

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, text form, secrecy, prohibition of sub-contracting, changes to the object of the order

1.1 The legal relationships between the Contractor and the companies of TÜV SÜD Group 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 text form.

1.3 Only orders that are issued or confirmed in text form shall be legally binding. This shall also apply to oral side agreements or subsequent amendments to the contract.

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

1.5 The Contractor agrees to treat as commercial secrets the conclusion of the contract and all non-publicised commercial or technical details that it becomes aware of through the business relationship. Any referral of the contract to third parties as a reference shall require the Customer's prior approval in text form. Sub-contractors must be subjected to the same obligations.

If the Contractor discovers that information that is to be kept secret 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 to secrecy shall also apply after the contract has been wound up. It shall only expire if and so far as the production knowledge contained in the documents that were handed over has become generally 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 approval in text form.

1.7 The Customer may request changes to the object of 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. Advices 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 approval in text form. 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 The Contractor's obligation to take back the packaging shall be governed by the statutory provisions. Superfluous 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 free of charge packaging that is in good condition. 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, industrial property rights

3.1 Storage, assembly and operating instructions and any necessary safety devices shall be provided free of charge. This shall also apply to documents that are required for the maintenance and repair of the delivery item.

3.2 The Contractor shall furnish documentary evidence of origin requested by the Customer with all the necessary data, duly sign it and make it available free of charge without delay.

3.3 Implementation records, in particular drawings, jigs and fixtures, tools, models, etc., which the Customer handed 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 guarantees that all deliveries are free of the proprietary rights of third parties and that in particular the industrial 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 industrial 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, withdrawal, substitute performance

4.1 Agreed delivery dates and periods are binding. 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, whereas the contractual penalty shall be set off against the actual damages resulting from such delay. If, on acceptance of the goods or services, the Customer did not reserve the right to claim a contractual penalty, the contractual penalty may be claimed until the final payment has been made.

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4.3 Notwithstanding the above, in the event of default by the Contractor, the rights of the Customer shall be supplemented by the statutory provisions of Philippine Civil and Commercial laws. The acceptance of a late delivery or late works and services shall not contain a waiver of claims for compensation.

Additionally, in the case of nonperformance or performance not in conformity with the contract, the Customer shall also be entitled, in lieu of withdrawing from the contract, to have the order carried out by a third party at the expense of the Contractor, with penalties and/or damages in either case.

4.4 The Contractor shall notify identifiable delays to deliveries immediately. It may only plead non-compliance with a time limit that is beyond its control if it has notified the Customer without delay of the reason for this. 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 withdraw from the contract if the delivery or the performance of the work and services are no longer of any use to it, taking into account economic aspects, any delays caused by force majeure or a labour dispute.

5. Warranty, guarantee, claims under liability for defects, damages, periods for giving notice of defects, warranty period, suspension, new start

5.1 The Contractor guarantees that all deliveries will be in conformity with the agreed specifications, however in particular with the latest accepted engineering standards, with any applicable national and international statutory requirements, including any rules and regulations by authorities, trade bodies and professional associations. If the Contractor has any misgivings regarding the type of implementation desired by the Customer it shall inform the Customer without delay in text form.

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 free of charge.

5.3 The Customer shall notify in text form all obvious 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 hidden 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 free of charge and including all ancillary costs, 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 guaranteed 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 in multishift operations or during overtime or on public holidays provided that this is necessary because of the Customer's existing essential operating reasons and provided that this can be expected of the Contractor.

After the second unsuccessful expiry of a reasonable time limit set by the Customer for repair or a replacement delivery the Customer shall, in addition to other remedies at his option, be entitled to withdrawal or price reduction, with penalties and/or damages as is warranted by the circumstances. 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 withdrawal may be limited to this part insofar as the Customer has the right to withdraw from the contract and the remainder of the contract remains in force.

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

5.5 In the event of material defects, following the unsuccessful expiry of a time limit set by the Customer, the Customer shall also be entitled with contracts of sale and purchase to the render the performance itself and to obtain an advance payment, enforcing penalties and damages as circumstances may warrant. If the Contractor fails to comply with its obligations under liability for defect within a reasonable time limit set by the Customer, the Customer may carry out the necessary measures itself or have them carried out by third parties. In urgent cases following agreement with the Contractor, the Customer may carry out the repair or have it carried out by a third party. The Customer may remedy minor defects without prior agreement in fulfilment of its obligation to minimise loss arising from liability for defects. The Customer may then charge the Contractor for the necessary expenditure. This shall also apply if unusually severe damage or heavy losses are imminent.

5.6 The statutory warranty periods shall apply, unless otherwise explicitly agreed. Any such period shall commence upon the surrender of the delivery item to the Customer or to a third party designated by the Customer at the location for reception or use stipulated by the Customer. 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.

5.7 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 guarantee 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 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 official safety regulations or under German or foreign product liability regulations or statutes because of defectiveness of its product that is attributed to the Contractor's goods, the Customer shall be entitled

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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 14 days less a discount of 3 % of the amount invoiced or 30 days without deduction calculated after complete delivery or acceptance inspection of the works and services and receipt of a proper and verifiable invoice. Discounts shall also apply, if the Customer sets off or retains payments because of defects; the discount period shall commence after the complete elimination of the defect. Deliveries 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 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 within the meaning of § 15 of the German Companies Act (AktG). Additionally, it shall suffice for the exercise of this right if under Philippine Commercial law, the claimant against the Contractor controls or is controlled by, directly or indirectly, through one or more intermediaries, the Customer.

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 withdraw from the contract. If the Customer does not withdraw from the contract, it shall be entitled to withhold an amount of at least 5 % of the net order sum as security for the contractual guarantee obligations until the expiry of the guarantee period.

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 text form 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 recognizes, 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 withdraw from the contract. The right of withdrawal shall be replaced by a right of termination for continued obligations. The suspension of a payment obligation - except in scenarios prescribed by law or if such payment obligation represents a consideration within the meaning of sentence 1 - cannot be based on force majeure. While the obligor is in default, he is liable for performance in the case of chance unless the damage would have occurred even if performance had been made in good time.

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 in order 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 he himself 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 represents to the Customer that it shall refrain

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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 violation of the provisions in this clause 9 10 beyond an insignificant extent attributable to the Contractor's fault, the Customer shall be entitled to stop all negotiations with the Contractor, and to terminate the contractual agreements with the Customer or withdraw from this agreements, both without notice period.

10.5 In the event that the Customer is held liable by any third party based on a culpable violation 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 Federal Republic of Germany, 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 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 invalid this shall not affect the validity of the remaining provisions.

13. Place of performance

Unless otherwise agreed in text form 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. However, insofar as the parties to the contract use German in any of the contract documents, the German wording shall prevail over any other language used in case of conflict or uncertainty as to meaning.

15. Legal venue

The venue of any legal action regarding any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, shall be at the proper courts of jurisdiction in Pasig City, Philippines, and no other

16. Governing law

This Contract shall be governed by and construed in accordance with the laws of Philippines. References to and the application of German, United States, or other foreign or international laws or agreements, are to be upheld as part of such stipulations, clauses, and terms as the parties deemed convenient, and allowed by contract law in the Philippines.