

General Purchasing Terms and Conditions

November 2002

1. Area of application

- 1.1 These General Terms and Conditions apply to all purchases of goods and the provision of other services by third parties to SERCO unless governed otherwise by special SERCO terms and conditions.
- 1.2 The supplier's contradictory General Terms and Conditions are herewith rejected. These shall not apply even if they are contained in the supplier's confirmation of order and SERCO does not reject them; silence by SERCO means rejection.
- 1.3 If there are contradictions in the previous mutual contractual declarations or letters of confirmation, the contract shall enter into force according to SERCO's General Terms and Conditions even if the supplier makes a delivery or otherwise provides a service.
- 1.4 These General Terms and Conditions shall also apply to all future transactions with the supplier.

2. Extent of the deliveries of services

- 2.1 The mutual contractual declarations shall define the extent of the deliveries or services. If a contract is concluded without these mutual declarations, the written order from SERCO is definitive, if there is no order, the supplier's written offer shall apply.
- 2.2 If SERCO's order is not confirmed by the supplier within 14 days of receipt of the order, SERCO reserves the right to withdraw the order.
- 2.3 SERCO shall retain ownership and copyright of order documents, drawings and other documents; they can only be made accessible to third parties after prior written consent from SERCO. These documents must be returned to SERCO if this consent is not granted or after the completion of the order.
- 2.4 The supplier shall always orient the quality of the services being provided to SERCO towards the latest technology and shall inform SERCO of possible improvements and technical alterations.

3. Price

- 3.1 The prices stated in SERCO's order are fixed prices. Price increases require express written consent from SERCO.
- 3.2 Unless agreed otherwise in writing, the packaging is included in the price. If, in exceptions, this is not the case, the packaging shall be charged at cost. Return of the packaging requires a separate agreement.
- 3.3 All invoices must be in triplicate and include SERCO's order number.
- 3.4 The method of payment shall be at SERCO's discretion. Invoices shall either be paid within 10 days with a 2% discount or net within 30 days.
- 3.5 If there complaints before date of payment, SERCO reserves the right to withhold payment.
- 3.6 In the event of default, the statutory interest rates shall apply.
- 3.7 The supplier only reserves the right of offsetting for undisputed or legally enforced counterclaims. This shall also apply to the assertion of rights of retention.
- 3.8 The supplier's claims against SERCO can only be assigned to third parties with our consent. Payments shall only be made to the supplier.

4. Time of delivery

- 4.1 The time of delivery stated in the order is binding.
- 4.2 The supplier shall immediately inform SERCO in writing if circumstances arise or become known, which mean that the agreed time of delivery can no longer be adhered to.
- 4.3 In the case of delay, SERCO shall retain its statutory rights. Moreover, SERCO can demand a contractual penalty, after setting an additional discretionary period, of 0.5% of the net order value per week or part thereof, not to exceed 8% of the net order value. The contractual penalty paid shall be offset against a claim for compensation.
- 4.4 If SERCO withdraws from the contract, contractual penalties already asserted shall remain unaffected thereby.
- 4.5 Section 341 III BGB notwithstanding, the right to assert contractual penalties can be declared until final payment.

5. Right of retention – provision

- 5.1 Insofar as SERCO provides objects to the supplier, SERCO shall retain ownership of these objects. If these parts are processed with others, SERCO shall obtain co-ownership of these objects corresponding to the value of the objects provided by SERCO in relation to the other objects at the time of processing.
- 5.2 This shall apply correspondingly in the event of indivisible mixing of SERCO's objects with others.
- 5.3 In the case of the supplier's retention of title, SERCO is only required to pay the same due care and attention as to its own objects. In particular, SERCO is not required to purchase insurance for the objects delivered subject to retention of title.

6. Transfer of risk

- 6.1 Unless agreed otherwise, the delivery shall be made at the place stipulated by SERCO at the supplier's own risk. If the method of dispatch is not prescribed, the supplier shall select the cheapest method.
- 6.2 The objects to be delivered shall be packed correctly. In the event of SERCO's shipping and packaging instructions not being complied with, SERCO can refuse delivery. SERCO shall not enter into arrears by refusing delivery.

7. Warranty

- 7.1 The statutory provisions regarding warranty shall apply. This notwithstanding, SERCO shall choose either repair or replacement if no unreasonable costs are incurred by the supplier as a result.
- 7.2 Costs arising as a result of the repairs shall be borne by the supplier.
- 7.3 If the supplier is not in a position to effect repairs or if repairs are not completed for other reasons despite complaint and remainder, SERCO reserves the right to return the goods to the supplier and to obtain replacement elsewhere. Additional costs incurred shall be borne by the supplier. In urgent cases, SERCO reserves the right to effect the repairs itself or to engage third parties to this end. Additional costs incurred shall be borne by the supplier.
- 7.4 Complaints about obvious faults must be made within 4 weeks after transfer of risk. In the event of concealed faults, this period shall commence upon discovery of the fault.

8. Liability

- 8.1 For damage not resulting from injury to life, limb or health, SERCO shall only be liable in the case of gross or negligence or intent.
- 8.2 Claims for contractual penalties are excluded.
- 8.3 The statutory burden of proof shall apply.
- 8.4 The supplier shall be liable for negligence and intent.

9. Place of jurisdiction and law

- 9.1 Insofar as the supplier is a merchant, juridical person under public law or a public institution, the general place of jurisdiction is Bonn.
- 9.2 German law shall apply to the exclusion of the UN Sales Law.

10. Concluding provisions

Should individual provisions of this contract be invalid or only partly valid, the validity of the remaining provisions shall be unaffected thereby.