

# General Purchase Conditions

## 1. Scope and conclusion of contracts

1.1 These conditions shall apply to goods and services of the Supplier, unless otherwise agreed. Other general standard terms and conditions, in particular standard terms and conditions of the Supplier, shall not apply even if they are not expressly objected to in an individual case or if ordered goods/services have been accepted without reservation.

1.2 Purchase orders and their acceptance ("order confirmation") and all agreements between the Customer and the Supplier for the purpose of performing the contract shall only be valid if made in writing. Transmission by fax, remote transmission, use of electronic signature programs such as DocuSign, AdobeSign, ESign or email meets the requirements for the written form.

1.3 The Supplier undertakes to accept the purchase order by returning the order confirmation within a period of two weeks, failing of which the Customer shall be entitled to cancel the purchase order. In case the order confirmation deviates from the purchase order (even if such deviations are not material), such deviations shall only come into existence if the Customer expressly consents thereto.

## 2. Delivery, place of performance and the consequences of failure to meet delivery times

2.1 Agreed delivery times shall be binding. The Customer shall be notified immediately of any circumstances which may prevent the delivery time from being met or delay delivery. The time the goods are received or the service is completed at the Customer's premises or at the place where they are to be delivered/performed as stated in the order ("place of performance") shall determine whether the delivery time has been met.

2.2 Part deliveries shall require the consent of the Customer.

2.3 In the case of a delay in delivery or performance the Customer shall be entitled to demand flat-rate default damages of 1% of the value of the supplies or services for each full week by which delivery is delayed but up to a maximum of 10% of the value of the goods or services in the contract. Other rights (termination, cancellation and claims for damages instead of performance) remain unaffected. The Customer shall retain the right to assert proven higher losses and the Supplier shall retain the right to prove that the losses are significantly lower or no losses at all have been incurred.

2.4 The unconditional acceptance of the delayed delivery of goods or services does not imply that the Customer is waiving any rights that the Customer may have to compensation on account of the delayed delivery of goods or services.

## 3. Supply of spare parts

The Supplier shall ensure that spare parts for the item supplied will be available for a minimum of ten years after manufacture of the product series has ceased. The resources and drawings required to produce the spare parts shall also be kept for this period. This retention obligation shall lapse after the end of this period and written agreement by the Customer. It is only permitted to refuse this if there is a good reason to do so.

## 4. Prices, transfer of risk and terms of payment

4.1 The price specified in the order shall be binding. The prices are "delivered at place", DAP Incoterms 2020, including packaging. The specified price does not include statutory value-added tax. Transfer of risk shall take place with delivery as mentioned herein.

4.2 Invoices are to be sent to the address specified in the purchase order, stating the purchase order number. If the purchase order is missing, invoices cannot be paid and will be returned to the Supplier; the Customer shall not be responsible for delays resulting from this. A separate invoice shall be issued for each purchase order. The invoice is to be structured in accordance with the purchase order. Any invoices for down payments and part payments as well as final invoices shall be identified as such. If work has been supplied, worksheets (reports) signed by the Customer and the Supplier must be attached to invoices.

4.3 The invoice will be settled net within 90 days after delivery or provision of the service and receipt of the invoice by the Customer.

## 5. Acceptance testing

If the Supplier has to perform work, a formal acceptance of it by the Customer is required. The Customer may choose whether to make the acceptance at the Supplier's plant or at the place of performance. Uncondi-

tional payments shall not constitute acceptance, approval of the items supplied or the waiving of claims for defects.

## 6. Shipping

6.1 Notification of shipment of the goods shall be given at the latest when the deliveries leave the Suppliers' works.

6.2 The Supplier agrees to specify the purchase order number and the Customer's exact delivery address on all shipping documents and delivery notes. Should the Supplier fail to do this, the Supplier shall be responsible for all the resulting delays.

6.3 Shipments for which the Customer is paying all or part of the freight costs shall be transported using the most cost-effective freight rates and in accordance with the Customer's shipping specifications.

6.4 The applicable shipping instructions are specified in the purchase order.

## 7. Packaging

7.1 The Supplier undertakes to pack the goods that need to be transported in accordance with the purchase order and the applicable specifications so the goods will not be damaged if they are handled in the normal way.

7.2 The Supplier shall take back packaging free of charge after use at the request of the Customer and reuse it or recycle it. The place of return of the packaging, if return is requested by the Customer, shall be the Purchaser's factory gate.

## 8. Notice of defects

The Customer shall check incoming deliveries for correct quantities, damage in transit and obvious defects, insofar and as soon as this is expedient in the ordinary course of business. Defects will be reported to the Supplier within a period of five working days of discovery. In this regard, the Supplier waives the argument of receiving delayed notice of defects. The Customer reserves the right to carry out more detailed checks on incoming goods.

## 9. Liability for defects

9.1 The Supplier warrants to the Customer that the ordered goods or services comply with the contractually agreed and usually assumed properties (i.e. compliance with the contractual and statutory provisions applicable to the delivery or service as well as the applicable technical guidelines and standards and the state of the art) and are free of defects and legal imperfections in title at the time of the passage of risk.

9.2 If the Customer informs the Supplier of the intended use and place of use of the goods and/or services to be supplied, the Supplier warrants that its delivery and service are suitable for that use and place.

9.3 If a defect or imperfection in title exists, the Customer shall be entitled to statutory warranty claims in its entirety.

9.4 In principle, the Customer shall have the right to select the manner of remedy. If the Supplier does not begin with subsequent remedy as part of the contract, i.e. rectification of defects or delivery of a substitute, as soon as the Supplier has been requested to do so by the Customer, the Customer shall have the right in these cases and also to avert danger or avoid/limit damage, to carry out the manner of remedy selected by the Customer, or to have it carried out by a third party, at the expense of the Supplier. The Customer shall have the same right if rectification of defects and/or delivery of a substitute fails or is refused.

9.5 Should any costs be incurred in connection with the defect or during rectification work following a defect, the Supplier shall cover these costs, in particular removal and installation costs, transport costs to and from the final destination and all other disadvantages (i.e. penalty claims from the Customer's client caused due to the defect), irrespective of whether the Supplier is responsible for the defect.

9.6 If claims are asserted against the Customer by a third party due to the infringement of third-party rights in connection with the Supplier's goods/services, the Supplier shall be obligated to indemnify the Customer against these claims at the first written request. The Supplier's obligation to indemnify the Customer shall relate to all expenses necessarily incurred by the Customer from or in connection with the claims asserted against it by a third party.

9.7 Claims for defects shall become time-barred – except in cases of intention to deceive – within the statutory provisions starting from the time when the Customer gets knowledge of the defects or should have known them. If the Supplier meets its obligation to remedy a defect by supplying substitute

goods, the period of limitation for said goods shall commence anew after they have been delivered.

## 10. Information Technology

10.1 For software/hardware and/or (Operational Technology)OT & E/E-system solutions including documentation that is part of the goods and services of the Supplier and that has not been developed on behalf of the Customer, the conditions of **Annex 1** to these conditions shall apply.

10.2 For all goods and services of the Supplier in the area of information technology (IT)/(OT) & E/E systems that have been developed or adapted on behalf of the Customer or it concerns the purchase of IT service or information technology that is not covered by section 10.1, the conditions of **Annex 2** to these conditions shall apply.

## 11. Quality assurance

11.1 The Supplier undertakes to continuously monitor the quality of its goods by using a suitable quality assurance system, e.g. DIN EN ISO 9001 ff or a comparable system, and to conduct the quality checks and inspections specified by the Customer or which are otherwise appropriate during and after the manufacture of its goods. The Supplier shall document these inspections and retain this documentation for a period of ten years.

11.2 The Customer or a person engaged by the Customer has the right to demand proof that the delivery items and the quality assurance system of the Supplier are of the quality specified in the contract and also to satisfy themselves at all times that the quality and/or the way in which the checks and inspections are carried out at the plant of the Supplier or the sub-suppliers are adequate and also to undertake acceptances or an audit in the plant of the Supplier or its sub-supplier at the Supplier's expense.

11.3 Without being requested to do so, the Supplier shall immediately in the form set out in Section 1.3 inform the Customer of changes in the composition of the processed material or design of its goods or services. The changes shall require the written consent of the Customer.

11.4 Where the Supplier intends to arrange for goods or services to be provided wholly or mainly by a sub-supplier, the Supplier shall inform the Customer of this beforehand. In this case, the subcontracting requires the written approval of the Customer.

11.5 The quality assurance policy of the Customer disclosed to the Supplier and the quality assurance agreements concluded with the Supplier shall be part of the contract.

## 12. Marketing products and product liability

12.1 The Supplier undertakes to comply with the legal requirements that apply at its registered office and the place of performance.

12.2 If it supplies products which fall under the scope of application of a European Directive for first-time marketing, such as the EU Machinery Directive, Pressure Equipment Directive, EMC Directive, etc., the Supplier undertakes to comply with the relevant health and safety requirements and processes specified in them and issue the documents provided for in these. In the case of partly completed machinery according to the EC Machinery Directive No. 2006/42/EC, the Supplier shall provide the Customer with a declaration of incorporation according to Annex II B of the EC Machinery Directive in the form requested by the Customer (extended declaration of incorporation) as well as in addition provide instructions for use in accordance with Section 1.7.4 of Annex I of the EC Machinery Directive. The Supplier shall at the request of the Customer and as chosen by the Customer hand over to the Customer the risk assessment that the Supplier has produced or allow the Customer to inspect this.

12.3 If the Supplier is responsible for damage outside the supplied goods and claims are asserted against the Customer pursuant to product liability law, the Supplier shall be obliged to indemnify the Customer in this regard against claims for damages by third parties at the first time of request, if the cause of the damage is in the sphere of responsibility of the Supplier and the Supplier itself is liable in relation to third parties. As part of its liability, the Supplier is also obliged to reimburse any expenses incurred by the Customer from or in connection with a warning issued or recall conducted by the Customer. Where possible and reasonable, the Customer shall inform the Supplier of the content and scope of the measures to be performed and coordinate them with the Supplier. Other claims under product liability law shall remain unaffected.

12.4 The Supplier undertakes to take out product liability insurance with minimum cover of 1,000,000.00 euros per claim. The said insurance shall not prejudice the Customer's right to make more extensive claims for damages.

## 13. Safety at work, environmental protection, and conflict minerals

13.1 The Supplier shall ensure that its goods and services satisfy environmental protection, accident prevention and occupational safety regulations that apply at the Customer's site or the other place of performance with which it is familiar as well as with other safety-related rules so that negative effects on people and the environment are avoided or reduced. The Supplier

will set up a management system for this purpose, e.g. in accordance with DIN EN ISO 14001 or a comparable system. The Customer has the right, if required, to demand evidence of the management system operated by the Supplier and to carry out an audit in the Supplier's company.

13.2 The Supplier undertakes to comply with the requirements of the EU and Chinese regulation on chemicals REACH (EU Regulation No. 1907/2006), in particular registration of the substances. The Customer is not obligated to obtain approval for a delivery item provided by the Supplier within the framework of the REACH regulation. Furthermore, the Supplier undertakes not to supply any delivery items that contain substances specified in Annexes 1 to 9 of the REACH regulation, the Council Decision 2006/507/EC (Stockholm Convention on persistent organic pollutants, EC Regulation 1005/2009 on substances that deplete the ozone layer, the Global Automotive Declarable Substance List (GADSL) and the RoHS Directive (2002/95/EC) for products in accordance with the Supplier's field of application. The current version of all the named directives shall apply. Should the delivery items contain substances that are on the Candidate List of Substances of Very High Concern (SVHC list) as specified in REACH, the Supplier undertakes to notify this without delay. This shall also apply if substances that have previously not been listed are added to this list while deliveries are being made. Furthermore, the delivery items shall not contain asbestos, biocides or radioactive material. Should the delivery items contain substances, the Customer shall be notified of this in writing before the delivery, stating the substance, the identification number (e.g. CAS No.) and a current safety data sheet. The supply of these delivery items requires separate approval by the Customer.

13.3 The Supplier undertakes through appropriate measures in its organization and with reference to its own delivery chain to work towards ensuring that the products to be delivered to the Customer do not contain conflict minerals as defined by Sections 1502 and 1504 of the Dodd-Frank Act of the United States of America (including but not limited to columbite-tantalite (coltan), tin, wolframite, gold and their derivatives originating from the Democratic Republic of Congo and its neighboring states).

13.4 The Supplier has an obligation to indemnify the Customer from all liability in relation to the Supplier's non-compliance with the above regulations and/or to compensate the Customer for losses incurred as a result of the Supplier's non-compliance with the regulations or in relation to this.

13.5 Furthermore the Supplier shall observe the relevant rules for the disposal of waste and residual materials and make the Customer aware of any product treatment, storage and disposal requirements.

## 14. Reservation of ownership, models, tools and confidentiality

14.1 The Supplier's rights to reserve ownership are not recognized.

14.2 Where the Customer provides the Supplier with substances, parts, containers, etc., the Customer shall retain ownership of these. The processing or transformation of these parts shall be on behalf of the Customer. If the reserved goods are processed with other items that do not belong to the Customer, the Customer shall acquire joint ownership of the new object in proportion to the value of the Customer's property in relation to the other processed items at the time of processing.

14.3 Any models and tools which are produced by the Supplier at the Customer's expense shall become the property of the Customer upon payment for them. They shall be treated with care by the Supplier, used exclusively for manufacturing the ordered goods, indicated as property of the Customer and – where possible – stored separately from the other products of the Supplier, as well as insured at the expense of the Supplier against disasters such as fire, water, theft, loss and other damage. The Supplier undertakes to carry out in a timely manner any maintenance and servicing work that may be required on the tools and to perform maintenance and repair work at the Supplier's own cost. Resale of the parts produced using these models and tools shall not be permitted without the express written approval of the Customer.

14.4 Documents, drawings, plans and sketches and other know-how of the Customer, which the Customer entrusts to the Supplier for producing the ordered delivery and/or service in whatever form, shall remain the property of the Customer. They are trade secrets of the Customer and shall be treated confidentially. The Supplier undertakes to treat them with care, to make them available only to employees who need them for fulfilling the contract and who are in turn obligated to maintain confidentiality, not to make them available to third parties, to make copies only for the purpose of executing the order, and to return all documents, including copies of them, to the Customer upon completion of the goods/services or, if requested by the Customer, to destroy them.

## 15. Data protection

15.1 The Supplier may provide the Customer with personal information of its personnel who involved in negotiation and performance of the contract ("Supplier's Personal Information"). The Supplier warrants that it has ob-

tained explicit consent from these concerned persons regarding collection and provision of the Supplier's Personal Information to the Customer, by which the Customer is entitled to collect, store, use, process, disclose, provide and transfer the Supplier's Personal Information within and/or outside of Mainland China for the purposes of performance of this contract, internal management, and management of business partners. Such Supplier's Personal Information can be stored by the Customer for as long as is necessary for the performance of the contract, for as long as legal claims can be asserted on the basis of the contract, for the duration of statutory retention periods and for as long as official proceedings are pending in which the data are (may be) required. If any concerned person raises any requests for information or the enforcement of further rights regarding the Supplier's Personal Information, the Supplier shall notify the Customer immediately within the framework of national legislation.

15.2 The Supplier warrants that it shall comply with all applicable laws governing personal information protection in connection with performing this contract, which shall apply to its processing of all personal information obtained by the Supplier during negotiation and performance of the contract ("Personal Information").

15.3 The Supplier further warrants that (i) it shall take all reasonable and necessary measures to protect the Personal Information in its possession, including taking appropriate technical and organizational measures and having adequate security procedures to prevent unauthorized access, disclosure, destruction, loss or alteration of the Personal Information; (ii) it shall process the Personal Information solely for the purpose of negotiating or performing the contract, unless it has duly secured lawful basis for other purposes; (iii) The Supplier shall ensure its personnel or other third party receiving such Personal Information on a need-to-know basis and shall ensure they could maintain confidentiality and security of the Personal Information at the same level as the Supplier; (iv) it shall promptly notify the Customer if there is any information security incident or if there is such a threat, and take remedial measures as directed by the Customer; and (v) it shall promptly return or delete all Personal Information upon the Customer's request or upon expiration or termination of the contract.

15.4 The Supplier shall indemnify, defend, and hold harmless the Customer and Customer's affiliates, employees, directors or agents of any claims, damages, expenses and liability which arise in direct or indirect connection of Supplier's non-compliance or breach of obligations in personal information protection. The Supplier shall indemnify the Customer for all losses so incurred, including but not limited to any compensation made to a third party, any fines imposed by enforcement authorities, and expenses for handling the incident and for pursuing the Supplier's liabilities, such as investigation fees, litigation fees, lawyer's fees, etc. The Customer shall have the right to terminate the contract if it considers in its sole discretion that the Supplier's non-compliance is serious and constitute a material breach.

#### **16. Origin of goods and export controls**

16.1 If requested to do so by the Customer, the Supplier undertakes to provide proof of origin that complies with the valid legal requirements on the date on which it is issued. The Supplier shall provide this for the Customer free of charge. If long-term supplier declarations are used, the Supplier shall, when the purchase order is accepted, without being prompted to do so inform the Customer of changes in the originating status. The actual country of origin shall in every case be stated in the documentation for the transaction, even if there is no eligibility for preferential customs treatment.

16.2 The Supplier has an obligation to instruct the Customer about any authorization obligations that may exist if the Supplier's goods are (re-) exported, as required by German, European, Chinese and US American legislation as well as other applicable export and customs requirements. For this purpose, unless this information is provided in the Supplier's quotation the Supplier shall provide this information in the order confirmation and in every invoice at the relevant items for the goods: the commodity code, the AL No. (export list number) of the current version of the EC Dual Use Regulation or Part I of the export list (Annex "AL" of the German Foreign Trade and Payment Regulation) and the ECCN (Export Control Classification Number) in accordance with US export legislation.

16.3 At the request of the Customer, the Supplier shall be obligated to inform the Customer in writing of all further foreign trade data related to the goods and its components, as well as inform the Customer immediately in writing of all changes to the data specified in Sections 16.1 and 16.2. If the above details are not provided or are provided incorrectly, the Customer shall be entitled to terminate or cancel the contract without prejudice to further claims.

#### **17. Cancellation and termination rights**

17.1 The Customer may at any time terminate the order in writing by giving four weeks' notice without any reason being required. In this case, the Supplier shall be entitled to the price for the services provided in accordance

with the contract up to the date of termination against corresponding proof, whereby saved expenses must be deducted.

17.2 In addition to Customer's statutory rights of rescission or termination, the Customer is entitled to rescind or terminate the contract if a material deterioration of the Supplier's financial circumstances occurs or threatens to occur and the obligation to supply goods and services is jeopardized thereby. The Customer shall also be entitled to rescind or terminate the contract if the Supplier comes under the controlling influence of a competitor of the Customer.

17.3 The right of the parties to terminate the contract according to Chinese law shall remain unaffected. In particular, in case Supplier, one of its officers, employees, agents or a person who is engaged by Supplier to market or distribute its products should violate the requirements in Section **Fehler! Verweisquelle konnte nicht gefunden werden.**, the human rights and environmental requirements as specified in Section 18.3, the Voith-Codex or an applicable Customer-Codex, or there is at least a respective, factually reinforced suspicion, the Customer shall be entitled to terminate the contract immediately unless the violation is negligible and is remedied by Supplier instantly and permanently.

#### **18. Entrepreneurial responsibility**

18.1 The Supplier declares its commitment within the scope of its corporate responsibility to ensuring that it complies with legal provisions, including environmental protection laws, regulations relating to labor law and legislation on the maintenance of employees' health, and does not tolerate child or forced labor in or in relation to the production and sale of its goods or the provision of its services. Upon accepting the order, the Supplier further confirms that it shall not commit or tolerate any form of bribery and corruption. In this context the Customer draws the Supplier's attention to the "VOITH Code of Conduct" that can be consulted at <http://www.Voith.com>. The Customer expects the Supplier to agree to comply with the rules and principles contained therein and provide assistance to ensure that these are observed.

18.2 More especially the Supplier undertakes to comply with the laws that apply in each case in respect of the general minimum wage and to impose this obligation to the same extent of its suppliers. Furthermore, the Supplier is obligated to comply with the export law provisions applicable in Germany, the EU and China. The Supplier shall furnish proof that the above assurance has been complied with, if requested to do so by the Customer. If the above assurance is not adhered to, the Supplier shall indemnify the Customer against claims by third parties and undertakes to reimburse fines imposed on the Customer in connection with this.

18.3 Supplier undertakes in particular to comply with the following human rights and environmental requirements:

- Prohibition of child labor concerning compliance with the minimum age for admission to employment in accordance with ILO Convention No. 138 and concerning the prohibition of and immediate action for the elimination of the worst forms of child labor in accordance with Art. 3 ILO Convention No. 182;
- Prohibition of the employment of persons in forced labor in accordance with ILO Convention No. 29;
- Prohibition of all forms of slavery, slave-like practices, servitude or oppression in the workplace environment;
- Compliance with applicable occupational health and safety obligations in accordance with law at the place of employment;
- Prohibition of disregard for freedom of association;
- Prohibition of unequal treatment in employment on the basis of national, ethnic origin, social origin, health status, disability, sexual orientation, age, gender, political opinion, religion, belief, unless justified by the requirements of employment;
- Prohibition of withholding a fair wage;
- Prohibition of environmental pollution concerning soil, water, air, harmful noise emission or excessive water consumption;
- Prohibition of unlawful eviction, as well as unlawful deprivation of land, forests and waters in the acquisition, construction or other use of land, forests and waters, the use of which secures the livelihood of a person;
- Prohibition of the hiring or use of private or public security forces for the protection of the entrepreneurial project, which in doing so use torture and cruel, inhuman or degrading treatment, injuring life or limb, or disregarding the freedom of association and union;
- Prohibition of an act or omission in breach of duty going beyond the above-mentioned infringing acts, which is directly capable of impairing a protected legal position in a particularly serious manner and the illegality of which is obvious;
- Prohibition of the production and use of mercury and mercury compounds as well as the treatment of mercury waste in accordance with

the provisions of the Minamata Convention (Art. 4 para. 1 and Annex A Part I, Art. 5 para. 2 and Annex B Part I, Art. 11 para. 3);

- Prohibition of the production and use of chemicals and the non-environmentally sound handling, collection, storage and disposal of waste in accordance with the provisions of the applicable legal system under the Stockholm Convention on Persistent Organic Pollutants (23.05.2001, 06.05.2005) and EU Regulation on Persistent Organic Pollutants 2021/277 (Art. 3 para 1a and Annex A, Art. 6 para 1d (i), (ii));
- The following prohibitions under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal (22.03.1989 and 06.05.2014): Prohibition of export of hazardous and other wastes under Art. 1 (1), 2 of the) under Art. 4 (1b), (1c), (5), (8) p.1, Art. 4A, and Art. 36 of Regulation (EC) No. 1013/2006; Prohibition of import of hazardous and other wastes from a non-Party to the Basel Convention (Art. 4 (5)).

In the event, that the human rights and environment-related requirements for the Customer change, Supplier shall agree to an adjustment of this Section 18.3 that implements the change in the human rights and environment-related requirements. The Customer shall notify Supplier of the changes to the human rights and environment-related requirements in writing or text form without delay.

Supplier shall address the human rights and environmental requirements mentioned in this Section 18.3 in an appropriate manner vis-à-vis its own sub-suppliers and further-more along its own entire supply chain and, in particular, ensure their compliance by its own sub-suppliers or, in the event of existing violations of human rights or environmental obligations, their termination by means of suitable contractual provisions. This shall also include, to the extent legally possible and reasonable, serious efforts to enter into an agreement that ensures the passing on of this obligation to its own suppliers.

Supplier further undertakes to carefully select its suppliers, in particular with regard to the human rights and environmental requirements pursuant to this Section 18.3 and shall adequately investigate any indications of violations of the human rights and environmental requirements and take them into account in the selection of suppliers.

18.4 The Customer has the right to verify compliance with the human rights and environmental requirements mentioned in Section 18.3 by carrying out on-site inspections at Supplier's site and or its production site (audit right). The Customer may exercise the audit right through its own employees, through a third party commissioned by the Customer (e.g. a lawyer or auditor) or by using recognized certification or audit systems. The Customer will notice Supplier of such audit with reasonable written advance notice, unless there is imminent danger or the notice would endanger, significantly reduce or eliminate the effectiveness of the audit. The audit right shall in principle be exercised during normal business hours at the business or production premises of Supplier. Supplier undertakes to make documents, records, names of sub-suppliers within the supply chain and as far as known ("Supply Chain Documentation") requested by the Customer available for inspection by Voith for an appropriate period of time, but at least for [ten] working days, ("Audit Period"). At the Customer's request, Supplier shall also make the Supply Chain Documentation available at its own expense in a suitable online data room that complies with current IT security standards for the Audit Period and grant Customer access from its own business premises. In addition, Supplier will grant Customer access to its employees and officers, e.g. to enable interviews to be conducted in order to exercise the right to audit. Data protection requirements must be complied with when Customer exercises the audit right, and the protection of business secrets of Supplier must be taken into account insofar as this does not conflict with the fulfillment of legal obligations by Customer.

18.5 At Customer's request, Supplier shall support and enable training and further education by Customer for compliance with the human rights and environmental requirements as specified in Section 18.3, shall name its own relevant employees and ensure their participation in the training and further education to the extent legally possible. The details of the organization and implementation of training and further education in accordance with this Section 18.5 shall be agreed upon by Customer and Supplier on a case-to-case basis. In doing so, the interests of Supplier with regard to the type and duration of the training courses, their frequency and the group of participants shall be taken into account appropriately so that an excessive burden on Supplier is avoided. The training courses can take the form of e-learning, online format or face-to-face events.

## 19. General provisions

19.1 Persons who work on the Customer's premises or on the premises of companies associated with the Customer to perform the contract must observe the terms of the respective work rules. Liability for accidents that befall

these persons on works premises shall be excluded, unless they have been caused by deliberate or grossly negligent infringement of obligations on the part of our statutory representatives or their vicarious agents.

19.2 The use of inquiries, purchase orders and the associated correspondence for advertising purposes is not permitted. The Supplier shall only be allowed to use the business relationship with the Customer or use the Customer as a reference with the prior written permission of the Customer.

19.3 The Supplier may not assign its claims or rights under a contract with the Customer without the express written approval of the Customer.

19.4 The parties shall only be entitled to set-off rights and rights of retention if their counterclaims have been legally established or are undisputed.

19.5 Chinese law alone shall govern the contractual relationship with conflicts of law and the United Nations Convention on the International Sale of Goods (CISG) being excluded.

19.6 Any dispute arising from or in connection with the contract and the present conditions shall be submitted to court for litigation. The legal venue for both parties is the competent court at the Customer's registered office.

19.7 If individual provisions of these conditions are or become invalid in full or in part, this shall not affect the remaining provisions.

Annex 1: Conditions for Supplies of Software/Hardware and/or OT & E/E Systems incl. Documentation

Annex 2: Conditions for Supplies, Services, Development of Software/Hardware in the Context of IT & OT & E/E Systems incl. Documentation



## Annex 1: Conditions for Supplies of Software/ Hardware and/or OT & E/E Systems incl. Documentation

Voith General Purchase Conditions, in their current version, are supplemented by the following terms and conditions, which apply to all supplies of Software/Hardware and/or OT & E/E systems solutions including documentation relating to information technology (IT)/operational technology (OT).

These terms and conditions apply additionally and, in the event of contradictions, shall take precedence over the Voith General Purchase Conditions.

### DEFINITIONS

Information Technology (IT)	Information technology (IT) involves the development, maintenance, and use of computer systems, software, and networks for the processing and distribution of data;
Operational Technology (OT)	Operational Technology (OT) is hardware and software that detects or causes a change, through the direct monitoring and/or control of industrial equipment, machinery, assets, processes and events;
E/E Systems	Electrical and Electronic Systems
Customer Data	means all information and data (including texts, documents drawings, diagrams, images or sounds) owned by, licensed to (other than by Supplier) or relating to the Customer Group and/or any of its representatives whether in a human form or machine readable form, which is in each case generated by, supplied to, or is otherwise retained by, Supplier or any of its subcontractors pursuant to or in connection with this terms and conditions;
Security Incident	an event involving the actual or attempted unauthorised access to and/or use of the Systems containing the Customer Data and/or the unauthorised access to, use of, destruction, loss or alteration of the Customer Data in connection with this terms and conditions; such incidents may be categorised as a Critical Security Incident, Major Security Incident or Low Priority Security Incident.
Critical Security Incident	a Security Incident that results in a severe disruption to the work delivered;
Major Security Incident	a Security Incident that results in a reduction in the performance of the delivered work or may lead to a disclosure of the Customer Data or any data used by the Customer or the Supplier in connection with this terms and conditions in the public domain;
Low Priority Security Incident	a Security Incident that has no significant impact on the availability or performance of the delivered work;
Information Asset	any Information System/IT System that holds information belonging to an organisation
Information System / IT System	an Information System is any combination of information technology, processes, digital information and user activities that support the operations of an organisation;
Security Threat	is a possible danger that might exploit a Security Vulnerability to cause a Security Incident that may result in harm;
Security Vulnerability	is a weakness of an Information System that can be exploited by one or more Security Threats;
Risk Assessment	a Risk Assessment is the process of (a) identifying the risks related to an Information Asset and recognised Security Threats, and (b) evaluating the overall effect of the likelihood that the risks will occur and the impact if they should occur;
Security Risk	A Security Risk is the likelihood that something bad will happen that causes harm to an Information Asset;
Security Risk Assessment	a determination of quantitative or qualitative value of risk related to a concrete situation and a recognised threat to the security of the Customer Data and/or the systems;
Vulnerability Assessment	a Security Risk Assessment that leads to the identification, quantification and prioritisation (or ranking) of the vulnerabilities in a computer system, including the asso-

	ciated networks, databases and software applications;
Affiliated Companies	any entity that has Control over, or is Controlled by, or is in common Control with Customer. Further, Customer can define further entities as being Affiliated Companies of Customer in an amendment agreement;  Control means when a company or individual, or a group of companies and/or individuals, acting jointly or in concert, de facto or based on any kind of agreement, voting securities, other rights or otherwise, directly and/or indirectly, and in relation to the controlled entity or entities: (i) owns 50% or more of the registered or share capital; (ii) holds 50% or more of the voting rights; (iii) has the capacity to appoint and/or dismiss 50% or more of the directors (and/or members of the management/executive body); (iv) has actually appointed 50% or more of the directors (and/or members of the management/executive body); and/or (v) has the capacity to decide on, and/or the power of veto over, the main decisions, and including direction of the management and policies.
Customer Group	shall mean Customer together with its Affiliated Companies;

### 1 Open-Source-Software

Open Source Software ("OSS") is software, which is generally provided free of charge and open source and can be used under a license, which does not restrict redistribution of the software, allows modifications and derived works and must allow redistribution thereof under the same terms as the license of the original software ("OSS-License"). OSS-Licenses include without limitation "Berkeley Software Distribution License" (BSD), "GNU General Public License" (GPL), and the "GNU Lesser General Public License" (LGPL). Copyleft Licenses are licenses that require that any derivative work or work based on the program is distributed or conveyed only under the original license terms ("Copyleft License").

#### 1.1 Requirements

OSS may be included in the software provided by the Supplier. The Supplier will provide to the Customer all information and materials on the use of OSS in the software. This includes:

- (i) a transparent and complete list of all components licensed under an OSS-License,
- (ii) the license text of each OSS-License,
- (iii) copyright notices,
- (iv) the results of a state of the art security and vulnerability monitoring of all open source code used, and
- (v) A clear description and documentation regarding the used OSS components.

The Customer will grant the approval in its sole discretion. A granted approval is to be revoked, if the provided information or materials are false or incomplete.

OSS-License texts and the respective source code must be provided separately. The Supplier will provide all open source code to the extent that this is required by applicable licenses.

The Supplier will put the Customer in a position to completely comply with all requirements under the applicable OSS-Licenses at all times.

These requirements also apply to any updates, patches, upgrades or new versions of the software.

#### 1.2 Responsibility

The Supplier is aware of its special responsibility to protect the Customer from damage caused by the integration of OSS software in the software supplied by the Supplier and the use of such software by the Customer. In view of this, the Supplier shall take special care that all rights of 3<sup>rd</sup> parties are proven and guaranteed.

#### 1.3 Indemnification

The Supplier shall indemnify, defend, and hold harmless the Customer and Customer's affiliates, employees, directors or agents of any claims, damages, expenses and liability which arise in direct or indirect connection of Supplier's breach of one of the foregoing requirements of obligations, irrespective under what legal theory.

## 2 Software Development Lifecycle

For supplies that includes software development, the Supplier shall establish a Secure Software Development process.

- (i) adopt a Secure Software Development Lifecycle approach according to well known standards, such as IEC 62443 4-1. A certification is expected.
- (ii) provide evidence that identified security requirements and corresponding security controls are designed and implemented into the software.
- (iii) ensure that appropriate security tests including but not limited to static and dynamic code checks and continuous vulnerability assessment are applied in the development and integration pipelines and any issues uncovered are remediated before software release; and
- (iv) allow Customer and/or its agents to carry out Vulnerability Assessments of the developed software. If any vulnerability with a risk score of "high" or "critical" is found by the Customer, the Supplier shall take action to mitigate the risks before the software release.

## 3 Vulnerability Management

- (i) The Supplier will engage an independent and trusted Vulnerability Assessment service and/or cooperate and assist an independent third party appointed by the Customer in the conduct of Vulnerability Assessments.
- (ii) The Supplier shall on a monthly basis, review the Supplier's sources of threat and vulnerability information for the latest vulnerabilities, threats and remediation relevant to the systems under the Supplier's management.
- (iii) The Supplier shall implement a remediation plan of mitigation activities once a vulnerability is identified or to prevent a vulnerability from arising, and for prioritising, tracking and monitoring the plan's progress. All remediation plans shall be documented for future reference. Vulnerabilities with a significant security impact shall be remedied as soon as practicably possible. For lower and medium risks, the timescale for remediation shall take into account the cost, time and effort required to mitigate the risks.
- (iv) The Supplier shall notify the Customer immediately if it fails to remedy any Critical or High rated Vulnerability and shall propose the Customer necessary security controls.
- (v) The Supplier shall ensure that all customizable products contain a documentation for secure parametrization.
- (vi) Activities as part of the Suppliers Vulnerability Management, like Vulnerability Assessments, regardless of type or target, and all work and time required to carry out remediation activities, will be at the cost of the Supplier and will not be charged to the Customer.

## 4 Security Governance

- (i) The Supplier will appoint an individual (the "Supplier Security Manager"), to:
  - coordinate and manage all aspects of security in accordance with the Agreement; and
  - act as the single point of contact on behalf of the Supplier and its Subcontractors in the event of a Security Incident.
- (ii) In the event that the Supplier wishes to change the Supplier Security Manager it will notify the Customer in writing, providing contact details for the replacement individual.

## Annex 2: Conditions for Supplies, Services, Development of Software/Hardware in the Context of IT & OT & E/E Systems incl. Documentation

Voith General Purchase Conditions, in their current version, are supplemented by the following terms and conditions, which apply to all supplies and services relating to information technology (IT)/operational technology (OT) (Part A) and the creation or adaptation of software or the rendering of associated services (Part B).

These terms and conditions apply additionally and, in the event of contradictions, shall take precedence over the Voith General Purchase Conditions.

### DEFINITIONS

Information Technology (IT)	Information technology (IT) involves the development, maintenance, and use of computer systems, software, and networks for the processing and distribution of data;
Operational Technology (OT)	Operational Technology (OT) is hardware and software that detects or causes a change, through the direct monitoring and/or control of industrial equipment, machinery, assets, processes and events;
E/E Systems	Electrical and Electronic Systems
Customer Data	means all information and data (including texts, documents drawings, diagrams, images or sounds) owned by, licensed to (other than by Supplier) or relating to the Customer Group and/or any of its representatives whether in a human form or machine readable form, which is in each case generated by, supplied to, or is otherwise retained by, Supplier or any of its sub-contractors pursuant to or in connection with this terms and conditions;
Security Incident	an event involving the actual or attempted unauthorised access to and/or use of the Systems containing the Customer Data and/or the unauthorised access to, use of, destruction, loss or alteration of the Customer Data in connection with this terms and conditions; such incidents may be categorised as a Critical Security Incident, Major Security Incident or Low Priority Security Incident.
Critical Security Incident	a Security Incident that results in a severe disruption to the work delivered;
Major Security Incident	a Security Incident that results in a reduction in the performance of the delivered work or may lead to a disclosure of the Customer Data or any data used by the Customer or the Supplier in connection with this terms and conditions in the public domain;
Low Priority Security Incident	a Security Incident that has no significant impact on the availability or performance of the delivered work;
Personal Data	shall have the same meaning of "personal information" as set out in Chinese Personal Information Protection Law and other relevant laws and regulations ;
Information Asset	any Information System/IT System that holds information belonging to an organisation
Information System / IT System	an Information System is any combination of information technology, processes, digital information and user activities that support the operations of an organisation;
Security Threat	is a possible danger that might exploit a Security Vulnerability to cause a Security Incident that may result in harm;
Security Vulnerability	is a weakness of an Information System that can be exploited by one or more Security Threats;
Risk Assessment	a Risk Assessment is the process of (a) identifying the risks related to an Information Asset and recognised Security Threats, and (b) evaluating the overall effect of the likelihood that the risks will occur and the impact if they should occur;
Security Risk	A Security Risk is the likelihood that something bad will happen that causes harm to an Information Asset;
Security Risk	a determination of quantitative or qualitative value of

Assessment	risk related to a concrete situation and a recognised threat to the security of the Customer Data and/or the systems;
Vulnerability Assessment	a Security Risk Assessment that leads to the identification, quantification and prioritisation (or ranking) of the vulnerabilities in a computer system, including the associated networks, databases and software applications;
Affiliated Companies	any entity that has Control over, or is Controlled by, or is in common Control with Customer. Further, Customer can define further entities as being Affiliated Companies of Customer in an amendment agreement;  Control means when a company or individual, or a group of companies and/or individuals, acting jointly or in concert, de facto or based on any kind of agreement, voting securities, other rights or otherwise, directly and/or indirectly, and in relation to the controlled entity or entities:  (i) owns 50% or more of the registered or share capital; (ii) holds 50% or more of the voting rights; (iii) has the capacity to appoint and/or dismiss 50% or more of the directors (and/or members of the management/executive body); (iv) has actually appointed 50% or more of the directors (and/or members of the management/executive body); and/or (v) has the capacity to decide on, and/or the power of veto over, the main decisions, and including direction of the management and policies.
Customer Group	shall mean Customer together with its Affiliated Companies;

### Part A - Conditions for Supplies and Services in the Context of IT/OT & E/E Systems at the Supplier

#### 1. Compliance and basic technical requirements

The Supplier shall render the service in compliance with the principles of proper data processing. These include but are not limited to observance of statutory data protection and cyber security regulations, in particular China's Personal Information Protection Law, Data Security Law and Cybersecurity Law and implementation of all recognized state-of-the-art precautions and measures.

The Supplier shall take appropriate technical and organizational measures to guarantee a high level of IT security with regard to the services and the IT systems required by the Supplier for the purpose of rendering such services. Insofar as they are applicable to the services and the IT Systems used by the Supplier to provide such services, the Supplier shall ensure compliance with the minimum standards of ISO/IEC 27001:2013 (or any subsequent version of such standards which may have appeared at a later time) or the latest applicable versions of other similar but higher standards of security, such as BSI (Bundesamt für Sicherheit in der Informationstechnik) IT-Grundschutz. The Supplier shall disclose such measures in detail with the corresponding concepts, certificates and audit reports at the request of the Customer.

#### 2. Training and awareness raising in the context of information security

The Supplier shall regularly inform their employees and third parties entrusted with the rendering of the services about relevant information security topics, including the duties which are incumbent on them in connection with the rendering of the services to guarantee information security.

#### 3. Protection of the Customer's data against misuse and loss

The Supplier hereby undertakes to secure all the Customer Data received or generated by it immediately, effectively and in compliance with the state-of-the-art against unauthorized access, modification, destruction or loss, prohibited transmission, other prohibited processing and any other misuse. In securing the Customer Data, the Supplier must take all state-of-the-art precautions and measures to ensure that data can be archived and restored at

any time without loss. If during the continued performance of the provision of Services the state of the art with regard to security measures changes, Supplier shall undertake to all measures to secure all Customer Data according to the new state of the art.

#### 4. Ownership of Customer Data

Customer and its Affiliated Companies possess and retain all right, title and interest in and to their data and Supplier's possession thereof is solely on Customer's and/or Customers Affiliate's behalf.

#### 5. Protection when sending information

Any data which is sent, either physically or electronically, in the context of the supplies and services must be transmitted by means (e.g. registered post, courier, email encryption) which are appropriate to the degree of sensitivity of such data.

#### 6. Protection against malware

The Supplier shall use state-of-the-art test and analysis procedures to examine all services and data carriers or electronically (e.g. via email or data transfer) transmitted services to ensure that they are not compromised by malware (e.g. trojans, viruses, spyware) before such services are provided or used. Data carriers on which malware is detected may not be used. The Supplier shall inform the Customer immediately if it discovers that the Customer is compromised by malware. The same obligations apply to all forms of electronic communication.

#### 7. Transparency in services and processes

Services may not contain any undocumented mechanisms or functions which may compromise their security. Data may only be transmitted automatically to the Supplier or to third parties with the Customer's explicit written consent.

#### 8. Communication in the event of defects or errors in the services provided

The Supplier shall inform the Customer immediately if it discovers defects or errors in the services provided to the Customer which may compromise the Customer's operations or security.

#### 9. Handling of hardware, software, means of access and access data provided to the Supplier

All hardware, software, means of access and access data which the Customer provides to the Supplier shall be used in compliance with the Customer's terms of use. The Supplier shall keep all access data and means of access provided to it secret and take state-of-the-art measures to protect them against unauthorized access and use by third parties. If hardware, software, means of access and access data provided to the Supplier for the purpose of rendering the services are no longer required, they shall be promptly returned to the Customer. If the return of the software, means of access and access data provided is not possible, the Supplier shall delete or uninstall the software, access data and means of access provided to it but not without having contacted Customer and asking for approval of deletion/uninstallment. Afterwards, Supplier shall confirm deletion / uninstallment to Customer in writing. The Supplier may only use its own hardware and software with or on the Customer's systems and networks in connection with the rendering of a service if this has been permitted in advance by the Customer.

### Part B - Terms and Conditions for the Provision of Developed Software/Hardware and/or OT & E/E Systems solutions including Documentation

#### 1. Principle obligation of the Supplier

The Supplier's principal obligation is to provide as part of the service contract software that is ready to use in accordance with the specifications and functions set out in the software specifications provided, the corresponding documentation (such as the user manual) and, if no other contractual agreement is made, the source code, in each case in accordance with the current program and update status (hereinafter called the "Contractual Service").

The Supplier shall maintain and safeguard the operational readiness of the software, where this is agreed in accordance with a service level agreement that is to be agreed separately or as part of the agreement on software support and/or software maintenance.

The Supplier shall fulfill the contract in person. Performance of the service by a third party shall be excluded, unless the Customer agrees to the involvement of a third party in the course of prior written notification.

Once the Contractual Service has been completed, the Supplier shall notify the Customer of this in writing or text form and agree a date on which to

present the results of the work. The Supplier shall give the Customer an opportunity to carry out functional tests before acceptance of the Contractual Service. The parties shall reach a mutual agreement on the details of these tests.

All acceptances must follow a formal procedure. A report to be signed by both parties shall be produced for the acceptance. If the Contractual Service is not ready for acceptance, the Supplier undertakes to rectify the defects immediately and present the service to the Customer again for acceptance.

#### 2. Rights of use

##### 2.1 Ownership and the Customer's exclusive rights of use

Ownership of all results and interim results of services provided by the Supplier with regard to the development of software/hardware and/or OT & E/E Systems as part of the contract, e.g. performance descriptions, specifications, studies, concepts, documentation, including installation, usage and operating manuals as well as documentation on maintenance, the source code and further development, reports, consultancy documents, charts, diagrams, images and bespoke software, programs, adapted software (customizing) and parameterization as well as all interim results, aids and/or other performance results produced in the course of this (together: "Work Results") shall pass to the Customer when these objects are handed over, providing they are physical objects.

In other respects, the Supplier grants the Customer exclusive, permanent, irrevocable, sub-licensable and transferrable rights to the Work Results when these are created but at the latest when they are handed over. The operation of the software may be carried out for the Customer and its Affiliated Companies by one of these companies.

The Customer may - in addition to its own use - provide the software to its Affiliated Companies for their own use in accordance with the provisions of the agreements entered into and may use the software for these companies. This right of use is temporary; it ends six calendar months after the point in time at which the Customer and the using company are no longer affiliated with each other.

The Customer may have the operation of the software carried out by a third company (e.g. as outsourcing or hosting). The Customer shall inform the Supplier of this in writing in advance and shall submit the third party's declaration to the Supplier at the latter's request that the software will be kept secret and used exclusively for the purposes of the Customer and its Affiliated Companies.

Outside the scope of warranty rights, the Customer may hand over the software to third parties for the purpose of rectifying errors. It may provide the software, including the written documents, to third parties for the training of the employees of the Customer and its Affiliated Companies.

These rights shall be unlimited in respect of the geographical area, time and content and have no limitation in respect of the use and exploitation.

These usage rights shall include all types of use, in particular the storage, loading, execution and processing of data, processing in any way, including error correction, also by third parties, including permanent combination with the Supplier's services, the right to reproduce and disseminate, the right of performance and presentation, including in public, the right to market, make changes, convert, translate, make additions to and develop further. The usage right shall also include future novel usage forms. With regard to novel usage forms, the Supplier shall indemnify the Customer against any claims of the authors in accordance with the relevant Chinese laws.

The Customer may make backup copies in accordance with a use in accordance with the respective state-of-the-art.

The Customer may print out and copy the user manual and other information and also make them available to the Affiliated Companies.

The Customer shall be entitled to grant both free-of-charge and paid-for sublicenses and further usage rights to these usage rights and to transfer usage rights to third parties, without requiring further permission from the Supplier.

The Supplier shall ensure that those he brings in to fulfill the contract for him will waive the following rights: to be named as authors, and to have access



to any original copies of software or other work such as documentation, drawings and other Work Results that may be protected by copyright.

#### 2.2 The Customer's non-exclusive usage rights

The Supplier hereby grants the Customer and its Affiliated Companies a non-exclusive, irrevocable, permanent right to use works, other copyright material and other un-protected technical knowledge ("Know-how") that the Supplier had already developed or used before the start of the contract and Know-how, standard software and development tools (together called "**the Supplier's Intellectual Property**") acquired by the Supplier and his vicarious agents the course of providing the service, independently of the Contractual Service. These rights shall not be limited to a specific geographical area, they shall be transferable, sub-licensable usage rights that are covered by the agreed compensation, providing this is necessary for the Customer and its Affiliated Companies to use the Work Results provided by the Supplier, without further consent being required on the part of the Supplier. This also includes the reproduction, editing and modification of the Supplier's Intellectual Property by the Customer and its Affiliated Companies or third parties, providing that this is required to use the Work Results.

This right of use of the Affiliated Companies is temporary; it ends six calendar months after the point in time at which the Customer and the using company are no longer affiliated with each other.

#### 2.3 Usage rights for customizing services

Where the Supplier has customized his own software or the software of third parties for the Customer, he shall grant the Customer and its Affiliated Companies usage rights to this in accordance with item 2.1.

#### 2.4 Duty to notify

Before the end of the contract the Supplier shall give the Customer written notification of all third-party software, standard software, development tools and other works (such as all documentation required for the further development and processing of the Supplier's performance results) to be used in the context of developing the Work Results, including materials that the Supplier uses under license. These, including the Supplier's rights, are to be listed in the contract. Unless agreed to the contrary in the contract, the Supplier shall grant the Customer the usage rights to third-party software, standard software, development tools and other works in accordance with Item 2.2.

#### 2.5 Coauthors

Where the Supplier's employees or vicarious agents are coauthors, the Supplier warrants that he has acquired from them the right to grant usage and exploitation rights set out in Items 2.1 and 2.2 above.

#### 2.6 Rights to inventions

Where Work Results contain inventive achievements, if the invention has been made by an employee, the Supplier undertakes to claim it in good time and transfer the invention to the Customer. The Customer is free to make the decision whether to register inventions for worldwide intellectual property rights in his name or the name of a third party designated by him. The Supplier undertakes to make any declarations and provide signatures to obtain, maintain and defend inventions. No special remuneration shall be provided for this.

#### 2.7 Granting of rights for updates and supplementary performance

Updates, upgrades, additions, new versions and similar as well as the updated documentation in each case (together called "Updates") provided to the Customer by the Supplier shall also be subject to the provisions of this agreement.

#### 2.8 Continued application

In case usage rights are permanently acquired and provided all agreed remuneration has been paid, the usage rights granted shall not be affected by withdrawal from the contract, its termination or ending in any other way.

### 3. Defects and performance disruptions

The Supplier shall take special care to ensure that the Contractual Service is free from third party rights that limit or exclude the use in accordance with the contractually defined scope and that claims by third parties that the rights of use to be granted to the Customer infringe the rights of this third party can be warded off. They shall document their own procurement processes with the greatest accuracy, ensure a secure transfer of rights by drafting contracts with their employees, select sub-suppliers with the greatest possible care, follow up any suspicion of a defect of title immediately and intensively. Should a third party assert such claims, the Supplier shall, upon notification of the Customer that their rights of use are being attacked by a third party, make this information and their expertise available to the Customer without restriction in order to clarify the facts and defend against the alleged claims. If possible, the Supplier shall conclude agreements with its sub-suppliers which enable and ensure comprehensive fulfilment of these

obligations. In the event of a legal dispute with the third party, the Supplier shall provide evidence in the correct form according to the respective type of proceedings (e.g. as an affirmation in lieu of an oath or as original documents).

The Supplier also shall take special care to ensure that the Contractual Service meets the Customer's special requirements, the specified or agreed technical or other specifications and is suitable for the planned use that is consistent with the agreed performance requirements.

Any deviation of the Contractual Service from the agreed quality shall always be deemed to be a quality defect. The same shall apply if the Contractual Service is not suitable for the use set out in the contract.

The documentation is deemed to be defective if a knowledgeable user with the level of knowledge usually expected to use the software cannot, by applying reasonable effort with the help of the documentation, operate individual functions or resolve the problems that occur.

The Supplier acknowledges that the smooth interaction between the Contractual Services and the current programs but at least those intended for the purpose of the contract is of utmost importance for the Customer in order to ensure the functioning of Customer's business operations and that Customer has commissioned the Supplier with the provision of Contractual Services and thus does everything they can to ensure that the Contractual Services can be operated free of malfunctions using the Contractual Service on the basis of industrial standards. The Supplier furthermore acknowledges that compliance of the Contractual Service with the current statutory requirements at the time of acceptance is of utmost importance to the Customer and shall take special care to ensure that such compliance is given.

The limitation period for quality defects shall be within the statutory provisions starting from the time when the Customer gets knowledge of the defects or should have known them. A defect notification by the Customer suspends the statute of limitations. The Customer shall inform the Supplier without delay of any defects that occur up to the time the statute of limitation applies. If required and after consultation, the Customer shall be involved as required in analyzing and rectifying the defect.

#### 3.1 Supplementary performance

The Supplier shall rectify defects immediately and within an appropriate period during the warranty period, taking account of the Customer's interests, and either deliver an improved version of the Contractual Service or provide the Contractual Service from new. If use in accordance with the contract causes an impairment of the rights of third parties, the Supplier shall either modify the Contractual Service so that it does not infringe the protected rights or obtain authorization so that the Contractual Service can be used in accordance with the contract without any limitation and without additional cost for the Customer. The provision of a replacement solution or a workaround can be used as a short-term measure to provide a temporary solution or to bypass the effects of a defect. The defect is not deemed to be rectified until it has been fully resolved within a reasonable period of time.

If the Supplier fails to rectify the defect immediately and if the Customer suffers an unreasonably high disadvantage in relation to the Supplier's disadvantage due to the failure to remedy the defect immediately, the Customer shall be entitled to remedy the defect himself, to have it remedied or to procure a replacement at the Supplier's expense. The costs to be reimbursed by the Supplier shall not be disproportionate and shall be limited to the amount which the Supplier would have incurred if it had rectified the defect itself within the rectification period to which it is entitled. Further legal or contractual claims remain reserved.

#### 3.2 Reduction in the price, withdrawal

If the Supplier refuses to rectify the defect or is unsuccessful in doing so or if the additional period allowed to the Supplier passes without a resolution being found, the Customer may choose whether to reduce the remuneration or withdraw from the contract in full or in part unless it has remedied the defect himself subject to Item 3.1.

#### 3.3 Withholding of payment and offsetting payments

If the Supplier does not meet his obligations, the Customer may hold back payment for the Contractual Services until the Supplier has fulfilled his obligations in full. The Customer may deduct his claims against the Supplier from remuneration due to the Supplier on account of the Supplier's failure to comply with his obligations.

#### 3.4 Reimbursement of expenses, compensation

More extensive claims, including in relation to compensation and reimbursement of expenses, shall not be affected.

#### 4. Open-Source-Software

Open Source Software ("OSS") is software, which is generally provided free of charge and open source and can be used under a license, which does not restrict redistribution of the software, allows modifications and derived works and must allow redistribution thereof under the same terms as the license of the original software ("OSS-License"). OSS-Licenses include without limitation "Berkeley Software Distribution License" (BSD), "GNU General Public License" (GPL), and the "GNU Lesser General Public License" (LGPL). Copyleft Licenses are licenses that require that any derivative work or work based on the program is distributed or conveyed only under the original license terms ("Copyleft License").

##### 4.1 Requirements

OSS may only be included in the software provided by the Supplier with prior written approval by the Customer. The Supplier will provide to the Customer all information and materials necessary for deciding on the use of OSS in the software. This includes:

- (i) a transparent and complete list of all components licensed under an OSS-License,
- (ii) the license text of each OSS-License,
- (iii) copyright notices,
- (iv) the results of a state of the art security and vulnerability scan of all open source code used, and
- (v) A clear description and documentation regarding the technical integration of the OSS components.

The Customer will grant the approval in its sole discretion. A granted approval is to be revoked, if the provided information or materials are false or incomplete.

OSS-License texts and the respective source code must be provided separately. The Supplier will provide all open source code to the extent that this is required by applicable licenses.

The Supplier will put the Customer in a position to completely comply with all requirements under the applicable OSS-Licenses at all times.

This requirements also apply to any updates, patches, upgrades or new versions of the software.

##### 4.2 Responsibility

The Supplier is aware of its special responsibility to protect the Customer from damage caused by the integration of OSS software in the software supplied by the Supplier and the use of such software by the Customer. In view of this, the Supplier shall take special care that it:

- (i) complies at all times with the license requirements of applicable OSS-Licenses and that the Customer has received all necessary licenses from the authors of the OSS incorporated in the software,
- (ii) has an Open Source Compliance System in place that is in accordance with best practices of the industry,
- (iii) uses only OSS components that are licensed under compatible OSS-Licenses,
- (iv) has not incorporated any Copyleft License in the software,
- (v) has scanned all open source code used in the software for security risks.

##### 4.3 Indemnification

The Supplier shall indemnify, defend, and hold harmless the Customer and Customer's affiliates, employees, directors or agents of any claims, damages, expenses and liability which arise in direct or indirect connection of Supplier's breach of one of the foregoing requirements of obligations, irrespective under what legal theory.

#### 5. Software Development Lifecycle

For work that includes software development, the Supplier shall:

- (i) adopt a Secure Software Development Lifecycle approach according to well known standards, such as IEC 62443 4-1. A certification is expected.
- (ii) provide evidence that identified security requirements and corresponding security controls are designed and implemented into the software.
- (iii) ensure that appropriate security tests including but not limited to static and dynamic code checks and continuous vulnerability assessment are applied in the development and integration pipelines and any issues uncovered are remediated before software release; and
- (iv) allow Customer and/or its agents to carry out Vulnerability Assessments of the developed software. If any vulnerability with a risk score of "high" or "critical" is found by the Customer, the Supplier shall take action to mitigate the risks before the software release.

#### 6. Vulnerability Management

(i) The Supplier will engage an independent and trusted Vulnerability Assessment service and/or cooperate and assist an independent third party appointed by the Customer in the conduct of Vulnerability Assessments.

(ii) The Supplier shall on a monthly basis, review the Supplier's sources of threat and vulnerability information for the latest vulnerabilities, threats and remediation relevant to the systems under the Supplier's management.

(iv) The Supplier shall conduct both network level and application level Vulnerability Assessments to identify controls that may be missing or not effective to protect a target from potential threats.

(v) The Supplier shall implement a remediation plan of mitigation activities once a vulnerability is identified or to prevent a vulnerability from arising, and for prioritising, tracking and monitoring the plan's progress. All remediation plans shall be documented for future reference. Vulnerabilities with a significant security impact shall be remedied as soon as practicably possible in agreement with the Customer. For lower and medium risks, the timescale for remediation shall take into account the cost, time and effort required to mitigate the risks.

(vi) The Supplier shall retest all vulnerabilities post remediation activities, to confirm that the risks have been mitigated to acceptable levels as defined by the Customer.

(vii) The Supplier shall promptly provide the Customer with the following:

- the reports (in original format) of the results and recommendations of the Vulnerability Assessments provided by the independent Vulnerability Assessment service providers; and
- the Supplier's remediation plans to remediate identified vulnerabilities.

(viii) The Supplier shall notify the Customer immediately if it fails to remedy any Critical or High rated Vulnerability and shall propose and agree with the Customer necessary security controls.

(ix) The Supplier shall ensure that all applications, middleware, back-end software, Systems and networks are built and configured securely by default. As part of standard build deployment, technology components will have configuration settings used in accordance with sources of authoritative security recommendations such as those provided by product Suppliers (e.g. Siemens, Microsoft) or industry groups (e.g. ISO, IEC, CIS, NIST, SANS, OWASP).

(x) Vulnerability Assessments, regardless of type or target, and all work and time required to carry out remediation activities, will be at the cost of the Supplier and will not be charged to the Customer.

#### 7. Security Governance

(i) The Supplier will appoint an individual (the "Supplier Security Manager"), to:

- coordinate and manage all aspects of security in accordance with the Agreement; and
- act as the single point of contact on behalf of the Supplier and its Subcontractors in the event of a Security Incident.

(ii) In the event that the Supplier wishes to change the Supplier Security Manager it will notify the Customer in writing, providing contact details for the replacement individual.

(iii) If the Supplier has any questions in relation to any aspect of IT Security or the implementation of the requirements in this Schedule, it will consult with the Customer.

#### 8. Risk Management

(i) Upon reasonable request of the Customer, for the cases when the Supplier has interaction with the Customer's IT system, the Supplier will assist the Customer with a Security Risk Assessment of the work, which may be carried out at any time during common business hours.

(ii) In the event that any issues identified from a Security Risk Assessment are rated High or Critical, the Supplier will provide all reasonable assistance to the Customer in the analysis of the risks and identification of appropriate controls to be implemented by Supplier to protect the Customer's Data or Service managed or possessed by the Supplier in accordance with the requirements detailed in this document.

(iii) In the event that the Supplier intends to make any material change to its provision of work, or the Customer requests any material change to the work, the Supplier will perform a Security Risk Assessment.

(iv) The Supplier will ensure that any risks identified in a Security Risk Assessment are promptly remediated, monitored and managed until their closure. The Supplier shall keep the Customer informed of remediation activities for all risks identified during the Security Risk Assessment.

#### 9. Personnel Security

(i) The Supplier will ensure that any Supplier or Supplier Personnel with access to the Customer Data have been vetted and screened in accordance with this agreement and/or as directed by the Customer.

(ii) The Supplier and its Subcontractors shall ensure that all Supplier Personnel receive any required training and are aware of their responsibilities regarding the security provisions in this agreement.

(iii) The Supplier shall implement and maintain appropriate controls to reduce the risks of human error, theft, fraud or misuse of facilities by the Supplier Personnel.

#### 10. Data Center Security

(i) The Supplier shall implement and maintain appropriate physical and environmental security controls to prevent unauthorised access, damage and interference to any Data Centres containing Customer Data or any information utilised in the provision of the work.

(ii) The Supplier shall ensure that all Data Centres are certified to ISO 27001 (or any standard which replaces or supplements ISO 27001).

(iii) The Supplier shall give the Customer reasonable prior written notice of any proposed change by Supplier of any procedures or policies applicable to a Data Centre which might reasonably be expected to increase the risk to the security and Integrity of any Customer Data.

#### 11. Access Control

(i) The Supplier shall ensure appropriate access control mechanisms are employed to verify and authenticate all users (or entities), whether from the Supplier, a third party or the Customer, before access is granted to the work.

(ii) All users (or entities) which access or request access to the work will be provisioned, managed and authorised as part of a defined access management process.

(iii) The Supplier shall use an authentication method supporting a minimum of a user ID and password combination, where the user IDs and passwords are unique, not reassigned and not shared by a group of users. In the case of administrative accounts, the supplier shall require an additional factor for authentication.

(iv) The Supplier shall require all users transitioning from a lower to a higher privilege or sensitive level of access to re-authenticate.

(v) The Supplier shall use appropriate controls to protect passwords and other access credentials in storage and when transmitted. The Supplier shall not transmit or store passwords in clear text and not visibly display passwords on the Systems when logging in.

(vi) The Supplier shall not hard code user IDs and passwords in scripts or clear text files such as in shell scripts, batch configuration files and connection strings.

#### 12. Network Security

(i) The Supplier shall manage the transmission of the Customer Data in a network environment under the direct control of the Supplier (or a Subcontractor). The network shall be managed and protected from external threats, including but not limited to access control at the physical, network and application levels to allow only those who have legitimately been authorised by the Supplier to have access to the Customer Data. The network shall be segregated to deny access from public or untrusted networks, including networks belonging to third parties with whom the Supplier have not agreed a contract with clauses equivalent to the clauses in this terms and conditions and a separate data processing agreement (DPA).

(ii) The Supplier shall ensure the Systems are updated with the latest and relevant security software and pre-tested and authorised security software patches and fixes from other Supplier-provided Systems regularly and in a timely manner. The Supplier shall conduct Vulnerability Assessments to assess the configuration and software patch status of the systems on a monthly basis.

(iii) The Supplier shall ensure that all Customer network connections to the Supplier's network transporting any Customer Data classified "CONFIDENTIAL" over an untrusted network, such as the internet, is via an encrypted network link in compliance with the Customer Security Policies or published standards such as ISO or NIST.

(iv) The Supplier shall ensure auditable events are generated, including but not limited to security specific events, all successful and failed access attempts on the network, and will maintain a log of all changes to the security configurations of the network.

(v) The Supplier shall establish, implement and manage procedures and a Security Information and Event Management (SIEM) system to monitor the security of the network for suspected intrusion or unauthorised access.

(vi) The Supplier shall ensure that the process and controls used to perform security monitoring will be implemented in such a manner as to maintain the Integrity, confidentiality and availability of collected security monitoring related events.

(vii) The Supplier shall maintain segregation of any development and test environments from production environments. Any live Customer Data contain-

ing Personal Data shall be made anonymous (i.e. converted into a form which does not identify individuals or enable data to be rebuilt to facilitate identification) before they are used for testing and have explicit written approval from the Customer.

(viii) Where a Supplier's system or network is connecting to the Customer network, the Supplier system or network must comply with Customer Security Policies.

#### 13. Subcontractors and Third parties

(i) When engaging a Subcontractor, the Supplier shall procure that the Subcontractor agrees to the same terms and conditions as contained in this document in respect of IT/OT & E/E Systems Security for the direct benefit of the Customer and enter into a separate data processing agreement (DPA), if necessary, whereas it principally deems necessary, if Customer and Supplier have entered into a data processing agreement (DPA).

(ii) Upon request from the Customer, the Supplier shall verify and provide a written report in detail on its Subcontractors' compliance with the security obligations required of the Subcontractors in accordance with this terms and conditions document.

(iii) Where the Supplier engages a third party for the purposes of delivering the work to the Customer, the Supplier will:

- a) authenticate all third party systems using technology and processes to enforce non-repudiation;
- b) implement controls to protect the Supplier's network from unauthorised access between:
  - 1) the third party network and the Supplier's network;
  - 2) the third party network and any internet access points; and
  - 3) the third party network and other third party networks connected to the Supplier's network;
- c) restrict all inbound and outbound connections to or from third party networks to specific hosts, ports and work on these hosts to the minimum required to meet the needs of the Customer;
- d) communicate all changes to the scope of work, including firewall rule changes, to the Customer if requested;
- e) maintain a list of all individuals who have access to the Supplier's network and review the list on a monthly basis;
- f) log all successful and failed third party access and make them available for review by the Customer when required;
- g) immediately notify the Customer of any security breaches, including actual or suspected unauthorised access to or compromise of any system, and take such remedial actions in accordance with this terms and conditions; and
- h) review all third party network connections on an annual basis or when there is a change to the connections and access control requirements and terminate any obsolete or un-required third party connections.

(iv) The Supplier shall be responsible for any breach of duty on the part of its subcontractors to the same extent as it is responsible for its own breach of duty.

#### 14. Security Incident Management

(i) The Supplier shall at all times monitor and verify that all access to the Customer Data is authorised and to check for any Security Incidents.

(ii) In the event of a Critical Security Incident or Major Security Incident, as determined by the Customer, the Supplier shall:

- a) notify the Customer no later than four hours after the Security Incident (including, where necessary, escalating such notification);
- b) respond immediately and in an appropriate manner to such incident in accordance with the Security Service Levels and the procedure set out in the Security Incident Response Plan; and
- c) provide immediate assistance to the Customer and/or Customer's representatives into the investigation and retain all documentation relating to any such investigations.

(iii) The Supplier shall not disclose the details of a Security Incident or weakness to third parties without written authorisation from the Customer.

(iv) The Supplier shall collect and secure evidence in the investigation of a Security Incident using forensics procedures, ensuring a chain of custody and, where necessary, compliance to regulatory requirements.

(v) The Supplier shall classify all reports of Security Incidents as "CONFIDENTIAL" in accordance with the Customer Data Classification Policy and ensure that appropriate controls are applied to protect this information.

(vi) The Supplier shall, in the event of a Security Incident, provide reports on Security Incidents. Such reports shall include, but shall not be limited to:

- a) the source and destination of the event as well as the time, date and type of event;

- b) a weighting of criticality (Low Priority, Major or Critical Security Incident);
- c) a Root Cause Analysis report in respect of each security incident; and
- d) an individual reference number to be tracked.

(vii) Following a Security Incident, or as requested by the Customer, the Supplier shall initiate corrective action to minimise and prevent future Security Incidents relating to the scope of work.

(viii) The Supplier shall invoke backup and recovery procedures in response to Security Incidents that result in lost or damaged information.

#### **15. Security Audits**

(i) Supplier shall grant access (during Supplier's regular working hours) to the Customer and/or any external auditors appointed by the Customer, to the premises and/or records of the Supplier for the purposes of:

- a) reviewing the Integrity, confidentiality and security of the Customer Data and/or the scope of work;
- b) ensuring that the Supplier is complying with this terms and conditions; or
- c) carrying out a Vulnerability Assessment of any of the systems containing Customer Data.

(ii) Customer shall be entitled to conduct an audit in accordance with paragraph (i) once in any calendar year during the term of the Agreement, provided that the Customer shall be entitled to conduct an audit at any time if it reasonably suspects Supplier to be in material breach of this terms and conditions.

(iii) In the event of an investigation into suspected fraudulent or criminal activity relating to IT/OT & E/E Systems Security and/or the provision of the work by the Supplier or any of its Subcontractors, the Supplier shall provide to the Customer, any statutory or regulatory auditors of the Customer, and their respective authorised agents, prompt access to the premises and records of the Supplier for the purposes of conducting an audit and Supplier shall render all necessary assistance to the conduct of such investigation at all times during the period of the Agreement or any time thereafter.

(iv) Each party shall bear its own costs and expenses incurred in exercising its rights or complying with its obligations.

(v) The Supplier shall, and will procure that its Subcontractors shall, provide the Customer (and/or its agents or representatives) with the following:

- a) all information requested by the Customer within the permitted scope of any audit;
- b) access to any sites or Data Centres controlled by the Supplier in which any equipment owned by the Customer is used in the performance of the work for the purposes of an audit;
- c) access to records held in the Supplier information systems for the purposes of an audit; and
- d) access to Supplier and Supplier Personnel for the purposes of an audit.