

ANNEX I: GENERAL CONDITIONS OF CONTRACT

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ANNEX I: GENERAL CONDITIONS OF FRAMEWORK AGREEMENT

PRELIMINARY PROVISIONS

Article 1 – Definitions

1. The following definitions shall apply to the Framework Agreement:

ADMINISTRATIVE ORDER

Any written or verbal instruction or order issued by the Project Manager to the Contractor regarding the performance of the services.

CALL-OFF ARRANGEMENT

The service contract, which is concluded between the Contracting Authority and the Contractor for the processing of each service request in accordance with the procedures described in the Framework Agreement and the requirements/terms that will be mentioned in each individual Work Order.

The Call-off Arrangement shall constitute as single and inseparable parts:

- a. the Call-off Arrangement,
- b. each individual Work Order,
- c. the Framework Agreement (Special Terms),
- d. the Tender Documents,
- e. the Offer, each relevant Individual Offer and any relevant correspondence between the Contracting Authority and the Contractor.

CONTRACTING AUTHORITY

The Cyprus Energy Regulatory Authority (CERA), located in Nicosia at 20, Ayias Paraskevis street, 2002, Strovolos Nicosia, which is the only one entitled to submit a Request for the provision of Services under the terms of the Framework Agreement.

CONTRACTOR

The Tenderer to be selected to enter into a Contract with the Contracting Authority, in accordance with the manner, terms and procedure described in the Tender Documents.

FRAMEWORK AGREEMENT / CONTRACT

The signed agreement entered into by the Contracting Authority and the Contractor for the performance of the Framework Agreement Scope, together with all attachments thereto and all documents incorporated therein, including the present General Conditions.

FRAMEWORK AGREEMENT / CONTRACT SCOPE

The provision of services for the harmonization of the legislative framework and provision of regulatory (financial, legal, technical) support for the development of cross-border electrical interconnection in the Republic of Cyprus.

FRAMEWORK AGREEMENT / CONTRACT VALUE

The amount specified in article 3 of the Special Conditions.

DAY

Calendar day.

ENERGY INFRASTRUCTURE PROJECT

One or several lines, pipelines, facilities, equipment or installations falling under the following categories:

(1) concerning electricity:

(a) high and extra-high voltage overhead transmission lines, crossing a border or within a State territory including the exclusive economic zone, if they have been designed for a voltage of 220 kV or more, and underground and submarine transmission cables, if they have been designed for a voltage of 150 kV or more. For States and small isolated systems with a lower voltage overall transmission system, those voltage thresholds are equal to the highest voltage level in their respective electricity systems;

(b) any equipment or installation falling under the category referred to in point (a) enabling transmission of offshore renewable electricity from the offshore generation sites (energy infrastructure for offshore renewable electricity);

(c) energy storage facilities, in individual or aggregated form, used for storing energy on a permanent or temporary basis in above-ground or underground infrastructure or geological sites, provided they are directly connected to high-voltage transmission lines and distribution lines designed for a voltage of 110 kV or more. For States and small isolated systems with a lower voltage overall transmission system, those voltage thresholds are equal to the highest voltage level in their respective electricity systems;

(d) any equipment or installation essential for the systems referred to in points (a), (b) and (c) to operate safely, securely and efficiently, including protection, monitoring and control systems at all voltage levels and substations;

(e) smart electricity grids: any equipment or installation, digital systems and components integrating information and communication technologies (ICT), through operational digital platforms, control systems and sensor technologies both at transmission and medium and high voltage distribution level, aiming to ensure a more efficient and intelligent electricity transmission and distribution network, increased capacity to integrate new forms of generation, energy storage and consumption and facilitating new business models and market structures, including investments in islands and island systems to decrease energy isolation, to support innovative and other solutions involving at least two States, and to contribute significantly to the sustainability of the island energy system ;

(f) any equipment or installation falling under energy infrastructure category referred to in point (a) having dual functionality: interconnection and offshore grid connection system from the offshore renewable generation sites to two or more States, including the onshore prolongation of this equipment up to the first substation in the onshore transmission system, as well as any offshore adjacent equipment or installation essential to operate safely, securely and efficiently, including protection, monitoring and control systems, and necessary substations if they also ensure technology interoperability, inter alia, interface compatibility between various technologies (offshore grids for renewable energy);

(g) any equipment or installation, both at transmission and medium voltage distribution level, aiming at two-way digital communication, real-time or close to real-time, interactive and intelligent monitoring and management of electricity generation, transmission, distribution and consumption within an electricity network in view of developing a network efficiently integrating the behaviour and actions of all users connected to it — generators, consumers and those that do both — in order to ensure an economically efficient, sustainable electricity system with low losses and high quality and security of supply and safety;

(h) concerning in particular electricity highways; any physical equipment designed to allow transport of electricity on the high and extra-high voltage level, in view of connecting large amounts of electricity generation or storage located in one or States with large-scale electricity consumption in one or several other States.

(2) concerning smart gas grids: any of the following equipment or installation aiming to enable and facilitate the integration of a plurality of low-carbon and particularly renewable gases, including biomethane or hydrogen, into the gas network: digital systems and components integrating ICT, control systems and sensor technologies to enable the interactive and intelligent monitoring, metering, quality control and management of gas production, transmission, distribution, storage and consumption within a gas network. Furthermore, such projects may also include equipment to enable reverse flows from the distribution to the transmission level, including the related physical upgrades if indispensable to the functioning of the equipment and installations for integration of low-carbon and particularly renewable gases;

(3) concerning hydrogen:

(a) pipelines for the transport, mainly at high pressure, of hydrogen, including repurposed natural gas infrastructure, giving access to multiple network users on a transparent and non-discriminatory basis;

(b) storage facilities connected to the high-pressure hydrogen pipelines referred to in point (a);

© reception, storage and regasification or decompression facilities for liquefied hydrogen or hydrogen embedded in other chemical substances with the objective of injecting the hydrogen, where applicable, into the grid;

(d) any equipment or installation essential for the hydrogen system to operate safely, securely and efficiently or to enable bi-directional capacity, including compressor stations;

Any of the assets listed in points (a) to (d) may be newly constructed or repurposed from natural gas to hydrogen, or a combination of the two;

(4) concerning electrolyser facilities:

(a) electrolysers that:

(i) have at least 50 MW capacity, provided by a single electrolyser or by a set of electrolysers that form a single, coordinated project;

(ii) the production complies with the life cycle greenhouse gas emissions savings requirement of 70 % relative to a fossil fuel comparator of 94 g CO₂eq/MJ as set out in Article 25(2) and Annex V to Directive (EU) 2018/2001. Life cycle greenhouse gas emissions savings are calculated using the methodology referred to in Article 28(5) of Directive (EU) 2018/2001 or, alternatively, using ISO 14067 or ISO 14064-1. The life-cycle greenhouse gas emissions must include indirect emissions. Quantified life-cycle greenhouse gas emission savings are verified in line with Article 30 of Directive (EU) 2018/2001 where applicable, or by an independent third party; and

(iii) have a network-related function, particularly with a view to overall system flexibility and overall system efficiency of electricity and hydrogen networks;

(b) related equipment, including pipeline connection to the network;

(5) concerning carbon dioxide:

(a) dedicated pipelines, other than upstream pipeline network, used to transport carbon dioxide from more than one source, for the purpose of permanent geological storage of carbon dioxide pursuant to Directive 2009/31/EC;

(b) fixed facilities for liquefaction, buffer storage and converters of carbon dioxide in view of its further transportation through pipelines and in dedicated modes of transport such as ship, barge, truck, and train;

(c) without prejudice to any prohibition of geological storage of carbon dioxide in a State, surface and injection facilities associated with infrastructure within a geological formation that is used, in accordance with Directive 2009/31/EC, for the permanent geological storage of carbon dioxide, where they do not involve the use of carbon dioxide for the enhanced recovery of hydrocarbons and are necessary to allow the cross-border transport and storage of carbon dioxide;

(d) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems.

(6) concerning gas:

(a) transmission pipelines for the transport of natural gas and bio gas that form part of a network which mainly contains high-pressure pipelines, excluding high-pressure pipelines used for upstream or local distribution of natural gas;

(b) underground storage facilities connected to the above-mentioned high-pressure gas pipelines;

(c) reception, storage and regasification or decompression facilities for liquefied natural gas (LNG) or compressed natural gas (CNG);

(d) any equipment or installation essential for the system to operate safely, securely and efficiently or to enable bi- directional capacity, including compressor stations;

(7) concerning oil:

(a) pipelines used to transport crude oil;

(b) pumping stations and storage facilities necessary for the operation of crude oil pipelines;

(c) any equipment or installation essential for the system in question to operate properly, securely and efficiently, including protection, monitoring and control systems and reverse-flow devices;

GENERAL DAMAGES

The amount, not stated previously in the Framework Agreement, which is awarded by a Court or determined by arbitration procedure, or agreed between the parties, as compensation payable to the injured party in the event of breach of contract by the other party.

INDIVIDUAL OFFERS

The financial proposal for the implementation of the Scope of the Call-off Arrangement, drawn up and submitted by the Contractor in accordance with the manner and conditions described in the Tender Documents and in each individual Work Order.

LIQUIDATED DAMAGES OR PENALTY CLAUSE

The compensation specified in the Framework Agreement as being payable by one contracting party to the other for failure by the latter to fulfil their obligations as set out in the Framework Agreement.

MONTH

A calendar month.

PROJECT MANAGER

The legal person responsible for monitoring the implementation of the Contract and for handling the Contract on behalf of the Contracting Authority.

REGULATIONS

The Regulations of 2016 (KDP 138/2016) on the Execution of Public Contracts (Supplies, Works and Services), including any amendments thereto.

The General Regulations of 2012 (KDP 242/2012) on the Coordination of the procedures for the Award of Public Works Contracts, Public Supply Contracts and Public Service Contracts including any amendments thereto.

SERVICES

The activities that the Contractor will perform, in accordance with the Object of the Call-off Arrangements, which will arise within the context of the Framework Agreement.

TERMS OF REFERENCE

The document (Annex II of the Tender Documents), prepared by the Contracting Authority, where

its requirements and/or objectives regarding the Framework Agreement Scope are defined and the procedures, terms and conditions for submitting a Request by the Contracting Authority through Work Orders for the assignment of Call-Off Arrangements.

WORK ORDER

The request from the Contracting Authority for the provision of Services by the Contractor in accordance with the procedures described in the Framework Agreement.

2. Where the Framework Agreement provides for time limits or periods of time, these shall start from the day following the day on which the action or event which serves as the starting point of such a period occurs. Should the last day of the period fall upon a non-working day, then the period shall expire at the end of the first working day following the last day of the period.
3. The headings and titles in the present General Conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the Framework Agreement.
4. Where the context so permits, words in the singular shall be deemed to include the plural and vice versa, and words in the masculine shall be deemed to include the feminine and vice versa.

Article 2 – Notices and Written Communications

1. Whenever there is a deadline for the receipt of a written communication, the sender shall take all necessary measures to ensure timely receipt of the communication.
2. Any notice, consent, approval, certificate or decision by any person required under the Framework Agreement shall be in writing, unless otherwise specified in the Framework Agreement.
3. Any verbal instructions or orders shall take effect as of their transmission and shall be subsequently confirmed in writing.

Article 3 – Ownership - Intellectual and Property Rights

1. All Framework Agreement deliverables, ~~interim and final reports,~~ and data such as maps, diagrams, drawings, specifications, plans, statistics, calculations, as well as any and all other relevant document or material acquired, compiled or prepared by the Contractor in the execution of the Call-Off Arrangements, shall be treated as confidential and shall be the absolute property of the Contracting Authority. The Contractor is obliged to deliver all such documents and data to the Contracting Authority upon completion of the Framework Agreement.
2. The Contractor may retain copies of such documents and data but is not allowed to use them for purposes other than the purposes of the Framework Agreement.
3. Any results or rights thereon, including copyright and other intellectual and industrial property rights obtained in the execution of the Framework Agreement, shall become the absolute property of the Contracting Authority, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where intellectual or industrial property rights already exist.

4. The Contractor shall defend itself, at its own expense, against infringements or alleged infringements which may be reported by third parties with regard to patents, plans, intellectual property or trade secrets and, in the event that the Contracting Authority is prevented from using the Framework Agreement deliverables on account of such a reason, shall modify or replace the deliverables at its own expense, without prejudice to the provisions of Article 19.

OBLIGATIONS OF THE CONTRACTING AUTHORITY

Article 4 – Obligations of the Contracting Authority

1. The Contracting Authority shall provide to the Contractor as soon as possible any information and/or documentation at its disposal which may be relevant to the execution of each Call-Off Arrangement. If this information is contained in documents, such documents shall be returned to the Contracting Authority at the end of the period of execution of the Framework Agreement.
2. The Contracting Authority shall co-operate with the Contractor for providing information which the latter may reasonably request in order to execute each Call-Off Arrangement.
3. In discharging their duties, the Project Manager and all persons authorised by them or by the Contracting Authority must not divulge to any person other than those entitled to know, any information which they have obtained in the course and on occasion of the execution of the Framework Agreement and which refers to technical or commercial matters or to work or production methods of the Contractor.
4. The Contracting Authority shall inform its employees, agents and representatives of all such instructions or information as may be necessary or appropriate to facilitate prompt and effective performance of the services by the Contractor.
5. The Contracting Authority shall provide to the Contractor, if the latter so requests, information in connection with securing copies of laws, regulations and information on personnel insurance and the protection of employees, on local customs, taxation, orders or by-laws of the Republic of Cyprus, which may affect the Contractor in the performance of its obligations under the Framework Agreement.
6. In the event that the Terms of Reference provide that part of the Services shall be provided by the Contractor at premises of the Contracting Authority, the latter undertakes to:
 - Secure adequate office space for the Contractor's personnel, in accordance with the commonly acceptable standards on working conditions.
 - Ensure the access of the Contractor's personnel to the work area, at such days and times as provided for in the Terms of Reference.

OBLIGATIONS OF THE CONTRACTOR

Article 5 – Assignment –

1. An assignment is any agreement whereby the Contractor transfers the Framework Agreement or any Call-Off Arrangement to a third party upon the prior written consent of the Contracting Authority.
2. Approval of an assignment by the Contracting Authority presupposes that the third party to which such assignment is made meets the eligibility criteria which applied to the award of the Framework Agreement or any Call-Off Arrangement. To allow the Contracting Authority to check that the eligibility criteria are met, the Contractor must submit all necessary data and information concerning such third party.
3. Approval of an assignment by the Contracting Authority shall not relieve the Contractor of its obligations for the part of the Framework Agreement or any Call-Off Arrangement already executed or for the part not assigned.
4. The Contracting Authority reserves the right to request that the third party to which the Framework Agreement or any Call-Off Arrangement is assigned also assume the obligations for the part of the Contract already executed.

Article 6 – Subcontracting - Not applicable

Article 7 – Compliance Obligations and Legal Liability

1. The Contractor shall respect and abide by all laws and regulations in force in the Republic of Cyprus and shall ensure that its personnel, its dependants, and any of its subcontractors or associates also respect and abide by all such laws and regulations. The Contractor shall indemnify the Contracting Authority against any claims and proceedings arising from any infringement by the Contractor, its employees and dependants, of such laws and regulations.
2. In the case of Contracts relating to matters relevant to the processing of personal data, the Contractor warrants that it will respect and comply with all applicable laws and regulations on the protection of individuals with regard to the processing of personal data and that it will assume responsibility and will be able to prove compliance to such laws and regulations. In addition, it will ensure that its personnel and any subcontractors or affiliates and persons under its control will also respect and comply with these laws and regulations. (Relevant is EU Regulation 2016/679 of 27 April 2016 of the European Parliament and of the Council).
3. The Contractor warrants to the Contracting Authority that the Framework Agreement Scope and each Call-Off Arrangement Scope, shall be performed in accordance with the terms and conditions of the Framework Agreement, the technical rules and the internationally recognised standards applicable to the modern methods for the provision of the specific services, shall have all the properties and features provided for in the present Framework Agreement and each Call-Off Arrangement and shall meet the specifications, results and properties as specified in the Tender Documents or as allowed to be defined by the Contracting Authority during the execution of the Framework Agreement.

4. The Contractor shall comply with the Administrative Orders given by the Project Manager. Where the Contractor considers that the requirements of an Administrative Order exceed the authority of the Project Manager or the scope of the Framework Agreement or Call-Off Arrangement, it shall notify in writing the Contracting Authority, justifying its opinion, within 30 days of receipt of such Administrative Order. Execution of the Administrative Order shall not be suspended because of this notice.
5. The Contractor is obliged to provide the Contracting Authority or the Project Manager or any person authorised by the Contracting Authority with evidence regarding the execution of the Contract as well as with any information concerning the Framework Agreement Scope.
6. In cases of contracts the control of which, in accordance with the European Law, falls within the jurisdiction of the European Commission or the European Court of Auditors or the European Anti-Fraud Office or any other European body, the Contractor warrants that it shall allow the unobstructed conduct of accounting audits and of other checks or verifications in its premises and in the records that it keeps, and undertakes that the same shall apply to its subcontractors and to any associate under the Framework Agreement, both during the execution of the Framework Agreement and for a period of seven (7) years thereafter.
7. In cases of contracts the control of which, in accordance with the National Law, falls within the jurisdiction of the Superintendent of Internal Audit or the Auditor General or any other authorised body of the Republic of Cyprus, the Contractor warrants that it shall allow the unobstructed conduct of accounting audits and of other checks or verifications in its premises and in the records that it keeps, and undertakes that the same shall apply to its subcontractors and to any associate under the Framework Agreement, for such a period time as provided for by the provisions of the legislation in force.
8. If the Contractor is a consortium of two or more persons, all such persons shall be jointly and severally bound to fulfil the terms of the Framework Agreement. The person designated by such consortium to act on its behalf for the purposes of this Framework Agreement shall have the authority to bind the consortium.
9. Any change in the composition of the consortium without the prior written consent of the Contracting Authority shall be considered to be a breach of contract.

Article 8 – Confidentiality - Secrecy

1. All documents, data and information which the Contractor receives from the Contracting Authority as part of its contractual obligations or of which it becomes aware on account of its contractual relation with the Contracting Authority or which are the result of studies, tests or research conducted during the Framework Agreement or for the purposes of the execution thereof, are confidential.
2. The Contractor is not entitled to publish or disclose such information and data to any third party, save only to the persons employed by it or associated with it who are directly involved with the contents of the Framework Agreement or each Call-Off Arrangement and with the performance of its Scope, and shall ensure that such employees are informed of and agree with the confidentiality obligation, the Contractor being further obliged to impose such obligation to its subcontractors, if

any.

3. Should the Contractor be in breach of its obligation as above, the Contracting Authority reserves the right to terminate the Framework Agreement as per the provisions of Article 23 and seek payment for all losses which it estimates it may have suffered on account of the leak.
4. The Contractor shall not make any public statements regarding the Framework Agreement or any of the Call-Off Arrangements Scope or the Services that it provides without the prior authorisation of the Contracting Authority and shall not engage in any activity which is in conflict with its obligations towards the Contracting Authority under the Framework Agreement. The Contractor shall not bind the Contracting Authority in any way without its prior written consent and shall clarify, where required, this obligation to third parties.
5. The Contractor shall not be subject to the obligations of the present Article as regards the know-how which it may acquire on account of the execution of the Framework Agreement Scope.
6. To ensure confidentiality a non-Disclosure agreement (Annex III) will be signed between the Contractor and the Contracting Authority.

Article 9 – Code of Ethics

1. The Contractor and its personnel shall respect human rights and undertake not to offend the political, cultural and religious practices prevailing in the Republic of Cyprus.
2. If the Contractor or any of its subcontractors, personnel, agents or employees offers to give or agrees to offer or to give or gives to any person, any bribe, gift, gratuity or commission as an inducement or reward for doing or forbearing to do any act in relation to the Framework Agreement or any other contract with the Contracting Authority, or for showing favour or disfavour to any person in relation to the Framework Agreement or any other contract with the Contracting Authority, then the Contracting Authority may terminate the Framework Agreement, without prejudice to any accrued rights of the Contractor under the Framework Agreement.
3. The payments to the Contractor under the Framework Agreement shall constitute the only income or benefit it may derive in connection with the Framework Agreement, and neither it nor its personnel shall accept any commission, discount, allowance, indirect payment or other consideration in connection with, or in relation to, or in discharge of, its obligations under the Framework Agreement.
4. The Contractor shall not have the benefit, whether directly or indirectly, of any royalty, gratuity or commission in respect of any patented or protected article or process used for the purposes of the Framework Agreement, without the prior written approval of the Contracting Authority.

Article 10 – Conflict of interests

1. The Contractor shall take all necessary measures to prevent or end any situation that could compromise the impartial and objective execution of the Framework Agreement or any individual Call-Off Arrangement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or

shared interest. Any conflict of interests which could arise during the execution of the Framework Agreement or any individual Call-Off Arrangement must be notified in writing to the Contracting Authority without delay.

2. The Contracting Authority reserves the right to verify that such measures are adequate and may request that additional measures be taken, if this is considered necessary. The Contractor shall ensure that its personnel, including its Management, are not involved in a situation which could give rise to conflict of interests. The Contractor shall replace immediately and without compensation from the Contracting Authority any member of its personnel exposed to such a situation.
3. The Contractor shall refrain from any contact which would compromise its independence or that of its personnel. If the Contractor fails to maintain such independence, the Contracting Authority may, without prejudice to compensation for any damage which it may have suffered on this account, terminate the Framework Agreement or any individual Call-Off Arrangement immediately.
4. Contractor shall be excluded from participation in future tender procedures in case those procedures are connected /related with the present contract and conflict of interest is present which endangers the compliance to principle of equal treatment, in accordance with Article 38 of Law 73(I)/2016.

Article 11 – Protection of employees

1. The Contractor must fulfil its obligations deriving from the provisions of the legislation in force in the Republic of Cyprus, in relation to the protection of its employees and to working conditions.
2. If required by law or by the terms of the reference, the Contractor is obliged to ensure its personnel with the competent insurance organisations and maintain such insurance in effect throughout the execution of the Framework Agreement Scope and shall ensure that its subcontractors shall do the same.
3. The Contracting Authority undertakes that it shall take all appropriate measures for the protection and safety of the personnel of the Contractor and of its subcontractors in the event that implementation of the Framework Agreement Scope shall take place at its own premises, and especially that it shall advise the Contractor in writing of the peculiarities, if any, of its premises.

Article 12 – Trainees Not applicable

IMPLEMENTATION OF CONTRACT SCOPE

Article 13 – Approval of Reports - Acceptance of Deliverables

1. The approval by the Contracting Authority of the reports and deliverables prepared and submitted by the Contractor under each Call-Off Arrangement, shall certify that they comply with the terms of the Framework Agreement or any individual Call-Off Arrangement.
2. The Contracting Authority shall inform the Contractor of its decision regarding the reports and/or deliverables it has received according to Timeframe described in each individual Call-Off

Arrangement, giving reasons should it reject the reports and/or deliverables or request amendments.

3. The reports and/or deliverables under each Call-Off Arrangement shall be deemed to have been approved by the Contracting Authority if it does not expressly inform Contractor of any written comments within **sixty (60) days**.
4. Where a report and/or deliverable is approved by the Contracting Authority subject to amendments to be made by the Contractor, the Contractor must take them into account and make the necessary adjustments to the report and/or deliverable within **twenty (20) days** of submitting the relevant comments, and then resubmit the report and/or deliverable to the Contracting Authority. At this stage, the written observations only concern the adaptation of the report and/or deliverable to the original written instructions and are made within **twenty (20) days** from the submission of the report and/or deliverable.

If this deadline elapses, then the report and/or deliverable is considered definitively received.

5. With the final receipt of each report and/or deliverable, it is considered that the relevant obligation of the Contractor for the specific Call-Off Arrangement is fulfilled. With the final receipt of the last deliverable under the Call-Off Arrangement, the individual Call-Off Arrangement Scope is completed.
6. At least ten (10) days before the deadline for submission of each report and/or deliverable, the Contractor may request in writing a reasonable extension of his submission deadline. The application is addressed to the Contracting Authority, which must decide on it but before the end of the submission deadline mentioned in the contract for the respective deliverable.
7. The deadlines for the submission of the report and/or deliverables may be extended by the Contracting Authority in accordance with the applicable procedures.

Article 14 – Amendment to the Framework Agreement

1. Any amendment to the Framework Agreement must be of a form that shall not substantially impair competition and should be specified in writing by way of an Addendum to the Framework Agreement, to be concluded under the same terms as the original Framework Agreement.
2. If the request for an amendment comes from the Contractor, the latter must submit such a request to the Contracting Authority at least **fifteen (15) days** before the amendment is intended to enter into force, except in cases which are duly substantiated by the Contractor and accepted by the Contracting Authority.
3. Prior to any administrative order for variation issued by the Contracting Authority, the Project Manager shall notify the Contractor of the nature and form of such variation. As soon as possible after receiving such notice, the Contractor shall submit to the Project Manager a written proposal containing:
 - The description of the service to be performed or of the measures to be taken and the programme for execution, and
 - Any necessary modifications to the programme of execution or to any of the Contractor's

obligations under the Framework Agreement.

4. Following the receipt of the Contractor's proposal, the Competent Body, in accordance with the Regulation, shall decide as soon as possible whether or not the variation shall be carried out. If the variation is approved, then the Project Manager shall issue a relevant Administrative Order.
5. Upon receipt of the Administrative Order requesting the variation, the Contractor shall proceed to carry out the variation and in so doing shall be bound by the present General Conditions as if such variation were specified in the Framework Agreement.
6. No amendment shall be made retroactively.

Article 15 – Suspension of Execution

1. The Contracting Authority shall be entitled to suspend performance of the Services or of any part thereof for such time and in such a manner as it may deem necessary.
2. If the period of suspension exceeds **one hundred and twenty (120) days** and the suspension is not due to the Contractor's default, the Contractor may, by notice to the Project Manager, request permission to resume the relevant activities within **thirty (30) days** or terminate the Framework Agreement and/or an individual Call-Off Arrangement.
3. Where the award procedure or execution of the Framework Agreement and/or an individual Call-Off Arrangement is vitiated by substantial errors or irregularities or by fraud, the Contracting Authority shall suspend execution of the Framework Agreement and/or an individual Call-Off Arrangement to verify whether or not any alleged substantial errors and irregularities or fraud have indeed occurred. If they are not confirmed, execution of the Framework Agreement and/or an individual Call-Off Arrangement shall resume as soon as possible.
4. Where such errors, irregularities or fraud are attributable to the Contractor, the Contracting Authority may in addition refuse to make payments or may recover monies already paid, in proportion to the seriousness of the errors, irregularities or fraud.

PAYMENTS AND DEBT RECOVERY

Article 16 – Payments

1. Upon commencement of the Framework Agreement, the Contractor shall notify in writing to the Contracting Authority the bank account to which it wishes the payments of the Contract Value to be made by completing the Form provided by the Contracting Authority. The Contracting Authority reserves the right to oppose the Contractor's choice of bank account.
2. All payments made by the Contracting Authority into the above bank account shall have releasing effect.
3. The contract value of each individual Call-Off Arrangement shall be paid to the Contractor in the manner described in Article 7 of the Special Conditions. The period of time between the time of commencement of the Contractor's right to remuneration, as such right is specified in Article 7 of the Special Conditions, and the date on which the account of the Contracting Authority is debited, shall

not exceed **thirty (30) calendar days**.

4. The Contracting Authority may halt the countdown to the expiry of this deadline for any part of the invoiced amount disputed by the Project Manager, notifying the Contractor that that part of the invoice is not admissible, either because the amount in question is not due for payment or because the relevant report cannot be approved, and the Contracting Authority considers the conduct of further checks to be necessary. In such cases, the Contracting Authority must not unreasonably withhold any non-disputed part of the invoiced amount, but may request clarifications, modifications or additional information, which must be supplied within **thirty (30) days** of the relevant request being made. The countdown to the expiry of the deadline of the above paragraph (3) shall resume on the date on which the Contracting Authority shall receive a correctly formulated invoice.
5. When the above-mentioned deadline shall expire, the Contractor may, within two weeks of expiry of the deadline set for the overdue payment to be made, claim interest on the payment so overdue at the default rate specified by a decree of the Minister of Finance based on the "Uniform Public Default Rate Law of 2006".
6. Payment of the final balance shall be subject to the performance by the Contractor of all its obligations relating to the execution of all stages or parts of the Services and to the approval by the Contracting Authority of the final stage or part of the Services. Final payment shall take place only after the final report shall have been submitted by the Contractor and approved as satisfactory by the Contracting Authority.
7. If any of the following events occurs and persists, the Contracting Authority may, by written notice to the Contractor, suspend, in whole or in part, the payments due to the Contractor under the Framework Agreement:
 - The Contractor defaults in the execution of the Call-Off Arrangement.
 - Any other condition for which the Contractor is responsible and which, in the opinion of the Contracting Authority, interferes, or threatens to interfere, with the successful completion of the Framework Agreement and/or the Call-Off Arrangement.

Article 17 – Recovery of debts from the Contractor

1. Any amount which the Contracting Authority has paid in excess of the Contractor's rights under the Framework Agreement, shall be repaid by the Contractor to the Contracting Authority **within thirty (30) days** of receipt by the Contractor of the request for repayment.
2. Should the Contractor fail to make repayment within the above deadline, the Contracting Authority may increase the amounts due by adding interest at the default rate specified by a decree of the Minister of Finance based on the "Uniform Public Default Rate Law of 2006".
3. Should the Contractor fail to make repayment of the initial amount and of any interest added in accordance with paragraph 2 within **thirty (30) days** of expiry of the deadline of paragraph 1, the Contracting Authority may proceed to forfeiture of corresponding part of the Advance Guarantee. .
4. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to

the Contractor. This shall not affect the right of the Contractor and the Contracting Authority to agree on repayment by instalments.

5. Bank charges arising from the repayment of amounts due to the Contracting Authority shall be borne entirely by the Contractor.

BREACH OF CONTRACT – CONTRACT TERMINATION

Article 18 – Breach of contract

1. The parties shall be in breach of contract when either one of them fails to discharge any of its contractual obligations.
2. Where a breach of contract occurs, the party injured by the breach shall be entitled to the following remedies:
 - Damages, and/or
 - Termination of the Contract for the reasons specified in Articles 21 and 22 of the present Annex.
3. In any case where the Contracting Authority is entitled to damages, it may deduct such damages from any amounts due to the Contractor.

Article 19 – Insurance – Indemnification

1. At its own expense, the Contractor shall indemnify, protect and defend the Contracting Authority and its employees from and against all actions, claims, losses or damage arising from the execution of the Framework Agreement by the Contractor.
2. At its own expense, the Contractor shall, upon request of the Contracting Authority, remedy any defect in the performance of the services in the event of the Contractor's failure to perform its obligations under the contract.
3. The Contractor shall remain responsible for any breach of its obligations under the Contract for such period after the Services have been performed as may be provided for by the legislation governing the Framework Agreement or specified in the Tender Documents.

Article 20 – Administrative and financial penalties to the Contractor

1. In the event that Article 21 on termination of the Framework Agreement is applied, then, in addition to the provisions of the said Article, the Contractor may be deprived of the right to participate in future tender procedures, either permanently or for a specific period of time, in accordance with the provisions of the Regulation.
2. The Contracting Authority shall reserve the right to take against the Contractor the legal or other measures which it considers necessary in order to redress the situation.

3. As regards penalties for delay, the specific provisions of the Article 8 of the Special Conditions of Framework Agreement shall apply.

Article 21 – Termination by the Contracting Authority

1. This Framework Agreement shall terminate automatically if it has not given rise to any payment within a period of one year after its signature by both parties.
2. Termination shall be without prejudice to any other rights or powers of the Contracting Authority and the Contractor under the Framework Agreement.
3. In addition to the grounds for termination defined in the present General Conditions, the Contracting Authority may, after giving **seven (7) days** notice to the Contractor, terminate the Contract in any of the following cases:
 - the contract has been subject to a substantial modification, which would have required a new procurement procedure pursuant to Article 72 of Law 73(I)/2016 or Article 86 of Law 140(I)/2016.
 - the contractor has, at the time of contract award, been in one of the situations referred to in Article 57(1) of Law 73(I)/2016 or Article 86 of Law 140(I)/2016.
 - the contract should not have been awarded to the contractor in view of a serious infringement of the obligations under the Treaties and this Directive that has been declared by the Court of Justice of the European Union in a procedure pursuant to Article 258 TFEU.
 - The Contractor fails substantially to fulfil its contractual obligations.
 - The Contractor does not comply within a reasonable time with the notice given by the Project Manager, whereby the Contractor is requested to repair every negligence or failure to perform its contractual obligations which seriously affects the proper execution of the Contract within the deadlines prescribed.
 - The Contractor refuses or neglects to carry out Administrative Orders given by the Project Manager.
 - The Contractor assigns the Framework Agreement and/or any Call-Off Arrangement or subcontracts a part thereof or replaces subcontractors without the authorisation of the Contracting Authority.
 - Any other legal disability hindering execution of the Framework Agreement and/or any Call-Off Arrangement occurs.
4. In addition to the grounds for termination defined in the present General Conditions, the Contracting Authority may, after giving **thirty (30) days** notice to the Contractor, terminate the Framework Agreement and/or any Call-Off Arrangement when the circumstances under which the tender procedure was announced was published have changed to such an extent that the scope of the contract is no longer necessary or when any other serious grounds apply.
5. Except in the case of termination of Framework Agreement and/or any Call-Off Arrangement

mentioned in the above paragraph 3, the Contracting Authority may thereafter complete the Services itself or conclude any other contract with a third party for implementation of the specific scope of the present Framework Agreement and/or any Call-Off Arrangement, the Contractor covering the difference, if any, in price. The Contractor's liability for delay in completion shall cease immediately upon termination of the contracts by the Contracting Authority, without prejudice to any liability which may have already been incurred.

6. Upon receiving notice of termination of the Framework Agreement and/or any Call-Off Arrangement, the Contractor shall take immediate measures to bring the Services to a prompt and orderly close and in such a way as to keep costs to a minimum.
7. The Project Manager shall, as soon as possible after termination, certify the value of the Services and all amounts due to the Contractor as at the date of termination.
8. The Contracting Authority shall not be obliged to make any further payments to the Contractor until the Services are completed. Following the completion of the Services, the Contracting Authority shall be entitled to recover from the Contractor the extra costs, if any, to be incurred for the completion of the Services, or shall pay the balance due to the Contractor.
9. If the Contracting Authority terminates the Framework Agreement and/or any Call-Off Arrangement, it shall be entitled to recover from the Contractor any loss it has suffered up to the maximum amount determined in the individual Call-Off Arrangement. If no maximum amount is determined, the Contracting Authority shall be entitled, without prejudice to its other remedies provided for by the Call-Off Arrangement, to recover such part of the Call-Off Arrangement value as is attributable to the part of the Call-Off Arrangement Scope which has not, by reason of the Contractor's failure, been satisfactorily completed.
10. Additionally, the Contractor may be subject to administrative and financial penalties as described in Article 20.
11. The Contractor shall not be entitled to claim, over and above the amounts due to it for work already performed, compensation for any damage or loss it has suffered.
12. If the Contractor is a consortium of legal persons and one or more of the grounds for termination of the Framework Agreement and/or any Call-Off Arrangement listed in paragraph 3 refers to one of the consortium members, the other consortium members, being jointly responsible, shall be obliged to complete the implementation of the Call-Off Arrangement Scope without differentiation regarding the contractual obligations of the Contractor. In any case, the Contracting Authority shall reserve the right to terminate the Framework Agreement and/or any Call-Off Arrangement if the consortium member for which the grounds for disqualification apply is the coordinator of the consortium, or if the participation percentage of this member gives rise to reasonable suspicions of inability of the other members to fulfil the contractual obligations.

Article 22 – Termination by the Contractor

1. The Contractor may, after giving **thirty (30) days** notice to the Contracting Authority, terminate the Framework Agreement and/or any Call-Off Arrangement if the Contracting Authority:

- Does not pay to the Contractor the amounts due on the basis of the certificate issued by the Project Manager after the expiry of the deadline of two months, or
 - Consistently fails to fulfil its contractual obligations after repeated reminders.
2. Such termination shall not affect any other rights of the Contracting Authority or the Contractor which derive from the Framework Agreement.
 3. In the event of such termination, the Contracting Authority shall pay the Contractor compensation for any loss or injury the Contractor may have suffered. Such additional payment may not be such that the total payments exceed the individual concerned Call-Off Arrangement Value.

Article 23 – Force Majeure

1. Neither party shall be considered to be in default of its contractual obligations if the fulfilment of such obligations is prevented by any force majeure event which arises after the date of signature of the Framework Agreement by both parties.
2. For the purposes of this Article, the term “Force Majeure” shall mean acts of God, strikes (except if these are limited to the persons in the Contractor’s employment), lock-outs or other industrial disturbances, hostilities, wars (whether declared or not), blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions and any other similar unforeseeable events which are beyond the control of the parties, are occurring in the territory of the Republic of Cyprus over which Government exercises effective control or in the place where the Contractor is established, and cannot be overcome by due diligence by either party.
3. If the Contractor invokes the occurrence of force majeure, it shall be obliged, within **twenty (20) days** of the occurrence of the events constituting the force majeure, to report these in writing and to present, if required, the necessary evidence to the Contracting Authority.
4. If, within the above deadline, the Contractor does not report the events and does not present the necessary evidence, then it shall be deprived of the right to invoke the existence of force majeure.
5. The Contracting Authority shall be obliged to reply, within **twenty-five (25) days** of receiving the aforementioned report of the Contractor. If the Contracting Authority does not reply within the above period of time, it shall be deemed to have accepted such force majeure event.
6. If the Contracting Authority invokes the occurrence of force majeure, it shall be obliged to inform the Contractor within **twenty (20) days** of the occurrence of the events constituting the force majeure. If the force majeure affects the Contractor’s activities, the Contracting Authority shall suspend performance of the Services.

Article 24 – Death

- ~~1. If the Contractor is a natural person, the Contract shall be automatically terminated if that person dies. However, the Contracting Authority shall examine any proposal made by that person’s heirs or beneficiaries, should they express their wish, within fifteen (15) days of the date of decease, to continue the Contract. The decision of the Contracting Authority shall be notified to the parties~~

~~concerned within thirty (30) days of receipt of the said proposal.~~ **Not applicable**

2. If the Contractor is a group of natural persons and one or more of them die, a report shall be drawn up, which shall be agreed between the parties, on the progress of the Services. The Contracting Authority shall decide whether to terminate or continue the Framework Agreement in accordance with the undertaking given by the survivors and by the heirs or beneficiaries, as the case may be, within **fifteen (15) days** of the date of death. The decision of the Contracting Authority shall be notified to the parties concerned within **twenty (20) days** of receipt of such a proposal.
3. Such persons shall be jointly and severally liable for the proper execution of the Framework Agreement to the same extent as the Contractor. Continuation of the Framework Agreement shall be subject to the rules relating to issue of the guarantee provided for in the Framework Agreement.

Article 25 – Settlement of disputes

1. If a dispute arises between the Contracting Authority and the Contractor in connection with, or as a result of, the Framework Agreement and/or any Call-Off Arrangement or its execution, either during or after such execution, including any dispute arising from any decision, opinion or Administrative Order of the Project Manager, then either the Contracting Authority or the Contractor shall notify the other party accordingly, with notification to the Project Manager. The notification must state that it is submitted in accordance with the present article.
2. In such an event, both parties shall make every effort to settle amicably such dispute within the next **fifty-six (56) days**.
3. Any dispute for which amicable settlement has not been reached within **fifty-six (56) days** of the date on which the above notification has been served, shall be settled finally in the Courts of the Republic of Cyprus.