

## Terms and Conditions for Orders

### of Siemens, s.r.o.

– Date of Issue: 1<sup>st</sup> July 2020 –

#### I. Introductory Provisions

1. These Terms and Conditions for Orders (hereinafter only as the “Terms and Conditions”) are the terms and conditions within the meaning of the Section 1751 et seq. of Act No. 89/2012 Coll., the Civil Code (hereinafter only as the “Civil Code”). These Terms and Conditions shall govern the legal relationship that has arisen between Siemens, s.r.o., as the customer for goods (hereinafter only as “Siemens” or the “customer”) and the supplier of goods (hereinafter only as the “supplier”), regardless of the fact of what specific type of contract is arranged between them. The specification of the supplied goods (hereinafter only as the “supply”) is defined by the contract.

2. In the event of a discrepancy between these Terms and Conditions and the Terms and Conditions of the supplier, these Terms and Conditions shall prevail.

**3. The supplier explicitly confirms that he has read, understood and agreed with the Article III, Section 4 and 5, Article V, Section 11, Article VI, Section 1, Article VIII and Article XI, Section 5, 6 and 10 of these Terms and Conditions.**

#### II. Creation of the Contractual Relationship between the Customer and the Supplier – Order and Acceptance (Confirmation) of the Order

1. The contractual relationship between the customer and the supplier shall arise as of the issuance of a written order by the customer (hereinafter only as “a proposal of the contract”) and the written unconditional acceptance of the order by the supplier (hereinafter only as the “order confirmation”). The order confirmation requires a written form; otherwise it is invalid.

2. The customer shall have the right to cancel or change the order in writing at any time prior to its confirmation by the supplier.

3. If the confirmation of the order and/or the performance by the supplier deviates from the content of the order, the customer shall be bound by the deviation only if he has expressly approved such deviation from the order in writing to the supplier. Neither the acceptance of performance from the supplier nor payment by the customer for such performance shall mean an approval.

4. A supply without installation shall represent a purchase contract according to Section 2079 et seq. of the Civil Code. A supply including installation, trial operation or commissioning, shall represent a works contract according to Section 2586 et seq. of the Civil Code.

#### III. Price, Payment Terms and Setoff

1. The price is a final price. The price shall include all of the supplier’s costs necessary for the proper performance of the supply. The price also includes any fee for granting of the right to utilize the software and firmware, if such software or firmware is a part of the supply.

2. The customer shall have an obligation to pay the supplier on the basis of a tax document (hereinafter only as the “invoice”). The invoice must also contain correct VAT rate, delivery note number as well as the customer’s order number, as well as the numbers (and relevant material designations (codes)) of each item. In case the domestic reverse charge regime is applicable, the invoice must include code of the taxable supplies according to the relevant instructions of the GFŘ (Generální finanční ředitelství). The customer is entitled to return any invoice which is incorrectly prepared, incomplete or unsupported with relevant documents within the due period without being considered late with the payment.

3. The supplier shall have an obligation to issue an invoice as of the date of the performance of taxable supply. The date of performance of taxable supply shall be the date of takeover of the supply by the customer, which means the day of transfer of risk of damage to the customer.

4. The payment deadline of the invoice is stipulated as 60 days from the delivery of the invoice to the customer. The price shall be paid to the supplier’s bank account specified in the contract and made available by the tax authority in remote matter and is administered by the provider of payment services inland. Application of the paragraph 9 of this Article is not excluded. The customer’s debt is settled as of the debiting of the amount from the customer’s account. **In the event of a delay in payment on the part of the customer for a period of up to 7 days, the supplier shall not be entitled to charge late interest.**

**5. In the event that the customer pays the invoiced price within the period from 31<sup>st</sup> to 45<sup>th</sup> day from**

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***the date of delivery of the invoice, the supplier shall provide the customer with a discount on the price in the amount of 0.5% of the invoiced amount (with VAT). In the event that the customer pays the invoiced price within the period from 15<sup>th</sup> to 30<sup>th</sup> day from the date of delivery of the invoice, the supplier shall provide the customer with a discount on the price in the amount of 1% of the invoiced amount (with VAT). In the event that the customer pays the invoiced price within the period of 14 days from the date of delivery of the invoice, the supplier shall provide the customer with a discount on the price in the amount of 1.5% of the invoiced amount (with VAT). In such a case, the customer shall have the right to pay the invoiced price reduced by the relevant discount. In case the customer pays later due to a warranty claim, his right to a price discount remains unchanged.***

6. The supplier shall have the right to set off its claims that are due for payment, enforceable, not statute-barred, that are not disputed between the parties, and under the condition that the set off was approved by the customer in writing. The customer shall have the right to set off, by a written declaration made to the supplier, any of its due and undue claims against any due and undue claims of the supplier. The supplier shall not be entitled to assign any claim against the customer to any third party without prior written consent of the customer. Claims in different currencies can be set off at the exchange rate set by the Czech National Bank as at the date of the setoff.

7. The payment of the price by the customer is under the condition that the supplier is not in delay in any payment in regard to it for supplies that were supplied by the customer to the supplier even on the basis of another contractual relationship. For the duration of such delay on the part of the supplier, the customer is not in delay in the payment of the price and the agreed deadline for payment shall be appropriately extended by the time corresponding to the duration of the above-stated delay on the part of the supplier.

8. Upon request by the customer in justified cases (e.g. in the case of the supplier's insolvency), the supplier shall provide documentary evidence that it is making proper VAT payments. Until the time of the delivery of such evidence, the customer shall be entitled to postpone the payment for the provided supply, without this causing a delay in payment to occur. Application of the following paragraph is not excluded.

9. Should the supplier be declared as of the date of the performance of taxable supply as an unreliable tax payer according to VAT legislation or should the customer be in good faith that the supplier is in a position that would otherwise establish the customer's liability for unpaid VAT, the customer shall be entitled to a) pay the supplier the price of a supply without the sum equal to the relevant amount of VAT, or b) pay the VAT for the supply directly to the account of the relevant tax authority.

10. The supplier shall provide the customer with the necessary cooperation in the customer's dealings in regard to the tax authority, which shall consist primarily in the due and timely provision of truthful information and documents and in support in the customer's dealings with the tax authority, should the tax authority raise a claim against the customer under the title of its liability for VAT, or should the customer voluntarily pay VAT for a supply under this contract.

#### **IV. Handover and Takeover of the Supply**

1. The supply shall be taken over:

- a) In the case of supplies without installation: as of written confirmation of delivery (including unloading) of the complete object of the supply to the place of destination according to the confirmed order;
- b) In the case of supplies with installation: as of written confirmation of takeover of the complete object of supply by the customer.

2. In the case of the supply of technical equipment and devices, the supplier undertakes to train the customer's or end customer's operating and maintenance personnel. Further, the supplier undertakes to supply the necessary documents in regard to the supply (primarily complete installation plans including all connections and construction necessities, datasheets, installation manuals, processing instructions, storage and operating regulations and maintenance regulations, etc.). All documents delivered by the supplier must be provided no later than along with the supply, in duplicate in the Czech language, or in the English language. Upon request by the customer, the supplier shall have an obligation to also supply, without charge, another language version of the provided documents.

3. In the event that the object of the contract is product set out in the implementing regulations to Act No. 22/1997 Coll., on Technical Requirements for Products, the supplier shall have an obligation to

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provide the customer with a copy of the Declaration of Conformity or the written Assurance of Issuance of Declaration of Conformity, no later than within the agreed performance deadline. Further, the supplier shall have an obligation, in the course of the performance of the contract, to enable the customer to inspect the degree of completion of the object of performance.

4. The customer shall have the right at any time to call upon the supplier by written notice to suspend the performance of the contract. The supplier shall have an obligation, upon receipt of such notice, to suspend all work until the time when it receives a written notice from the customer calling upon it to continue in the performance.

5. For the first 90 days from the date of the suspension of the performance of the contract, the supplier shall not have the right to require the payment of a storage fee or other costs that it incurs as a result of the same. Deadlines for the performance of the contract shall be extended reasonably by the time of the duration of the suspension of performance.

6. If there is a threat of delay on the part of the supplier, the supplier shall have an obligation to immediately inform the customer of such fact and request its instructions.

7. In the case of a delay by the supplier in the performance of the contract, the supplier shall have an obligation to pay the customer a contractual penalty in the amount of 0.3% of the price of the relevant performance (with VAT) for each day of delay. The agreement on the contractual penalty shall not affect the customer's right to the compensation of damage exceeding the contractual penalty.

8. The place of performance is the place stated in the order. The time of performance is business day from 8:30 a.m. to 5:00 p.m.

9. The supplier shall have the right to arrange for the performance of the supply by way of a subcontractor only with the previous consent of the customer.

10. If the nature of the specific part of the supply allows it, the supply or its part can also be performed by way of so-called remote access. The supplier shall bear the costs associated with remote access.

11. The supplier shall only have the right to perform the supply prior to the agreed time of performance with the express written consent of the customer.

**V. Delivery of the Supply, Passage of Ownership  
Right, Passage of Risk of Damage**

1. The supplier shall supply the supply at its own cost and risk to the agreed place of supply (freight fee paid in the Czech Republic, and in the case of transport from abroad – DAP according to INCOTERMS 2010). "Collect on delivery" shipments shall not be accepted. The supply must be packed in such a way to prevent it from damaging during the transport and from damaging human's health and property.

2. The supplier shall attach a delivery note to the supply with all of the data from the order, such as the order number, part numbers, and the exact designation of the goods, order item and, in the case of supplies from the European Union countries, the customs tariffs of goods. The supply shall also include a filled in supplier's Declaration for the purposes of export and customs controls, and further, documents evidencing the origin of the goods, serving for the purposes of customs, re-export, etc.

3. In the event that the costs of the transport of the supply to the agreed place of performance are to be paid, according to the confirmed order, by the customer, the supplier shall have the right to charge the customer only for those costs that the customer has approved in advance.

4. In the event that the costs of the transport of the supply to the place of destination are to be paid by the customer, the supply shall be insured with damage insurance by Siemens global transport insurance (GTV) with worldwide application, whereby the supplier must notify the customer in advance about the transport of each individual shipment in an equivalent value of over EUR 10 million, and/or transportation with a total duration (including the time of storage in transport) of over 60 days. If the transport of supplies under the said circumstances is being arranged by the supplier, it shall have an obligation to abide by Siemens-GTV insurance, primarily to also prevent the duplication of such insurance. The customer shall not pay excess insurance premiums. However, this provision shall not rule out any general liability of the supplier for damage on supplies in the course of their transport.

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5. If the transport is performed by a carrier commissioned by the customer, the supplier will inform the carrier of the necessary data concerning dangerous goods.

6. The supplier shall have an obligation to ensure that:

a) The supply will be provided with a packaging list or delivery note with clear data on the content as well as with the complete number (mark) of the customer's order;

b) Every part of the shipment (so-called colli) will be provided with clear data on the package regarding the content, as well as the customer's complete order number (mark);

c) The customer or receiver was informed (notified) in writing without delay, at least 1 business day in advance, of the dispatch of a supply whose receipt in the place of destination requires the presence/cooperation of its receiver, together with clear information on the content, as well as the complete order number (mark).

7. Ownership right and risk of damage to supply shall pass on the customer:

a) In the case of the supplies without installation: as of written confirmation of takeover (delivery including unloading) of an undamaged supply to the place of destination according to a confirmed order;

b) In the case of supplies with installation: as of the signing of the takeover protocol by the customer.

8. Materials owned by the customer and provided to the supplier for the purpose of the execution of the supply shall remain in the ownership of the customer, must be separately stored, marked and administratively recorded at no other extra cost to the customer. Their utilization is permissible only for the fulfillment of the supplier's obligations to the customer. In the case of their depreciation or loss, the supplier shall have an obligation, at its own cost, to procure and apply the corresponding compensation.

9. The processing and/or modification of materials of the customer are conducted solely for the customer. The customer is directly the owner or co-owner of the modified material, intermediate good or new item. Should it not be possible for legal reasons, it shall be assumed that the customer is, at each moment of processing or modification, the owner of each new item. The supplier shall have an obligation to take care of each such new item for the customer without extra charge with a professional care until its handing over to the customer.

10. Tools, forms, samples, models, profiles, drawings, standards, style sheets, instructions in any form that the customer provides, as well as objects manufactured according to them, cannot, without the customer's written permission, be provided to third parties, or used for other purposes than according to this contract. The supplier must these protect (secure) against unauthorized viewing or utilization and he must these mark with the customer's name if technically possible. With the reservation of other rights, the customer can require their release if the supplier breaches such obligations.

**11. *The Supplier shall assume the risk of changes of circumstances according to Sections 1764 to 1766 of the Civil Code.***

#### **VI. Warranty for Quality, Liability for Defects**

**1. *The supplier shall provide the customer with a warranty for quality for the supplied supplies for duration of 3 years whereby the warranty period shall commence as of the moment of the passage of the risk of damage.***

2. In the case of supplies that are further supplied by the customer to a third party, without having been used, the warranty period shall commence only as of the takeover of the supply by the relevant third party, but ends no later than 3 years after the passage of the risk of damage to the customer.

3. The supplier also undertakes that his performance shall be in accordance with the requirements of the ISO 9001, ISO 14001, ISO 27001 and OHSAS 18001 standards. Certificates confirming compliance with these standards must be available on the supplier's web site. If the supplier doesn't possess these certificates, he is obliged to act in accordance with those standards. The customer is entitled to conduct an audit at the supplier to verify his compliance with the requirements. The supplier undertakes to comply with all customer's policies, guides, regulations, guidelines and instructions of which he has been informed.

4. In the case of a defect that was ascertained before the passage of the risk of damage or appeared within the warranty period, the supplier shall have an obligation, at its own cost and according to the customer's choice, to either eliminate such defect or to supply new supply within 5 business days. This provision shall also apply to supplies for which the

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acceptance inspection was only limited to the random inspection of samples or identity. The supplier shall have an obligation to send the customer information regarding the remedial measures that it has taken in order to prevent a recurrence of the mistakes in a format as required by the customer. The deadline for the sending of the information shall be 2 business days from the receipt of the warranty claim.

5. If the supplier fails to perform the elimination of the defect, or a replacement of the supply, even after being granted a reasonable additional time by the customer, the customer shall have the right:

- a) To withdraw from the contract in full or in part;
- b) To require the granting of a discount; or
- c) At the supplier's cost, either itself or through a third party, to proceed with the elimination of the defect or to arrange a replacement supply, whereby the supplier's obligations under the quality warranty and under liability for defects shall not be affected thereby.

6. The customer shall have the right to impose a contractual penalty against the supplier for defective performance of the subject of the contract in the amount of 15% of the price. The customer's right to compensation of damage exceeding the contractual penalty shall not be affected by an agreement on contractual penalty.

7. The elimination of the defect at the supplier's cost can occur even without the provision of an additional time to the supplier, if the supplier has been already in delay with his performance.

8. On the basis of a written notification by the customer has the supplier an obligation to reimburse the customer for the costs incurred in a consequence with the breach of the supplier's obligation and for the costs of elimination of all defects of the supply. That shall also apply accordingly to the costs ineffectually expended by the customer for processing or modification of supply for the purpose as set out above.

9. The customer shall have the right to assert warranty claims for defects of the supply as follows:

- a) Within 1 month of the passage of the risk of damage; or
- b) Within 1 month of the ascertainment of defects, if the supply was yet unused and the defects were ascertained only in its further processing or modification, or in its supply to a third party.

10. The rules set out above shall also apply to a corresponding extent to supplies constituting a repair according to the paragraph 4.

11. The costs associated with a warranty claim including its transport shall be borne by the supplier.

12. The supplier shall have an obligation, for a period of 10 years from the performance of the supply, to perform or arrange, for a reasonable payment, the post-warranty repairs, including the procurement of replacement parts, if it ensues from the nature of the supplies. The supplier shall have an obligation to inform the customer without a delay in case he is not able to keep the above commitment and to provide it with a replacement solution under similar conditions.

**VII. Licensing Arrangements**

1. If, as its part, the supply includes software or another product protected by copyright (hereinafter only as the "copyright work"), including associated knowledge and know-how for their utilization, the customer shall have the right and obligation to handle such copyright work in the manner as set out below.

2. The supplier shall inform the customer - at the latest at the time the order is confirmed - whether the products and services to be delivered contain "Open Source Software". "Open Source Software" means any software that is provided royalty-free by the respective licensor to any user on the basis of a license or another agreement with the right to modify and/or to distribute such software. Open License Terms include for example the following licenses: the GNU, General Public License (GPL), the GNU Lesser GPL (LGPL), the BSD License, the Apache License or the MIT License. Should the supply contain open source software, the supplier must deliver to the customer at the latest at the time the order is confirmed the following: the source code of the relevant open source software, insofar as the applicable open source conditions require the disclosure of this source code; a list of all open source files used, indicating the relevant license and including a copy of the complete text of such license; a written declaration that through the intended use of the open source software neither the products of the supplier nor the products of the customer will be subject to a "Copyleft Effect". Should the supplier not indicate until issuing order confirmation that its supply contains open source software, the customer is entitled to withdraw the order within 14

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days of receipt of this information or receipt of such information and its verification. The customer's right to compensation of damage shall not be affected.

3. The supplier hereby grants the customer the following nonexclusive, transferrable, worldwide and time-unlimited rights to:

- a) the use of supplies, their integration into other products and their worldwide distribution;
- b) the provision of a sublicense for the use or permission to third parties to use the copyright work and related documentation in connection with the installation, commissioning, testing and operation of the copyright work;
- c) the provision of a sublicense for rights of use also to persons controlling the customer or controlled by the customer or to other persons within the Siemens group;
- d) the use of the copyright work for integration into other products;
- e) distribution, making reproductions (All backup copies are subject to this license agreement. All names, trademarks, copyrights (©, ®) and information on the restriction of user's rights must be reproduced on such copies.), sale, loaning, renting of the copyright work, the provision of the copyright work for downloading or making it accessible to public, e.g. within the meaning of the provision of application services or within a different sense, and the copying of the copyright work in the necessary extent, but always under the precondition that the number of licenses used at one moment cannot exceed the number of purchased licenses;
- f) in addition to the rights granted above, the persons set out in section c) shall have the right to permit end users to transmit licenses for the use of the copyright work.

4. All sublicenses granted by the customer must contain the relevant protection of intellectual property rights that the supplier owns. All sublicenses must contain contractual provisions utilized by the customer for the protection of its own intellectual property rights.

5. The supplier declares that it has the right to grant the rights to the copyright work as set out above, and it primarily declares that it has settled all of the necessary copyrights of third parties.

**VIII. Compensation of Damage Incurred by the Supplier**

**1. The total scope of the customer's obligations to compensate the supplier for harm (damage) on assets (damage) caused that the supplier incurred in connection with the performance of the contract or the breach of a legal regulation shall be limited up to the amount of 10% of the total contractual price (without VAT), for all loss events in their aggregate. Only actual damage shall be compensated; neither lost profit nor other types of damage shall be compensated. The damage shall be compensated preferentially in money. Any contractual penalties or other penalties paid by the customer to the supplier shall be set off against compensation of damage in full. The statute of limitation period to claim damages shall be 1 year.**

**IX. Withdrawal from the Contract**

1. The parties to the contract can only withdraw from the contract in cases of a significant breach of the contract or in cases expressly set out in the contract or in these Terms and Conditions or in cases explicitly stated in legal regulations. Withdrawal is effective as of the date of delivery of a written notice of withdrawal to the other party to the contract.

2. A significant breach of the contract shall be considered to mean:

- a) A delay on the part of the supplier in the performance of the supply for more than 20 days. In the event of a delay, the customer shall notify the supplier of whether it insists upon the performance of the supply. If the customer insists upon its performance, it can withdraw from the contract only after the ineffectual elapse of an additional period given to the supplier;
- b) A delay on the part of the customer in the payment of an invoiced amount that is greater than 90 days;
- c) A breach of obligations set out in Article XI of these Terms and Conditions.

3. A party to the contract shall also have the right to withdraw from the contract effective as of the date of delivery of a written notice of withdrawal to the other party to the contract, if:

- a) A competent insolvency court has issued a decision on the insolvency of the other party to the contract;
- b) A competent insolvency court has rejected a petition for the issuance of a decision on insolvency, for a lack of assets of the other party to the contract;
- c) The other party to the contract has stopped its payments;
- d) The other party to the contract has filed a petition with an insolvency court for the issuance of a decision

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on insolvency in regard to such other party to the contract;

e) Performance of a decision or execution has been conducted unavailingly on the assets of the other party to the contract;

f) The other party became an unreliable tax payer according to VAT legislation.

4. The parties to the contract shall also have the right to withdraw from the contract in the event that a force majeure circumstance is preventing the implementation of the supply for a period of more than 3 months.

5. The customer shall also have the right to withdraw from the contract in the event that the supplier is in a delay with the fulfillment of his obligations under a different contract and such a delay is greater than 30 days.

6. The customer shall also have the right to withdraw from the contract if he pays the supplier the purchase price of all of the already supplied supply and semi-finished supply as of the effective date of the withdrawal from the contract. In such case, the supplier shall have an obligation to deliver such supply to the customer.

#### **X. Confidentiality, Personal Data Protection**

1. "Confidential information" shall be understood to mean any information or data designated by the party to the contract who is providing the information as "Confidential" or similarly described, and further, primarily any commercial or technical information and data that one of the parties to the contract discloses to the other party, and which pertain to the purpose for the fulfillment of which the relevant contractual relationship is being entered into, on any medium – whether on paper or electronically,. If data or information of a Confidential nature is to be disclosed orally, the receiving party must be notified of such fact in the course of the oral disclosure and confidentiality must subsequently be confirmed by the disclosing party in writing within 3 days of disclosure.

2. None of the parties to the contract shall have the right, without the previous written consent of the other party to the contract, to disclose any Confidential information to a third party, or to enable a third party to have access in any way to any Confidential information, even if only in part. The parties to the contract shall have the right to use the received

documents, data and information relating to the Confidential information only for the purpose specified within the contractual relationship. The supplier shall take such measures so that the Restricted information is not disclosed to any third party, including the use of protection against malware, use of legal software only and compliance with network security. A breach of the obligation of confidentiality shall not include the provision of information in the performance of an obligation arising under law or the provision of information to a court or arbitration court in the assertion of any claims or rights from the given contractual relationship and/or the provision of information, documents and data to persons who constitute a concern (holding) with the given party to the contract, as well as consultants and other persons participating in the performance of the contractual relationship or activities relating to the given contractual relationship who have, under law or contractually, an obligation of confidentiality, whereby none of the parties to the contract shall have the right to relieve such persons from the obligation of confidentiality in any connection with such contractual relationship. The parties to the contract undertake to ensure that such persons are acquainted with the obligation of secrecy and that such persons are obligated to comply with it within the same scope as the parties to the contract. The obligation of confidentiality shall not apply to:

a) information that is publicly known at the time of the creation of the contractual relationship, or that becomes public subsequently in a manner other than by way of a breach of the obligation to maintain confidentiality by the party to the contract;

b) information that the party to the contract must publish in accordance with a legal regulation or a decision of a body of public authority authorized to do so on the basis of a legal regulation;

c) information that the party to the contract demonstrably already has available as of the date of the creation of the contractual relationship;

d) information that is or will be disclosed to the party to the contract by a third party without claims for the limitation of their utilization or confidentiality.

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3. The obligation to maintain confidentiality shall endure even after the termination of the contractual relationship. In the event of a breach of obligations according to this article, the breaching party to the contract shall have an obligation to pay a contractual penalty in the amount of CZK 100,000 for each such breach. The claim of the damaged party for compensation of damage exceeding the contractual penalty shall not be affected by the agreement on the contractual penalty.

4. The supplier agrees that the customer processes, gathers and keeps the supplier's personal data mentioned in the contract and necessary for providing of services arising from the contract. These personal data shall be processed and kept by the customer in his internal register for the purposes of fulfillment of its obligations from the concluded contract and for registration purposes.

5. The supplier grants its consent under the previous paragraph for the period of duration of this contract and for the period of additional five (5) years.

#### **XI. Company Responsibility**

1. The supplier undertakes to comply with the legal regulations, among other things, pertaining to the fight against corruption, protection of economic competition, the fight against money laundering, as well as further legal regulations of criminal or administrative law, as well as other principles and requirements contained in the "Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries", which are set out in Annex No. 1 to these Terms and Conditions.

2. The supplier primarily undertakes not to tolerate any form of corruption or bribery, or to be accessory to them in any way, including the fact of undertaking not to tolerate any illegal offers of payments or similar performance for public officials (persons acting in bodies of public authority or in other entities controlled by bodies of public authority) whose purpose is for such persons to influence official actions or procure an unauthorized benefit in connection with the business of the party to the contract. Further, the supplier primarily undertakes not to tolerate child labor and noncompliance with requirements regarding the protection of the environment.

3. Upon request by the customer, the supplier shall have an obligation to provide the customer, once per year at most, according to its discretion either (a)

written information on the customer's form or (b) a written report, which the customer shall approve, describing measures that the seller has taken or is preparing to take in order to ensure the requirements contained in the "Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries".

4. The customer and/or a third party authorized by it that the supplier accepts shall have the right to verify the performance of the obligations contained in the "Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries" by the supplier, including within the premises of the supplier. The inspection can only be conducted on the basis of a previous written notice from the customer in the course of the usual business hours and in accordance with the valid data protection regulations. Such inspection cannot unreasonably restrict the business activities of the supplier, nor can it disrupt the supplier's contractual obligations pertaining to the confidentiality of information in regard to third parties. The supplier undertakes to provide reasonable cooperation in the conducting of an inspection. Each party shall pay its own costs expended in connection with such an inspection.

5. The supplier shall be obligated not to allow conduct of illegal work in the sense of special legal regulations, whether directly for the supplier or for its subcontractors. The supplier shall be obligated, upon request of the customer, to submit to the customer evidence proving that persons conducting work for the supplier or its subcontractor are not conducting illegal work in the sense of special legal regulations.

6. The supplier shall without delay report to the customer any security incident within the meaning of ISO 27001.

#### **XII. Principles Regarding Safety and Protection of Health at Work, Fire Protection and Environment for Suppliers**

1. The principles set out below have been drawn up in accordance with legal regulations and are intended for the instruction of persons conducting work at the customer's workplaces. Their purpose is to ensure the safety and protection of health at work and the protection of the environment, primarily proper handling of waste and hazardous chemical substances, as well as informing of management systems established within the customer's company.



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2. The supplier shall comply with all statutory provisions on health and safety and shall use its best efforts to take measures to:

- a) prevent risks, eliminate risks or minimize the impact of irreversible risks for the health and safety of the personnel employed by the supplier and supplier's direct or indirect subcontractors for the performance of the works (hereinafter only as the "personnel"); and
- b) ensure that no persons who are legally on the work site, including personnel, customer's personnel and visitors, suffer any injury.

3. Prior to goods delivery, the supplier shall provide the customer with a written risk assessment that:

- a) analyzes all potential hazards for the health and safety of the personnel arising out of the works; and
- b) determines measures to eliminate such hazards and accept the risk assessment from the customer.

4. The supplier shall ensure that all its personnel are professionally and medically eligible for the goods delivery (and shall prove this capability upon customer's request), take part in site-specific safety training and receive the appropriate personal protection equipment before starting work on the site. The supplier shall ensure that the personnel make use of the personal protection equipment in the appropriate manner and that such equipment is maintained in good working order at all times.

5. The customer reserves the right, at its sole discretion, to bar any personnel from the site and/or to suspend the goods delivery for security, health and safety reasons, at any time without any liability whatsoever.

6. The supplier shall appoint a competent person as its representative for environmental, health and safety (hereinafter only as the "Supplier's EHS Representative") and shall ensure that the Supplier's EHS Representative takes part in safety discussions arranged by the customer from time to time. Furthermore, the supplier shall appoint a coordinating person according to Section 101 Paragraph 3, second sentence, of the Labour Code.

7. The suppliers shall regularly monitor compliance with statutory and contractual health and safety provisions by performing safety tours on the site and enable the customer to control the compliance mentioned above without prior notice (Spot Checks + ToolBox Talks), and shall use its best efforts to participate in these Checks. In due time before a safety

tour, the supplier shall invite the customer to participate in the tour. If the supplier discovers non-compliance with health and safety provisions, it shall restore compliance without undue delay and advise the customer of findings and of the status of the corrective actions.

8. Upon customer's request, the supplier shall promptly grant the customer access to all documents related to health and safety connected with the goods.

9. In case of an incident leading to:

- a) the death or serious injury causing direct life-threatening or permanent health consequences of any personnel, the supplier shall inform the customer immediately;
- b) other accidents of any personnel, the supplier shall inform the customer within one working day.

Moreover, the supplier shall without undue delay:

- 1) clarify the causes and circumstances of the accident;
- 2) determine appropriate measures to exclude similar incidents in the future;
- 3) define time periods for the measures to be implemented; and
- 4) provide the customer with a written report containing sufficient detail on the cause, the measures determined and the time periods defined. The supplier shall use its best efforts to provide full cooperation in any additional investigation conducted by the customer, including the provision of information, testimonies and documents to clarify the causes and circumstances of the accident.

10. In the event the customer produces a safety and health document for the site (hereinafter only as the "EHS Plan") the customer will provide the supplier with a copy of the EHS Plan. The supplier shall confirm receipt thereof in writing and comply with the regulations contained therein. The same shall apply to updates of the EHS Plan which the customer may produce as it deems necessary. The supplier shall ensure that its direct and indirect subcontractors contracted to perform the works commit themselves to the EHS Plan and its updates. The supplier shall make its own EHS Plan and submit it to the customer prior to goods delivery for approval.

11. In addition to any other rights, the customer may have, in the event of the supplier's material or repeated failure to comply with the statutory or contractual health and safety provisions, including the provisions of this

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Article and the provisions of the EHS Plan of the customer and EHS Plan of the supplier, the customer may terminate the contract without any liability whatsoever, after providing the supplier with a reasonable time period within which to remedy the failure.

12. The supplier shall be responsible for its staff and is obliged to ensure that all of them shall have valid residence and employment permissions on the territory of the Czech Republic.

13. Should the supplier deliver legally permissible products, which are, however, subject to statutorily imposed substance restrictions and/ or information requirements (e. g. REACH, RoHS), he shall declare such substances in the web database BOMcheck ([www.BOMcheck.net](http://www.BOMcheck.net)) or in a reasonable format provided by customer no later than the date of first delivery of products. The foregoing shall only apply with respect to laws which are applicable at the registered seat of supplier or customer or at the designated place of delivery requested by the customer. Furthermore, the supplier shall also declare all substances which are set out in the applicable so-called "Siemens List of Declarable Substances" in the manner described above.

14. If the use of hazardous chemical substances and mixtures is necessary for the fulfillment of the agreed work, a list of them as well as their material safety data sheets must be provided and their utilization must be approved by the customer's EMS specialist and must demonstrate preparedness for a potential accident.

15. Should the delivery contain goods which according to the international regulations are classified as dangerous goods, the supplier shall inform the customer hereof in a form agreed upon between the supplier and the customer, but in no case later than the date of order confirmation.

16. The hazardous chemical substances and chemical mixtures brought in or carried in by the supplier that were not used up on the same working day the supplier shall have an obligation to take such chemical substances and chemical mixtures away from the customer's facility at the end of the working day, or to store them in a place designated for such storage until they are used up.

17. Empty uncleaned packaging of hazardous chemical substances and chemical mixtures cannot be

stored within the customer's facilities, and the supplier shall have an obligation to take such packaging away on the day when it is emptied.

18. If the supplier created a waste within the customer's facility then he is the originator of such waste and shall have an obligation to arrange for its disposal at its own cost.

19. The customer shall be entitled to conduct at the supplier's site quality audit and safety and protection of health at work audit. The provisions of Article XI. paragraph 4 shall apply accordingly.

20. The supplier is obliged to pay to the customer contractual penalty in amount of CZK 50.000 for each significant breach of provisions of Article XII. or in amount of CZK 25.000 for each other than significant breach of provisions of Article XII., as stated in Annex No. 2 to these Terms and Conditions - Sanction Rules in the field of EHS.

**XIII. Provisions on Export Control**

1. The customer shall not be obligated to fulfill the agreement if such fulfillment is prevented by any impediments arising out of national or international foreign trade or customs requirements or any embargoes or other sanctions.

2. For all products to be delivered and services to be provided, the supplier shall comply with all applicable export control, customs and foreign trade regulations (hereinafter only as the "foreign trade regulations") and shall obtain all necessary export licenses, unless the customer or any other party than the supplier is required to apply for such export licenses pursuant to the applicable foreign trade regulations.

3. The supplier shall advise the customer in writing as early as possible but not later than the delivery date of any information and data required by the customer to comply with all foreign trade regulations for the products and services applicable in the countries of export and import as well as re-export in case resale. In any case the supplier shall provide the customer for product or service:

- a) the "Export Control Classification Number" according to the U.S. Commerce Control List (ECCN) if the product is subject to the U.S. Export Administration Regulations;
- b) all applicable export list numbers;

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c) the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding;  
d) the country of origin (non-preferential origin); and  
e) upon request of the customer: the supplier's declaration for preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers) (hereinafter collectively only as "data").

4. In case of any alterations to origin and/or characteristics of products or services and/or to the applicable foreign trade regulations, the supplier shall update the export control and foreign trade data as early as possible but not later than the delivery date. The supplier shall be liable for any expense and/or damage incurred by the customer due to the lack of or inaccuracy of said export control and foreign trade data.

5. The Supplier shall provide the necessary organizational instructions and take measures, particularly with regard to the following security: premises security, packaging and transport, business partner, personnel and information - in order to guarantee the security in the supply chain according to the requirements of respective internationally recognized initiatives based on the WCO SAFE Framework of Standards (e.g. AEO, CTPAT). The Supplier shall protect the goods and services provided to the Customer or provided to third parties designated by the Customer against unauthorized access and manipulation. The Supplier shall only deploy reliable personnel for those goods and services and shall obligate any sub-suppliers to take equivalent security measures. In addition to other rights and remedies the Customer may have, the Customer may terminate the contract and/or any purchase order issued thereunder in case of breach of these obligations by the Supplier. However, provided that Supplier's breach of contract is capable of remedy, Customer's right to terminate is subject to the proviso that such breach has not been remedied by the Supplier within a reasonable grace period set by Customer.

#### XIV. Provisions on Cybersecurity

1. The supplier shall take appropriate organizational and technical measures to ensure the confidentiality, authenticity, integrity and availability of the supplier Operations as well as products and services. These measures shall be consistent with good industry practice and shall include an appropriate information

security management system consistent with standards such as ISO/IEC 27001 or IEC 62443 (to the extent applicable).

2. "Supplier Operations" means all assets, processes and systems (including information systems), data (including the customer data), personnel, and sites, used or processed by the supplier from time to time in the performance of this agreement.

3. Should products or services contain software, firmware, or chipsets:

a) the supplier shall implement appropriate standards, processes and methods to prevent, identify, evaluate and repair any vulnerabilities, malicious code, and security incidents in products and services which shall be consistent with good industry practice and standards such as ISO/IEC 27001 or IEC 62443 (to the extent applicable);

b) the supplier shall continue to support and provide services to repair, update, upgrade and maintain products and services including the provision of patches to the customer remedying vulnerabilities for the reasonable lifetime of the products and services;

c) the supplier shall provide to the customer a bill of materials identifying all third-party software components contained in the products. Third-party software shall be up-to-date at the time of delivery to the customer;

d) the supplier shall grant to the customer the right, but the customer shall not be obliged, to test or have tested products for malicious code and vulnerabilities at any time, and shall adequately support the customer;

d) the supplier shall provide the customer a contact for all information security related issues (available during business hours).

4. The supplier shall promptly report to the customer all relevant information security incidents occurred or suspected and vulnerabilities discovered in any Supplier Operations, services and products, if and to the extent the customer is or is likely to be materially affected.

5. the supplier shall take appropriate measures to achieve that its subcontractors and suppliers shall, within a reasonable time, be bound by obligations similar to the provisions of this section.

6. Upon the customer's request, the supplier shall provide written evidence of its compliance with this section including generally accepted audit reports (e.g., SSAE-16 SOC 2 Type II).

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### XV. Final Provisions

1. If any of the provisions of the contract or these Terms and Conditions is or becomes invalid, unenforceable, apparent or ineffective, such fact shall not affect the validity, enforceability or effectiveness of the other provisions of the contract or of these Terms and Conditions. In such case, the parties to the contract shall be obligated to make all efforts to enter into an amendment to the contract, by which the relevant invalid, unenforceable or ineffective provision will be replaced with a new one which will best correspond to the originally intended economic purpose. Right to claim the cancellation of the obligation according to Section 2000 of the Civil Code shall be excluded.

2. Written form shall, within the meaning of these Terms and Conditions, be considered to mean a document made out either a) in printed form and sent to the other party to the contract to the address of the party to the contract set out in the contract 1) by way of registered mail or courier service or in any other way that enables the provision of a confirmation of delivery back to the sender, or 2) by fax to the fax number of the party to the contract set out in the contract with confirmation of delivery, or b) in electronic form and sent by electronic mail with guaranteed electronic signature or electronic mark.

3. A document shall be considered delivered on 3<sup>rd</sup> business day after having been sent in any of the ways set out in the previous paragraph to the relevant address of the party to the contract, even if the addressee has not taken receipt of the document.

4. The contract and any disputes or claims arising on the basis of or in connection with the fulfilment of the contract (including out-of-court disputes or claims) shall be governed by and interpreted in accordance with the substantive law of the Czech Republic. The UN Convention on Contracts for the International Sale of Goods (CISG) shall not be applicable.

5. **Section 558 (2), Section 1726, Section 1728, Section 1729, Section 1740 (3), Section 1744, Section 1757 (2) and (3), Section 1765, Sections 1798 to 1800, Section 1950 and Section 2112 of the Civil Code shall not apply. The Contracting Parties expressly confirm that this contract shall be concluded by them as entrepreneurs within their business. Neither of the Contracting Parties is in a weaker position towards the other party.**

**6. All disputes arising from or in connection with the contract, including any issues concerning termination of or subsequent amendments to the contract, shall be finally decided by general courts of the Czech Republic. The parties agree that the court having territorial jurisdiction shall be the general court of the customer.**

7. These Terms and Conditions constitute, together with document to which they are attached and annexes to such document, the entire agreement and supersede any previous agreements between the parties related to the subject hereof. The contracting parties agree that in addition to this contract no rights and obligations shall be derived from former or future practice conducted between the contracting parties or business customs kept in similar branches or in branch related to the subject of this contract.

8. The customer is entitled to assign the contract onto a third party. Any legal person which is directly or indirectly controlled by Siemens Aktiengesellschaft, based in Munich and Berlin, is entitled to accede to the framework agreement of which these Terms and Conditions are a part, by a written declaration of accession delivered to the supplier. Rights and obligations laid down in the framework agreement shall apply also to the legal relations between the supplier and the acceding legal person related to the subject matter of the contract. The declaration of accession does not give rise to any joint and several liability of the acceding company and the customer or other parties to the framework agreement, or any guarantee, security for obligations or similar legal relationship.

9. The contract may only be modified and supplemented by way of written numbered amendments signed by all of the contracting parties. The contract or its changes is not deemed to be agreed, until the contracting parties agreed in full consent all provisions in written form (in case of order it must be done in form of confirmation of the order in full scope without any deviation) in full extent.

**10. The customer is pursuant to Section 1752 (1) of the Civil Code entitled to amend these Terms and Conditions. Such amendment shall entry into effect 10 days after delivery of the notice of such change to the supplier pursuant to Article XV (1) hereof. The supplier shall be entitled within 10 days from delivery of such notice reject the respective change and withdraw from the present Terms and**



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***Conditions upon a notice which shall not be longer than 30 days.***

Annexes:

No. 1 – Siemens Group Code of Conduct for Suppliers and Third Party Intermediaries

No. 2 - Sanction Rules in the field of EHS