

General Terms and Conditions of Purchase of the TÜV NORD Group

1 General

1.1 These terms and conditions of purchase apply exclusively for all orders placed by the companies of the TÜV NORD Group within the scope of sales contracts, service contracts, contracts for work and material with other companies in terms of § 14 BGB, also for future business transactions. We do not recognize conflicting terms or terms of the contractor which deviate from our terms of purchase, unless we have approved in writing of such. Our terms of purchase also apply if we unconditionally accept the contractor's delivery, despite being aware of conflicting terms or terms of the contractor which deviate from our terms of purchase.

1.2 All agreements made between us and the contractor for the purpose of the execution of this contract are to be specified in this contract.

1.3 We do not grant payments or compensation for visits or the preparation of offers, projects, plans etc., even if no order is placed. Agreements in deviation to this must be made in writing.

1.4 We store data on business development for our own purposes.

2 Placing of Order, Acceptance of Order

2.1 Our order is placed in writing. All verbal or telephonic placing of orders, amendments and subsidiary agreements only become effective if we have confirmed such in writing. This also applies to the clause concerning requirement of writing.

2.2 The contractor is obliged to accept our order within a period of 14 days and to confirm such in writing. On expiry of this period we are no longer bound to our order. If no written acceptance has been received, and the contractor executes the delivery or service, we only accept such on the written terms of order we have specified.

3 Scope of Order, Bidding documents

3.1 The order comprises surrender of all documents required for the operation of the object purchased such as eg. operating instructions, plans, drawings and statistical calculations in a form which can be copied, as well as obtainment of any approvals required by the contractor. In the case of service contracts and contracts for work and material, these documents are to be submitted to us in triplicate for inspection and approval. Such approval does not affect responsibility on the part of the contractor concerning material, services and execution. Amendments after approval are only admissible with our written approval. We are to be provided with workshop drawings and lists of spare parts for parts subject to extreme abrasion.

3.2 We retain all ownership rights and copyrights for illustrations, drawings, samples, software and other documents surrendered to the contractor; these are not to be disclosed to third parties, and may not be made accessible to third parties without our express, written approval. They are to be used exclusively for production based on our order; they are to be returned to us, without request, on completion of the order.

4 Prices

4.1 The price specified in the order is a net price subject to additional VAT. It is binding and also applies for contracts with a delivery period of more than four months.

4.2 If no prices are specified in the order, we reserve the right to approval for subsequent pricing by the contractor.

4.3 The contractor agrees to execute the order at comparable conditions granted to companies affiliated to us in the group. Such conditions especially include price concessions and discounts.

4.4 If no specific written agreement has been made, the price 'delivery free domicile' includes packaging. The price includes plant and test certificates. On request, the contractor will take back packaging and dispose of this appropriately. However, we are not obliged to return such, if this has been separately agreed in writing.

5 Terms of Payment

5.1 VAT is to be shown separately on invoicing; if tax details are not provided, the respective law is to be specified.

5.2 We can only process invoices if these comply with all standards of our order, especially the respective Order Number specified. A separate invoice is to be drawn up for each order; if various orders are combined in one invoice, the respective order numbers must be specified separately.

5.3 Unless agreed otherwise in writing, we pay within 14 days, as of delivery or completion of the service and receipt of an appropriate invoice with 3 % discount, or net within 30 days.

5.4 We are entitled to rights concerning offsetting and retention pursuant to relative law. Assignment or pledging of claims on us is not admissible.

6 Delivery/Service dates and periods

6.1 The dates for delivery or service specified in the order are binding. Periods of delivery/service commence on the date the contractor receives the order. The date of arrival of the goods at the place of receipt or location specified by us, or timely acceptance, is authoritative for the observance of the delivery service date or period of delivery/service. The contractor is obliged to inform us in writing immediately if circumstances arise or become known to him which indicate that periods or dates agreed on can not be observed. In the case of default, we are entitled to claims pursuant to relative law. We are especially entitled to withdraw from the contract in the case of unsuccessful expiry of an appropriate period of grace, and to claim damages.

6.2 Partial deliveries or partial services are only admissible on our written approval. Delivery made earlier than specified, without our approval, does not affect the payment periods linked to the delivery dates agreed.

7 Passing of risk, Documents

7.1 In principle, the ordered objects are conveyed at the risk of the contractor. He bears risk for accidental perishing or accidental deterioration until transfer at the place of fulfilment or until we have accepted the goods/services. Delivery is to be made to the specified place or location of receipt free of all costs for shipment, freight and packaging. Shipment must be notified to us in writing so that we are aware of data concerning number of pieces, dimensions and weights as well as any other special data concerning the handling of goods, particularly with regard to transport and storage in our premises, in good time before arrival of the goods. If acceptance of delivery is not possible in the case of inappropriate notification of delivery, the contractor bears the costs for new delivery. Preparation of services, especially those which require formal acceptance, must be coordinated with us in good time prior to performance. If access to the place of performance or acceptance of a service is not possible on account of inappropriate notification of preparation of a service, the contractor bears the costs for renewed acceptance.

7.2 The contractor is obliged to enclose two copies of the delivery note attached to the outside of the unopened shipment, which contains all data specified in our order, especially the order number and order date, the recipient, the cost centre and all data on the type and volume of goods supplied. Partial and residual deliveries are to be marked separately. If the contractor does not act accordingly, we are not responsible for resultant delays in processing. We reserve the right to reject deliveries which do not have appropriately filled-in shipping documents.

7.3 Costs for transport insurance are only borne if we have expressly commissioned such in writing prior to shipment of the goods.

7.4 If an order is executed in part deliveries, we can specify in which sequence the parts are to be delivered. We are entitled to use the parts delivered before complete delivery is made, without recognizing contractually agreed delivery. If part deliveries have not been expressly agreed in writing on placing the order, the contractor bears the higher costs for shipment, packaging and transport insurance.

8 Acceptances, Inspection for defects

8.1 All acceptances of goods are made with reservation. We will inspect for any deviations to quality or quantity within an appropriate period; notification of defect is made in time, if it reaches the contractor within 10 working days. If we do not

inspect incoming goods immediately on account of special circumstances, especially if the packaging is normally not removed, or not removed immediately, the contractor waives observance of the duty to notify defects pursuant to § 377 HGB for a maximum of three weeks.

8.2 For plants and plant parts, formal acceptance is made after trial initiation executed at the cost and exclusive responsibility of the contractor. Acceptance is made via our written declaration of acceptance.

9 Guarantees/Periods of Guarantee

9.1 The contractor guarantees that all his deliveries and services comply with state of the art technology, respective legal regulations and relative regulations of authorities, professional associations and specialist associations. If deviations to such regulations are required in an individual case, express notification must be made of such and our written approval of such is required. The guarantee obligation on the part of the contractor is not affected by such approval.

9.2 We are entitled to all relevant claims concerning defects. We are entitled to choose between repair of defects or delivery of perfect goods (substitute delivery) as supplementary performance; in such a case, the contractor is obliged to bear all expenditure required for repair of defects or substitute delivery. We are entitled to execute repair of defects ourselves at the cost of the contractor, if there is risk in delay or there is special urgency. We expressly reserve the right to our entitlement to damages, especially for damages instead of service, to withdrawal and reduction.

9.3 Legal limitation periods apply for all claims concerning defects. In the case of supplementary performance or replacement of the defective parts by the contractor, the period of guarantee commences anew.

10 Liability

10.1 The contractor is liable for all damages which he or his vicarious agents cause to us, our staff or our customers. He exempts us from claims for damages from third parties which have been caused by him or his vicarious agents. He waives proof of exoneration in relation to us, our staff and our customers pursuant to § 831 par. 1, line 2 BGB.

10.2 If the contractor is responsible for a product defect, he is obliged to exempt us from claims for damages from third parties at first request, in so far as the cause lies in his domain and area of organisation, and he is liable himself in external terms. In this respect the contractor is also obliged to reimburse any expenses pursuant to §§ 683, 679, 670 BGB which result from, or in connection with, a recall action we have executed. We will inform the contractor on the content and scope of the recall measures – in so far as such is possible and acceptable – and give him an opportunity to comment on such measures.

10.3 The contractor undertakes to take out operation and product liability insurances for service contracts and contracts for work and material at an appropriate level, at least with a coverage total of EURO 2.6 million flat-rate per case of damage for all resultant personal, material and financial damage, and to provide evidence of insurance protection on conclusion of the contract, without request, and at least every 6 months after this; if we are entitled to further damages, these remain unaffected.

11. Industrial property rights

11.1 The contractor ensures that no patents, industrial property rights or other rights of third parties within and outside of the Federal Republic of Germany are violated by relating to or using the items he offers and supplies.

11.2 If claims are made on us for such reasons by a third party, the contractor is obliged to exempt us from such claims at first request; we will not enter into any agreements with the third party without approval of the contractor, and will especially not agree on any settlement. The obligation to exemption comprises all expenditure arising from, or in connection with, claims made by a third party.

12 Customer protection

12.1 In so far as the contractor is employed by us as a sub-contractor at one of our customers, he is obliged

- not to conduct any business with the customer for the duration of his work as sub-contractor and for a subsequent period of six months, by which he enters into competition with us or one of our affiliated companies by way of a service which has a professional link to our order, irrespective of whether such work is executed directly or indirectly and irrespective of whether this is executed as principal, representative, organ member, employee, employer, investor, consultant, principal partner, partner of a joint venture or in any other function on his own behalf or on behalf of others;

- not to disclose the identity of the customer to third parties, and to refrain from publishing or using information directly or indirectly which he has obtained as a result of his work as sub-contractor, without our prior written approval.

12.2 In the case of violation of the foregoing obligations, the contractor is obliged to pay a contractual penalty amounting to the contract value immediately in each case of violation, and on waiving objection of continuation of offence; within the scope of general or continuing obligation, the contract value which applies is the total remuneration paid by us in the last year prior to violation. Assertion by us of higher damages is not excluded by such action.

12.3 In so far as we substantiate solid indications of a violation of the foregoing obligations, the contractor is obliged to inform us in detail, in writing, within 2 weeks, as to the extent to which he has disclosed respective business activities during the period of validity of the customer protection agreement, or has published or used respective information.

13 Place of fulfilment, venue of jurisdiction, severability clause

13.1 Unless specified otherwise in the order confirmation, the place of receipt agreed is the place of fulfilment of deliveries and services, and the registered office of our head office is the place of fulfilment for payments.

13.2 Unless specified otherwise in the order confirmation, the registered office of our head office is the venue of jurisdiction. However, we are also entitled to bring action against the contractor at the court of his place of residence. In the case of foreign orders, substantive German law is agreed on; use of the UN Convention on the International Sale of Goods (CISG) is excluded.

13.3 If any of the foregoing terms is, or becomes, ineffective, this does not affect the effectiveness of the remaining terms. In place of the ineffective term(s), regulations are to apply which most closely comply with the business purpose of the contract with appropriate consideration of mutual interests. The same applies to gaps in the contract.

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