "SERIOUS", according to the table in clause 18 of the General Part of these Contract General Terms and Conditions;
- b) EUR 1 000 (one thousand euro) for every infringement classified as "VERY SERIOUS" in accordance with the table in clause 18 of the General Part of these Contract General Terms and Conditions.

If the infringements mentioned in paragraphs a) and b) cause accidents or personal damages, ENEL reserves the right to impose an additional penalty of up to 2% of the total Contract Price and, in all cases, not less than EUR 500 (five hundred euro).

19. Financial guarantee

- 19.1 the supplier shall deliver prior to the signature of Contract, a financial guarantee in favour of ENEL, for a value equal to 10% (ten per cent) of the total value of the work or service or, at the discretion of ENEL, equal to 1 (one) monthly invoice, in the form of Letter of Guarantee (bank guarantee, with the following wording: "To ensure the faithful, complete and timely fulfilment of the Contract _ _")
- 19.2. The bank guarantee that has to be delivered must be from a high-level bank previously approved by ENEL.
- 19.3 The financial guarantee provided by the Contractor shall take effect as soon as this Contract is in force, including when any contractual obligations are pending, and will be returned following the written request of the Contractor after ENEL has deducted or retained any amounts deducted in terms of the Contract.
- 19.4 ENEL may choose to replace the guarantee mentioned above by retaining 10% (ten per cent) from each invoice until reaching 10% (ten per cent) of the amount of the work or services of the guarantee consented to by the Parties.

20. Insurance

- 20.1. If the Contract is executed in the form of storage of materials of the Contractor on the premises of ENEL, the supplier will be required to Contract, in addition to the insurance policies described in the namesake paragraph of the General Part, insurance against theft and other damages that the stored material may suffer, for the entire duration of the Contract.
- 20.2. If in the opinion of ENEL, the insurance covers submitted by the Contractor are insufficient to cover the exposure to the risk, both at the time of the delivery of the materials or equipment and at the time of executing the work or service under the Contract, the Contractor undertakes to review and change the same as may be necessary in accordance with the conditions of the goods insured.

21. Industrial and Intellectual Property

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

22. Confidentiality

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

23. Processing of personal data

23.1. If the performance of the Contract requires the Contractor to receive personal data belonging to ENEL, the provisions of this paragraph shall apply.

23.2. Such data that is processed and managed by the Contractor shall be and remain the responsibility of ENEL.

- a) In particular, the Contractor represents and warrants that: the processing of the data will be done in compliance with the applicable legislation, as well as the criteria, requirements and Specifications set out in the Contract and, where applicable, with the instructions given at any time by ENEL;
- b) The personal data to which the Contractor has access as a consequence of the Contractual object shall not be applied or used for any purpose other than as set out in the Contract;
- c) The personal data that were subject to processing shall be returned to ENEL after a period of 15 (fifteen), as determined from the date on which the service terminated, according to the provisions of the Contract;
- d) It shall destroy any document, supplement or copy of the personal data, which has been subject to processing by virtue of the provisions of this Contract and the return of which is not possible, for reasons other than those stated in the preceding paragraph. However, personal data shall not be destroyed where there is a legal provision requiring their preservation. In this case, the Contractor shall retain, with a proper description, the mentioned data;
- e) It shall not to disclose, nor transmit, to other natural or legal persons, the personal data that may be supplied to it for the purposes of rendering the services under this Contract;
- f) It shall implement, when processing the data supplied by ENEL, measures of a technical and organisational nature and required applicable legislation, as well as those agreed to in the actual Contract, to ensure the security of personal data and avoid the alteration, loss, processing or unauthorised access thereof, resulting from human acts or the physical or natural means, and it should, likewise take into

consideration the state of technology, the nature of the data stored and the risks to which it is exposed. The measure shall cover, as an example, hardware, software, recovery processes, backups and information extracted from the personal data displayed on the screen or in printed format;

- g) Should it be necessary to undertake any international transfer of the data, to render the service, the Contractor undertakes to notify ENEL of this fact, beforehand and in good time so that it can request the relevant authorisations, without which the Contractor will not be able to proceed with such transfers.

23.3 Without prejudice to the provisions of paragraph (e) above, should ENEL authorise the subcontracting of certain services to third parties, which in turn involves the supply of personal data referred to in this clause, the Contractor undertakes to, prior to such subcontracting, enter into an agreement between the Contractor and its subcontract relating to the confidentiality of the data, the responsibility of the Contractor and of its subcontractor concerning the correct handling of such data, and liability for all damages, losses and costs incurred arising from the breach thereof.

23.4 The Contractor undertakes indemnify ENEL against any claim arising from the failure to comply with any provision stipulated in this clause and agrees to bear the costs that it may be required to pay in respect of penalties, fines, compensation, interest, damages, costs and losses in general for which ENEL may be ordered to pay in the execution of the Contract.

24. Environmental protection

24.1. Materials and / or Equipment

- 24.1.1. The Contractor undertakes to adopt the appropriate measures in order to ensure strict compliance with its obligations arising from the enforcement of all Government, Autonomous, Regional, Provincial and Local environmental legislation applicable, especially in relation to the correct packaging and labelling of the products supplied, (packaging date, manufacturing, shelf life of the product, etc.), and whether chemical packaging is returnable, in instances where such products are deemed to be hazardous according to the legislation in force, without prejudice to any other legal development, which is, in future, produced on the subject, and it must restore any damage caused as a result of any contravention of any applicable law.
- 24.1.2. The Contractor undertakes to supply, whenever possible, eco-labelled products or materials, and which have a higher useful life period, which entail a lower cost and are less likely to generate waste due to the expiry date of the product.
- 24.1.3. The Contractor warrants that the components used in its materials and equipment is not carcinogenic or chemically unstable.
- 24.1.4. The Contractor shall respect the limits specified for the marketing of hazardous substances and preparations established in legislation, as well as any other future legal amendment on the subject. In particular, it shall

be demonstrated that there are no PCBs in equipment oil, as well as the absence of CFCs, HCFCs, halons, etc., with trade restrictions.

- 24.1.5. The Contractor will be responsible for ensuring that transportation complies with the provisions of applicable legislation.
- 24.1.6. Unloading of products and materials shall be carried out in accordance with properly established procedures to comply with the applicable regulations in each jurisdiction for the handling of hazardous substances.
- 24.1.7. Whenever possible and although it is not a legislative obligation, the Contractor shall re-use or recycle waste generated by their products or materials.
- 24.1.8. ENEL reserves the right to monitor and control the proper management of waste by the Contractor.
- 24.1.9. If within the scope of the Contract is included the acquisition of substances, as such or in the form of a mixture in goods, broadly mentioning but not limited to the following:
- insulating oils;
 - lubricating oils;
 - polishes;
 - paints, dyes (including "Toner") and varnishes;
 - solvents;
 - chemical products;
 - batteries;
 - gases (bottled or in equipment);
 - fuels (diesel, gasoline);
 - laboratory reagents;
 - cleaning products

The supplier shall confirm compliance with applicable legislation concerning registration, evaluation, authorisation and restriction on substances and chemical preparations, and provide the data sheet on safety, handling and storage of substances or mixtures that it supplies, prepared according to the current legislation. The safety data sheet should contain all information on the uses of the supplied substances or mixtures.

- 24.1.10. The Contractor undertakes to carry out the management of the empty containers in which supplies the product, in compliance with the provisions of relevant legislation, and undertakes to in any way remove the same when at the request of ENEL and to place the same at its disposal to this end, taking full responsibility for the compliance with the compulsory norms for the transportation thereof, as set out in the preceding paragraphs. It will also be responsible for removing the packaging used for transportation within the time limits and conditions and within the time limits set forth in each Contract, or if not specified, it shall remove the packaging from prior deliveries in successive deliveries when ENEL so desires.

The electric equipment Contractor shall comply with the conditions imposed by the applicable legislation. Special attention shall be paid to electrical metres, computers, counters and the equipment for monitoring

installations, which the Contractor will be required to remove at the end of their useful lives by establishing suitable logistical solutions for the use of the returned supplies at no cost to ENEL.

24.2. Works and / or Services

- 24.2.1. The supplier shall meet all applicable requirements and standards, to complete the job.
- 24.2.2. The Contractor shall ensure, and where appropriate shall prove, that the person who will carry out the work under the Contract, has or receives the appropriate theoretical and practical training to this end, and in particular, the necessary training to ensure correct behaviour in relation to the environment and to reduce the risk of an accident which has an environmental impact. The training shall include their obligations arising from the documents of the Environmental Management System, if one has already been implemented or in the process of implementation, as is common in ENEL'S different businesses.
- 24.2.3. The Contractor shall provide its staff with the necessary resource so that the work can be completed and with respect for the Environment. Moreover, it undertakes to comply with all applicable legal requirements, as well as those arising from the Environmental Management System, if one has already been implemented or in the process of implementation, at the premises, which is the subject of the Contract.
- 24.2.4. The Contractor shall be liable for any environmental accident caused by it, as a result of the completion of the work, and ENEL reserves the right to hold the Contractor liable for the acts and costs arising from the failure to comply with its environmental obligations. The Contractor will implement appropriate measures to ensure the strict compliance with all current State, Autonomous, Local, Provincial and Regional environmental legislation, applicable to the work and shall work and restore the damage caused as result of any breach of the applicable norm in force.
- 24.2.5. The Contractor shall draw up a plan for the prevention of environmental risks and contingencies arising from the work to be carried out, which it will deliver to ENEL, when requested, and in order to avoid any accident it shall implement timely preventive measures to ensure compliance with the applicable norms, as well as those that dictate good environmental management practices, such as:
- Appropriately storing and managing chemicals and goods or toxic and hazardous waste, by separating incompatible chemicals from each other and avoiding the mixing of waste;
 - Clearly identifying the areas and waste with particular environmental impact;
 - Prevent leaks, spills and contamination of soils tanks or beds;
 - Prohibit its employees from making fires, spills or uncontrolled abandonment;
 - Prevent emissions of dust or other substances during the transportation of materials;
 - In particular, it shall comply with the prohibition on the

uncontrolled discharges, and leaving any type of waste in the area affected by the work or contracted services, which it should endeavour to maintain clean and organised as far as possible during each phase of the work and in particular at the end thereof, having to, furthermore, comply with the provisions specified in the environmental procedures of the Environmental Management System applicable to the work to be executed, if not already deployed at the premises which is the subject of the Contract;

- To properly isolate each type of waste, the supplier shall place a sufficient number of containers, which are lockable, identified and in good condition, at the work site, when

as a result of the same wastes are generated, which should afterwards be appropriately managed, using an authorised manager and in accordance with legislation. The Contractor shall deliver to ENEL, when it so requests, a copy of the documentation relating to the transportation, management and disposal of the waste according to the relevant norms, as well as the permits empowering the hauliers and managers used.

- Once all the services or the contracted work have been completed, the Contractor shall be obliged to leave the work site area clean and uncluttered, by removing, at the end of the work, rubble, packaging, bags, sacks, scrap, and any kind of waste generated, which are lying there, and it shall be responsible for the collection, transportation and authorised management of the same.
- Moreover, it shall implement timely measures to ensure strict compliance with environmental legislation in force and applicable to works mentioned.

- 24.2.6. The Site Manager of the Contractor shall be responsible for the monitoring and compliance with the procedures, and may designate another person to perform the task, by notifying ENEL'S site supervisor, of his identification details, so that he may send him specific environmental instructions for the work to be performed.
- 24.2.7. The Contractor undertakes to immediately inform ENEL'S technical site supervisor, about any environmental accidents that occurred during the execution of same, and is required to submit a written report on what happened and the causes thereof.
- 24.2.8. In the event of an environmental accident occurring, of whatever nature, the Contractor undertakes to comply with the instructions given of ENEL'S site supervisor.
- 24.2.9. The technician who oversees ENEL'S services may terminate the services if he finds any contractual breach, in this case the Contractor will be responsible for the losses and damage caused by such termination. Non-compliance with the obligations related to the conservation of the premises where services are performed, will result in the deduction from the invoices of the Contractor of the amounts resulting from losses

caused, and in the imposition of a non-compensatory fine of 10% (ten per cent) calculated on the total amount of the loss.

25. Vendor Rating

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

26. Global Compact

In accordance with the same article in the General Part of these Contract General Terms and Conditions.

27. Ethical Code of Conduct

27.1. General

The ENEL Group, in managing its business, activities, and those related to third parties, complies with the provisions in terms of the "General Principles for Criminal Risk Prevention". The Contractor, in the management of its business and relationships with third parties undertakes to comply with such principles or its equivalent.

These principles, as well as the rest of the Ethical Conduct Rules are available here www.endesa.com.

27.2. Conflicts of interest

The Contractor (if a natural person), on the signature of the Contract, declares:

1. That it does not perform, within the companies of the ENEL Group, senior management duties (Director, Senior Manager with strategic duties), as an employee of the company or of the auditors of the ENEL Group;
2. That it does not have, within the ENEL Group companies, family members / relatives to the second degree / a spouse not legally separated / cohabitant / husband or children of his partner/ who are related to him by consanguinity or affinity;
3. Who has not held or holds, both the Contractor as well as his respective family members (spouse not separated or relatives in the first degree) in the past 24 months, positions in the Public Administration or in public service entities, which have had a direct relationship in the activities carried out by any of the companies within the ENEL Group (granting of concessions, monitoring activities, etc.).

The Contractor (if a legal person³), on the signature of the Contract, declares:

That as a result of the knowledge of its corporate structure, no person belonging to its governing, management and control bodies (including trust companies):

- a. is a member of Senior Management or of the Governing Bodies or the Audit Committee, or an executive with key responsibilities in the companies of the ENEL Group, nor is it a relative up to the second degree, spouse, partner, child of a spouse or relative, or dependent person (by kinship or marriage) of the said members;
- b. Is not an employee in any of the companies in the ENEL Group, nor is he a family member up to the second degree, spouse, partner, child of a spouse or relative or dependent person (by kinship or marriage) of the said members;
- c. Has held or holds, both personally as well as their respective family members (spouse not separated or close relatives), within the past 24 months, positions in the Public Administration or in Entities in charge of public services, which have been directly related to the activities carried out by any of the companies of the ENEL Group (granting of concessions, monitoring activities etc.).

The Contractor undertakes to inform ENEL of any changes that may subsequently occur and while it performs acts and actively acts in the capacity of a Contractor, concerning the information declared prior to the signature of the Contract.

28. Applicable law and settlement of disputes

28.1 The Contract will be governed by the laws of Brazil, and the Brazilian courts shall have jurisdictions to adjudicate any claim related to the Contract, to the exclusion of any other court outside of Brazil, unless stated otherwise in the Contract.

28.2 In the event of a dispute and the Parties are unable to agree on a solution, they shall refer to the issue to the Judiciary, unless the Contract makes provision for arbitration in accordance with Law 9 307/96.

28.3 Should the Parties, in order to settle the dispute, decide to refer the issue to arbitration, through the inclusion of the relevant arbitration clause in the Contract, it is expressly stipulated herein that Brazilian law shall apply, preferably using the Chamber of the Arbitration Tribunal of the FGV (Fundação Getúlio Vargas), and the Parties hereby accept its regulations.

³ Public organizations, companies listed on the stock exchange, banks and companies controlled by them are not bound to this statement

28.4. The County Court of the Capital City of the Municipality of Rio de Janeiro, State of Rio de Janeiro, is expressly elected as having jurisdiction to resolve issues related to the Contract, to the exclusion of any other.

29. General Provisions

29.1 the Parties agree that the business relationship must comply with more stringent and rigorous concepts and principles of ethics, morality and good faith in the conduct of business, including, without limitation, to avoid either personally or through third parties, in whole or in part, directly or indirectly, commercial associations, contacts or relations with any types or classes of agents who have been involved in illicit business activities, including unfair or unethical competition activities, which, depending on the activity carried out, the Parties are aware or should have knowledge of.

29.2 None of the terms and conditions of the Contract shall be interpreted as a means for the establishment of a partnership, joint venture, or an association or commercial representation between the Parties, where each one shall be solely, fully and exclusively responsible for their own acts and obligations.

29.3 The Parties declare, under the penalties established by law, that the responsible persons or legal representatives who sign the Contract are duly authorised thereto in accordance with the relevant Articles of Association and Statutes, with the power to assume the contracted obligation.