

General Purchasing Terms and Conditions of TÜV Rheinland Arabia LLC

Hereafter referred to as "TR"
(Position April 2015)

1. General / Scope of Validity

1.1 The following terms and conditions apply exclusively to all purchases, products, and services – hereafter referred to collectively as “services” – commissioned by TR.

1.2 TR does not recognize any terms and conditions of the company being commissioned to perform the services by TR (hereafter referred to as “the Company”) that contradict these Purchasing Terms and Conditions in full or in part, unless TR has expressly agreed to their validity in writing.

1.3 These General Purchasing Terms and Conditions of TR will still apply if TR unconditionally accepts services knowing that the company has contradictory terms and conditions.

2. Scope of services

2.1 The scope of the services to be performed by the company is determined in accordance with the TR order from or the individual agreement in question.

2.2 The Company is responsible for the supervision, monitoring and inspection of the performance of services, as well as for organizational integration into TR’s operating process.

2.3 The Company confirms that it has received detailed information on the nature and scope of the service agreed to in the assignment and therefore it is not possible for any additional receivables to be claimed as a result of a lack of knowledge.

3. Delivery of goods, packaging and transportation

3.1 The delivery will take place DDP (in accordance with Incoterms 2000) to the address stated in TR’s order. If no address is stated in the order, the delivery will be made to the following address: TÜV Rheinland Arabia LLC, Al-Ruwais Dist. / Al-Andalus St. P.O. Box 11488, Jeddah 21453. Kingdom of Saudi Arabia

3.2 The goods are to be properly packed and identified and must reach their destination by the most suitable means of transportation possible in a defect-free state.

3.3 The Company will be liable for damages that are caused as a result of insufficient packaging or inappropriate transportation.

3.4 TR will be entitled to return or send back the packaging material to the Company.

3.5 The returning of the packaging material will take place at the expense and risk of the Company.

4. Service period and delay

4.1 Services by the company take place at the agreed time or within the agreed time frame.

4.2 If for some reason for which the company is responsible the Company does not adhere to the deadlines, TR

will be entitled to request a contractual penalty of 0.25% of the order total for the order in question for each day of the delay. This contractual penalty is limited to 5% of the order total of the order in question for each breach of contract on the part of the company in connection with the stipulations in clause 4.1. The contractual penalty will be due immediately without any reminder being necessary and without any effect on any of TR’s other legal rights, including the right to require the performance of the agreement or compensation from the Company. The contractual penalty will be offset against any claims to compensation from TR. It may be claimed until the payment of the company’s corresponding invoice.

4.3 As soon as the company knows or does not know in a grossly negligent manner that the deadline for the service cannot be met at all or will be delayed or that the service will not be performed in accordance with the order, it must inform TR of this immediately in writing, stating the reasons for this. Without any impairment of TR’s rights as a result of this breach of contract, the contractual parties will decide together whether and how the situation that has occurred can be resolved to the satisfaction of TR.

4.4 Agreed service times or service periods are binding.

4.5 Irrespective of this, the company will inform TR in writing of the precise actual service date in any case a minimum of 3 business days before the performance of the service. The information must include the order number.

4.6 TR will be entitled to postpone the announced service date within a period of 1 day from the time when the information was received from the Company by up to 48 hours, without this postponement being grounds for any additional payment obligation on the part of TR.

4.7 If, regardless of the reasons, TR asks for the time of performance of the service to be postponed, the Company must store the goods or materials to be delivered properly packaged, and store them, insure them, and identify clearly that they are intended for TR, at no cost to TR.

4.8 If the Company delivers goods to TR, it will be obliged to state the name of the requester at TR and the TR order number on a label that must be attached to the exterior of the packaging. In addition the Company will be obliged to state the following information (if known) on a label that must be attached to the exterior of the packaging.

- Brief description of the product
- Number of items per box or package

- Barcode of the number of items per box or package (EAN128)
- Serial number of the product
- Barcode of the serial number (EAN128)
- Weight of the box or package
- Country of origin
- Delivery or production date
- Name and address of the supplier
- All information required under national or international law

5. Inspection for defects in delivered goods

5.1 TR will inspect the goods after delivery for obvious or easily discernible defects.

5.2 If TR determines that there is a defect, TR will notify the Company of this within ten (10) business days

(a) of delivery, if a defect of this kind is obvious or easily discernible at the time of delivery

(b) Immediately after it is discovered, if the error or defect is only discovered later, e.g. when unpacking, when installing, or at the time when the product is used for the first time.

5.3 If a notification is made about the goods in accordance with clause 5.1, the risk for the defective products will be transferred to the Company when it receives the notification.

5.4 Upon the first request by TR, the Company must grant TR access to the premises where the goods are being produced or stored. It will be obliged to provide TR with support as necessary during this inspection and to provide the necessary documentation and information at its own expense.

6. Transfer of ownership

Ownership and risk with regard to the delivered goods will be transferred to TR when the delivery is performed in accordance with clause 3.1.

7. Amendment procedure

7.1 If TR would like to make an amendment to the services (“Amendment”), it must send a written amendment order (“Amendment Order”) to the Company. The Company will then submit a calculation of the price deviations caused by the amendment together with any suggestions for modification of the amendment order. TR may decide at its own discretion whether the suggested amendments should be made. The amendment will be performed after written notification from TR. If this is not provided, the Company will continue to perform the services as originally agreed.

7.2 The Company may not make any amendments to the services without a prior written approval from TR.

8. Retention of title to materials provided by TR

8.1 All materials, parts, containers and special packaging provided by TR will remain the property of TR. Processing or alteration by the Company will be performed on behalf of TR. If goods subject to retention of title by TR are processed with other items not belonging to TR, TR will acquire joint ownership of the new items in line with the ratio of the value of its item to the other processed items at the time of the processing.

8.2 If goods subject to retention of title by TR are indivisibly mixed with other items not belonging to TR, TR will acquire joint ownership of the new items in line with the ratio of the value of its item to the other processed items at the time of the mixing. If the mixture takes place in such a manner that the Company's items is to be viewed as the main item, it is agreed that the Company will transfer proportional joint ownership to TR; the contractor will store the sole or joint property on behalf of TR.

9. Cooperation

9.1 The companies will cooperate in a trusting manner and will inform each other immediately of deviations from the agreed procedure or if there are doubts relating to whether the manner of proceeding is correct.

9.2 If the company realizes that its own information and requirements are defective, incomplete, unclear, or infeasible, it must inform TR of this and the consequences discernible to it immediately.

9.3 The contractual partners will each name a contact person for each other who will be responsible for the performance of the contractual relationship.

9.4 The parties must inform each other immediately of any change in the person names. Until a notification of this kind is received, the contact named previously and/or the contact's representative will be entitled to submit and receive declarations within its previous power of representation.

9.5 The contractual partners will agree at regular intervals on progress and hindrances in the performance of the agreement, in order to be able to intervene in directing the performance of the agreement.

9.6 TR and the company agree that the use of brands, company symbols or other symbols relating to the respective other contractual party is not permitted.

10. Payment and invoicing

10.1 The agreed payment can be found in each order from TR or in the individual agreement concluded between the contractual parties.

10.2 The payment in accordance with clause 10.1 will include all additional costs, expenses and outlay by the Company, unless any other arrangement is expressly made in an individual agreement.

10.3 If reimbursement for travel and additional costs is agreed in the

individual agreement, reimbursement will only be made in exchange for submission of the detailed individual accounts.

10.4.4 Invoicing must take place within 90 days of completed delivery/service.

10.5 The service performed is to be documented by attaching proof of performance.

10.6 Unless there are written agreements stating differently in place, the payment will be made within sixty (60) Calendar days of receipt of the invoice created in accordance with clause 10.9 by TR.

10.7.7 The payment will be made by bank transfer or by other means at the discretion of TR.

10.8 If the payment by TR is made within 14 calendar days of receipt of the invoice by TR, the payment will be made with a discount of 2%.

10.9 TR will have a right to offsetting and retention in line with the legal level.

11. Warranties and additional remedies

11.1 The Company guarantees that delivered goods will meet the contractual agreements and specifications, as well complying with any purpose stated by TR or the Company.

11.2 This guarantee will remain in place for the legal warranty period.

11.3 The Company guarantees that the goods meet all legal requirements and regulations in KSA as well as meeting the safety, quality and environmental requirements that are the standard in the industry at the time the delivery is made.

11.4 The Company guarantees that services will be performed on time, competently and professionally in accordance with the agreement and will satisfy the strictest standards of the industry in question that are valid at the time of the service.

11.5 The Company is aware that the timely performance of services at a high level of quality is of decisive importance to TR.

11.6 Otherwise, TR will be entitled to full legal claims in case of defects in the services performed by the Company and the legal periods of limitation will apply.

11.7 TR will be entitled to request from the Company a directly enforceable, unconditional and irrevocable guarantee from a major Saudi bank or a major international bank approved by TR at the expense of the Company totalling 5% of the order value, in order to guarantee adherence to the Company's guarantee obligations.

11.8 The Company guarantees that upon request it will support TR with regard to all of TR's requirements in connection with the internal auditing of

TR and in order to adhere to national or international laws without limitation and at no additional cost to TR.

11.9 If the Company delivers goods for which replacement parts and/or consumable items could be needed, the Company guarantees that it is in a position to supply replacement parts and consumable items for these goods for a period of at least 5 years.

12. Intellectual property rights

12.1 All service results in connection with the company's activity within this agreement, in particular also further developments and improvements of the processes and methods developed by TR will be the exclusive property of TR.

12.2 If service results are capable of being protected, the Company grants TR a non-exclusive, transferable, free, irrevocable, worldwide right of use with no time limitation.

12.3 Company is not entitled to claim compensation for the right of use. These have already been settled by the payment agreed for the service.

12.4.4 The company guarantees that goods that it delivers are its own original developments or have been legally acquired and that its services do not breach any industrial property rights whatsoever or any other third party rights.

12.5 The Company will indemnify and hold TR harmless against any third party claims for breach of intellectual property rights, including trademark, patent, and copyrights, and will also compensate TR for any damages that it incurs in the form of damages or expenses (e.g. the costs of legal proceedings).

12.6 If a claim is made in accordance with clause 12.5 or TR is justified in assuming that a claim will be made in the future, the Company must ensure at its own expense either the TR obtains the rights to continue to use and exploit the services performed or replace or modify the services in such a way that there is no longer a breach in place, although the service replaced or modified in this way must be approved by TR.

13. Performance of services

13.1 For services performed by the Company on site on TR's premises or (virtually) from another location via the TR IT network for TR or its customers, the following additional terms and conditions will apply:

13.2 During the performance of these services, the employees, contractors, or advisors ("Staff") of the Company must meet the requirements of TR, and if there are no requirements of this kind in place, must meet the general requirements for professional competence and expertise in the sector in question. If the Staff is insufficiently qualified for the performance of the services, TR will have the right to require the removal of this Staff. Consequently, the Company will be

obliged to ensure that replacements are found immediately.

13.3 The Company must provide all materials and equipment, including tools, as are required for performance of the agreement.

13.4 TR will be entitled to perform an inspection of the materials and equipment used by the Company for the performance of the agreement and to determine the identity of the entire Staff employed by the company in the fulfillment of the agreement. The company guarantees that the entire Staff is in a position to identify itself at any time with identification papers.

13.5 If, when inspecting the materials and equipment used by the Company for the performance of the Agreement, TR justifiably rejects these either in part or in full, the Company will be obliged to replace the rejected materials and equipment immediately.

13.6 If services are performed on TR's premises or on the premises of TR's customers, the Company must familiarize itself in advance with the situation on site where services are to be performed if this may have an influence on the performance of the contractual obligations. The Company will be responsible for any costs that are incurred as a result of the situation in the performance of the agreement as long as the Company should have recognized the situation during the aforementioned inspection.

13.7 TR will be entitled to equip the Staff of the Company with the necessary identification required for access for the time it will spend on TR's premises or its customer's premises in accordance with the relevant internal regulations that are valid.

13.8 The Company must ensure that its presence and the presence of its Staff on TR's premises or its customer's premises impedes the uninterrupted working processes of TR and of third parties to the smallest extent possible.

13.9 The Company and its Staff must familiarize themselves with the content of the regulations and policies for TR's premises or those of its customer. This will also include among other things the regulations and policies on IT security, general conduct, general safety, health, and the environment. The Company will ensure that its Staff adhere to the regulations and policies listed under clause 13.9.

13.10 The Company will ensure that TR may have the Staff of the Company and of Subcontractors working on behalf of the Company (with the approval of TR) sign individual adherence declarations.

13.11 The company alone is responsible for the proper remuneration of its employees as well as for payment of the taxes, social security contributions connected with the employment to the responsible authorities. The Company will indemnify TR at all times with regard to receivables of this kind on the part of third parties as a result of unpaid or

insufficient payment of wages, taxes, or other contributions by the Company.

13.12

a) The company which provides work and services for TR within the meaning of the minimum wage law shall guarantee that it observes the minimum wage law, fully complies therewith and in particular pays its employees the minimum wage required by law in the respective amount currently required by law. The company shall undertake to ensure that, in the event of the company hiring a subcontractor, the subcontractor also meets the obligation in accordance with paragraph 13.12 a) (1).

b) In the event of violation of the aforementioned obligations by the company or the subcontractors used by it, TR shall be entitled to an immediate special right of termination of the contracts existing between the company and TR.

c) The company shall fully exempt TR from third party claims, obligations to third parties, costs of legal defense as well as all fines which accrue to TR from a committed or claimed violation of the minimum wage obligations by the company or by a subcontractor hired by it.

d) The company shall undertake to inform TR immediately of claims by third parties or the introduction of summary proceedings against the company or against one of the subcontractors hired by it in connection with the carrying out of services and work for TR.

13.13 The company shall ensure that its staff has valid work and residence permits as well as other necessary permits and licenses.

14. Storage and return of documentation

14.1 The company will be obliged to store all business and operational documentation with which it is provided properly and in particular to ensure that such documentation cannot be viewed by third parties. Throughout the term of the contractual relationship, the documentation made available must be returned to TR upon request, after the end of the contractual relationship, it must be returned to TR immediately and without a request from TR.

14.2 The Company will not be entitled to exercise a right of retention with regard to documentation as defined in clause 14.1.

15. Acceptance of services

15.1 Whether TR performs an acceptance depends on the type of service to be performed.

15.2 TR must inspect the product delivered by the Company with the participation of the Company

(Performance of tests and demonstrations, etc.)

15.3 The fulfillment of the service features must be proved in accordance with determined acceptance criteria (acceptance test).

15.4 A signed record is to be created upon acceptance, which will confirm the compliance of the agreed service. A list of the defects determined during the acceptance will be attached. Any defects that remain after acceptance will be corrected under the guarantee in accordance with a schedule to be drawn up together by both parties.

15.5 TR will accept the services under the contract for services immediately after the transfer and/or successful acceptance test. Defects that do not limit proper use or limit proper use in an insignificant way only do not give TR any right to refuse to give acceptance. The obligation of the Company to correct defects will not be affected by this. The performance of acceptance before the final correction of defects will be at the discretion of TR in case of defects that are not insignificant.

15.6 If the Company does not manage to provide proof of the agreed service features by the final deadline or if necessary within an appropriate grace period for reasons for which it is at fault, TR may withdraw from the agreement in full or in part after the expiry of the grace period.

15.7 Claims may be made for defects that are fraudulently concealed within a period of 10 years from the time of acceptance.

16. Subcontractors

The awarding of subcontracts to third parties (subcontractors) is not permitted unless expressly agreed otherwise in an individual agreement.

17. Liability

17.1 The Company will be liable within the legal regulations.

17.2 The Company will also be obliged to indemnify and hold TR harmless against third party claims to compensation for damages upon its first request, if the cause is within its area of control and organization and the Company itself is liable in relation to third parties.

17.3 The Company must insure itself appropriately against the liability mentioned in this clause and is obliged to allow TR to view the insurance policy if necessary. Claims to compensation for damages by TR are not limited to the sum insured in each case.

18. Confidentiality

18.1 "Confidential information" in the sense of these General Purchasing Terms and Conditions is all information, documents, images, diagrams, expertise, data, samples, and project documentation surrendered, transferred or otherwise disclosed by TR to the Company during the term of the assignment or individual agreement

between TR and the Company. This also includes copies of this information in paper and electronic form.

18.2 All confidential information that is transmitted or otherwise made available in accordance with this Agreement by TR to the Company:

a) May only be used by the Company for the fulfillment of its contractual obligations to TR, unless there is an expressly deviating written agreement with TR in existence,

b) May not be duplicated, distributed, published or passed on in any other way by the Company,

c) Must be treated in a confidential manner by the Company, in the same way that the Company also treats its own confidential information, in any case at least not less carefully than in accordance with the objectively necessary level of care.

18.3 The Company will only make the information disclosed to it by TR accessible to the employees who require it for the performance of services as part of the agreed performance of services for TR. The Company will ensure that these employees enter into an agreement to maintain confidentiality to the same extent as that determined in this confidentiality agreement.

18.4 The obligation listed in clause 18.2 will not apply to any confidential information if the Company is able to prove that:

a) The information was already generally known at the time of publication or became known to the general public without any breach of this agreement, or

b) The Company received the information from a third party, who was entitled to pass on the information to the Company, or

c) the information was already in the possession of the Company before it was transmitted by TR, or

d) The Company developed the information independently irrespective of transmission from TR.

18.5 Confidential information remains the property of TR.

18.6 The Company hereby agrees that it will, at any time upon request by TR, however, at the latest and without a separate request from TR after the end of the assignment or individual agreement immediately (i) return all confidential information, including all copies of this to TR or at TR's request (ii) Destroy the confidential information, including all copies of it, and confirm this destruction to TR in writing.

18.7 This confidentiality obligation will enter into force after the commissioning of the Company by TR or upon conclusion of an individual agreement between TR and the Company.

18.8 The Company will keep strictly secret the confidential information from the time when the agreement ends for a period of 5 years from the ending of the Agreement, will not make the confidential information available to any

third party and not exploit the confidential information itself.

18.9 This agreement will not result in any express or implied assignment or granting of authorizations or rights to patents, registered designs, design patents, draft applications, copyrights, templates or trademarks or their utilization by TR to the company

18.10

(1) The company will be obliged to pay a contractual penalty of SAR 200,000.00 for each case of breach of this confidentiality obligation.

(2) Each individual violation will be considered a separate breach. The defense of continuation of offence is excluded. In case of ongoing breaches, each week that is begun will be considered an individual breach.

(3) The right to make a claim for further compensation for damages is reserved. The contractual penalty, however, will be offset against any claims for compensation for damages.

19. Data protection

The Company must adhere to the data protection regulations valid at the time of delivery, irrespective of the area that the delivery is made from and to.

20. Right to termination

20.1 Both contractual parties will have the right to terminate the contractual relationship without notice on important grounds.

20.2 TR may terminate the agreement without notice if the Company becomes insolvent, insolvency proceedings are initiated against it, or if corresponding procedural applications were rejected because of a lack of volume to cover the costs.

20.3 Termination must take place in writing in order to be effective.

21. Export control

The Company guarantees that the services comply with all applicable export control laws of Saudi Arabia.

22. Environment

22.1 The Company must meet in full requirements of the environmental Law of Saudi Arabia.

23. Compliance

23.1 TÜV Rheinland AG is a member of UN Global Compact and will adhere to the principles laid down in this. TR expects without limitations from the company that it will also comply with and adhere to these principles of the UN Global Compact (for further information, see www.unglobalcompact.org).

23.2 The Company states that it agrees with the adherence to and validity of the following basic principles listed in clauses 23.2 to 23.18 Within its contractual relationship with TR.

23.3 The Company will adhere to all valid laws and regulations in KSA and if the services are not performed for TR in Saudi Arabia the valid laws and regulations of the country in

which the service recipient has its legal headquarters.

23.4 In doing so, the company will adhere to the highest known standards, including the applicable specifications for manufacture, pricing, sale, and distribution.

23.5 The Company guarantees that it treats its employees with dignity and respect and does not use corporal punishment, threats of violence, or other forms of physical, sexual, psychological or verbal force against them.

23.6 The company guarantees that it does not discriminate against its employees in any way, nor does it tolerate such discrimination. In particular, the Company will not discriminate between its employees by means of its recruitment practices and personnel management on the basis of nationality and origin, religion, age, social or ethnic background, sexual orientation, gender, political views, or disability. This relates to salaries, bonus payments, promotions, disciplinary measures and the termination of employment relationships.

23.7 The Company respects the right of employees to enter into associations / organizations and to enter into collective negotiations in a peaceful manner in accordance with the applicable law and communicate with the Company's management openly about working conditions without reprisals.

23.8 The Company will provide its employees with a safe workplace that complies with all pertinent health and safety laws and regulations. As a minimum, appropriate access to drinking water and sanitary installations, fire safety and sufficient lighting and ventilation must be guaranteed.

23.9 The Company accepts that wages make an essential contribution to satisfying the basic needs of employees.

The Company will adhere to at least all of the wage and working time laws and work guidelines applicable at the place of performance. This includes laws and guidelines on minimum wages, overtime, maximum working hours, piece rates, and other components of compensation.

23.10 The Company will ensure that its employees receive compensation in addition to their wages for the contractually agreed working hours for their overtime. This compensation will correspond to the national laws of the production country. If there are no legal regulations on this there, the overtime compensation will be at least equal to the level for regular working hours there.

23.11 The Company will adhere to all applicable environmental laws, regulations, and guidelines. Where possible, environmentally friendly products or fair trade products will be offered and treated as equal to products with conventional pricing.

23.12 The company will refrain from:

(a) Offering or granting money, gifts, trips, or other benefits to employees, brokers, representatives and contractors of TR or third parties who

have a business relationship with TR,
(b) Participating in actions of any kind, which results in the expending of company funds for illegal or immoral purposes, including those of a monetary nature, in order to create advantages for itself;
(c) Offering contractors or their associates monetary or other benefits,
(d)) Transferring or using monies from illegal and immoral business transactions or in order to conceal their original source (money laundering) or using money whose origin it is not able to document or whose sources are in doubt.

23.13 The Company will ensure by means of legally compliant measures that its employees and staff members do not cause any damages to TR by means of embezzlement, fraud, theft, damage, or destruction.

23.14 The Company must disclose conflicts of interest of any kind (as a result of participations or the performance of services for competitors) in a timely manner.

23.15 The Company will not employ any subcontractors for the manufacture of its products who do not adhere to the basic principles described in clauses 23.3 to 23.16.

23.16 Making false, misleading or manipulative statements in connection with tendering and contract award procedures, as well as in the performance of services, is a criminal offence that TR will be entitled to report immediately to the authorities. 23.19 If the regulations listed in clauses 23.3 to 23.17 are breached by the Company, this will constitute important grounds for termination without notice by TR in accordance with clause 20.1.

23.18 TR will be entitled to have audits performed, including on the Company's premises, in order to ensure that these basic principles are followed. In this process, it is the responsibility of each individual company to guarantee adherence to the principles and rules stated here in clause 23.

23.19 In connection with these audits relating to these requirements, the Company will allow TR unlimited access at any time to its business premises and access to all relevant records. TR will be granted access even without prior notice.

24. Force majeure

If work is interrupted for TR or its client, in particular as a result of strike, lock-out, short time work, system failures, or other cases of force majeure, TR can request an interruption in the Company's work without incurring additional costs for TR.

25. Applicable law, arbitration and place of performance

25.1 UN Convention on Contracts for the International Sale of Goods will not apply.

25.2 Should any dispute arise out of or in connection with this agreement then

– In the absence of an amicable solution – the matter shall be finally settled by Arbitration in accordance with the Arbitration Rules of the International Chamber of Commerce (the "Rules"). The matter shall be referred to a Sole Arbitrator jointly nominated by the Parties. Should the Parties not be able to agree on a joint nomination within three months from the receipt of the Request of Arbitration, the Arbitrator shall be nominated by the JCCI Court of Arbitration in accordance with the Rules. The Place of Arbitration shall be Jeddah, the language of the proceedings shall be English.

25.3 The place of performance for all services will be Saudi Arabia, unless otherwise agreed between the contractual parties.

26. Miscellaneous

26.1 Additions and alterations to these Purchasing Terms and Conditions including this stipulation must be made in written form in order to be effective.

26.2 If a stipulation of these Purchasing Terms and Conditions is fully or partially legally invalid or infeasible or if it later loses its legal validity or feasibility, this will not affect the validity of the other stipulations of the Purchasing Terms and Conditions. The same will apply if it becomes apparent that the Purchasing Terms and Conditions contain loopholes. In lieu of invalid stipulation or stipulation incapable of implementation or for the purpose of closing the loophole, an appropriate stipulation will apply that, to the extent permitted by law, most closely reflects the intended meaning and purpose of the Purchasing Terms and Conditions.

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