



**PROJECTS' AWARD AND EXECUTION REGULATION OF  
ATTIKI NATURAL GAS DISTRIBUTION COMPANY SINGLE  
MEMBER S.A.**

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## CHAPTER I - CONTRACTS AWARD

### Article 1: Scope and Objectives

1.1 The scope and Objectives of the present Regulation is the determination of the terms and conditions under which contracts for the award and execution of projects by Attiki Natural Gas Distribution Company - EDA Attikis Single Member S.A. (hereinafter referred to as "the Company"), necessary for the construction, proper operation, repair, maintenance, safety, improvement, modernization and expansion of its facilities, in accordance with this Regulation, the Company's Articles of Association and its current contractual obligations, are concluded and executed. The clauses of the Articles of Association and the contractual documents shall prevail over the corresponding clauses of the present Regulation in the event of any conflict.

1.2 Chapter I of the present Regulation addresses the procedures for the award of project contracts from the stage of feasibility report to the stage of conclusion of the relevant contract between the Company and the Contractor to whom the project is awarded.

1.3 The execution and acceptance of the project shall be governed by the procedures set out in Chapter II of the present Regulation.

1.4 This Regulation shall apply in all cases of project contract assignment and shall not apply to works carried out on a direct labor basis.

The provisions of the relevant European Union directives shall apply to projects with a budget exceeding the amount specified by the European Union, in case the Company is required to implement the provisions of such directives.

### Article 2: Definitions

2.1 For the purposes of this Regulation the following words or phrases shall use a common terminology in accordance with the meaning ascribed thereto in this Article. Specifically:

- a) "Company": Shall refer to Attiki Natural Gas Distribution Company - Eda Attikis Single Member S.A. with the distinctive title ""ATTIKI NATURAL GAS DISTRIBUTION COMPANY - EDA ATTIKIS SINGLE MEMBER S.A.", as represented by its competent bodies.
- b) "Management": The Company's Board of Directors as well as the Company's CEO.
- c) "Project": Each new construction, expansion, refurbishment, repair, maintenance and/or economically or technically independent operation that is tendered or contracted for the modernization, improvement, expansion, operation, maintenance, security, etc. of the Company's facilities.
- d) "Competent Division": The Company's Division responsible for the implementation of the project.
- e) "Interested party": Any natural or legal person or association of persons who intends to participate in a contract award procedure under this Regulation.
- g) "Contractor or Contracting company or Works' Contractor": Any technical and/or construction company, legal or natural entity, Contractor or association of persons who, in accordance with the tender notice for the work, is legally qualified to undertake the execution of the Company's project and enter the relevant contract.
- h) "Contract": The written agreement between the Company and the Contractor for the award and execution of the Project and all relevant documents, drawings and specifications issued for this purpose.

### **Article 3: Guidelines**

3.1 The Contractor shall be selected following a competitive procedure, with the exception of the cases of direct award or negotiated procedures that do not require the publication of a Call for Tenders, provided that the reasons referred to in another article of this Regulation apply. The primary criteria for the selection of a bid shall be the compliance with the technical and other requirements of the contract notice and the prices offered.

3.2 The persons engaged and generally involved in the procedures for the award and execution of the Company's project shall perform their activities in a manner that both ensures complete impartiality, and also prevents any possibility of challenge. Any attempt by third parties to influence the recommendations or decisions of the Company's executives in relation to tendering matters must be reported immediately to the

supervising Company's Division and, in serious cases, to the Company's Management.

In the event that an employee of the Company, due to his/her assigned duties, is required to handle, at any stage, matters related to the implementation of Projects in which he/she holds personal interests or in the event that any third parties with whom the said employee has familial or other ties holds interests, which might call into question his/her impartiality, then prior to assuming any action, such employee shall report in writing to his/her immediate superior the said matter and the latter shall decide, with a written decision, whether there are grounds for the exemption of the employee from this particular case.

The above correspondence shall necessarily be communicated to the Company's Management.

3.3 Only the competent Company's body may use the data relating to the expression of interest for participation in a tender, the bids and their evaluation, the award of tenders, etc., and solely for official purposes.

It is strictly forbidden to the aforementioned bodies to disclose such information to other (non-competent) Company's body or to any third party. This may only be effected by the Company's duly authorized bodies, to the extent provided for by the present Regulation or the Company's decisions.

#### **Article 4: Approval of Project Feasibility and Execution**

In order to implement a project, the competent Company's Division prepares and submits to the Company's Chief Executive Officer a proposal for the assignment and execution of the project, which includes a reference to the technical and financial data as well as the total budget of the project. The Feasibility Report shall be approved by the Board of Directors or the Company's CEO, depending on the budget of the project, on the basis of the decisions taken by the Board of Directors and shall be included in the Company's budget.

#### **Article 5: Conditions for the Execution of Projects**

The Projects to be implemented must be included in the relevant budget of the Company. In the case of extraordinary or unforeseen works relating to the safety or operational needs

or for works that require immediate execution and are not foreseen in the Company's budget, the execution of such works may proceed, following a reasoned written request to the Management by the competent Company's Division and the corresponding approval by the Management.

#### **Article 6: Expenditure Tiers**

In terms of the amount of the expenditure budget, the projects fall into the following tiers:

1<sup>st</sup> Tier: From EUR 0 to EUR 30,000.

2<sup>nd</sup> Tier: From EUR 30,000 up to the respective limit authorized each time by the CEO on the basis of the Articles of Association, and the specific resolutions of the Company's Board of Directors.

3<sup>rd</sup> Tier: Above the respective limit for which the CEO is authorized each time by the Articles of Association and the specific resolutions of the Company's Board of Directors.

The limits of the above Tiers may be adjusted following a decision of the Company's Board of Directors.

The amount of the aforementioned budget for the execution of projects shall not include VAT and any other taxes or charges of the Company.

#### **Article 7: Contractor Selection Procedures**

The purpose of the tender is to appoint a Contractor capable of ensuring the timely, complete and cost-effective construction of the specific project. In order to select a Contractor, one of the following procedures shall be selected, as appropriate:

7.1 Open tender: in the case of an open tender, any interested party legally qualified as specified in the Call for Tenders is invited to submit a written bid. On the basis of the bids submitted, the terms of the tender and the procedure laid down in the tender documentation, the Contractor shall be selected once the bid has been evaluated. The Call for Tenders is necessarily posted on the Company's website and potentially in the daily national and local press.

7.2 Restricted tender or procedure based on pre-qualification: This tender is conducted in two (2) stages:

(a) Expression of interest stage (stage (a)). At this stage, an announcement is necessarily posted on the Company's website and potentially in the daily national and local press for the expression of interest on the part of interested parties with the experience and professional etc. qualifications required by the Call for Tenders, submitting the required evidence and certificates. A pre-qualification of those who meet the requirements, conditions and criteria of the Call for Tenders is subsequently carried out from among those who have expressed an interest by a committee appointed for this purpose by the Management.

(b) The expression of interest stage is followed by the second stage of the tender procedure, during which only those pre-qualified as described above are invited to participate and submit bids. On the basis of these bids, the terms of the tender and the procedure laid down in the tender documentation, the Contractor shall be selected after evaluation.

7.3 Tender Procedure using Lists of Prequalified Contractors: In accordance with this Contractor selection procedure, the Contractors included in the Company's Lists of Prequalified Contractors, which, pursuant to Article 8 hereof, have previously been deemed capable of undertaking projects of a similar nature and size to that of the tender are invited to submit a bid. On the basis of these bids and the procedure set out in the tender documentation, the Contractor shall be selected after evaluation and possible negotiation.

Negotiated or direct award procedure or procedure between a limited number of invited contractors. This Contractor selection method is allowed for projects of the 1st tier budget expenditure, in accordance with the provisions of Article 6 of this Regulation. This method of selection is permitted for projects of the next Tiers in cases of exceptional reasons, such as cases of urgency, force majeure, serious risk, uniqueness, continuation of construction due to the Forfeiture of Contractor or Contract termination, in the case of research work or work for the trial application of new technologies, works of a special nature or technology, the need to repair damage, as well as in the cases

where a tender has not produced the expected results or where it is considered that there has been insufficient participation.

7.5. The provisions of the relevant directives of the European Union apply to the publication of notices relating to contracts for the award and execution of projects with a budget exceeding the amount determined by the European Union in case the Company is required to apply the provisions of these directives.

#### **Article 8: Lists of Prequalified Contractors**

8.1 The registration in the Company's Lists of Prequalified Contractors (LPCs) engaged in the construction of projects is performed in categories of projects or specialized works, as defined by the CEO upon relevant recommendation of the Competent Department and notified by the CEO to the Board of Directors. In the same way, Contractors shall be classified in terms of the amount of the budget in tiers, the limits of which shall be set by the CEO upon recommendation of the Construction Division.

8.2 Registration in the LPCs is effected upon a relevant tender for each category, following an application by the interested firms (Greek or foreign). Criteria for registration are the organization of the enterprise, its staffing by qualified engineers and other scientific or technical and auxiliary personnel, experience in projects carried out by the company itself or its staff, the equipment which the enterprise itself possesses or has proven to have successfully managed in the past, financial standing and creditworthiness, the corporate record, the balance sheet, the management capacity and other similar data. The determination of the procedure for registration, classification, renewal, de-registration and progression in the categories of the Company's LPCs shall be decided by the Company's CEO upon the recommendation of the competent Division.

## Article 9: Recommendation for the Execution of a project

9.1 The implementation of a project shall be proposed by the Construction Division on the instructions of the CEO and shall be submitted for approval to the competent bodies. The Project execution recommendation should contain the following:

- ❖ A description of the scope of project and an indicative budget.
- ❖ Proposal of the method of selection of the Contractor.
- ❖ Proposal of the evaluation methods and criteria for the selection of the Contractor.
- ❖ Proposed schedule of the activities as of the date of the tender procedure and up to the completion of the project.
- ❖ A detailed project budget and an indication of the corresponding provision, or or non-provision relating to the project in the Company's budget.

9.2 The recommendation for the execution of a project shall be approved by the CEO in the case of Tier 1 and 2 budget expenditure and by the Company's Board of Directors in the case of Tier 3 budget expenditure.

## Article 10: Tender Documentation

Upon approval of the execution of a project, the competent Division shall take the necessary steps for the selection of the Contractor and the contract award. Depending on the method of selection of the Contractor, the tender documentation is drawn up, including the financial, commercial, technical terms, descriptions and specifications of the project. The tender documentation is indicatively as follows:

1. Call for Tenders.
2. General Terms of the Contract or General Specifications.
3. Special Terms of the Contract or Special Specifications.
4. Draft Contract.
5. Technical Description or Technical Terms.
6. Technical Specifications.
7. Preliminary Drawings, Preliminary Design or Final Design.
8. Site Safety Regulations.
9. Works' Unit Prices - Budget.
10. Any other element deemed appropriate.

The Company may proceed to tender the project either on the basis of a Draft, Preliminary or Final Design.

### **Article 11: Call for Tenders or Expression of Interest**

In the procedure of open tender and during the first stage of the restricted procedure (expression of interest stage) the call for tenders or expressions of interest shall be carried in accordance with the provisions of Article 7 of the present Regulation.

In the case of a restricted call for tender, a call for tender shall be addressed to those who have been pre-qualified to participate in the second stage of the tender procedure. A call for tender shall also be addressed to the contracting companies registered in the Company's Lists of Prequalified Contractors (LPCs) when conducting a tender using such Lists, as well as in the cases of a tender through negotiation or among a limited number of invited Contractors.

### **Article 12 Bidding Systems**

12.1 In addition to the other details required, the tender must specify the subject to be covered by the bid and the method of drawing up the financial offer.

12.2 In cases of large discounts on the budget prices or generally very low prices, in addition to the requirement of price regularity (where specified and provided for in the tender notice), the Company has also the right to request detailed justification of the discounts or prices on the basis of which a bid will ultimately be evaluated, and to reject bids if they are found to include unacceptably large discounts or low prices.

12.3 Several indicative bidding systems are set out below:

(a) Single percentage discount bidding system.

The tenderers shall offer a uniform discount, on the prices in the Service's invoice, expressed in integer percentage points.

(b) Bidding system with individual discount rates.

This bidding system shall apply in particular where there is a large number of unit prices on the basis of which the contract is to be drawn up. Tenderers shall be provided by the Authority with a form for the submission to the bid of a discount rate by groups of prices for similar works, completed in accordance with the following paragraphs.

Tenderers shall offer individual discount percentages for each price group of the invoice and budget, expressed in integer percentage points, provided that the total discount is positive. This last condition shall apply unless otherwise expressly stated in the Call for Tenders.

The individual discount rates, where expressly stated in the Call for Tenders, must be in a normal relationship with each other. In order to check the regularity, the total budget shall be calculated for each bid concerned, once the discount offered has been deducted from each group of works. The average discount percentage (ADP) is derived by comparing the resulting budget to the Company's original budget without taking into account the contingency fund.

(c) Bidding system with invoice completion and regularity check. Tenderers shall be provided by the Company for submission to the tender:

1. Invoice identical to the Company's invoice, in which the prices are blank.
2. Budget, identical to the Company's budget, provided that the unit prices, products and sums are not completed. The amount for contingencies is completed with the exact same amount foreseen in the Company's budget. Tenderers shall offer prices by completing the incomplete invoices and budget with the prices offered therein.
3. Any numerical indication of price on the invoice shall not be taken into account. If there is a difference between the numerical prices in the budget and the prices on the invoice, the budget shall be corrected on the basis of the prices written in full on the invoice. Any errors in the products and sums of the budget shall also be corrected, and the budget shall be valid as corrected. If there are price differences or errors on a large scale, the bid may be deemed inadmissible.

(d) Bidding system with free-fill Invoice.

A free-fill invoice bidding system shall apply to projects regardless of budget. Under this system, invoice prices may be detailed or summary prices for complete sections of complex works or may be lump sum prices for larger sections of the project or for the entire project. Interested parties are provided by the competent Division with a blank invoice and budget form, as in the bidding system, with a completed invoice and a regularity check. Tenderers offer prices by filling in the uncompleted invoice and budget. The conditions relating to this bidding system shall be laid down in the tender.

(e) Bidding system including design and construction.

The design-construction bidding system shall apply whenever it is deemed appropriate to combine the preparation or completion or revision of an existing design with the construction or search for alternatives. In the implementation of this system, the tender notice may request from the tenderers, in addition to their financial offer, the submission of a technical offer that includes completion or preparation of studies, identification of technological characteristics and specifications of individual elements of the project or submission of proposals - solutions to a given technical problem or determination of the deadline for the completion of the project. The financial offer shall include the lump-sum Contractor's fee for the entirety or part of the project. The Company shall provide the interested parties with the technical data and standards provided for in the tender notice regarding the desired quality of the works or the minimum limits of acceptable quality or the completion deadline or templates for the preparation of the financial offer in a uniform manner. In order to select the Contractor, the financial offers shall be taken into consideration, following an evaluation of the technical offers and/or the completion schedule. This assessment and evaluation shall be carried out before the unsealing of the financial offers. The evaluation criteria and their weight factors are always set out in the tender notice. The designs considered are evaluated and the evaluation is communicated to all interested parties. The Call for Tenders may provide for the rejection of offers which do not meet a minimum threshold of admissible ranking. The most favorable offer shall be derived as a mathematical function of the financial offer and the evaluation, using parameters which are also set out in the Call for Tenders.

### Article 13: Guarantees - Securities

Guarantees, as specified in the relevant model of the tender documentation, in the form of bank or Engineers and Public Works Contractors' Pension Fund (TSMEDE) letters of guarantee or other forms of guarantees are requested as follows:

13.1 Tender Guarantee. The Tender Guarantee is of a certain amount, common to all participants, which is obtained by taking into account a certain percentage of the approved budget of the project. It should be noted that the percentage of the project budget should be between 0,5 % and 2 %, depending on the size and difficulty of the project to be performed. The Tender Guarantees will be kept at the Company's accounting department until the signing of the relevant contract, at which point they will be returned to the beneficiaries.

13.2 Advance Payment Guarantee. If an advance payment is provided for under the terms of the tender, an advance payment guarantee for an advance payment equal to the amount resulting from the fixed or agreed percentage of the contract price of the project shall be lodged upon signature of the contract. The advance payment guarantee shall be returned after the advance payment has been fully amortized.

13.3 Good performance guarantee. In order to ensure the good performance of the project, the Contractor, upon signature of the contract, shall be required to submit a performance guarantee letter in an amount equal to that resulting from the percentage of the contract price to be determined by the tender notice or agreed. This percentage varies between 5% and 10% of the contract price of the project. The performance guarantee letter may be partially refunded to the Contractor after the approval of the provisional acceptance protocol of the project, if this is specified in the Contract, or else it is refunded in its entirety to the Contractor upon approval of the final acceptance protocol of the project and in accordance with the terms and conditions of the Contract. Additional security may be provided by withholding 5% to 10% of the value of the certified works of each certification, including revisions, which withholding shall be returned to the Contractor without interest upon approval of the provisional acceptance protocol of the project, unless otherwise specified in the tender and the Contract. This retention shall be replaced (without interest), if requested by the Contractor, by a letter of guarantee of an equivalent amount if this is specified in the tender and provided for in the contract.

#### **Article 14 Submission of Offers**

14.1 Offers shall be submitted to the Company or to the designated Committee by the date and time specified in the Call for Tenders, in accordance with the Regulation and any more specific terms included in the tender documentation. Unless otherwise specified in the tender notice, the offers shall be submitted in their entirety in a single sealed submission and in three separate files as follows:

File A: Legalization documents and other necessary supporting documents.

File B: Technical offer without financial information.

File C: Financial offer.

14.2 All offers must be submitted in person by the interested party or by a representative specifically authorized for this purpose or by registered post or by courier service to the address indicated in the Call for Tenders. In the case of submission by registered post or courier, the Company shall not be responsible for the timely reception of the offer or for the contents of the files accompanying the offer. Interested parties shall not be entitled to compensation for any reason whatsoever for costs related to the preparation and submission of their offers.

The dispatch or submission of offers and expressions of interest is the responsibility of the participants and in accordance with the provisions of the tender documentation.

14.3 The offers shall be registered on receipt in the Company's general register or in a special register, and each file shall be marked with the relevant register number and the date and time of registration. Late tenders shall not be accepted by the Company and will be returned to the sender unopened. Late tenders will be returned upon written notification of receipt of the offers, stating the reason for the return. If the interested parties do not receive their offers within two months of the notice, the offers will be destroyed by the competent tender committee.

14.4 The language of communication and correspondence between the Company and interested parties will be Greek, unless otherwise specified in the tender. Any request, information, notification, objections, etc. shall be made in writing in Greek or accompanied by an official translation.

### **Article 15: Tender Committee - Offers Unsealing**

15.1 The files of the offers and declarations of interest are opened by the Tender Committee, the members of which (ordinary and substitute) are appointed for this purpose by the Management, in accordance with the powers deriving from the present Regulation. The above Committee receives the offers and, initially, unseals files A (containing the legalization documents and other necessary supporting documentation) and decides on the legality of the participation of the tenderers. The Offers unsealing procedure takes place at a date and time specified in the Call for Tenders or communicated to the participants in accordance with the provisions of the tender.

15.2 Immediately, once the announcement of the results of the admissibility of participation (on the basis of files A) has been published, files B containing the technical offers of those whose files A have been accepted will be unsealed. The B files are examined by the Committee in terms of completeness and those accepted are technically evaluated.

The C files containing the financial offers are kept sealed until the announcement of the results of the technical evaluation, and those offers whose 'B' files were considered technically acceptable are opened. The C files of the tenderers whose applications are not considered acceptable shall be returned to them sealed after the final decision of the Management on the tender and/or the expressions of interest.

15.3 The committee shall draw up minutes at each of the above stages of unsealing and examining files A, B and C, indicating the date of unsealing, the title of the project, the budgeted expenditure, the details of those who submitted offers and any observations noted by the Committee.

The Committee members shall initial all pages of the offers and the corresponding files.

## Article 16 Offers Evaluation, Tender Award and Project Contract Assignment

16.1 The criteria on the basis of which the contracts are awarded to those offers that are considered technically and financially admissible include:

### **a) Exclusively the lowest price**

The lowest price shall be determined by comparing the prices of all offers on the same basis in accordance with the conditions laid down in the Tender, so as to respect the "arms' length" principle and non-discrimination between tenderers.

The final award will be made to the lowest price offered among the Contractors whose offers were considered acceptable on the basis of the technical specifications and the terms of the relevant Call for Tenders.

### **b) The most economically advantageous offer**

The most economically advantageous offer is determined by taking into account various parameters defined in relation to the scope of the contract, as well as the price calculated on the same basis as above. The parameters taken into account in the above are indicatively:

The price, the terms of payment, the date of delivery or completion, the cost of installation, operation and maintenance, if and as specifically set out in the tender, the return on capital invested, the quality, the conformity of the materials and services offered with specific essential technical characteristics of the specifications set out in the tender, the suitability of the materials and services offered to serve the purpose for which they are intended, any required homogeneity of the materials or services to others already used by the Company, aesthetic and functional features, environmental characteristics, technical merit, after-sales service and technical support, any required special skills, experience, expertise and equipment provided by the Contractor for the technical support of the project, the guarantee of good operation or maintenance provided. The parameters co-assessed in each case and the relative importance of each of them in determining the most economically advantageous offer are set out specifically and are included in the Tender or the Call for the Expression of Interest.

The contract is finally awarded to the Contractor who meets the terms and technical specifications of the tender and the call for expression of interest and whose offer is considered to be the most economically advantageous.

16.2 The evaluation of files A, B and C of the offers submitted on the basis of the provisions of this Regulation and the tender documentation shall be carried out by the Tender Committee appointed for this purpose by the Management.

16.3 The tender documentation shall indicate all those criteria, the weight factors of the technical evaluation, the minimum requirements for the acceptance of the offer, the score of the technical and/or financial evaluation and others as required by the chosen tender system (i.e., lowest price, most advantageous offer, reduced price, etc.).

16.4 The approval of the award or not of the tender is issued by the competent Company's bodies determined by the Management.

16.5 The Company is not obliged to award the tender to the lowest bidder, but may, at its discretion, take into account qualitative (such as better materials, better technology, uniformity of materials, etc.) or economic factors other than price (such as more guarantees, fewer maintenance requirements, better payment or financing terms, shorter lead times, etc.).

16.6 In order to execute Tier 1 Projects, the Company may, upon acceptance by the Contractor, sign a written purchase order which shall have the status of a Contract.

In case of execution of projects with a budget exceeding the 1st tier, a contract shall be prepared and signed in any case.

16.7 In any case, the Company reserves the right to award a tender or to cancel it or to decide on a procedure other than the one set out in this Regulation for the execution of a Project.

16.8 The award and any material modification of the contract shall be made in such a manner as to secure for the Company the best possible price and other conditions prevailing in the market.

The award, material modification and early termination by the Company of a contract with an initial total value exceeding the limit for which the CEO is authorized in each case pursuant to the Articles of Association requires the prior approval of the Board of Directors by a decision taken by an Qualified Majority. The award and material modification of a contract with an initial total value of more than EUR 700,000.00 (excluding VAT), where the Contractor is a Shareholder or a Related Party of a Shareholder, requires the prior approval of the Board of Directors by a resolution adopted in accordance with the provisions of the Articles of Association.

#### **Article 17: Objections**

17.1 Any tenderer with a vested interest may submit and objection against either the tender or the tender documents or to the decisions taken at the various stages of the tender procedure. Objections against the decisions taken at the various stages of the tender are admissible if submitted by the parties directly concerned and within two (2) working days of the date of notification of the result of the relevant stage. The objections shall be decided upon by the competent administrative bodies following a recommendation from a committee appointed by the latter for that purpose. The submission of an objection shall not suspend the progress of the tender. Decisions taken on objections submitted shall be final.

17.2 The submission of an objection within the deadline set out above is a prerequisite for the proper and lawful challenge of the above-mentioned acts of the Company.

#### **Article 18: Notification of the Reasons of Rejection**

18.1 The Company is required to notify, within a deadline of fifteen (15) days from the date of receipt of the application or objection (as per article 17 above), to each disqualified candidate or tenderer who submits a relevant application, the reasons for rejecting his/her candidature or offer, and in case of project award, the Company is also required to notify the name of the Contractor.

18.2 The Company shall notify candidates or tenderers who apply of the reasons why it has decided not to award the contract or to reopen the procedure.

### **Article 19: Order or Contract Signature**

The award of the execution of projects to the selected Contractor shall be effected by written order or contract, pursuant to the provisions of Article 16 of this Regulation.

## **CHAPTER II – PROJECTS EXECUTION**

### **Article 20: Contract for the Execution of the Project**

The project shall be carried out in accordance with the contract and any accompanying documents and drawings.

### **Article 21: Good Performance Guarantee**

21.1 Upon signing the contract, the Contractor shall deposit a good performance guarantee equal to 5% of the project budget. In the case of special or important projects or if the time of construction is of particular importance, the tender may stipulate a higher percentage of guarantee, but not exceeding 10% of the project budget. The same shall apply mutatis mutandis in the case of an award without competitive tendering, where such an award is permitted.

21.2 The good performance guarantee (bond) shall be supplemented by such deductions as may be made in each payment to the Contractor. These deductions shall be set at 10% on the certified value of the works and 5% on the value of any materials provisionally included in the certification until they are incorporated into the works. These deductions may at any time be replaced by the Contractor, in total or in part, by letters of guarantee.

### **Article 22: Project Management - Supervision**

22.1 The management, monitoring and control of the project is carried out by the competent Company's Division. The competent Company's Division shall appoint its representatives for the control and monitoring of project and other personnel to assist it in carrying out its tasks more effectively. The duties of the supervisor and representatives shall include, monitoring and controlling the quality and quantity of the works and generally the assurance that the Contractor complies with the terms of the contract. The assistants of the representatives shall perform the tasks assigned and shall have corresponding responsibilities.

22.2 In case of construction of major Projects, the Company may establish a Project Monitoring Committee. The Committee shall have an advisory nature and monitor the implementation of the design or the justified acceptance of proposed modifications to it, compliance with the construction schedule, the formulation of costs, compliance with the workplace health and safety rules, compliance with environmental protection measures and the progress of the

project in general. The Committee shall be set up and established for each specific Project or group of Projects. The designation of a Project as "Major Project" for the purposes of this paragraph shall be determined by the Company's CEO, who shall establish the Committee. The Committee may be established from the design stage to perform similar functions at that stage as well.

22.3 In the case of major or technically complex or specialized technology projects as a whole or parts thereof, or if there is a general inability for the design, study, design control, management and supervision of the Project by the competent Company's Division, the assignment of technical consultant tasks to a national or foreign firm or private technician is permitted, for the design or study or design control or supervision, or the management, in total or in part, of a specific Project or part or group of similar Projects. The appointment shall be performed by means of a contract specifying the relevant fees, without being bound by the provisions on engineering fees or other relevant general or specific provisions. The engineer who undertakes duties under this paragraph and the persons employed to perform duties under the contract shall be subject to the responsibilities of an employee of the Company set out in this Regulation. The assignment of supervision to a third party shall be approved by the Project contracting authority.

### **Article 23: Contractor's Representation**

The Contractor must notify the Company in written form of its legal representation or any proxies. In the case of the signing of the schedule, the bill of quantities, the protocols for hidden works, the protocols for the regulation of unit prices for new works and the certifications with the accompanying data, the Contractor may only be represented by a technician with the relevant scientific knowledge. The aforementioned technician may be, in full or in part, the Contractor's agent or representative.

## **Article 24: Execution Schedule**

24.1 The Contractor is required to prepare and submit to the competent Company's Division the schedule for the execution of the project based on the total and partial deadlines and within the deadline provided for in the contract documents. The schedule shall specify, per unit of time and in any case per calendar semester, the works to be performed.

24.2 The schedule shall be approved by the competent Company's Division, which may modify the Contractor's proposals concerning the order and duration of the execution and construction of the project, depending on the possibilities for time staggering the credits within the contractual deadlines. The approved timetable shall constitute the detailed schedule for the construction of the project.

24.3 Adjustments to the schedule are approved when the quantities or type of works change or when the Company is at fault for the delay.

## **Article 25: Project Log**

25.1 A Log shall be kept for each project, at the responsibility of the Contractor, in bound duplicate numbered sheets. The Log shall be completed daily and shall contain details of the prevailing weather conditions, numerical data for the personnel employed by category, the machinery used, the materials procured, a summary of the works carried out, the laboratory tests, the instructions and observations of the supervisory bodies, any exceptional incidents and any other important information relating to the project.

25.2 The Log shall be signed by a competent Company's body and the representative of the Contractor or the Contractor. One detached sheet shall be handed over to the competent Company's Division. The entries in the Log are informative data on weather conditions, the personnel force and machinery employed and generally shall provide an image of the progress of the project.

25.3 The competent Company's Division can always request the logging in the Log of additional information or other data relevant to the specific project, or request the

Contractor to keep other statistical data. In the case of small-scale project, the competent Company's Division may stipulate that the Log be kept in another more concise manner, indicate registration on weekly basis or on another period of time, or that no Log be kept.

### **Article 26: General Contractor's Obligations**

26.1 The Contractor is presumed, upon signing the contract, to have taken full cognizance of all the tender documents, the conditions of execution of the contract and any risks and to have undertaken to execute the contract, considering the contractual fee to be reasonable and sufficient. Any failure to receive information, shall not release the Contractor from its contractual obligations and responsibilities.

26.2 The Contractor shall be liable to the Company for the proper and perfect execution of the project in accordance with the terms of the contract, the rules of the science and art and the instructions of the competent body and shall be obliged to apply the design data and the drawings and technical specifications of the project accurately. The instructions of the supervisor are binding on the Contractor.

26.3 The Contractor shall be bound by the written instructions, additions, or amendments to the design elements. The Contractor shall not be entitled to compensation or price increase for changes in the works made without written instruction even if they improve the project. In cases of emergency, an instruction for modification or additions may be issued verbally by the Company's representative and recorded in the project Log, and then the instruction may be issued.

26.4 The Contractor shall, unless otherwise specified in the contract, provide for the project all the required personnel, materials, machinery, vehicles, storage areas, tools and any other means. The Contractor shall in any case bear all costs necessary for the completion of the project, such as the costs of wages and salaries of the personnel, the costs of all employer's charges, the costs for the commute of the personnel, the costs of the materials and their transport, sorting, storage, wear and tear, etc., the costs of operation, maintenance, depreciation, lease of machinery and vehicles, taxes, fees, duties, insurance deductions or charges, the costs of implementing the construction drawings for fixed points, measurements

tests, accesses to the project and to the materials borrow sites, setting up and dismantling construction sites, the costs of compensation for damage to its personnel, to the principal or any third party and, in general, any expenditure necessary for the good and proper execution of the project.

26.5 The Contractor shall be obliged to comply with the provisions of labor law, the provisions and regulations for the prevention of accidents to its personnel, or to the personnel of the principal, or to any third party, as well as to take measures for the protection of the environment. With regard to safety measures, the Contractor is obliged to carry out any relevant study (stability study for scaffolding, provisional signaling of works, etc.) and to employ all relevant measures.

26.6 The Contractor shall be liable for taxes, fees, deductions and any other legal charges as applicable at the time the obligation to pay them is created. Exceptionally, any variations to the invoice stamp duty or other government taxes directly charged on the Contractor's remuneration shall be borne by the Contractor only to the extent that they were in force at the time of submission of the offer. Any subsequent increases shall increase the Contractor's fee payable accordingly. The two preceding subparagraphs shall not apply to income tax or any deductions against such tax.

26.7 Notwithstanding the Contractor's obligation to provide all the personnel required for the management of the construction and the actual construction of the project, the contract may specify an estimate of the number of technical personnel, by specialty and level of training, to be provided by the Contractor during the performance of its contract. This number shall be adjusted according to the requirements of the project on the basis of the construction schedule. The competent Company's Division may always request the removal of personnel deemed justifiably unsuitable or the reinforcement of the Contractor's crews.

26.8 If the Contractor is in default in the payment of the wages of personnel employed in the project, the competent Company's Division, upon written notice of the parties concerned, shall request from the Contractor to pay the beneficiaries within

fifteen (15) days. If the Contractor fails to pay the beneficiaries, then the competent Company's Division shall prepare payment statements of the amounts due and pay the beneficiaries directly from the project credits, on behalf of the Contractor and against the Contractor's amounts due. In application of this paragraph, accrued wages may be paid up for a maximum of three (3) months prior to the relevant written notice of the parties concerned.

26.9 The Contractor shall bear the entire responsibility, unless otherwise specified in the contract, for locating and using sources of aggregate or other non-commercial materials. Such sources before being used must be approved by the competent Company's Division, who may prohibit the use of sources unsuitable or inappropriate for the works.

26.10 Materials encountered during the construction of works or from the removal of old works belong to the principal. The Contractor shall be reimbursed for the costs of their extraction or preservation, unless the contract stipulates otherwise, and shall take appropriate measures to prevent or minimize damage to the materials during their removal. The Contractor's use of the materials is subject to the Company's instruction and the drawing up of a protocol between the competent body and the Contractor.

26.11 The Contractor shall be required to immediately notify the competent Company's Division if any antiquities or any works of art are found during the construction of the project. The provisions on antiquities shall also apply in this case.

26.12 The Contractor shall not interfere with the execution of any other projects or works of a public entity which may be affected by the works of the Contractor, shall protect existing structures and utilities from any damage or interruption thereto and shall, without diminishing its liability, repair or contribute to the immediate restoration of any such damage or interruption.

## Article 27: Obligations and Responsibilities of Consortium Members

27.1 If the execution of the project is undertaken by consortia, the specific provisions of the following paragraphs shall apply to the undertaking and execution of the project.

27.2 The performance guarantees for the project must be joint and several in favor of all the consortium members.

27.3 All consortium members shall be jointly and severally liable vis-à-vis the principal for any obligation arising under the contract or by law.

27.4 The consortium members must, at the time of drawing up and signing the contract, submit a notarial deed appointing a joint representative of the consortium towards the Company. The same deed must also appoint a deputy representative. The deputy shall represent the consortium in the absence or incapacity of the representative and in the event of the death or inability of the representative. The representative and his deputy must be a natural person among the consortium members or the legal representatives of the joint venture companies. The appointment of the representative and his deputy and the declarations of acceptance of their appointment must be unconditional or without reservations and must cover all matters relating to the performance of the contract, including the collection of the contract fee and the appointment of a counterpart.

27.5 Substitution of the representative or his/her deputy or both can only be done jointly by all the consortium members by notarial deed. Only upon notification of this deed and of the declarations of acceptance of their appointment by the appointees shall the power of representation of those previously appointed ceases. The above notification to the company shall be made by a bailiff.

27.6 In the event of the death of one or more natural persons who were the consortium members with their sole proprietorships, paragraph 5 of Article 40 of this Regulation shall not apply. If the consortium members were made up of two natural persons who were the consortium members with their individual businesses and one of them dies, the consortium is considered dissolved as regards the principal and the contract is continued necessarily for the entirety of the project by the other party who assumes vis-à-vis the company all rights and

obligations of the deceased. The relations arising out of the contract between the successors of the deceased and the other consortium member shall be governed by the provisions of the Civil Code. If there were more than two consortium members, the consortium shall be continued between the others, who shall assume vis-à-vis the Contractor all the rights and obligations of the deceased under the contract, and the provisions of the preceding subparagraphs shall apply mutatis mutandis.

27.7 In the event of insolvency of one or more of the consortium members, paragraph 4 of Article 40 of this Regulation shall not apply. If there were two consortium members and one of them is declared bankrupt, the consortium is considered dissolved as far as the principal is concerned and the contract is compulsorily continued for the entirety of the project by the other member only who assumes towards the principal all the rights and obligations of the bankrupt member arising from the contract. If there were more than two consortium members, the consortium shall be continued vis-à-vis the Contractor among the others. Any claims or obligations of the continuing member or consortium against the bankrupt member shall be governed by the provisions of bankruptcy law. This paragraph shall apply mutatis mutandis in the event of the bankruptcy of two or more consortium members. If two or more consortium members are declared bankrupt and the proper performance of the contract is thereby jeopardized, the Company may, at its discretion, terminate the contract at no fault of the Company.

## Article 28: Deadlines - Penalties

28.1 In every contract for the execution of a project, in addition to the deadline for the completion of the entire project (total deadline), deadlines are also set for the completion of certain parts of the project (partial deadlines). In the case of small projects or projects which, by their nature, do not lend themselves to the identification of sections or characteristics of individual activities, the contract may not provide for partial deadlines.

28.2 All deadlines commence upon the signing of the contract, unless otherwise specified in the contract.

28.3 Within the total deadline, all construction works must have been completed and, if tests are provided for in the contract, the tests must have been carried out. The preceding subparagraph shall apply mutatis mutandis to partial deadlines.

28.4 Partial deadlines are set for the delivery of parts of the project whose timely completion is of particular importance to the Company, such as:

- (a) the construction of parts of the project that can be used independently
- (b) the completion of works that are a prerequisite for or combine with works of another project, other than the contract to which the specific contract refers,
- (c) the performance of works to secure the project against weather conditions (exclusive partial deadlines).

28.5 If the contract expressly stipulates partial deadlines, then the penalty clauses provided for are irrevocable.

28.6 An extension of the total or partial deadlines is approved or not:

- (a) If requested by the Contractor "by redefining" the completion time when the delay of the entirety of the project works or of the corresponding part is not due to the sole fault of the Contractor or results from an increase in the initial contract scope. Such approval is provided by the competent Company's Division.
- (b) In any other case, approval or disapproval shall be provided by the appropriate body designated by the Company.

28.7 The penalty to be imposed on the Contractor for exceeding the total completion deadline due to his liability shall be set at 50% of the average daily value of the project and shall be imposed for a number of days equal to 20% of the total deadline stipulated in the contract. A penalty of 100% of the average daily value of the work shall be imposed for each subsequent day up to a further 10% of the total deadline. Upon expiry of 30% of the total deadline, the Company may declare the Contractor to be in default. In order to apply the penalty clauses, the average daily value of the project is calculated by dividing the total amount of money in the contract by the number of days of the total deadline. Times are calculated in calendar days and the amounts and deadlines are calculated as provided in the initial contract, without extensions or redefinition.

28.8 Penalties for exceeding partial deadlines are defined by the contract and may not exceed each 15% of the contract amount of the respective part of the project, and cumulatively 10% of the total contract amount.

28.9 In works where the time of completion is of particular importance and this has been specifically provided for in the contract, the special conditions may specify a higher percentage of penalty clauses so as to maintain the same maximum limit of penalty clauses both for the entire project and for any partial completions.

28.10 Penalty clauses shall be imposed by decision of the competent Company's body and shall be deducted from the next following invoice of the project or from the good performance bonds. By the same decision, penalty clauses for indicative partial deadlines may be revoked if the project is completed within the total deadline and its approved general extensions.

### **Article 29: Additional Payment Clause (Premium)**

29.1 In cases where accelerated completion of the project is of particular importance, the contract may provide for the additional payment of a premium to enable the Contractor in order to complete the project or the part thereof which is of critical importance more quickly.

29.2 The total amount of the additional payment may not exceed 5% of the estimated cost of the project and the contract may provide for the breakdown of the amounts involved by time unit of faster completion of the project or its critical part, as well as any matter relating to the identification of the conditions for the realization of the additional payment.

The additional payment shall be considered additional Contractor consideration and shall be included in the relevant project certifications.

29.3 In cases where an additional payment is provided for in order to accelerate the completion of the project, decisions on deadline extensions shall always regulate any matter relating to such additional payment and in particular whether the time critical for the additional payment is postponed in part or in total.

29.4 An additional payment (premium) may be granted to speed up the completion of projects co-financed by Community funds. This additional payment (premium) shall be granted by decision of the Company. This decision shall specify the amount, which may not exceed 5 % of the remaining contractual cost of the project, the timing of the acceleration and the relevant details.

### **Article 30: Bills of Quantities**

30.1 The bills of quantities are prepared at the Contractor's care and expense and are subject to the control of the competent Company's Division.

30.2 Within ten days of the end of each month, the Contractor shall prepare and submit bills of quantities by discrete parts of works carried out during the month concerned. The bill of quantities shall include for each work a brief description with an indication of the corresponding item on the invoice or protocols for the regulation of unit prices for new works, the detailed calculations for determining the quantity of works performed and the necessary dimensions' drawings and diagrams for this purpose based on the direct measurement data of the works or protocols referred to in the next paragraph. The bills of quantities, accompanied by the necessary dimension drawings, shall be submitted by the Contractor to the competent Company's Division for verification after being signed by the Contractor and marked 'as prepared by the Contractor'. If the Contractor fails to comply with his obligations to prepare detailed bills of quantities according to the instructions of the competent body, the preparation of the bills of quantities may be carried out by the Company at the Contractor's expense, which shall be deducted automatically from the Contractor's consideration or the guarantees provided. The competent Division of the Company, following comparison of the elements of the bills of quantity, their control and any correction of the calculations, shall approve the bills of quantities deemed acceptable and communicate them to the contractor.

30.3 In the case of works whose quantitative verification will not be possible in the final form of the project, such as works to be covered by others and not ultimately visible, the characterization of the hardness of soils, quantities received by weighing or similar, the Contractor shall invite the competent body to jointly carry out the counting, characterization

or weighing and draw up a protocol for the receipt of concealed works, a protocol for the characterization of excavations or a protocol for weighing respectively. The Company may, in serious cases, appoint a special committee to certify the works in question and to draw up and sign the relevant protocols.

30.4 No later than one month after the certified completion of the project, the Contractor is required to submit to the relevant Company's Division any missing individual bills of quantities and the "final bill of quantity", i.e., a final summary table summarizing the quantities of all the partial bills of quantities and protocols. The competent Company's Division is obliged to check the final bill of quantity and return the checked and corrected bill of quantity to the Contractor.

30.5 If the Contractor fails to respond to the preparation of final bills of quantities and after two (2) months, the relevant Company's Division may proceed either with its own personnel or by hiring private individuals to carry out the final preparation of the bill of quantities of the works, charging the relevant cost to the Contractor. The final bill of quantities thus drawn up shall be communicated to the Contractor.

30.6 Along with the final bill of quantities, the Contractor may submit any other request relating to the performance of the contract for which he has not otherwise lost the right to submit.

30.7 In the case of contracts providing for payment by lump sum, the final bill of quantities shall be the confirmation of the qualitative and quantitative construction of the individual works as provided for in the contract.

### **Article 31: Advance Payments**

31.1 The interest-bearing advance, if provided for in the tender or the contract, shall be paid to the Contractor at his request, in full or in instalments.

The rate of interest shall be determined by the applicable six-month EURIBOR rate plus a percentage laid down in the contract documents.

31.2 The contract may provide for advance payments: a) Up to 5 % of the initial contract scope for initial installation costs, studies and other mobilization costs of the project. This advance payment may be set at up to 10% in the case of projects with major studies or major installations, procurement of mechanical equipment and other similar cases of large initial expenditure. b) Up to 10% of the initial contract price for procurement of materials or machinery to be installed or integrated in the project. In any case, the sum of the advance payments provided for may not exceed 15% of the initial contract price (excluding any contingency amounts).

31.3 In order to receive the advance payment or part thereof, the Contractor must provide a letter of guarantee covering the amount of the advance payment. The letter of guarantee shall be released in stages as the advance payment amortization progresses and following a written request by the Contractor.

31.4 The advance payment shall be amortized in instalments by deducting from each payment to the Contractor subsequent to the date of receipt of the advance payment a percentage ( $\Pi$  %) applied to the amount of the payment and resulting from the following ratio:

$$\Pi = \frac{P}{\Sigma} \times 100 \times 1,10$$

Whereas: " $\Pi$ " is the amount of the advance payment in Euros and " $\Sigma$ ", again in Euros, is the part of the contract amount not yet paid to the Contractor when the advance payment is granted.

31.5 The Contractor may always request an accelerated amortization of the advance payment beyond that provided for in paragraph 4 of this Article.

31.6 If the contract is terminated due to the Contractor's liability, any unamortized portion of the advance payment must be refunded (by the Contractor) no later than three (3) months after the contact termination. Thereafter, the statutory default interest shall be due on the unpaid part of the advance payment. If the contract is terminated or limited through the fault of the employer, any unamortized part of the advance payment that is not set off against the Contractor's settled claims against the principal shall be returned (by the Contractor) within a period of six (6) months from the termination of expiration of the other works in the case of limitation of the project. During this six-month period, no interest shall be calculated on the unamortized part of the advance payment, but after this period has elapsed, the statutory default interest shall also be due in this case.

## Article 32: Accounts - Certifications

32.1 The performance of partial payments or the final payment of the Contractor's consideration and the settlement of all mutual claims arising from the execution of the contract shall be made on the basis of the accounts and certifications drawn up in accordance with the following paragraphs.

32.2 At the end of each month or such other period of time as the contract may specify for partial payments, the Contractor shall prepare an account of the amounts due to him from works performed. Such accounts shall be based on the measurements of the works and the acceptance protocols of concealed works. In principle, it is prohibited to include in the account work that has not been measured. In the case of parts of the project where, in the judgement of the competent body, it was not possible to prepare bill of quantities for separate and individually measurable parts of the project, it is permissible to include in the account works based on provisional bills of quantities, for which however, measurement data have been considered.

32.3 Unless otherwise provided in the contract, semi-finished works may be included in the account with the approval of the Company if their nature is such that any interruption of the project would not destroy the semi-finished work. These works are entered in a separate part of the account and included at a provisional reduced price to enable the work to be completed independently with the balance of the provisioned price.

32.4 The statement of account may also include materials supplied by the Contractor with the approval of the Department at the work sites or in warehouses declared and approved. The quantities of such materials may not exceed those required to perform the forthcoming works on the approved schedule unless otherwise specified in the contract. The quantities of the materials shall be listed separately in the summary of works accompanying the statement,

which shall also indicate the storage locations of the materials. The Contractor shall be fully responsible for the materials included in the statements until their incorporation and acceptance of the project.

32.5 The statements shall also include price revision, any kind of remunerations approved, reimbursement for cost-plus works performed through the contract and any other approved expenses paid to the Contractor. Deducted from the accounts shall be all cleared claims of the Company and in particular penalty clauses, price reductions under Articles 37 and 42, supplementary security deposit if no letters of guarantee have been lodged in respect thereof, in which case a reference shall be made thereto, depreciation of advance payments, retention of the value of any materials provided, payments made at the expense and on behalf of the Contractor and generally any claim of the Company not otherwise satisfied.

32.6 The statements of account are always drawn up in recapitulative form and for payment are accompanied only by a recapitulative summary table of the works carried out since the beginning of the project, the supporting documents for any cost-plus works, the summary table of the calculation of the revision and any decisions awarding damages or imposing penalties or deductions or other claims by the employer. From each newer statement, the amounts paid under the previous statements shall be deducted.

32.7 The statements shall be submitted to the appropriate Company department, which shall check and correct them within the deadlines specified in the contract. If the submitted statement has ambiguities or inaccuracies to such an extent that it is difficult to correct, the competent Company's Division shall, by order to the Contractor, point out the inaccuracies or ambiguities found during the audit and shall order its recompilation and resubmission. In this case, the deadline laid down in the contract for the audit of the statement shall start to run from the date of resubmission after its re-drafting by the Contractor. The audit of the account may be carried out by the competent body designated by the Company for the project. The supervising engineer signs the statement, thus confirming that the quantities are in accordance with the bills of quantities and measurement data, the prices are in accordance with the contract and the relevant provisions and, in general, that all reductions or discounts resulting from the law and the implementation of the contract have been applied to the statement. The statement upon audit (and on the basis thereof) is approved by the competent Company's Division and thus approved constitutes the certification for payment to the Contractor.

32.8 All payments made to the Contractor during the construction of the project based on the certifications shall always constitute payments against the Contractor's consideration settled after final acceptance.

32.9 Upon final acceptance, the Contractor shall prepare and submit a "final account". By submitting the final account, the Contractor declares that it has no other claims against the Company for the performance of the Project. Upon the final statement, the Contractor's consideration and all mutual claims related to the performance of the contract shall be settled.

### **Article 33: Cost-plus works**

33.1 In the case of contracts with a Contractor for the construction of a project under the cost-plus system, the following paragraphs shall apply.

33.2 The competent Company's Division may determine the number of personnel required by specialty, the number and type of machinery or other means and order the replacement of any unsuitable ones. It may also specify the type and quantity of materials required. The competent Company's Division shall approve the maximum pay limits for the Contractor's personnel by specialty, with the possibility of setting different limits for a certain number of employees of each specialty depending on their performance.

33.3 The monitoring of expenditure and accounting for the use of materials or other means purchased at the expense of the Principal shall be carried out as specified in the contract. The Contractor's rate provided for in the contract shall be added to this expenditure, less the discount from the relevant tender.

33.4 Employer's charges and all applicable deductions or contributions for the benefit of third parties, if any, on the cost of the project, other than income tax and stamp duty, shall be paid by and be payable to the Contractor, and using the Contractor's rate provided for in the contract, reduced by the tender price discount.

33.5 Compensation of personnel of the cost-plus works shall be borne by the Company only for the period during which the personnel were engaged in the cost-plus works and if the termination of their contract is at the will of the Company and during the construction of the project.

33.6 The Contractor shall draw up a bill of quantities and account of the expenditure for the cost-plus works and the provisions of Articles 42 and 44 of this Regulation shall apply accordingly. The warranty period, the compulsory maintenance period and the obligations of the Contractor during this period shall be defined in the contract.

33.7 In each case of cost-plus works, a special Log shall be kept in which the personnel employed by specialty, machinery or other means, the materials and fuel supplied, the works carried out shall be recorded daily, both descriptively and by work front and including any other data to document the rational management of means, materials and the use of human resources. The sheets of this Log shall accompany the accounts of the works and shall be brought to the attention of the provisional acceptance Committee. Once the daily work has begun, a special sheet containing a list of the names of the personnel employed and a list of the machinery used shall be handed over to the representative of the competent Company's Division.

33.8. During the execution of any project contract using a system other than the cost-plus system, the Contractor is obliged to carry out necessary accounting work when specifically instructed by the competent Company's Division. In such case, the actual cost incurred in accordance with the legal proof of payment for the performance of the works shall be paid to the Contractor and included in the certification, unless otherwise specified in the contract for such project.

### **Article 34: Prices Review**

The tender and the attached draft contract shall provide for the prices review on the basis of the terms and formulae laid down in the tender and the attached draft contract.

### **Article 35: Workload Variations - New Works**

35.1 In the event that the need arises to carry out additional works which are not included in the initially awarded project and which became necessary during the execution of the project due to unforeseen circumstances, a supplementary contract is concluded with the Contractor, after negotiation.

35.2 The supplementary contract shall contain the specifications of the works, the unit prices of the works, the quantities, the costs of the budget of the project initially awarded, the budget of the immediately preceding contract and the budget of the new contract to be drawn up. It shall also include the differences in expenditure resulting from a comparison of the amounts of the budget in force and the proposed budget in an executive table. A prerequisite for the preparation of the supplementary contract is the approval by the competent Company's Division of the bill of quantities of all the previous works.

35.3 If the supplementary contract includes works for which unit prices are not available, then it must be accompanied by a protocol regulating the prices for such works. The unit price regulation of new works shall be made by mandatory application in the order of the following cases a, b and c, as follows:

- (a) for works for which there are contract prices for similar or comparable work, the prices shall be set in proportion to those contract prices,
- (b) for works for which there are no similar or analogous contract prices but which are included in approved or contractually agreed detailed invoices (price breakdowns), prices shall be determined in accordance with those invoices,
- (c) for works not included in the preceding cases, prices shall be determined on the basis of actual cost data. The verification of costs shall be carried out by the competent Company's Division.

The prices established in accordance with (b) shall be subject to a relevant auction discount, explicit or implicit. The explicit or implicit discount shall also apply to case (a) if the discount is not included in the identical or comparable work, and to the part of the price in case (c) which is determined in accordance with cases (a) or (b). The prices of materials, mechanical equipment, appliances, etc., not included in the basic prices shall be subject to the relevant auction discount if it can be shown that such items are widely available on the market.

35.4 The supplemental contract shall be prepared by the competent Company's Division and signed by the Contractor and then approved by the competent Company's bodies.

#### **Article 36: Works' Damage - Compensation**

36.1 The Contractor shall not be entitled to any compensation from the Company for any damage to the works, for any damage or loss of materials and generally for any damage caused by the negligence, inadvertence or unskillfulness of the Contractor or its personnel or the non-use of appropriate means or any other cause, except in cases of gross negligence or fraud of the Company or force majeure. The Contractor shall be obliged to repair the damage sustained by him at his own expense.

36.2 In order to qualify the compensation caused by force majeure, the Contractor must declare in writing to the relevant Company's Division the nature and extent of the damages and the cost of repairing them as far as it can be estimated. The declaration must also include a description of the cause of the damage classified as force majeure and a request for compensation for its restoration.

36.3 The declaration shall be submitted within a subversive deadline of two (2) working days from the occurrence of the damage. If it is a project that has been completed and has not yet been finally accepted, this period shall be set at five (5) working days. The competent Company's Division shall immediately carry out an inspection to verify the contents of the declaration and in particular the type and extent of the damage, the time and circumstances that caused it, and within ten (10) days of the submission of the declaration of the Contractor shall carry out an on-the-spot examination in consultation with the Contractor and shall draw up, through its competent bodies, a damage verification report. The report shall set out the cause, time and specific circumstances which caused the damage, with a description of all the elements which have been verified. It shall also examine whether or not the Contractor is liable

and shall specify in detail the nature and extent of the damage and propose the method and cost of repairing it.

36.4 The report of the previous paragraph shall be signed by the competent Company bodies and the Contractor. If the Contractor does not attend or refuses to sign the report, the competent Company's Division shall notify such report to the Contractor. The compensation shall always be determined on the basis of the contractual terms and prices. When the restoration of damage is ordered after the project has been completed and the Contractor's site facilities have been removed, reasonable unit prices for restoration work shall be arranged or performed on a cost-plus basis.

36.5 The Contractor shall be required to perform the works ordered to repair the damage. If the damage caused to the Works creates a risk to the safety of persons or significant damage to third parties or further significant damage to the works, the competent Company's Division may approve, also prior to the service of the Contractor's declaration pursuant to para. 2, the construction of necessary emergency works, to the extent possible, even if they are not covered by the contract concluded with the Contractor. The instructions for these works shall necessarily mention the provisions of this paragraph and shall be communicated to the competent Company's Division. The Contractor shall be obliged to carry out the commissioned works without delay, using all the resources of his organization for this purpose.

36.6 The competent Company's Division may, when it finds that the Contractor's organization is inadequate for the effective management of risks, approve the construction of part or all of the works in question by any other appropriate means. All costs of performing the above works shall be paid using credits availed for the construction of the project and shall ultimately be borne by the Company, unless the decision of the Company approving the report, attributes the expenditure in total or in part to the Contractor as being liable for the damage caused to the works.

36.7 The execution of the works to repair the damage caused by force majeure may justify an extension of the deadlines for the execution of the works for a reasonable period of time.

36.8 The procedure of paragraphs 2 to 4 of this article shall be applied mutatis mutandis for the determination of the Contractor's compensation for any restoration or risk prevention works on projects carried out and in cases where the damage is due to gross negligence or malice on the part of the Company or force majeure.

36.9 Works to repair damage attributed to the use of a project delivered for use prior to its acceptance under the provisions hereof shall be performed only upon written order of the competent Company's Division. A special protocol shall be drawn up between the Head of the competent Company's Department and the Contractor to ascertain the execution of such works. In the cases referred to in this paragraph, paragraph 5 of this Article shall apply mutatis mutandis.

#### **Article 37: Unsuitability of Materials - Defects - Lack of Maintenance**

37.1 If during the construction of the works the competent body considers that the materials to be used do not meet the requirements of the specifications or are generally unsuitable, the competent Company's Division shall instruct the Company not to use these materials. If the Contractor disagrees, the materials shall not be used unless their suitability is determined by laboratory testing. The cost of the laboratory tests shall be paid in advance by the Contractor and shall be borne by the Contractor if the unsuitability of the materials is proven. Otherwise, the cost shall be borne by the Company and reimbursed to the Contractor from the project credits.

37.2 The Company in any case reserves the right to suspend payment in full for works for which, in its discretion, materials unsuitable or off specifications have been used. Such suspension may become permanent if the Contractor fails to comply with the Company's instructions.

37.3 If during the construction of the project up to the expiry of the contractual guarantee period (of the Contractor) or the maintenance period of the project, defects are found, including failure to comply with any safety regulations applicable to the project, which are not rectified by the Contractor, a special instruction shall be issued to the Contractor by the competent Company's Division. The special instruction shall specify the defects and set a reasonable deadline for their rectification. Restoration may include the removal of the defective works and their reconstruction if this is required by the circumstances. If the defect is not substantial and its repair requires disproportionate costs, the special instruction shall set out a percentage reduction in the Contractor's remuneration for the works concerned. In the latter case, the instruction may also include the performance of certain works to mitigate the defect.

37.4 If the Contractor fails to remedy the defects within the deadline set by the special instruction imposed on him, then the works to remedy the defect may be carried out at the Company's responsibility by any means at the expense and for the account of the Contractor, without prejudice to the Company's rights as to the application of other penalties against the Contractor.

37.5 The above shall apply mutatis mutandis in the event that the Contractor fails to comply with its obligations for the maintenance of the project during the period for which it is responsible for such maintenance.

37.6 Works with substantial defects shall not be included in the certification. Work that has minor defects that do not create problems in the safe operation of the project and the Company's obligations are included at a reduced price as specified in the special instruction until the defect is corrected. If the defect is discovered after the works has been certified, the reduction may be made in the next or phased over several subsequent certifications, as determined by the competent Company's Division.

37.7 If the defect is discovered during the acceptance of the project, the provisions of paragraph 2 of Article 42 of this Regulation shall apply and the determination of the remedy of the defects shall be made by the competent Company's Division.

#### **Article 38: Forfeiture of the Contractor**

38.1 If the Contractor fails to fulfill its contractual obligations in due time or in an appropriate manner or fails to comply with the written instructions issued to it in accordance with the contract or the law, it may be declared to be in default of the contract. In particular, the Contractor may be declared in default if he delays the commencement of the works or the submission of the schedule or delays the progress of the works so that it is manifestly impossible to complete the project on time or if his work is systematically of poor workmanship or the materials used do not meet the specifications, if he fails to apply the approved drawings or if he systematically fails to comply with the rules on employee safety or environmental protection, or if the total deadline of the project has lapsed without the project having been completed. The Contractor may be declared in default by a decision of the competent body determined by the Company, if the Contractor, through its own fault, exceeds even one exclusive deadline of the approved schedule by three months or delays the commencement of the works for a period of more than thirty days from the signing of the contract or fails to implement the site deployment plan within two months from the signing of the contract.

38.2 Prior to the forfeiture, the Contractor shall be notified by means of a special invitation by the competent Company's Division, which shall necessarily state the provisions of this Article and include a specific description of actions or works to be carried out by the Contractor within a deadline set by the same special invitation. The deadline must be reasonable in relation to what is requested to be performed and, in any case, not less than 10 days. In the case of a request for measures to prevent obvious risks as referred to in Article 36, the deadline may be less than 10 days.

38.3 The special call and the deadlines set by it shall not affect the Contractor's obligations under the contract to perform within the deadlines laid down in the contract the works or parts thereof and the consequences of exceeding the contractual deadlines.

38.4 The Contractor shall be declared in default by decision of the competent body designated by the Company after the expiry of the deadline laid down in the special invitation and if the Contractor has not complied with the provisions laid down therein.

38.5 The forfeiture becomes final (validation of the forfeiture) if no appeal is lodged within five (5) working days or if the appeal is rejected. The lodging of an appeal within the deadline shall suspend the decision on the forfeiture until the decision on the forfeiture has been issued. The decision on the appeal shall be taken by the competent body designated by the Company.

38.6 As of the issuance of the disqualification decision and up until the competent Company's Division determines how the remaining works is to be carried out, the competent body of the Company may intervene to prevent risks and carry out the required works in any way at the expense and on behalf of the Contractor.

38.7 The Contractor who has lodged an appeal is obliged to continue and intensify the works and in particular to carry out the works which by their nature should not be interrupted or which are defined as urgent by the Company. If the Contractor fails to comply, such works or some thereof may always be carried out by another contractor appointed by the Company in accordance with the present Regulation. Such works, if the Contractor under disqualification is found to be justified, shall be permanently removed from the scope of his contract, otherwise the works shall be performed at his expense and on behalf of the Contractor.

38.8 Once the disqualification becomes final, the Contractor shall be disqualified and, in principle, removed from the project and the contract shall be cleared as soon as possible. By way of exception, the disqualified Contractor may be allowed to carry out completions of incomplete works so that it can be measured or works to remove or prevent risks. The disqualification decision, as finally formulated in the ratification decision, may stipulate that machinery and site facilities of the disqualified Contractor shall remain at the disposal of the Company for the project, following removal of the Contractor.

38.9 The following cumulative consequences shall apply against the permanently defaulter Contractor:

- (a) The unamortized portion of the advance payment shall become immediately due and payable,
- (b) part of the deposit for the good performance of the project shall be forfeited in favor of the Company as a special penalty clause, corresponding to the ratio  $A/\Sigma$ , where " $\Sigma$ " is the monetary scope of the contract as established by the last approved recapitulative table and " $A$ " is the unperformed part of the contract, as calculated as the difference between " $\Sigma$ " and " $\Pi$ ", where " $\Pi$ " is the total amount of certified work up to the date of the forfeiting decision. These calculations do not take into account price revisions and contingency amounts,
- (c) all penalties for exceeding the overall deadline for the completion of the project shall be forfeited to the favor of the Principal. The unpaid part of the advance payment plus interest and the above penalty clauses shall be recovered immediately with an equal forfeiture of the respective advance payment and performance bonds or the Contractor's receivables (if any).

38.10 In order to settle the defaulted Contractor, the defaulting Contractor shall be required to submit in writing no later than twenty (20) days from the date of the notice of default a bill of quantities for the works performed by the defaulting Contractor. The competent Company's Division may always perform the measurement itself, inviting the defaulter to attend or to combine the bill of quantities with the inventory of the existing condition preceding the commencement of the new Contractor's works. The competent Company's Division may also, in the event of delay on the part of the defaulted Contractor, request the compilation of a bill of quantities by a private technician. The relevant expenditure shall be paid from the project appropriations in accordance with the decision of the competent Company's Division and shall be deducted from the Contractor's settlement account. The above bill of quantities includes only complete works. Exceptionally, unfinished works and supplied materials are included in the measurement if, in the opinion of the Division, they are useful to the Principal in view of the prospects for its continuation.

38.11 In the event of a default, the competent Company's Division shall determine whether the projects shall be continued in their entirety or only those works deemed necessary and the manner in which they shall be carried out. Such works shall be performed by another Contractor selected by the Company.

38.12 The final settlement of the defaulted contract shall also take into account the difference in cost of the remaining works charged to the defaulted Contractor. This calculation shall take into account the differences in quantities between the last approved recapitulative table of the failed contract and the bill of quantities of the works of the failed contract, and the price differences shall be the differences between the prices of the contract drawn up for the continuation of the works in relation to the prices of the failed contract revised up to the time of drawing up the new contract.

#### **Article 39: Interruption of Works - Contract Termination**

39.1 In very exceptional cases and following a recommendation of the competent Company's Division and a decision of the competent Company's body, the works may be interrupted, or the contract may be terminated. In such cases, the decision shall be notified to the Contractor.

39.2 Upon notification of the Company's decision to suspend or terminate the contract, the Contractor shall submit a written request with details of the calculation of the compensation claimed, provided that the Contractor is not responsible for the suspension or interruption in question. The competent Company's Division shall review the validity of the Contractor's claims and estimate the amount of the positive damage caused by the delay in commencement or interruption of the works.

39.3 The contract termination and the related compensation shall be approved by a decision of the Company's Board of Directors.

39.4 In all cases where the contract is terminated through the fault of the Company, compensation shall be paid to the Contractor, except for the value of materials provided or in the process of production or supply. The value of the materials shall be paid if they have been ordered to be furnished or required to be produced or supplied by the schedule of the works in conjunction with any special conditions of the particular project that require the furnishing, production or supply of materials.

39.5 The above compensation for the presumed benefit of the Contractor shall be settled by decision of the competent Company's body upon approval of the acceptance protocol.

39.6 This Article does not apply to the Forfeiture of Contractor pursuant to Article 38 of this Regulation.

#### **Article 40: Substitution of Parties - Bankruptcy - Death**

40.1 The substitution of the Contractor by another contracting company in the construction of the project is proposed by the Contractor and is subject to approval by the competent bodies of the Company. In order for the substitution to be approved, the contracting company that will substitute the Contractor must have the same qualifications as those required for the Contractor to undertake the project and provide the necessary guarantees for the construction of the project at the discretion of the competent Company's Division, which will also take into account the relevant information in the LACs. In the event that the Contractor is replaced by another Contractor, the terms of the Contractor's contract will continue to apply unless terms more favorable to the Company are agreed.

40.2 In order to approve substitution with discharge of liability of the initial Contractor, the Contractor's application shall identify the portion of the contract for which substitution with discharge of liability is requested and certification, after which all payments will be made directly to the new Contractor. The request shall be accompanied by a declaration by the new Contractor that he accepts the contents of the request. The decision approving the substitution with discharge shall specify the part of the contract for which the substitution applies, if the substitution is not for the entire project, the certification after which payments will be made to the new Contractor, the guarantees of the new Contractor and any necessary details. In the cases referred to in this paragraph, the substitute Contractor shall henceforth act as Contractor and shall assume all the responsibilities for the entirety or parts of the project specified in the decision approving the substitution, with the initial Contractor's liability being discharged. It shall also assume the obligations of the initial Contractor towards the staff employed in the project during the three months preceding the substitution. The guarantees in the name of the initial Contractor or the part thereof specified in the approval decision shall be released after the new Contractor has lodged new guarantees of an equivalent

amount. The initial Contractor shall be released from his liability only after this deposit has been lodged.

40.3 In the case of a Contracting consortium a member of which requires such substitution, the consent of all members of the consortium shall be required and the preceding paragraphs shall apply mutatis mutandis.

40.4 If the Contractor is declared bankrupt, the contract shall be automatically terminated.

40.5 If the Contractor is a sole proprietorship and the executor dies, the contract is automatically terminated, unless the Company authorizes the completion of the work by his successors, who in this case assume all the obligations and rights of the Contractor. Such approval shall be made upon application by the successors to be made within thirty (30) days after the death of the Contractor.

#### **Article 41: Works Completion Certificate**

41.1 Once the deadline for the completion of all or part of the project has expired, the competent supervising body shall report to the competent Company's Division whether the projects have been completed and have satisfactorily undergone the tests, if provided for in the contract, or if the projects have not been completed, in which case it shall indicate specifically the works remaining to be carried out. If the works have been completed, the competent Company's Division shall issue a certificate for the time of completion of the works (Works Completion Protocol). This protocol does not replace the acceptance of the works. The Contractor may request the issuance of the Protocol even before the expiry of the deadlines if he has completed the works.

41.2 If the completed works reveal only minor deficiencies that do not affect the functionality of the project, the competent Company's Division shall notify the Contractor of the deficiencies identified and set a reasonable deadline for their rectification. In this case, the

Completion Protocol is issued after the timely rectification of the deficiencies and indicates the time when the project was completed without taking into account the time of rectification.

41.3 If the deficiencies found are not minor or if the Contractor has not completed the remedial work for minor deficiencies in time in accordance with the previous paragraph, the provisions of Articles 28, 37 and 38 of this Regulation shall apply as appropriate.

41.4 In order to issue of a Works Completion Protocol it is necessary, *inter alia*, that the Contractor has fulfilled the obligations provided for in Article 26 of this Regulation, has complied with the terms of the Contract and:

- a. The modified drawings resulting from changes during the implementation Study have been delivered
- b. The Engineering Lists have been delivered
- c. The Spare Parts Lists have been delivered
- d. The work site has been cleaned
- e. The tests have been successfully performed and the relevant certificates have been issued, as well as the cleaning of equipment (i.e., piping, etc.)
- f. The training program for the Company's personnel on the new facilities has been carried out (if included in the Contractor's contractual obligations).

#### **Article 42: Provisional Acceptance**

42.1 The Company appoints the Acceptance Committee for the execution of the provisional acceptance, upon prior notification by the competent Company's Division of the completion of the works and the preparation of the final bill of quantities. A protocol shall be drawn up for the acceptance signed by all members of the Committee, by the competent body present during the acceptance and by the Contractor delivering the project.

42.2 The Acceptance Committee receives the work quantitatively and qualitatively, checks the bill of quantities to the extent possible by general or sporadic measurements, records in the protocol the quantities of the final bill of quantities, as corrected by the checks carried out, justifies any modifications to the quantities and records its observations on any works that

may have been carried out in excess of the approved quantities or by modifying the approved drawings. The Committee shall also check as far as possible the quality of the works and shall record in the protocol its observations, in particular on works deemed to be unacceptable or defective which must be rectified or accepted but at a reduced price.

42.3 The Contractor shall be invited to attend the acceptance. Acceptance is bindingly performed also without the presence of the Contractor, if he does not attend even though he has been invited. In the latter case, as in the case where the Contractor refuses to sign the protocol, the Contractor shall be notified of the protocol by a competent Company body or by way of an extrajudicial communication. The protocol shall be deemed to be an act of the Company. Provisional acceptance is completed when the competent Company's body approves the protocol. The latter may postpone approval of the protocol until the Contractor has remedied the defects found. Approval shall be provided within one month of complete rectification.

42.4 Provisional acceptance must be carried out within six (6) months of the certified completion of the project, if the Contractor submits the application and the final bill of quantities of the project must be performed within two (2) months of completion. If the application and the final bill of quantities are submitted by the Contractor at a later date, the above deadline for carrying out the acceptance shall commence as of the submission of the application and the final bill of quantities. If a final bill of quantities is not submitted by the Contractor, the deadline for the acceptance begins from the notification to the Contractor of the final bill of quantities prepared by the Company.

42.5 The provisions of this article shall apply mutatis mutandis to cases of acceptance of completed parts of works which may be self-contained, where this is provided for in the contract, and also in all cases where a contract is not continued, such as in cases of termination, default, etc.

### **Article 43: Guaranteed good operation and Maintenance Period of projects**

43.1 The guarantee period, during which the Contractor bears the risk of the project and is required to maintain it and upon expiration of which the final acceptance takes place, is

defined in the contract. The guarantee period shall commence upon the certified completion of the works if within two months therefrom the final bill of quantities is submitted by the Contractor, otherwise from the date on which the final bill of quantities is submitted or otherwise prepared, unless otherwise specified in the contract.

43.2 During the guarantee and mandatory maintenance period, the Contractor shall maintain the project in satisfactory condition and repair any damage to the project which is not due to misuse of the equipment, etc. by the user, but due to the fault of the Contractor. Works for repair of defects due to misuse of the equipment, etc. by the user shall be carried out by the Contractor with the approval of the competent Company's Division and the cost shall be paid to the Contractor, or such works shall be carried out by the competent Company's Division.

43.3 If the Contractor fails to perform its maintenance obligations during the guarantee period, the necessary works may be carried out by the Company in any manner at the expense and on behalf of the liable Contractor.

#### **Article 44: Final Acceptance**

44.1 The provisions for provisional acceptance of paragraphs 42.3 and 42.5 of Article 42 of this Regulation shall apply to the final acceptance.

44.2 Final acceptance shall be carried out within two (2) months from the expiry of the guarantee period under the preceding Article and provided that a request to this effect has been submitted by the Contractor. If the final acceptance is not carried out within the above period, it shall be deemed to have been effected automatically thirty (30) days upon the submission by the Contractor of a request for it to be carried out. If provisional acceptance has not been carried out by the time of final acceptance, provisional and final acceptance shall be carried out simultaneously.

#### **Article 45: Acceptance for Use**

45.1 In order to deliver the project or its individual parts for use, the acceptance for use is required. Acceptance for use is carried out by means of a protocol of acceptance for use between

the Contractor and the bodies appointed by the Company. If the Contractor is summoned and does not attend or refuses to sign the protocol, it shall be drawn up by the bodies appointed by the Company, with a reference to it where appropriate, and notified to him. The protocol shall include a reference to the project or parts thereof handed over for use and a summary of the status of the works.

45.2 Acceptance for use in accordance with the previous paragraph shall be carried out upon completion of works of the project or self-contained parts thereof, if this is provided for in the contract or following a decision of the competent Company's body.

45.3 Acceptance for use does not replace the provisional and final acceptance of the project.

45.4 In order to carry out the acceptance for use of the Project, the competent Company's Division for Project Execution, in consultation with the Service (s) undertaking the use of the Project, undertakes to inform the users about the operation of the facilities. In the case of major projects involving special equipment, the contract should contain the obligation of the Contractor to train the Company's personnel. Such training shall be provided under the care of the competent Company's Division.

45.5 It is also considered necessary, prior to acceptance for use, if so specified in the contract, to supply the necessary spare parts for the electromechanical equipment installed within the framework of the project, under the care of the competent Company's Division. An offer for spare parts must be included in the tender notice.

#### **Article 46: Damage to Works- Force Majeure - Strikes**

46.1 The Contractor is not entitled to any compensation from the Principal for any damage to the Project, for any damage or loss of materials and generally for any damage caused by the negligence, unintentional or unprofessional behavior of the Contractor or his personnel, or by the non-use of appropriate means, or by any other cause, even in case of force majeure, except in cases of fault of the Supervision. The Contractor is obliged to repair the damages incurred by him at his own expense.

46.2 Force majeure is defined as an incident, beyond control and not due to the Contractor's negligence or fault, which the Contractor is unable to foresee or prevent and which includes but is not limited to the following: natural disaster, confiscation of facilities or machinery and equipment, war, sabotage, flooding, unusually abnormal weather conditions which were impossible to foresee and which prevent the execution of the Project, fire, explosions or other disasters, legal strikes declared by legally operating employee unions.

In cases of force majeure the Contractor is compensated on the basis of the insurance policy issued in accordance with the provisions of the contract. The policy shall necessarily insure the risks of force majeure events.

46.3 For Force Majeure events, the Contractor shall notify the Supervisor in writing within a subservient deadline of ten (10) days of the occurrence of the damage or twenty (20) days in the case of a project that has been completed and has not yet been finally accepted. The Contractor shall also notify in writing the nature and extent of the damage and the time required for its repair. The Supervision shall review and approve or reject the above.

46.4 The attention of the Contractor is drawn to the fact that, in order to deal with rainfall, the Contractor is obliged to take at its own expense all measures for the protection of trenches from the inflow of water into them, the backing against embankments collapse etc., as well as to assume at its own expense the consequences of the above.

46.5 In order to recognize the time of any general or sectoral strikes that may decisively affect the execution of the Project, the Contractor must notify the Supervision of this in writing within three (3) days of their commencement, otherwise they cannot be invoked in any other way.

46.6 Actual work delays due to force majeure, weather conditions or strikes shall be counted in the next following adjustment of the time schedule of the Project, extending the individual and/or the total completion time by such period of time as the Supervision shall approve with the consent of the Contractor.

#### **Article 47: Applicable Law - Dispute Resolution**

47.1 The provisions of this Regulation shall apply to the conclusion and execution of project contracts by the Attiki Natural Gas Distribution Company - EDA Attikis Single Member S.A., subject in all cases to the principles of transparency, arms-length and non-discriminatory treatment and the protection of fair and free competition.

47.2 All disputes arising from the interpretation, execution and termination of the Company's project contracts may be resolved by Arbitration, provided that this is provided for in the tender and the respective contract award. Otherwise, the courts of Athens shall have jurisdiction.

47.3 Recourse to Arbitration shall in no case suspend the execution of the contract works.

47.4 Each Party shall be entitled for reasons relating to the interpretation, performance and termination of the relevant contract to resort to Arbitration provided that it has previously lodged a mandatory appeal on the above grounds within a period of ten (10) days from the notification of the relevant decision on the appeal.

47.5 Such appeals as well as those concerning the Contractor's disqualification shall be exercised within an exclusive period of three (3) working days from the date on which the event giving rise to such appeal took place or the Contractor was notified of its disqualification. Such an appeal, which shall not have suspensive effect, shall be decided either by the CEO or by the Board of Directors, as appropriate.

47.6 The project contract between the Company and the Contractor shall specify anything relating to the Arbitration procedure, the appointment of Arbitrators, etc. In any case, the substantive law applicable to the Arbitration shall be the Greek law.

#### **Article 48: Transitional Provisions**

Works for which contracts have already been signed or for which the award procedure has started are governed by the terms of their contract documents.

#### **Article 49: Validity of the Regulation**

The present Regulation is effective as of the date of its approval by the Company's Board of Directors.