

Siemens - General Conditions for Purchase of Goods and Services V6-2016

1. Definitions

- 1.1. "Buyer" means Siemens Limited Company or Siemens Limited, Binh Duong Branch or Siemens Healthcare Limited Company or its affiliates ("Siemens"), who places the order by way of a purchase order and/or a contract.
- 1.2. "Goods" means the products, goods or items which are the subject of a purchase order or contract and which may (without limitation) comprise or include software. Where the Goods comprise or include software (either software or firmware items hereinafter called "Software"), terms and conditions applicable to Software shall be attached as Annex 2 - Special Conditions for purchase of Software and applied additionally.
- 1.3. "Party" means either Buyer or Supplier.
- 1.4. "Contract" means the purchase order or contract, as the case may be concluded and signed by authorized representatives of Buyer and Supplier, including terms and conditions therein and the documents (if any) incorporated by express reference in the Contract together with these General Conditions for Purchase of Goods and Services, including Annexes 1 and 2 where applicable.
- 1.5. "Services" means work and/or other services which are the subject of the Contract and which may (without limitation) comprise, include or relate to Software.
- 1.6. "Supplier" means the person, firm or company, who receives the Contract from Siemens and confirms to sell, supply Goods/Services according to the terms and conditions specified in the Contract.

2. Application

- 2.1. These General Conditions for Purchase of Goods and Services, including its Annexes ("Conditions") shall apply to and be incorporated into the Contract signed between the Supplier and Siemens and form integral parts of the related Contract.
- 2.2. In case of any discrepancy between the terms and conditions of Contract and these Conditions, the terms and conditions of Contract shall prevail.

3. Order and Confirmation of Order

- 3.1. Siemens may cancel the order if the Supplier has not confirmed acceptance of the order (confirmation) in writing within two weeks of receipt of the Contract.
- 3.2. Any alterations, amendments or additions to the order shall only become a part of the Contract if Siemens accepts such in writing. In particular, Siemens is bound by the general terms and conditions of the Supplier only to the extent that these are in accordance with Siemens' own Conditions or if Siemens agrees to such in writing. The acceptances of deliveries or services as well as payments do not constitute such agreement.

4. Price, payment and invoice

- 4.1. Unless specifically agreed otherwise in the Contract, all prices are fixed and include delivery and all other charges, including but without limitation to costs of transport, insurance and packing, taxes levies and fees attributed and/or attributable to the Supplier as the result of the supply of the Goods and/or Services.
- 4.2. The Supplier warrants that the price charged for the Goods and/or Services is the lowest price charged by the Supplier to buyers of a class similar to Siemens purchasing in quantities and under circumstances comparable to those specified in the Contract. Any price reduction in the Goods and/or Services the same as covered by the Contract made by the Supplier after the placement of the Contract and prior to Siemens' receipt of the Goods and/or Services shall apply to the Contract.
- 4.3. Unless specifically agreed otherwise in the Contract, payment term shall be made within sixty (60) days after receipt of full Goods and/or Services and proper invoice.
- 4.4. The period for payment shall commence as soon as any delivery or service is completed and a proper invoice is received. Insofar as the Supplier is required to provide material testing, test records or quality control documents or any other documentation, such shall be a part of the requirements of the completeness of the delivery or performance.
- 4.5. Siemens shall be entitled to set off or withhold any payment to a reasonable extent for reasons of deficiency. The period for payment shall commence after the complete rectification of any deficiency.
- 4.6. Siemens shall be entitled to set off against the price any sums owed to Siemens by the Supplier
- 4.7. All payment settled by Siemens for the Goods and/or Services will be made via the following bank accounts:

Account owner : Siemens Limited Company

Account number: 1008333-05-0

At : Deutsche Bank AG – Ho Chi Minh City branch

For Siemens Limited - Binh Duong Branch, the payment shall be settled under authorization arrangement via Siemens Limited with the above bank account. Or

Account owner : Siemens Healthcare Limited Company

Account number: 1021781-05 -0

At : Deutsche Bank AG – Ho Chi Minh City branch

- 4.8. The order number or/and the contract number shall be detailed in invoices. Insofar as any such details are omitted, invoices shall not be payable

5. Delivery

- 5.1. The Goods and/or Services shall be completely and correctly delivered on the date(s) ("Delivery Date") at the rates and places specified in the Contract. Siemens may delay or alter the Delivery Date, rates and places upon giving the Supplier reasonable notice in writing of such delay or alteration.

- 5.2. Any shipment terms quoted in relation to the delivery of the Goods shall be in accordance to Incoterms 2010 or its latest version as from time to time modified, supplemented or revised.
- 5.3. The Supplier shall ensure that all Goods shall be packed so as to reach places of delivery undamaged and in good condition.
- 5.4. It is responsibility of the Supplier to deliver Goods and/or Services on Delivery Date(s) as specified in the Contract. Where any delay in delivery or performance or rectification can be anticipated, the Supplier must notify Siemens immediately. Failure to meet the Delivery Date shall constitute a breach of the contract. In such case, the Supplier shall pay to Siemens penalty calculated at the rate of 0.1% of the total contract value of the Contract per each day of delay starting from the date of default until the actual delivery date of the delayed Goods or Services portion up to the maximum of 8% of total Contract. Siemens may, but shall not be bound to, deduct such penalty, whether in whole or in part, from any money due from Siemens to the Supplier under any Contract.

The Supplier shall compensate for any and all direct losses or damages caused to Siemens by such failure on delivery the Goods or Services.

- 5.5. If the Supplier:

- fails to deliver Goods or Services in accordance with their specifications stated in Contract; or
- notifies Siemens of a prospective failure to deliver by the Delivery Date and still fails to deliver Goods or Services after a reasonable period granted from Siemens

then, Siemens reserves the right to cancel the Contract or any part of it without charge or liability and reserves all rights in damages and otherwise arising including but not limited to the right to purchase substitute Goods or Services elsewhere and to hold the Supplier liable for any loss, expense or additional cost incurred thereby.

- 5.6. For the purposes of establishing the timeliness of delivery or rectification, the relevant point in time is the date of receipt at the place of receipt designated by Siemens, and for deliveries involving installation, commissioning or rectification services, the relevant point in time shall be the date of acceptance.

6. Inspection upon receipt

- 6.1. The Supplier warrants that it has inspected and tested the Goods for compliance with the Contract prior to delivery and shall, if requested, supply Siemens with certificates of origin and/or testing. Such certificates must state the Contract number together with any item numbers.
- 6.2. If the Goods and/or Services do not comply with the Contract, Siemens shall within a reasonable time give notice of rejection to the Supplier. Without prejudice to any of its other rights, Siemens may at its discretion require the Supplier to comply with the Contract by expeditiously replacing or repairing as appropriate any rejected Goods and rectifying or remedying any rejected Services. The rejected Goods shall be returned to the Supplier at its own risk and expense. All Services found to be defective, non-conforming or failing to meet any of the Supplier's warranties shall be completely re-performed at the Supplier's cost and expense. In urgent cases or if the Supplier is in default with its obligation to repair defects, Siemens shall be entitled at the Supplier's cost and expense to take the necessary steps to repair such defects itself or to entrust a third party to do so. Siemens shall inform the Supplier before such steps are taken. If prior notification is not possible, steps necessary to avert damage may in urgent cases be taken without any notification and in these cases, Siemens shall notify the Supplier as soon as possible afterwards. The Supplier's warranty obligations remain unaffected, except where defects are attributable to the steps taken by Siemens or a third party.
- 6.3. Siemens reserves the right (but shall not be obliged) to inspect or test the Goods or the Services at any stage before delivery and the Supplier shall give rights of access to premises and such facilities as Siemens may reasonably require for such inspection.
- 6.4. Testing, inspection and acceptance by Siemens or end user shall not be deemed a waiver of the Supplier's obligations under the Contract.

7. Transfer of Risk, Title and Risk

- 7.1. All Goods are delivered free of any third party rights.
- 7.2. For deliveries involving installation, commissioning or services, the transfer of risk and title to Goods occurs on acceptance and for deliveries not involving installation or commissioning, the transfer of risk and title to Goods shall be upon delivered to Siemens at the designated place of delivery. The Supplier acknowledges that the Goods may be on-sold to an end user by Siemens and warrants that Siemens will be able to supply the end user with good title.
- 7.3. Unless otherwise specified in the Contract, the costs of delivery and packaging shall be borne by the Supplier. For pricing ex works or ex warehouse of the Supplier, transport shall, in each case, be at the lowest possible cost, insofar as Siemens has not requested a particular method of delivery. Any supplementary 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. Any supplementary costs arising from the need to meet the delivery deadline by way of expedited delivery shall be borne by the Supplier.
- 7.4. Each delivery shall include a packing note or delivery note with details of the contents as well as the complete order number. Notice of dispatch shall be provided immediately with the same information.
- 7.5. If the transport is performed by a carrier commissioned by Siemens, the Supplier will inform the carrier of the necessary data concerning dangerous goods in accordance with legal requirements.
- 7.6. If Siemens informs the Supplier that following the initial transport another transport with a different mode of transport is scheduled, the Supplier will also follow the relevant legal requirements concerning dangerous goods with regard to such on-going transport.
- 7.7. The Supplier shall be liable for any expenses and/or damages incurred by Siemens due to any breach of the obligations under this Clause 7, unless Supplier is not responsible for such breach.

8. Representations and Warranties

- 8.1. The Supplier represents and warrants that:

- It has all necessary permits and licenses to allow it to sell the Goods and/or Services to Siemens, and that it has complied with all relevant laws, rules and regulations affecting its obligations and the performance of the Contract;
- Signatories of the Contract are authorized by the Supplier to represent the Supplier in concluding the Contract with Siemens;

- The bank accounts as advised by the Supplier to Siemens for payment process has been notified to the tax authorities that manage directly the Supplier (as being required by the Vietnamese regulations) and shall indemnify Siemens any tax liabilities and penalties collected/imposed by the tax authorities in relation to the Supplier's failure to notice. Such amount shall become payable within 10 days from the date of receipt of written notice from Siemens. Siemens shall provide the Supplier with the decision on tax collection and penalties from the tax authorities in relation to the payment. This obligation survives after the termination of the Contract.
- 8.2. The Supplier warrants that all Goods are brand new and do not contain any used or reconditioned parts or materials unless otherwise specified or approved by Siemens.
- 8.3. Unless otherwise specified in the Contract or statutory provisions provide longer periods, the Goods or Services under the Contract are warranted for 12 months from Delivery Date or 18 months from Goods/Services Acceptance Date – the Warranty Period.
- 8.4. In case of defects are identified before or during Warranty Period, the Supplier shall, at its expenses and at the discretion of Siemens, replace, repair or remedy the Goods or provide re-performance of services or replacement of deliveries within the reasonable time set by Siemens. In addition, the expenses for transportation of the Goods to the place of repair and from the place of repair to the place of residence or the office of Siemens shall also be at the Supplier. The Supplier shall bear the costs and risk related to the return of deficient Goods. This provision also applies to deliveries subject to inspection by sample tests. The discretion of Siemens shall be exercised fairly and reasonably.
- 8.5. If there is an identified defect is repaired or replaced, the Warranty Period for the Goods and/or Services shall be calculated from the date of acceptance of such repair or replacement by Siemens.
- 8.6. Siemens shall be entitled to request the Supplier to compensate for damage caused by defects during Warranty Period unless the damage was due to Siemens's fault.
- 8.7. Should the Supplier fail to rectify (i. e. repair or replacement or re-performance) any deficiency within a reasonable time period set by Siemens or immediately in order to avoid any liability of delay or for other reasons of urgency, Siemens is entitled to:
 - cancel the contract in whole or in part without being subject to any liability for damages; or
 - demand a reduction in price; or
 - undertake itself any repair at the expense and risk of the Supplier; or
 - re-performance of services or replacement of deliveries or arrange for such to be done; and
 - claim damages caused by defects.

9. Indemnity

- 9.1. The Supplier shall fully indemnify Siemens and its assigns, subcontractors and customers from and against any claims, liabilities, actions, damages, loss, cost and expenses (including but not limited to legal costs on an indemnity basis):
 - sustained by Siemens and its assigns, subcontractors and customer or for which Siemens and its assigns, subcontractor and customers may be liable as a result of the Supplier's breach of or failure to perform its obligations under the Contract; and
 - resulting from death, injury, loss or damage to persons or property caused or contributed by the negligence, act, default or omission of the Supplier, its employees, sub-supplier (if permitted) or agent.
- 9.2. The Supplier accepts liability for all other claims, liabilities, actions, demand, loss, damage, cost s and expenses (including but not limited to legal costs on an indemnity basis) incurred by Siemens and its assigns, subcontractors and customers and which is attributable to negligence, act, default or omission on the part of the Supplier, its employees, subcontractors (if permitted) or agents or resulting from or in connection with the furnishing of the Goods or Services by the Supplier or otherwise arises or results from a breach of the Contract.

10. Intellectual Property Rights

The Supplier warrants that the Goods and the Software (if applicable) or the Services to not violate or infringe any patents, copyright, trademark, trade secrets, service marks, registered designs, design rights or other intangible property rights of third parties ("Intellectual Property Rights")

The Supplier shall fully indemnify Siemens and its assigns, subcontractors and customers from and against any claims, liabilities, actions, demand, damages, loss, costs and expenses (including, without limitation, legal costs on an indemnity basis) in respect of any alleged or actual infringement by any of the Goods or Services of any intellectual property right including but not limited to patents, copyright, trademarks, service marks, registered designs, design rights or other third party rights and the Supplier shall at its own costs and expenses defend or settle all such claims or actions or proceedings brought or threatened to be brought against Siemens.

Without prejudice to any of the foregoing, if any of the Goods and/or the Software or Services is held or claimed to be infringing third party intellectual property rights, the Supplier shall at its own cost and expense use its best efforts to procure the right for Siemens to continue using or receiving the infringing Product and/or Software or Services. If the Supplier is unable to do so, then the Supplier undertakes at its own costs and expenses to:

- (i) replace or modify the infringing Product and/or Software, or remedy the Services expeditiously so that it is no longer infringing; or
- (ii) if the Supplier is unable to replace or modify the infringing Product and/or Software or remedy the Services, refund in full all payments made by Siemens for the infringing Product and/or Software of the Services and reimburse Siemens upon demand for all additional loss, costs and expenses incurred by Siemens in purchasing any substitute Goods and/or Software or Services.

Siemens shall own all intellectual property rights arising from modifications and customizations of the Goods and/or Software, or the Services, made by Supplier for Siemens, or by Siemens itself. Siemens reserves all its rights in drawings and in goods produced according to its instructions as well as in any processes developed by it.

All intellectual property in the works carried out under the Contract is hereby assigned and shall vest in Siemens absolutely. This includes any copyright or design rights, which will vest in and become the property of Siemens as and when such rights come into existence.

11. Termination

- 11.1. Siemens shall be entitled to cancel the Contract in respect of all or part only of the Goods or Services by giving notice to the Supplier at any time prior to delivery, in which event Siemens shall pay a fair and reasonable sum for and accept delivery of all finished Goods manufactured by the Supplier and Services properly rendered at the date of cancellation.

- 11.2. Siemens shall be entitled to terminate the Contract forthwith without liability to the Supplier by giving notice to the Supplier at any time if:-
- (i) the Supplier is in breach of the Contract and, in the case of a breach capable of remedy, fails to remedy the breach within 14 days of being notified of the breach in writing; or
 - (ii) the Supplier becomes subject to any proceedings under any bankruptcy or insolvency law. In this case, the Supplier should immediately inform Siemens by written notice; or
 - (iii) in case of Force Majeure as stated in Clause 12.

12. Force Majeure

A Party will not be liable to the other for any delay in or failure to perform its obligations as a result of any cause beyond its reasonable control, including acts of God, acts of terrorism, acts of war or threat thereof, power failure resulting from fires, explosions and other acts of God, infectious diseases or epidemics. The Supplier shall notify Siemens immediately upon learning of any event which may result in any delay and possible consequence for performance of the Contract.

If such event lasts for more than 03 months, either Party shall be entitled to terminate one or whole part of the Contract. In such event, no Party shall have any claim against the other.

13. Resolution of dispute

- 13.1. Unless otherwise specified in the Contract, any disputes or discrepancies in connection with the Contract, which cannot be settled amicably between the Parties within 30 days from its occurrence, either Party shall be entitled to bring such dispute to the Vietnam International Arbitration Center for settlement according to its Rules. The seat of arbitration shall be Hanoi, Vietnam; the language to be used in the arbitration proceedings shall be English. Where the Contract is concluded in both English and Vietnamese and in case of inconsistency between English and Vietnamese version, English version shall prevail. The language to be used in the arbitration proceedings shall be English.
- 13.2. All disputes shall be settled in accordance with the provisions of the Contract, this General Conditions of Purchase of Goods and Services and any documents attached to, otherwise in accordance with the law in force in Vietnam.
- 13.3. The arbitration fees for settling disputes shall be borne by the losing party.

14. Subcontracting To Third Parties

The Supplier shall not, either in whole or in part, subcontract or assign any rights, duties or obligations under the Contract, or any claims for any debt owed by Siemens to the Supplier under the Contract unless Siemens gives its prior written consent, such consent to be signed by its authorized representatives, to such assignment or subcontract.

15. Confidentiality

The Supplier shall treat as confidential all information supplied by Siemens or lawfully obtained from Siemens, unless prior written consent to divulge the same has been obtained. This shall not apply to information that has rightfully become public knowledge and to the record of supply of Supplier, which serves Supplier to promote its sales activities. Insofar as Siemens agrees to any subcontracting to a third party, such third party shall agree to such terms in writing.

16. Corporate Responsibility in the Supply Chain

- 16.1. Supplier shall comply with the principles and requirements of the "Code of Conduct for Siemens' Suppliers and Third Party Intermediaries" attached hereto as **Annex 1** (hereinafter the "Code of Conduct"). Furthermore, Supplier shall use best efforts to forward the contents of the Code of Conduct to its suppliers and to convince them to meet the principles and requirements of this Code of Conduct.
- 16.2. Supplier shall provide Siemens upon request with a written self assessment as required by Siemens within – unless otherwise agreed – reasonable time from such request.
- 16.3. Supplier shall maintain complete and accurate records of and supporting documentation for Supplier's compliance with the Code of Conduct. Supplier agrees to provide such documentation and other information as reasonably requested by Siemens to verify Supplier's compliance with the Code of Conduct.
- 16.4. Supplier shall inform Siemens immediately in the event of its non-compliance with the Clause 16.1 above. Should either allegations of the Supplier's non-compliance with the above Clause 16.1 or other claims which threaten to endanger Siemens' reputation become public, e.g. by way of media coverage, Supplier shall provide a written statement, immediately upon Siemens' request, concerning Supplier's non-compliance or the allegations made.
- 16.5. Upon Siemens' request, Siemens and its authorized agents and representatives and/ or a third party appointed by Siemens shall be entitled to conduct unannounced inspections (audits) at Supplier's premises to review the compliance with the above Clause 16.1 and specifically including health and safety management system and to identify measures for improvement. The Supplier shall reasonably cooperate in any audit conducted. In addition to other action, Siemens may deem reasonable, Siemens shall be entitled to access, review relevant records and documentation of Supplier and interview Supplier's employees with regard to Supplier's compliance with the Code of Conduct. Supplier shall reasonably assist and support Siemens' conduct of the audit. Siemens may exercise the rights under this paragraph during the term of the Contract and for a period of three (3) years thereafter. If an audit reveals substantial non-compliance, Supplier shall – in addition to any other rights Siemens may have – bear all audit expenses. If an audit is conducted due to a severe incident or the detection of continuous or repeated non-compliance, the Supplier shall bear all audit expenses.
- 16.6. In addition to other rights and remedies Siemens may have, and without liability to Supplier, Siemens may terminate any Contract issued thereunder by giving written notice to the Supplier with effect from the date specified in the termination notice in case of Supplier's
- (i) breach of its obligations set forth in the first paragraph of this Clause or
 - (ii) refusal to conduct or unreasonably impeding to the conduct of a self assessment required by Siemens in accordance with the second paragraph of this Clause or
 - (iii) unreasonably impeding Siemens' exercise of its right to audit as set out in the fifth paragraph of this Clause.

However, provided that Supplier's breach of Contract as set out in the sixth paragraph (i) – (iii) of this Clause, is capable of remedy, Siemens' right to terminate as set out in the sixth paragraph of this Clause may only be exercised if such breach has not been remedied by the Supplier within a reasonable grace period set by Siemens.

17. Retention/Reservation clause

Siemens shall not be obligated to fulfill this 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.

18. Export Control

18.1. The Supplier shall comply with all applicable export control, customs and foreign trade regulations (“Foreign Trade Regulations”). The Supplier shall advise Siemens in writing within two weeks of receipt of the order - and in case of any changes without undue delay - of any information and data required by Siemens 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 Siemens- Supplier’s declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).

18.2. The Supplier shall be liable for any expenses and/or damages incurred by Siemens due to any breach of the obligations according to Clause 18.11 above unless Supplier is not responsible for such breach.

19. Environmental Protection, Duties to Declare, Dangerous Goods

Should Supplier deliver goods, substances of which are set out in the so-called “Siemens List of Declarable Substances applicable at the time of the order or 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 reasonable format provided by Siemens no later than the date of first delivery of goods. With respect to statutorily imposed substance restrictions the foregoing shall only apply to laws which are applicable at the registered seat of Supplier or Siemens or at the designated place of delivery requested by Siemens.

Should the delivery contain goods which – according to international regulations – are classified as dangerous goods, the Supplier will in-form the Siemens hereof in a form agreed upon between Supplier and Siemens, but in no case later than the date of order confirmation.

20. Applicable Law

The applicable law shall be the laws of the Socialist Republic of Vietnam prevailing at the time of signing of the Contract.

ANNEX 1 - CODE OF CONDUCT

This Code of Conduct defines the basic requirements placed on Siemens' suppliers and third party intermediaries concerning their responsibilities towards their stakeholders and the environment. Siemens reserves the right to reasonably change the requirements of this Code of Conduct due to changes of the Siemens Compliance Program. In such event, Siemens expects the supplier to accept such reasonable changes

The Supplier is obliged to comply with the laws of the applicable legal systems. In particular, the Supplier and third party intermediary declares herewith:

- **Legal compliance**
 - to comply with the laws of the applicable legal systems.
- **Prohibition of corruption and bribery**
 - to tolerate no form of and not to engage directly or indirectly in any form of corruption or bribery and not to grant, offer or promise anything of value to a government official or to a counterparty in the private sector to influence official action/decision or obtain an improper advantage..
- **Fair competition, anti-trust laws and intellectual property rights**
 - to act in accordance with national and international competition laws and not to participate in price fixing, market or customer allocation, market sharing or bid rigging with competitors;
 - to respect the intellectual property rights of others.
- **Conflicts of interest**
 - to avoid all conflicts of interest that may adversely influence business relationships.
- **Respect for the basic human rights of employees**
 - to promote equal opportunities for and treatment of its employees irrespective of skin color, race, nationality, social background, disabilities, sexual orientation, political or religious conviction, sex or age;
 - to respect the personal dignity, privacy and rights of each individual;
 - to refuse to employ or make anyone work against his will;
 - to refuse to tolerate any unacceptable treatment of employees, such as mental cruelty, sexual harassment or discrimination;
 - to prohibit behavior including gestures, language and physical contact, that is sexual, coercive, threatening, abusive or exploitative;
 - to provide fair remuneration and to guarantee the applicable national statutory minimum wage;
 - to comply with the maximum number of working hours laid down in the applicable laws;
 - to recognize, as far as legally possible, the right of free association of employees and to neither favor nor discriminate against members of employee organizations or trade unions.
- **Prohibition of child labor**
 - to employ no workers under the age of 15 or, in those countries subject to the developing country exception of the ILO Convention 138, to employ no workers under the age of 14.
- **Health and Safety of employees**
 - to take responsibility for the health and safety of its employees;
 - to control hazards and take the best reasonably possible precautionary measures against accidents and occupational diseases;
 - to provide training and ensure that employees are educated in health and safety issues;
 - to set up or use an occupational health & safety management system
- **Environmental protection**
 - to act in accordance with the applicable statutory and international standards regarding environmental protection;
 - to minimize environmental pollution and make continuous improvements in environmental protection;
 - to set up or use an environmental management system
- **Security in the Supply Chain**
 - to use reasonable efforts to promote among its suppliers compliance with this Code of Conduct;
 - to comply with the principles of non discrimination with regard to supplier selection and treatment.

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, C-TPAT). The Supplier shall protect the goods and services provided to Siemens or provided to third parties designated by Siemens 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 Siemens may have, Siemens 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 is capable of remedy, Siemens'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 Siemens.

- **Conflict Minerals**
 - to take reasonable efforts to avoid in its products the use of raw materials which directly or indirectly finance armed groups who violate human rights

ANNEX 2 - SPECIAL CONDITIONS FOR PURCHASE OF SOFTWARE

1. Software License

If the Goods and/or Services include Software, the Supplier acknowledges that Siemens may be on-selling the same to its customers or end-users and warrant that it has good title to license the Software.

The Supplier permits Siemens to market and resell the Software and any accompanying hardware either alone or as part of a package.

The Supplier grants to Siemens a perpetual, worldwide, non-exclusive, no-charge, royalty-free, transferable, irrevocable license:

- (i) to use and allow others to use the Software
- (ii) to sublicense the right of use under (i) above to any related corporations, other distributors and end-users.
- (iii) to grant a license to related corporations, and other distributors to sublicense the right of use to end users in accordance with (i) above;
- (iv) to use the Software for integration or installation into other products and distribute worldwide and to copy the Software, or to allow affiliates or other distributors to use and copy the Software;
- (v) to distribute, sell, hire out, lease, make ready for download or make publicly available the Software, and to copy the Software to the extent required and permissible;
- (vi) to market and resell the Software and any accompanying hardware wither alone or as part of a package; and
- (vii) to reproduce and distribute copies of the Software in any medium, with or without modifications.

If the Goods include documentation, the Supplier grants to Siemens a perpetual, worldwide, no-charge, royalty-free, irrevocable license to use, reproduce, distribute and prepare derivative works in Siemens's name all documentation furnished by the Supplier. Siemens may reproduce such documentation without the Supplier's logo or other identification of source, subject to affixing copyright notices to all copies of documentation and the Supplier hereby waives and shall cause to be waived all applicable rights with respect to such documentation. These rights with respect to the Software and documentation shall extend to:

- (i) third parties to use and reproduce the Goods for Siemens's internal use; and
- (ii) third party channels of distribution.

The Supplier undertakes to supply Siemens with all updates of the Software and to allow Siemens to copy them to those of its customers who hold an original copy version.

The Supplier shall provide Siemens with such technical advice, assistance, data and documentation, including source code where necessary, to enable Siemens to maintain the Software if it so wishes.

2. The Supplier shall inform Siemens - at the latest at the time the order is confirmed - whether the products and services to be delivered contain "open source software"

In the context of this provision "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. By means of example and without limitation, Open License Terms include 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 Goods and Services delivered by the Supplier contain open source software, the Supplier must deliver to Siemens 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 schedule 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 Siemens will be subject to a "Copyleft Effect". In the context of this provision, "Copyleft Effect" means that the provisions of the open source license require that certain of the Supplier's products, as well as any products derived from these, may only be distributed further in accordance with the terms of the open source license e.g. only if the source code is disclosed.

Should the Supplier not indicate until after receipt of the order that its products and services contain open source software, then Siemens is entitled to cancel the order within 14 days of receipt of this information and provision of all the information contained in the above paragraph and NOT honor the payment./.