

SIEMENS

Conditions of Purchase

dated June 2012

1. Order and Confirmation of Order

- 1.1. The Supplier shall confirm acceptance of the order in writing at the latest five (5) working days from receipt thereof. The confirmation of order shall contain the references stated in the order. If the Supplier has not confirmed acceptance of the order within two (2) weeks of receipt, Siemens may cancel the order at any time thereafter. Siemens shall not incur any liability as a result of such cancellation.
- 1.2. These conditions shall apply to the carrying out of any order. If the terms of confirmation deviate from the terms of the order, Siemens is only bound by the order if Siemens has explicitly agreed to the deviations in writing. The General Terms and Conditions of the Supplier shall only apply if Siemens agrees thereto in writing. The acceptance of goods and/or services under this order or payments made by Siemens during the order does not constitute such agreement. Any deviations in the terms of the confirmation in relation to the order are to be clearly indicated by the Supplier.
- 1.3. Any amendments or additions to the order shall only be effective if Siemens confirms such in writing.

2. Rights of use

- 2.1. The Supplier hereby grants Siemens the following rights:
 - 2.1.1 to use the goods and services, to integrate them into other products and to distribute them worldwide;
 - 2.1.2 to use and to allow others to use software and its related documentation (hereinafter collectively referred to as "Software");
 - 2.1.3 to sublicense the right of use under section 2.1.2 above to affiliated companies such as parent company, subsidiaries and sister companies (hereinafter referred to as "Affiliates") and to other distributors and end customers;
 - 2.1.4 to allow affiliates and other distributors to sublicense the right of use under section 2.1.2 above to the end customer;
 - 2.1.5 to use the Software for integration into other products and to copy the Software, or to allow affiliates or other distributors to use and copy the Software;
 - 2.1.6 to distribute, sell, hire out, lease, make ready for download or make publicly available the Software, e.g. in the context of Application Service Providing or in other contexts, and to copy the Software to the extent required, always provided that the number of licenses being used at any one time does not exceed the number of licenses purchased;
 - 2.1.7 to sublicense the right of use under section 2.1.6 above to Affiliates and other distributors.
- 2.2. In addition to the rights granted in section 2.1 above, Siemens, Affiliates and other distributors are authorized to allow end customers to transfer Software licenses.
- 2.3. Should the order involve or contain development of a certain design or product, Siemens shall have the exclusive and unlimited right of all intangible rights generated during the development work as well as an exclusive right of use of all associated design and development results. These designs and development works shall not be made available in whole or in part to any third party without Siemens' express written approval nor shall they be used by the Supplier for its own purpose or any other purposes.

3. Term and Liquidated damages for delay

- 3.1. Delivery shall be made within the agreed time and at the designated place. If nothing else is stated in the order delivery (including replacement delivery) shall be made DDP (Delivered Duty Paid) to the place designated by Siemens. All terms of delivery shall be interpreted in accordance with the latest edition of Incoterms (delivery point in time). For goods involving installation and commissioning as well as for services (including rectification) the relevant point in time shall be the date of Siemens' written acceptance.
- 3.2. Siemens shall promptly be informed in case of any delay in delivery or performance (including rectification and replacement). In order to meet agreed delivery time or performance deadlines, the Supplier shall in good time undertake all suitable measures (e.g. shift work, overtime) in order to avoid any de-

lay. The costs for such measures shall be borne by the Supplier.

- 3.3. All costs incurred in order to meet an agreed delivery or performance deadline, such as any necessary expedited transport, shall be borne by the Supplier.
- 3.4. In the event of failure to meet the agreed delivery or performance deadlines, Siemens may terminate the order or demand fulfillment of the order and claim damages. For products especially produced for Siemens, Siemens has the right to terminate the order only if the delay is considered as essential for Siemens.
- 3.5. The Supplier shall only have the right to deliver earlier than the agreed delivery time after obtaining Siemens' prior approval in writing.
- 3.6. If the agreed delivery deadlines are exceeded Siemens may demand liquidated damages to the amount of 0.3% of the order value for each commenced calendar day of delay. The liquidated damages shall not exceed 10% of the total order value. The Supplier shall compensate Siemens for any cost or loss incurred as a result of the delay in excess of the liquidated damages stipulated above.
- 3.7. In case the Parties have agreed to an extension of the delivery time for goods and/or services, the agreed liquidated damages shall apply accordingly to such new date without any separate agreement being required.
- 3.8. The liquidated damages can be applied irrespective of whether Siemens accepts any delivery, services, or performance with or without a reservation for liquidated damages.

4. Deliveries and Services of the Supplier

- 4.1. The quantities set out in the order shall be adhered to. Part deliveries shall not be allowed unless Siemens has agreed to such part delivery in writing. Siemens reserves the right to return any excess quantities to the Supplier at the Supplier's expense. In case of an insufficient quantity of goods being supplied, Siemens may insist on the delivery of the ordered quantity. Upon request the Supplier shall reimburse Siemens for any costs incurred in relation hereto.
- 4.2. The Supplier warrants that the delivery of goods and/or services will be in accordance with the order, that the goods are fit for purpose, free of any defect in title and free from defects in design, material and workmanship. The Supplier guarantees that the goods and services at the date of delivery are in accordance with applicable legislation and standards in the Supplier's country, in the country of final destination and in Sweden. In case of non-conformance, Siemens may demand rectification of such a fault, or return any defective goods to the Supplier at the Supplier's cost and demand repair or replacement in accordance with the order. Siemens shall be entitled to compensation for any additional cost or damage incurred as a result of such non-conformance.
- 4.3. Any services of the Supplier shall be provided with the greatest care with the use of qualified and trained personnel.
- 4.4. If nothing to the contrary has been stated in the order, the Supplier and its sub-suppliers shall maintain a quality assurance system in accordance with ISO 9001:2008 and ISO 14001:2004 for the environmental system, or shall follow relevant parts thereof for the delivery. For order bound production, demanding special production procedures or qualified personnel, the certification demands shall be transferred to the manufacturing company. Siemens reserves the right to carry out quality audits at the Supplier's and its sub-suppliers' premises. The Supplier shall assist with such audit and shall immediately remedy any detected deficiencies in the respective quality system. Siemens' quality audit shall not confine the Supplier's responsibility to deliver in accordance with the order.

5. Transfer of Risk and Title

- 5.1. For deliveries involving installation, commissioning, and/or other services the risk of loss of or damage to the goods shall be transferred to Siemens upon acceptance thereof and for deliveries not involving installation, commissioning, or other services the risk of loss of or damage to the goods shall be transferred to Siemens at the place of receipt designated by Siemens in accordance with the latest edition of Incoterms.

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- 5.2. Title to goods shall be transferred to Siemens as soon as provided at the place of delivery, irrespective if installation, commissioning, or other services are included in the order. Title to services shall be transferred to Siemens directly when performed.
- 6. Packing and Dispatch**
- 6.1. Packing shall be suitable for the goods and the intended means of transportation. The packing shall ensure protection against any damage, soiling, and moisture during transport and storage. In this regard environmentally-friendly packing materials are to be favoured. Any loss or damage to goods resulting from defective packing shall be borne by the Supplier. The same shall apply if defective packing causes damage to people and/or other property.
- 6.2. Unless otherwise agreed, the costs of delivery and packaging shall be borne by the Supplier. Transport shall in each case be at the lowest possible cost, unless Siemens has requested a particular method of delivery. Any additional costs arising from non-conformity with the transport requirements shall be borne by the Supplier. Where the price is quoted free to the recipient, Siemens may also determine the method of transportation.
- 6.3. Each delivery shall include a packing note or delivery note with details of the contents as well as the complete order number in accordance with Siemens' demands. Notice of dispatch shall be provided immediately with the same information as per above.
- 7. Invoices**
- 7.1. The order number as well as the number of each individual item shall be detailed in the invoice. In case any such details are omitted or incomplete, the invoice shall not be payable. Copies of invoices shall be marked as duplicates.
- 8. Price and Payment**
- 8.1. All prices in the order are fixed and exclusive of VAT; and shall include all costs for the deliveries and/or services.
- 8.2. The period for payment shall commence as soon as any delivery or service is completed and a correct invoice has been received. If the Supplier is required to provide material testing, test records or quality control documents or any other documentation, such documentation shall be a part of the requirements of the completeness of the delivery and service. Siemens may set off or withhold any payments to a reasonable extent because of any deficiency in the delivery or service. The period for payment shall commence after the complete rectification of any deficiency.
- 8.3. Payment does not constitute an acknowledgement that the corresponding deliveries or services were provided in accordance with the order (in particular in relation to quantity or quality). Any rights of Siemens to present claims under the order shall therefore remain unaffected also after payment for the deliveries or services.
- 8.4. Default in payment shall require that the Supplier send a notice thereof subsequent to the amount being due.
- 9. Inspections**
- 9.1. The Supplier shall inspect the delivery for quantity and quality before delivery.
- 9.2. The delivery shall be inspected by Siemens as soon as possible after receipt on the basis of random samples (if applicable) and/or in respect of quantity and/or any externally-recognizable transportation damage and/or other externally-recognizable deficiencies.
- In case the parties have agreed to inspect the material prior to delivery, the inspections shall be carried out and paid by the Supplier. Inspections shall be made where the goods has been manufactured during normal working hours. If no specific technical requirements for the inspection have been detailed in the order, the inspection shall prove that the deliveries fulfil Siemens' demands for correct material. If the tests show that the deliveries do not correspond to the order requirements, the Supplier shall correct the defects immediately. If required by Siemens a new test of the goods shall be carried out immediately thereafter.
- 9.3. Siemens is responsible to inspect the deliveries on receipt and to attend to the inspection. This shall not exclude Siemens from claiming deficiencies in delivery or performance at a later opportunity. However, Siemens shall endeavour to notify any deficiencies to the Supplier as soon as possible after detection.
- 10. Warranty**
- 10.1. In case of incorrect delivery the Supplier shall remedy the defect immediately by means of repair or new delivery free of charge for Siemens. Measures shall be determined by Siemens in consultation with the Supplier. Where a defect has been found in a service carried out, the Supplier shall remedy the defect free of charge for Siemens. Remedy of a defect or deficiency shall take place at Siemens or at Siemens' end-customer.
- 10.2. The Supplier shall prove that a fault or deficiency that arises in delivered goods or performed services is not covered by the warranty obligations of the Supplier.
- 10.3. Siemens reserves the right to retain any payment in whole or in part until (i) the Supplier has fulfilled its duty to rectify the defect or replacement deliveries in accordance with section 10.1, or (ii) the parties have agreed on other alternative measures, such as rescission, price reduction or damages in a binding manner.
- 10.4. The Supplier shall bear the costs for deficient deliveries or replacement deliveries including all Siemens' costs (internal costs included), expenses and damages incurred in relation to corrections of defects and deficiencies.
- 10.5. If the Supplier does not carry out rectification or provide replacement delivery within a reasonable time set by Siemens, Siemens may, at the risk and expense of the Supplier, undertake any rectification or replacement itself or arrange for a third party to do so. Any defect or deficiency in goods or services detected at the time of delivery or at time of acceptance may be rectified by Siemens or by using a third party immediately at the expense of the Supplier without the need to set a further deadline if the Supplier delivered or provided such goods in delay. The same shall apply if Siemens has a particular interest in immediate rectification or replacement delivery in case of urgency or in order to avoid delay itself.
- 10.6. The warranty period shall be 24 months from Siemens' written acceptance of the goods and/or services or 36 months from the date of delivery, whichever occurs first.
- 10.7. In case the Supplier has redelivered or rectified the goods as per Article 10, the warranty period shall start anew for such repaired or exchanged part. The original warranty period shall be extended for the period during which the goods and/or services cannot be used to the full extent as a result of defects or deficiencies.
- 10.8. Siemens reserves the right to enforce any further legal claims.
- 10.9. Inspections, directions, or instructions by Siemens or by any person acting on behalf of Siemens shall not limit the right to claim under the Order, in particular with regard to defects and deficiencies. In case the Supplier does not regard the inspections, directions, or instructions as being reasonable, or has other reservations against such, the Supplier shall notify Siemens of such without delay in writing and make suggestions for improvement.
- 11. Liability for Intellectual Property Right Infringements**
- 11.1. The Supplier guarantees that the goods and/or services shall not infringe any third party intellectual property rights now or future such as but not limited to patents, designs, trade marks, copyright, right of circuit patterns in semiconductors or other immaterial rights.
- 11.2. In the event that any third party presents a claim against Siemens or an end customer of Siemens in relation to intellectual property rights, Siemens shall inform the Supplier of such claim upon receipt thereof. The Supplier shall indemnify and hold harmless Siemens against any loss and costs incurred as a result of such claim (in particular including lawyers and court costs).
- 11.3. In addition Siemens may demand that the Supplier at its own expense and without delay either (i) obtains a right of use the goods from the party in control of the intellectual property right

- or (ii) changes those parts of the goods or services that are infringing the intellectual property rights or exchanges such for parts which do not infringe the intellectual property rights.
- 11.4. In case the infringement involves a substantial inconvenience to Siemens, Siemens is entitled, after informing the Supplier in writing, to rescind the entire order.
- 11.5. Siemens reserves the right to enforce any further legal claims.
- 12. Subcontracting to Third Parties**
- The Supplier is not allowed to sub-contract the entire order or parts thereof to the Supplier without first obtaining the prior written consent of Siemens. If case the Supplier proceeds without first obtaining Siemens' prior written consent, SITAB shall have the right to cancel the order in whole or in part and claim damages. Upon request, the Supplier shall make available to Siemens a list of the subcontractors used in connection with its goods and services.
- 13. Provided Material**
- 13.1. Material provided by Siemens shall remain the property of Siemens and shall be stored, identified, and administered separately by the Supplier at no expense to Siemens. The material shall be used for Siemens' orders only. In case of any reduction in value or loss of such material at the Supplier's premises, replacement material shall be provided by the Supplier. This shall also apply to the transfer of allocated material.
- 13.2. Any processing or transformation of the material shall be for the benefit of Siemens. The Parties agree that Siemens shall become the owner of the new or transformed product subject to processing or transformation. The Supplier shall keep the new product in a safe manner on behalf of Siemens at no extra cost to Siemens.
- 14. Tools, Patterns, Samples, Information, Confidentiality, etc.**
- 14.1. Any tools, patterns, samples, models, profiles, drawings, standard sheets, printing layouts, gauges and similar objects (hereinafter referred to as "Siemens' Material") shall remain the property of Siemens and may not be provided to any third party as well as any objects made there from without the written approval of Siemens, nor may such be used for any purpose other than those of the order. Supplier shall protect Siemens' material against unauthorized access and shall label such as the property of Siemens. In the event of any reduction in value or loss of Siemens' Material the Supplier shall replace such provided the reduction in value or the loss is not due to normal wear and tear. Notwithstanding any other rights, Siemens may demand the immediate return of Siemens' Material if the Supplier breaches its contractual obligations. The Supplier shall return all Siemens' Material when the order has been carried out.
- 14.2. Siemens is not responsible for the content of any information, data, drawings, specifications and materials which it makes available to the Supplier in connection with the order (hereinafter referred to as "Information"). The Supplier shall check the Information to determine that it is up to date and correct and, if this should not be the case or in case of any possible contradictions, the Supplier shall inform Siemens of such without delay in writing and shall seek clarification as to how to proceed. The incorrectness of any Information shall not affect the responsibility of the Supplier in relation to its scope of deliveries and services.
- 14.3. The Supplier shall not make available to third parties any Information obtained from Siemens unless such is not generally or otherwise duly known to it, and shall use Information only for the carrying out of the order. The Supplier shall make Information available only to those employees who need the Information for the fulfillment of their duties and shall ensure that such employees are also subject to a duty to treat such information as confidential. All Siemens' Information shall be kept confidential for a period of ten (10) years after the order has been carried out. Should Siemens approve any transfer of orders to third parties, such shall be made subject to a corresponding duty in writing. The Supplier shall return, or destroy, all Siemens' Information after when the order has been carried out.
- 15. Product Liability**
- If Siemens is made subject to any claims by third parties based on applicable product liability law in connection with deliveries by the Supplier, Siemens shall notify the Supplier of such in writing. The Supplier shall indemnify Siemens against all justified claims of third parties as well as the costs (including in particular lawyers and court costs), provided such are caused by a (defect?) in the deliveries from the Supplier.
- In addition, the Supplier shall reimburse Siemens for all costs caused thereby as a result of measures Siemens have to take in order to prevent any risk, such as but not limited to warnings or precautionary recall actions of defective goods and/or services. Any costs for the determination of the risk (in particular expert costs) as well as internal administration and processing costs of Siemens shall be borne by the Supplier unless the Supplier does not itself provide the proof of cause.
- 16. Assignment of Claims**
- The Supplier shall not have the right to assign the order or any rights hereunder to a third party.
- 17. Inability to Pay / Insolvency of the Supplier**
- The Supplier shall inform Siemens immediately, should the economic situation of the Supplier deteriorate considerably.
- Should the Supplier cease to make payments, or if an interim insolvency administrator is appointed, or if insolvency proceedings are commenced in relation to the assets of the Supplier, Siemens may withdraw from the order in whole or in part or terminate the order. In the event of termination Siemens may continue to utilize existing facilities, goods, and services already performed by the Supplier in exchange for reasonable payment.
- 18. Siemens' right to suspend or terminate the order**
- 18.1. Siemens has the right to suspend the order at any time by giving written notice to the Supplier. The Supplier shall stop the work immediately upon receipt of such notice and shall take necessary precautions to secure and protect the goods. Siemens shall compensate the Supplier for its direct verified costs incurred as a result of the suspension and the delivery time or time for performance shall be extended by a reasonable time.
- 18.2. Siemens shall have the right to terminate an order at any time by sending a written notice to the Supplier. The Supplier shall stop the work immediately. Siemens shall compensate the Supplier for direct verified costs incurred up to the date of termination as well as a reasonable profit. Siemens's liability to compensate the Supplier shall in no case exceed the order value.
- 19. Code of Conduct**
- 19.1. The Supplier shall comply with the principles and requirements of the 'Code of Conduct for Siemens Suppliers' being part of the order (hereinafter referred to as the 'Code of Conduct').
- 19.2. If requested by Siemens, the Supplier shall not more than once a year either – at its option – provide Siemens with (i) a written self-assessment in the form provided by Siemens, or (ii) a written report approved by Siemens describing the actions taken or to be taken by the Supplier to assure compliance with the Code of Conduct.
- 19.3. Siemens and its authorized agents and representatives and/or a third party appointed by Siemens and reasonably acceptable to the Supplier, shall be entitled (but not obliged) to conduct – also at SUPPLIER the Supplier's premises – inspections in order to verify Suppliers' compliance with the Code of Conduct.
- 19.4. Any inspection may only be conducted upon prior written notice of Siemens, during regular business hours, in accordance with the applicable data protection law and shall neither unreasonably interfere with the Supplier's business activities nor violate any of Supplier's confidentiality agreements with third parties. The Supplier shall reasonably cooperate in any inspections conducted. Each party shall bear its expenses in connection with such inspection.
- 19.5. In addition to any other rights and remedies Siemens may have, in the event of (i) the Supplier's material or repeated failure to comply with the Code of Conduct or (ii) the Supplier's denial of Siemens' right of inspection as provided for in the

third paragraph of this article, after providing the Supplier reasonable notice and a reasonable opportunity to remedy, Siemens may terminate the order and/or any additional orders without any liability whatsoever.

19.6. Material failures include, but are not limited to, incidents of child labor, corruption and bribery, and failure to comply with the Code of Conduct's environmental protection requirements. The notice and opportunity to remedy provision shall not apply to violations of requirements and principles regarding of the child labor as set out in the Code of Conduct or willful failures to comply with the Code of Conduct's environmental protection requirements.

20. Export Control

20.1. Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). Supplier shall advise Buyer in writing within [weeks/days prior to] of receipt of the order - and in case of any changes without undue delay - of any information and data required by Buyer to comply with all Foreign Trade Regulations in case of export and import as well as re-export, including without limitation:

- All applicable export list numbers, including the Export Control Classification Number according to the U.S. Commerce Control List (ECCN); and
- the statistical commodity code according to the current commodity classification for foreign trade statistics and the HS (Harmonized System) coding; and
- the country of origin (non-preferential origin); and - upon request of Buyer- Supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

20.2. Supplier shall be liable for any expenses and/or damage incurred by Buyer due to any breach of the obligations according to 20.1, unless Supplier is not responsible for such breach.

21. Environmental Protection, Duties to Declare, Dangerous Goods (EHS)

21.1. Should the deliveries contain goods which are subject to statutorily imposed substance restrictions and/or information requirements (e.g. REACH, RoHS), Supplier shall declare such substances in the web database BOMcheck (www.BOMcheck.net) or in a format reasonably required by Customer no later than the date of first delivery. The foregoing shall only apply with respect to laws applicable at the registered seat of Supplier or Customer or at the designated place of delivery requested by the Customer. Furthermore, Supplier shall also declare all substances which are set out in the "Siemens List of Declarable Substances" applicable at the time of delivery in the manner described above.

21.2. Should the deliveries contain goods which are classified as dangerous goods according to international regulations, the Supplier shall no later than at the date of order confirmation inform Customer hereof in a form agreed upon between Supplier and Customer.

22. Reservation Clause

Siemens' liability to fulfil this agreement is subject to the proviso that the fulfilment is not prevented by any impediments arising out of foreign trade, customs duty, any embargos or other sanctions.

23. Transfer

Siemens shall have the right to transfer the order without the approval of the Supplier.

24. Dispute Settlement and Applicable Law

24.1. If a dispute arises in connection with this order, the responsible representatives of the parties shall attempt, in fair dealing and in good faith, to settle such dispute. Upon request of a party a senior management representative of each party shall participate in the negotiations. Each party shall be entitled to terminate these negotiations by written notification to the other party at any time.

24.2. The parties shall attempt to agree on a procedure for Alternative Dispute Resolution (ADR) and the applicable procedural rules (including time limits) within fourteen (14) days after a termination notice under section 21.1 has been received by the other side. If the parties fail to agree on such procedure within this time limit, each party shall be entitled to refer the dispute to arbitration pursuant to Section 24.3.

24.3. All disputes arising in connection with this order which are not settled pursuant to section 24.1 or an ADR procedure, including any question regarding the termination or any subsequent amendment of the order, shall be finally settled in accordance with the rules of arbitration ("Arbitration Rules" or "Rules for Expedited Proceedings" as provided in the following) of the Arbitration Institute of the Stockholm Chamber of Commerce ("SCC Institute").

If the value of the total matter in dispute, including the value of any counterclaims, is less than SEK 3 million, the SCC Institute's Rules for Expedited Arbitrations shall apply. The time limit pursuant to Article 36 of the Rules for Expedited Proceedings shall be extended to six months. If the parties cannot agree whether or not the value of the total matter in dispute is less than SEK 3 million, the value determined by the SCC Institute shall be deciding.

All disputes which are not subject to the SCC Institute's Rules for Expedited Proceedings shall be governed by the SCC Institute's Arbitration Rules. In this case the tribunal shall consist of three arbitrators. Each party shall nominate one arbitrator for confirmation by the SCC Institute. Both arbitrators shall agree on the third arbitrator within thirty (30) days after their appointment. Should the two arbitrators fail to reach agreement on the third arbitrator within the thirty-day period, the SCC Institute shall select and appoint the third arbitrator.

The seat of arbitration shall be Stockholm, Sweden. The language to be used in the ADR and the arbitration proceeding shall be English.

Any production of documents shall be limited to the documents on which each party specifically relies in its submission(s).

24.4. Nothing of what has been stated above shall limit the possibility for either party to submit a demand for inhibition or an interim decision with the competent court or arbitration board.

24.5. If a disputed claim runs the risk of being statute-barred because of an applicable statute of limitation, the parties shall agree that the statute of limitation shall not apply as long as the dispute, as described above, is ongoing. Such agreement shall be entered into and documented in a way so that it becomes valid under Swedish law. If the parties are unsuccessful in reaching such an agreement in good time in order to avoid the claim being statute-barred, the party whose claim which runs the risk of being statute-barred may initiate the arbitration proceeding as described under Section 24.3 notwithstanding Sections 24.1 and 24.2.

24.6. This order shall be governed by the substantive law of Sweden. The United Nations Convention on Contracts for the International Sale of Goods of 11 April 1980 shall not apply.