



# General Terms and Conditions of Purchase for Deliveries and Services of Third Parties to Companies of TÜV SÜD Group

## 1. Conclusion of the contract, cancellation, writing, confidentiality, prohibition of sub-contracting, changes to the order

**1.1** The legal relationships between the Contractor and the companies of TÜV SÜD Group (for the purpose of these terms of purchase, **Group** means, in relation to a party, that party, any subsidiary or holding company from time to time of that party, and any subsidiary from time to time of a holding company of that party, all as defined in the Companies Act 2006) as the Customer are based exclusively on these terms of purchase and on any other written agreements. The Contractor's Standard Terms and Conditions shall not apply. Acceptance by the Customer of the delivery/service without an explicit objection shall not be deemed as acceptance, by the Customer, of the Contractor's terms of delivery.

Deliveries within the meaning of these terms of purchase shall be both deliveries of goods and contracts for work and services.

**1.2** These terms of purchase replace all previous terms of purchase and shall also apply to future business relations, unless they are replaced by a new version. Agreed deviations shall apply only to the order for which they were confirmed in writing (for the purposes of these terms and conditions, **writing** shall include email but exclude fax).

**1.3** Only orders that are issued or confirmed in writing shall be legally binding. This shall also apply to subsequent amendments to the contract.

**1.4** If the Contractor does not accept the order in writing within ten working days of receipt the Customer may cancel the order.

**1.5** The Contractor agrees to treat the conclusion of the contract and all non-publicised commercial or technical details that it becomes aware of through the business relationship as confidential information and the obligations of this clause 1.5 shall apply. Any referral of the contract to third parties as a reference shall require the Customer's prior approval in writing. Subcontractors must be subjected to the same obligations.

If the Contractor discovers that information that is to be kept confidential has been made available to an unauthorised third party or that a document that is to be kept secret has been lost, it shall inform the Customer of this without delay.

The obligation of confidentiality shall also apply after termination or expiry of the contract. It shall only expire if and so far as information contained in the documents that were handed over has become publicly known.

**1.6** The Contractor shall not be entitled to sub-contract the order or essential parts of it to third parties without the Customer's prior written approval.

**1.7** The Customer may request changes to the order even after the conclusion of the contract insofar as this is acceptable to the Contractor. The provisions of the contract shall be amended appropriately in such cases.

## 2. Prices, shipping, packaging

**2.1** The agreed prices are fixed prices and exclude all types of additional demands. All prices are understood to be DDP (Delivery Duty Paid, Incoterms 2020) to the destination set out in the purchase order including packaging. If prices are not shown in the order, the Contractor's list prices valid at the time of the order shall apply with the standard deductions.

**2.2** No payments shall be made for visits, specimens/samples or preparing offers, projects, etc.

**2.3** All deliveries shall be notified to the Customer without delay after shipping by means of an advice of shipment which shows exactly the type, quantity and weight. Notifications of shipment, bills of freight, invoices and all correspondence must show the Customer's order number.

**2.4** Provisions governing the transport of hazardous materials must be complied with; in particular, hazardous goods must be marked as such.

**2.5** Deliveries ahead of schedule, excess deliveries, deliveries of less than the full amount or partial deliveries shall require the Customer's prior written approval. In the case of agreed partial deliveries the remaining balance must be shown.

**2.6** Shipping shall take place pending delivery to the destination indicated by the Customer at the sole risk of the Contractor.

**2.7** Unnecessary packaging must be avoided. Only environmentally friendly packaging materials may be used. If packaging is invoiced separately, the Customer shall be entitled to return to the Contractor packaging that is in good condition at the Contractor's cost. The Contractor shall reimburse the Customer for 2/3 of the value shown on the invoice for packaging of this kind.

## 3. Documents, safety devices, intellectual property rights

**3.1** Storage, assembly and operating instructions and any necessary safety devices shall be provided at the Contractor's cost. This shall also apply to documents that are required for the maintenance and repair of the delivery item.

**3.2** The Contractor, at its own cost, shall furnish documentary evidence of origin requested by the Customer with all the necessary data, duly sign it and make it available without delay.

**3.3** Implementation records, in particular drawings, jigs and fixtures, tools, models, etc., which the Customer provides to the Contractor for the implementation of the order, or which were made in accordance with the Customer's instructions or paid for by the Customer, shall remain the property of the Customer. The Contractor may only use them for the contractually agreed purposes, and they may only be made accessible to third parties with the Customer's written approval. After the order has been carried out the above-mentioned items shall be returned to the Customer without exception.

**3.4** The Contractor warrants that all deliveries are free of the proprietary rights of third parties and that in particular the intellectual property rights, licences and copyrights or other patent rights of third parties are not infringed by the delivery and use of the delivery items.

**3.5** The Contractor shall indemnify the Customer and its customers from all claims by third parties arising from any infringements of intellectual property rights and shall bear all the costs that accrue to the Customer in this context.

**3.6** The Customer shall have the right to obtain from the rightful owner at the Contractor's cost the approval to use the delivery items concerned.

**3.7** The Contractor shall not be entitled to make use of the Customer's trade name, logos or trademarks for its own benefit or that of third parties. Without the Customer's prior written approval, the Contractor may not use these either individually or in combination with its own trade name, trademarks or logos.

If the Customer grants its approval the Contractor shall strictly comply with the instructions with regard to size, positioning and layout of the trade name, trademarks or logos.

## 4. Dates, contractual penalty, substitute performance, and termination

**4.1** Agreed delivery dates and periods are binding on the Contractor. The receipt of the shipment or the provision of the works and services free of defects at the delivery point indicated by the Customer, or the successful acceptance in good time, shall be decisive for compliance with such dates and periods.

**4.2** A contractual penalty shall become due if the Contractor defaults on a contractual date or period. The contractual penalty shall be 0.2 % of the net value of the order per calendar day of the

delay but not exceeding 5 % of the net value of the order; several claims to contractual penalties shall be aggregated. The Customer reserves the right to claim further damages.

**4.3** . The acceptance of a late delivery or late works and services shall not contain a waiver of claims for compensation, including in respect of the contractual penalty.

The Customer shall also be entitled, in lieu of terminating the contract to have the order carried out by a third party at the expense of the Contractor.

**4.4** The Contractor shall notify identifiable delays to deliveries immediately. The Contractor's liability for delays to delivery dates and periods shall only be excused for events that is beyond its control if it has notified the Customer without delay of the reason for this in accordance with clause 8. The Contractor may only rely on the lack of necessary documents to be supplied by the Customer, if it had sent a written reminder for the documents and did not receive them within an acceptable period.

**4.5** The Customer may terminate the contract for convenience by providing 7 days' prior written notice to the Contractor. In the event of termination under this clause 4.5, the Customer shall pay the Contractor fair and reasonable compensation for all work in progress carried out up to the date of termination.

## **5. Warranty, warranty period, claims under liability for defects, damages, periods for giving notice of defects**

**5.1** The Contractor warrants that all deliveries will be in conformity with the agreed specifications and comply with the latest accepted engineering standards, with any applicable statutory requirements, including any rules and regulations by authorities, trade bodies and professional associations. If the Contractor has reason to believe that a delivery shall not conform with this clause 5.1, it shall inform the Customer without delay in writing.

**5.2** The Contractor agrees, to the extent that this is economically and technically possible, to use environmentally friendly products and processes for its deliveries and also for the deliveries or ancillary services of third parties. At the request of the Customer, the Contractor shall issue a certificate of inspection for the delivered goods at its own expense.

**5.3** The Customer shall notify in writing all patent defects of the shipment/service/work without delay as soon as they are detected in accordance with the conditions of ordinary business, but not later than within 5 working days of receipt by the Customer of the shipment / acceptance. In the case of latent and inherent defects this notification period shall be 3 working days after detection.

**5.4** Following a request by the Customer, the Contractor shall, without delay and at the Contractor's expense, remedy defects of the shipment/service or work and services that are the subject of complaints during the warranty period; such defects shall also include the non-achievement of warranted data and the lack of warranted qualities. The Customer shall be free to choose the type of remedy, i.e., repair, replacement of the defective parts or a replacement delivery.

The Contractor shall in particular bear all expenses in connection with the detection of the defect and its remedy, insofar as these accrue to the Customer, in particular inspection costs, costs of dismantling and assembling, freight charges, transport costs and the costs of labour and materials. This shall also apply insofar as the expenses are increased because the delivery item was taken to a location other than the place of performance.

If necessary, the Contractor shall carry out repairs or new deliveries with increased workforce capacity or during overtime or on public holidays.

After the second unsuccessful expiry of a reasonable time limit set by the Customer for repair or a replacement delivery the Customer shall be entitled to accept the defective delivery subject to receiving a reasonable price reduction or to reject the delivery and terminate the contract and obtain a full refund of all sums paid in connection

with the defective delivery. An agreed period for the replacement delivery shall have the same legal effects as a time limit set by the Customer.

If the non-fulfilment or defective performance is limited to a definable part of the service, the Customer may exercise any of the above rights in respect of part of the contract and the remainder of the contract remains in force.

The Customer reserves the right to claim damages in all cases.

**5.5** The warranty period shall be 24 months from the delivery of goods or the performance of services. As regards installations, machinery and plants the applicable warranty periods shall commence on the date of the acceptance inspection referred to in the written acceptance declaration by the Customer. If the acceptance is delayed for reasons beyond the Contractor's control, the applicable warranty period shall commence upon the provision of the delivery item for the acceptance inspection.

**5.6** For deliveries or parts thereof which cannot be used by the Customer during the period in which the defect is examined and/or remedied the current warranty period shall be extended by the period of interruption of use. For repairs or replacement deliveries or parts thereof the warranty period shall commence again after transfer of the risk.

## **6. Quality assurance, product liability**

**6.1** The Contractor shall carry out quality assurance suitable in its type and scope and in accordance with the state-of-the-art industry standards and shall provide evidence of this to the Customer on demand. The Contractor shall conclude an appropriate quality assurance agreement with the Customer where the latter regards this as necessary.

**6.2** The factory inspections carried out by the Contractor shall ensure that the deliveries conform to the Customer's technical specifications. The Contractor agrees to make records of all inspections and tests carried out and to file all test, measuring and inspection results for ten years. The Customer may inspect these documents at any time and make copies.

**6.3** Unless otherwise agreed the Contractor shall mark the delivery items in such a way that they are permanently recognisable as its products.

**6.4** If claims are made against the Customer for a breach of health and safety regulations or product liability regulations or statutes because of defectiveness of its product that is attributed to the Contractor's goods, the Customer shall be entitled to demand compensation from the Contractor for the damage insofar as this was caused by products supplied by the Contractor.

This damage also includes the costs of a precautionary recall action. As far as this is possible and reasonable the Customer shall inform the Contractor of the contents and scope of the recall measures and provide the Contractor with an opportunity to comment on such measures.

**6.5** In addition the Contractor shall obtain adequate insurance against all risks under product liability including the recall risk and, at the Customer's request, shall submit the insurance policy to it for inspection.

## **7. Invoicing, payment, certificates, rights to withhold, prohibition of assignment, set-off, insolvency of the Contractor**

**7.1** Invoices shall be submitted separately to the Customer in duplicate with all the appropriate documentation and data after the delivery/service or works and services. Invoices that are not duly submitted shall be deemed to be received by the Customer on the date they are corrected.

**7.2** Payments shall be made in the usual form within 30 days following complete delivery or acceptance inspection of the works and services and receipt of a proper and verifiable invoice. Deliver-

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ies ahead of schedule (Clause 2.4) shall not affect an agreed date for payment.

**7.3** Insofar as certificates of material tests are agreed they shall form an essential part of the delivery or works and services and shall be sent to the Customer together with the invoice. However, the Customer must receive them not later than ten days after receipt of the invoice. In these cases, the period for payment shall commence with the receipt of the agreed certificate.

**7.4** The Customer shall have the right to exercise its rights to withhold payment in the event of incomplete or defective deliveries or provision of the works and services.

**7.5** The Contractor may not assign its claims against the Customer or have them collected by third parties without the approval of the Customer. If the Contractor assigns its claims to third parties or has them collected by third parties in spite of this the Customer shall have the option of paying the Contractor or the third party with the effect of a discharge.

**7.6** With the exception of the Contractor being the subject of insolvency proceedings, the Customer shall have the right to set off any claims brought against the Contractor by any other companies that are affiliated with the TÜV SÜD Group.

**7.7** If the Contractor discontinues payments and/or is over-indebted or if a petition for the initiation of insolvency proceedings has been made in relation to the Contractor's assets, the Customer shall be entitled to terminate the contract immediately.

## **8. Force Majeure**

In the event that either party is unable to perform its obligations to the other party in whole or in part or not in a timely manner due to an unusual and unforeseeable event beyond the control of that party (force majeure event), the affected obligations of the party relying on the force majeure event shall be suspended for as long as the force majeure event and its consequences persists; any obligations of the other party to provide consideration during this time shall lapse. Claims of the other party, in particular claims for damages, shall not arise in this respect. The party invoking force majeure shall, however, be obliged to inform the other party without delay in writing of the event, the suspended performance obligations and the expected duration of the suspension of the performance obligations. The same shall apply if, by observing a reasonable duty of care, the party invoking force majeure recognises, whilst the performance obligations are suspended, that the notified probable duration of the suspension will change significantly. If the force majeure event lasts longer than three months from the first information to the other party, both parties shall be entitled to terminate the contract immediately.

## **9. TÜV SÜD Supplier code of Conduct**

**9.1** In a manner appropriate to the size, nature and scope of its own business activities, the Contractor undertakes to comply with the expectations contained in the TÜV SÜD Supplier Code of Conduct in its own business area and to address them appropriately in its own supply chain. The Supplier Code of Conduct can be accessed, printed and downloaded at

<https://www.tuvsud.com/en/tuev-sued-sourcing>.

**9.2** The Customer reserves the right to change the TÜV SÜD Supplier Code of Conduct with a notification period of 6 weeks.

**9.3** The Contractor undertakes to inform its own employees about the contents of the TÜV SÜD Supplier Code of Conduct and to train them regularly. The Customer shall provide training material, if required.

**9.4** The Contractor undertakes to implement appropriate control measures to verify compliance with the expectations contained in the TÜV SÜD Supplier Code of Conduct, both in its own business area and to a risk-appropriate extent in its own supply chain. The Contractor undertakes to participate in risk-based supplier self-

assessment surveys conducted by the Customer to demonstrate compliance with the expectations contained in the TÜV SÜD Supplier Code of Conduct. The Customer is entitled to audit the Contractor at the Customer's expense to assess compliance with the expectations contained in the TÜV SÜD Supplier Code of Conduct. The audits can be carried out by the Customer, or a third party commissioned by the Customer after prior notification in good time. The Contractor undertakes to support the Customer in carrying out such audits; the Customer undertakes to give due consideration to the legitimate interests of the Contractor.

**9.5** If the Customer has justified doubts about the Contractor's compliance with the expectations contained in the TÜV SÜD Supplier Code of Conduct or if a breach of an expectation is imminent or has already occurred, the Contractor and the Customer shall jointly agree on appropriate remedial measures. If no agreement is reached on specific measures, the Customer will propose specific measures and, when deciding on further cooperation, will use the implementation of these measures as the decisive criterion.

## **10. Compliance**

**10.1** The Contractor hereby confirms to the Customer that neither the Contractor nor any of its employees have committed any act in connection with this agreement that may constitute bribery, nor shall the Contractor or its employees commit such acts in the future. The Contractor hereby warrants and represents to the Customer that it shall refrain from all activities, which could constitute a criminal act of fraud, fraudulent breach of trust, money laundering, criminal offence under insolvency law, criminal offence under unfair competition law, granting of an undue advantage or bribery. To prevent the abovementioned violations, Contractor shall implement and maintain reasonable measures.

**10.2** In the event that the Contractor or its employees have demonstrably entered into a culpable agreement in connection with the placement of an order, which represents an inadmissible restraint of competition, it shall be liable to pay to the Customer 10% of the respective net order value as liquidated damages. Both contract parties shall be entitled to prove that a higher or lesser amount of damage has been caused. This payment obligation shall also arise if the underlying contract has been ended by termination or withdrawal or has been fulfilled. Further contractual or statutory claims of the Customer shall remain unaffected.

**10.3** The Contractor hereby represents and warrants to the Customer that all necessary permits and authorizations have been obtained **prior** to providing Deliveries to the Customer.

**10.4** In the event of any breach of the provisions in this clause 10 attributable to the Contractor's fault, the Customer shall be entitled to stop all negotiations with the Contractor, and to immediately terminate the contract with the Customer.

**10.5** In the event that the Customer is held liable by any third party based on a breach of any undertaking in this section 10 by Contractor, Contractor hereby agrees to indemnify the Customer from any such claims. In addition, Contractor hereby agrees to reimburse the Customer for all damages caused by such third-party claims (including indirect damages).

## **11. Export Control and Embargoes**

**11.1** In connection with the performance of the contract, the Contractor shall observe all applicable and relevant restrictions due to (re-)export control and embargo regulations of the United Kingdom, the European Union, and the United States of America and/or other countries (hereinafter "export control and embargo restrictions").

**11.2** The Contractor shall notify the Customer in writing no later than one week after the conclusion of the contract and without delay in the event of changes of all information and data which the Customer requires for its part in order to comply with export control and

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embargo restrictions in the event of import, export, re-export and/or transfer of the delivered goods or provided services. In particular, in the event of delivery of goods the Contractor shall provide all relevant goods list numbers relevant for the intervention of export control and embargo restrictions.

## **12. Severability**

If any parts of these general terms of purchase are or become invalid, illegal, or unenforceable, this shall not affect the validity of the remaining provisions.

## **13. Place of performance**

Unless otherwise agreed in writing the place of performance for the obligation to deliver is the delivery location indicated by the Customer and the registered office of the Customer for all other obligations of both parties.

## **14. Contract language**

The contract language is English. Insofar as the parties to the contract use another language in addition, the English wording shall prevail.

## **15. Jurisdiction**

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with the contract, or its subject matter or formation.

## **16. Governing law**

This contract and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by, and construed in accordance with, the law of England and Wales and the UN Treaty on the International Sale of Goods (CISG) shall be expressly excluded.