

## Conditions of Purchase for Services through External Providers

**Danish Law** Dated 16<sup>th</sup> February 2018

### 1. Order and Confirmation of Order

- 1.1. The Customer may cancel the order if the Supplier has not confirmed acceptance of the order (confirmation) in writing within two weeks of receipt.
- 1.2. Any alterations, amendments or additions to the order shall only become a part of the agreement if the Customer accepts such in writing. In particular, the Customer is bound by the General Terms and Conditions of the Supplier only to the extent that these are in accordance with the Customer's own General Terms and Conditions or if the Customer agrees to such in writing. The acceptance of deliveries or services as well as payments does not constitute such agreement.

### 2. Performance of Services

- 2.1. The Supplier shall perform the services with the greatest care and state-of-the-art of science and technology, in order to enable the best possible result to be achieved. The Supplier shall incorporate the Customer's specifications and inform the Customer promptly if in its opinion changes to the services which would result in improvements are possible. In such a case, sections 3.3 and 3.4 shall apply.
- 2.2. The Supplier shall perform the services itself using its own employees. Orders or parts thereof may not be assigned or subcontracted to third parties without the prior written consent of the Customer. If the Supplier fails to obtain such consent, the Customer shall be entitled to withdraw from the contract in full or in part and to demand compensation for damages. The Supplier shall produce the required employment permits for any non-Danish employees at the request of the Customer.
- 2.3. For the provision of work and services, the Supplier shall only use employees who are not listed in the relevant European and US-American sanctions lists based on foreign trade legislation. These lists include, but are not limited to, the US Denied Persons List (DPL), the US Warning List, the US Entity List, the US Specially Designated Nationals List, the US Specially Designated Terrorists List, the US Foreign Terrorist Organizations List, the US Specially Designated Global Terrorists List and the EU's Terrorist List.
- 2.4. The Supplier shall be free to organize and arrange its work schedule. The Supplier may only perform the services at the Customer's premises where this is essential for the proper fulfillment of the order and has been agreed in writing beforehand. In this case the Customer shall grant the Supplier access to the appropriate premises. The Customer is not authorized to issue instructions to employees of the Supplier under the terms of this contract.

### 3. Change Requests; Additional Expenses

- 3.1. The Customer may amend the requirements for the services and other contractual conditions according to the following Change Request process.
- 3.2. The Customer will notify the Supplier in writing or by e-mail of the requested change ("Change Request").
- 3.3. The Supplier shall no later than seven working days after receiving the Change Request notify the Customer in writing or by e-mail, as to whether and how the Change Request will affect the agreed schedule, the remuneration and/or other contractual conditions and submit an offer for the implementation of the change request. If the implementation of the Change Request results in changes to the remuneration or the time schedule, such changes shall be calculated on the basis of the original calculation base. The Supplier is not obliged to submit an offer, if an implementation of the Change Request is unreasonably to be expected from the Supplier.
- 3.4. If the Customer accepts the offer, the Change request shall form part of the contract and the contract shall be amended and/or supplemented through the agreed Change Request e.g. with regard to the services to be performed, the schedule and the remuneration.
- 3.5. If in the Supplier's opinion the Customer's instructions or other circumstances attributable to the Customer are leading to increased time and material expenses and/or are affecting the agreed deadlines and/or the remuneration or if the Supplier considers changes to the services necessary or useful, the Supplier shall indicate this to the Customer promptly in writing or by e-mail. In such a case sections 3.3 and 3.4 shall apply, except that the offer must be submitted together with the notification.

- 3.6. Additional expenses shall be reimbursed and any additional remuneration shall be paid only if such reimbursement or payment has been agreed expressly in writing in accordance with section 3.4.

### 4. Duty to Inform

Unless expressly agreed otherwise, the Supplier shall keep the Customer informed about the progress of the services carried out on behalf of the Customer.

### 5. Cooperation Between the Contracting Partners

- 5.1. Each contracting partner shall provide the other with the name of a competent contact person who is responsible for obtaining decisions relating to the performance of the services.
- 5.2. The Customer shall provide the Supplier's contact person in the agreed data format, with all texts, documents, information and data available to the Customer which the Customer considers necessary for the provision of the services, where these are not otherwise available to the Supplier. If the Supplier does not consider the information to be sufficient, it shall advise the Customer to this effect immediately.
- 5.3. If it has been agreed that the Supplier is to design training material for provision of the services, approval of this material must be obtained from the Customer prior to use.
- 5.4. The Supplier may only promote, offer, use or sell its own material, media, courses, documentation or other services with the explicit written permission of the Customer.

### 6. Acceptance of Work Services and Liability for Defects

- 6.1. Work services shall be subject to acceptance testing once they have been completed by the Supplier. Following completion of acceptance testing, the Customer shall declare acceptance of the work services in writing or in other appropriate form provided the relevant work services are free from defects.
- 6.2. If services performed by the Supplier turn out to be defective, the Supplier shall at the Customer's discretion either remedy these defects or perform the services again without defects, within a reasonable period and at the Supplier's own cost. If the Supplier fails to remedy the defects or perform the services again without defects despite being given a reasonable time limit, the Customer may withdraw from the contract or reduce the remuneration by a reasonable amount, or remedy the defect or have it remedied at the Supplier's cost and demand compensation for damages in lieu of performance.
- 6.3. The warranty period for material deficiencies is three years, insofar as no statutory provisions provide longer periods.
- 6.4. The warranty period for deficiencies in title is five years, insofar as no statutory provisions provide longer periods.
- 6.5. Further or other claims and rights remain unaffected.

### 7. Travel Costs

- 7.1. Travel and accommodation costs shall be reimbursed to the Supplier if the Customer has given its prior consent in writing or by E-mail to pay the travel costs of the Supplier's employees. In such cases, the (net) travel and accommodation costs shall be reimbursed only upon presentation of copies of the relevant receipts, showing the input tax amounts contained therein (with the exception of lump sums and mileage) and after deduction of possible input tax amounts, as follows:

<u>Rail</u>	2nd class
<u>Air</u>	Economy class
<u>Kilometer Allowance</u>	In accordance with tax authority guidelines
<u>Lump sum overnight accommodation</u>	In accordance with tax authority guidelines or by arrangement with the project manager/coordinator, on presentation of copies of relevant receipts including higher overnight accommodation costs

- 7.2. Prior to commencing any travel, the Supplier shall agree the details with the Customer (such as, for example, work location, dates, selection of hotel category and class of car if using a hired vehicle or private car instead of traveling by rail or air), whereby the most suitable and cost-effective form of transport will be chosen, taking into account the urgency of the matter.

## 8. Remuneration

As remuneration for the services and the rights of use granted to the Customer under section 12 below, the Customer shall pay the agreed amount to the Supplier following correct and timely performance of the services.

## 9. Invoices

9.1. Any agreed additional costs (travel and accommodation costs) and applicable VAT (where the services are subject to VAT legislation) shall be listed separately in the relevant invoice. The due taxation of all payments for income-tax purposes and any VAT payments is the responsibility of the Supplier. Insofar as the services performed by the Supplier are subject to VAT and have been properly invoiced by the Supplier, the Customer is prepared to pay the VAT due on the agreed remuneration. If the reverse-charge process is used for the services performed by the Supplier, the latter shall present the invoice without setting out VAT and refer to this fact by adding "Tax liability of the service recipient / Reverse Charge" to the invoice.

9.2. The order codes and numbers for each individual item shall be shown on the invoices. Invoices are not payable if these details are not included. Duplicate invoices shall be marked as such. If hourly remuneration is agreed, the relevant time sheets countersigned by the Customer shall be attached to the invoice.

## 10. Payment

10.1. Unless otherwise specified in the order, payment shall be made on the first Payment Date after 60 days of the date of receipt of a correctly issued invoice. "Payment Date" shall mean the 15th day of a month or, in the event the 15th day of a month is a non-working day, the next working day. The Supplier shall invoice after the delivery of goods has been completed in full accordance with the order or after the completion of the service.

10.2. 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.

10.3. Payment does not constitute an acknowledgement that the corresponding delivery or services were provided in accordance with the contract.

## 11. Delay

11.1. Decisive for the timely performance of the services is whether the agreed deadlines for performance have been met or, where the services are subject to acceptance testing, on the successful and complete acceptance testing of the services.

11.2. If a delay in performance of the services or parts thereof or in their supplementary performance becomes foreseeable, the Customer shall be notified to this effect immediately and its decision shall be obtained.

11.3. If the Supplier falls behind schedule with the performance of the services, the Customer is entitled to demand a penalty for each working day (or part thereof) of the delay of 0.3 % (zero point three percent) of the order amount, up to a maximum of 5 % (five percent) of the order amount.

11.4. If the delay concerns a binding intermediary deadline (contractual deadline), the basis for the calculation of the penalty shall be the services which were to be performed until the end of the intermediary deadline. Penalties for exceeding intermediary deadlines shall be deducted from the penalty for exceeding the final completion date.

11.5. If there is a delay with regard to a specific, fixed date, the Customer is entitled to demand a penalty of 5 % (five percent) of the respective order amount for this specific date and/or to withdraw from the contract.

11.6. The penalty does not release the Supplier from its delivery and service obligations. The penalty may still be claimed if the reservation of rights is made until the date of final payment.

11.7. Further or other claims and rights remain unaffected.

## 12. Rights of Use

12.1. The Customer shall whenever created own all rights, title and interest in the results of the services (hereinafter called "results") regardless of the stage of development reached. The Supplier shall keep the results for the Customer safe until they are transferred. The Supplier grants to the Customer the exclusive, worldwide, transferable, sublicenseable and unrestricted right, to modify, to have modified, to use, to have used, to publish, to have published, to distribute, to have distributed,

to utilize or to have utilized the results in their original form and as extended or modified by the Customer.

12.2. If and to the extent the Customer and/or a third party, that has a contractual relationship with the Customer, requires the Supplier's methods, processes, management tools, concepts, ideas and other know-how, that the Supplier has developed, created or generated before or in course of the performance of services ("Background Know-How"), in order to make use of the results, the Supplier shall grant the Customer a perpetual, unrestricted, worldwide, royalty free, non-exclusive, sublicenseable, and transferable right to use or have used such Background Know-How.

12.3. If the results contain inventions or ideas which are patentable or otherwise eligible for registration, the Customer is entitled, at its discretion and in its own name, to apply for such property rights in any countries, to maintain these rights or to abandon them at any time. If necessary the Supplier shall assist the Customer with the application; the Supplier shall refrain from any activity that may impede the application and efficient exploitation of the rights by the Customer. The property rights incurred as a result of such applications belong to the Customer.

12.4. The Supplier hereby waives its right to authorship credit with respect to the results, unless otherwise agreed in the individual case.

12.5. The Supplier undertakes to ensure that the inventions or ideas arising in the course of the performance of the services are transferred to the Customer free of further charge or further cost.

12.6. In contracts with its employees, freelancers or third parties, involved in the provision of the services in accordance with section 2.2 working on the services, the Supplier shall at all times assure that any and all rights as described in sections 12.1 and 12.2 are enjoyed by the Customer exclusively, worldwide and without any time limit, or other restriction, and also that they are not affected in any way by a termination of the contract between the Supplier and its employees, freelancers or third parties. Such provisions shall survive and be valid after termination of the contract between the Supplier and its employees, freelancers or third parties. Otherwise, the Supplier shall compensate the Customer for all resulting damages and expenditure including but not limited to reasonable costs of legal defense, and shall indemnify and hold harmless the Customer to this extent against third-party claims, unless the Supplier is not liable for such damage, costs or claims.

## 13. Provision of Material, Information

13.1. Material and information provided by the Customer remain the property of the Customer and are to be stored, labeled as property of the Customer and administered separately and free of charge. Their use is limited to the orders of the Customer only. The Supplier shall supply replacements in the event of reduction of value or loss, for which Supplier is responsible, even in the event of simple negligence. This also applies to the transfer of allocated material.

13.2. Any processing or transformation of the material shall take place for the Customer. The Customer shall immediately become owner of the new or transformed product. Should this be impossible for legal reasons, the Customer and the Supplier hereby agree that the Customer shall be the owner of the new product at all times during the processing or transformation. The Supplier shall keep the new product safe for the Customer at no extra cost and in so doing exercise the duty of care of a merchant.

## 14. Release of Documents

The Supplier shall release all documents and other tools, including copies thereof, that it has received or produced in connection with the order, immediately after acceptance testing or transfer of the results or, if acceptance testing or transfer is not possible because of the type of results, after execution of the services.

## 15. Confidentiality, Data Protection, Information Security

15.1. The Supplier shall treat as confidential the results, as well as the knowledge and findings, documents, terms of reference, business processes or other information that it receives from or about the Customer in the context of performing the services, as well as the conclusion of the contract, with regard to third parties other than those involved in the provision of the services in accordance with section 2.2 - and shall keep the same confidential beyond the term of the contract - for as long as and insofar as such information has not become publicly known by legal means or the Customer has not consented in writing to its transfer in the individual case. The Supplier shall use this information exclusively for the purpose of performing the services.

- 15.2. The Supplier shall take appropriate measures for storage of data and for protection of its IT systems against software with damage function (viruses) and unauthorized access by third parties, in order to reasonably protect information received from the Customer, and the results generated for the same, against loss, modification, forwarding or access by unauthorized third parties.
- 15.3. Insofar as the Supplier is granted access to personal data in the course of providing the services, the Supplier shall comply with the statutory provisions relating to protection of personal data and data privacy and shall enable the Customer to keep itself informed that such provisions are being complied with.
- 15.4. Insofar as the Supplier performs services at the premises of the Customer or has access to the Customer's IT systems, the policy "Rules for Business Partners of Siemens" shall also apply which in this case is enclosed.
- 15.5. The Supplier shall impose an obligation that corresponds to this section 15 upon those third parties that it involves in the provision of the services in compliance with section 2.2.
- 16. Assignment of Claims**  
Any assignment of any claim is only allowed with the prior written approval of the Customer.
- 17. Cancellation, Right of Termination; Consequences of Termination**
- 17.1. The Customer is entitled to cancel an order which entails the performance of training services in whole or in part until 14 (fourteen) days before the scheduled training date without incurring any costs. If cancellation takes place at a later date, the Supplier is entitled to a reimbursement of the costs incurred because of such cancellation, limited in any case to the order amount of the respective cancelled service.
- 17.2. The Customer is entitled to terminate the contract by giving four weeks' notice to the end of a calendar month.
- 17.3. If the contract is terminated prematurely according to section 17.2, the Customer shall pay for the services performed to the point at which the contract was terminated and the additional costs incurred directly and verifiably as a result of such termination. The Customer shall not be liable for any additional claims of the Supplier for fulfillment or damages due to such termination.
- 17.4. The right to terminate the contract for cause remains unaffected by the foregoing. In particular, the Customer may terminate the contract for cause where the Supplier fails to comply with its obligations under the contract or if an application for insolvency proceedings has been filed against the assets of the Supplier, or if insolvency proceedings against the assets of the Supplier are commenced or are rejected due to insufficient funds.
- 17.5. In this case the Customer may use the equipment available for the further provision of services, or services already provided by the Supplier, against reasonable remuneration.
- 18. Code of Conduct for Siemens Suppliers, Security in the Supply Chain**
- 18.1. The Supplier is obliged to comply with the laws of the applicable legal system(s). In particular, the Supplier will not engage, actively or passively, nor directly or indirectly in any form of bribery, in any violation of basic human rights of employees or any child labor. Moreover, the Supplier will take responsibility for the health and safety of its employees, the Supplier will act in accordance with the applicable environmental laws and will use best efforts to promote "Code of Conduct for Siemens Suppliers and Third Party Intermediaries" among its suppliers and those third parties engaged in the course of provision of the services according to section 2.2 above.
- 18.2. 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 the Customer or provided to third parties designated by the Customer against unauthorized access and manipulation. The Supplier shall only deploy reliable personnel and shall comply with all applicable requirements of the law and the competent authorities, including those on income tax, social security, minimum wage and laws regarding the right of residence. The Supplier shall obligate any sub-suppliers to take equivalent measures and to obligate also their subcontractors accordingly.
- 18.3. 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 the obligations under section 18 by the Supplier. However, provided that Supplier's breach of contract is capable of remedy, the 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 the Customer.
- 19. Environmental Protection, Duties to Declare, Dangerous Goods**
- 19.1. Should the Supplier deliver products, substances of which are set out in the "List of Declarable Substances" ([www.bomcheck.net/suppliers/restricted-and-declarable-substances-list](http://www.bomcheck.net/suppliers/restricted-and-declarable-substances-list)) 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](http://www.BOMcheck.net)) no later than the date of first delivery of products. With respect to statutorily imposed substance restrictions the foregoing shall only apply to laws which are applicable at the registered seat of the Supplier or the Customer or at the designated place of delivery requested by the Customer.
- 19.2. Should the delivery contain goods which – according to international regulations – are classified as dangerous goods, the Supplier will inform the Customer hereof in a form agreed upon between Supplier and Customer, but in no case later than the date of order confirmation.
- 20. Export Control and Foreign Trade Data Regulations**
- 20.1. The Supplier shall comply with all applicable export control, customs and foreign trade regulations ("Foreign Trade Regulations"). The Supplier shall advise the Customer 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 the Customer 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 the Customer – the Supplier's declaration of preferential origin (in case of European suppliers) or preferential certificates (in case of non-European suppliers).
- 20.2. The Supplier shall be liable for any expenses and/or damages incurred by the Customer due to any breach of the obligations according to section 20.1, unless the Supplier is not responsible for such breach.
- 21. Reservation Clause**  
The Customer's obligation to fulfill the agreement is subject to the proviso that the fulfillment is not prevented by any impediments arising out of national and international foreign trade and customs requirements or any embargos or other sanctions
- 22. Mention as Reference Customer**  
Only upon the Customer's prior written approval, the Supplier shall be allowed to mention the Customer as a reference customer and/or make reference to products or services which the Supplier has developed during the performance of an order for the Customer and/or to make press releases or other public declarations in connection with the order.
- 23. Supplementary Provisions**  
Insofar as the provisions of these Conditions of Purchase do not regulate certain matters, relevant statutory provisions shall apply.
- 24. Disputes and Applicable Law**
- 24.1. Any disputes, differences of opinion or claims arising out of or in connection with the contract including its validity, invalidity, ending, breach or dissolution shall be finally settled by way of arbitration in Copenhagen in accordance with the rules set out by The Danish Arbitration Institute (Voldgiftsinstituttet) which are valid at the commencement of the arbitration proceeding.
- 24.2. Danish law shall apply, excluding the provisions of the United Nations Law on the Sale of Goods of 11.4.1980.