

1. Scope

This Terms and Conditions are valid for all services rendered by VDE Global Services HK Ltd. – hereinafter referred to as "VDE GS HK" – for external customers, among other things for the following specified activities:

- Testing of technical products, mainly electro-technical components, appliances, product systems, machines, and equipment (hereinafter referred to as "products").
This includes, among other things, the following types of tests:
 - Safety tests regarding electrical, mechanical, thermal, chemical, toxic, radiological and other hazards
 - Test of the electromagnetic compatibility (EMC) and the impact of the electromagnetic fields (EMF)
 - Testing of energy efficiency and environmental protection
 - Acoustic and noise emission measurements
 - Usability tests
 - Testing of conformity with directives
- Factory inspections
- Evaluations in the development, procurement, production respectively shipment process
- Document inspections
- Issuing of expert opinions, statements and test reports for information
- Expertise regarding standards, other technical regulations and statutory provisions

2. Basic Provisions

- 2.1. VDE GS HK operates according to fundamental rules and procedures, which guarantee it is independent, impartial and nondiscriminatory. The applied normative or statutory regulations are generally recognized. Adjustments of the Terms and Conditions shall be disclosed.
- 2.2. The actual scope of the services to be rendered by VDE GS HK is the result of the regulations agreed upon by the parties. This does not involve any protective effects for third parties. VDE GS HK is not obliged to report on circumstances outside the scope of the contracted services. The services to be rendered by VDE GS HK do not include the services to be performed by the customer himself (e.g. independent taking of test samples).
- 2.3. VDE GS HK reserves the right to refuse to conduct tests on the basis of non-standardized test procedures which would jeopardize the results or would not be meaningful.
- 2.4. VDE GS HK has the right to commission third parties selected by it to provide the services.
- 2.5. The information obtained as part of the activity shall be kept in confidence. However, a disclosure of said information e.g. to the authorities and accreditation bodies is permissible to the extent that the purpose of the contract or the accreditation rules so require or it fulfills statutory obligations. The customer hereby confirms that VDE GS HK may disclose such information.
- 2.6. If the customer is provided with documents by VDE GS HK, these remain the property of VDE GS HK. The customer undertakes to keep these documents in confidence and not to forward such documents to third parties without the prior consent of VDE GS HK.
- 2.7. The customer may disclose the test reports, expert opinions, and other such documents obtained from VDE GS HK to third parties only verbatim including their respective preliminary remark and with specification of the date of issue.
- 2.8. In the case of insolvency or foreign debtor protection proceedings similar in nature to the German insolvency proceedings on the part of the customer, VDE GS HK has the right to discontinue the provision of services without incurring any resulting claims of the customer. In such an instance, any issued assessments expire.
- 2.9. The customer consents to having its documents and data electronically stored in data processing systems of VDE GS HK

3. Placement of Orders and Accounting

- 3.1. The order shall be placed by the customer in writing, preferably by using a form that can be obtained from VDE GS HK.
- 3.2. When placing the order, the customer shall provide VDE GS HK with all documents and information necessary for the order.
- 3.3. The required advance payment must be received before the commissioned services will be provided. Partial invoices can also be issued with respect to the services already rendered.

- 3.4. The fees do not include VAT and possibly incurring foreign taxes and other charges; VAT is applicable at the respective statutory rate. Foreign taxes and other charges of any kind shall be calculated and strictly borne by the invoice recipient as long as according to a foreign law the obligation to deduct tax is stipulated. They do not reduce the amount due to VDE GS HK.
- 3.5. The amounts invoiced are payable without discount upon receipt of the invoice. A right of retention and a right of the customer to set-off are excluded. In the case of default, interest of 5% over the base interest rate shall be due.
- 3.6. The customer is entitled to the results of the commissioned service only after the final invoice has been settled and all applicable foreign taxes and other charges have been paid.
- 3.7. The approval holder, the customer and the invoice recipient are jointly and severally liable for the correct calculation and payment of foreign taxes and other charges and have to indemnify upon first request VDE GS HK from any loss or damage that result from failure of the party liable for payment to fulfill tax duties.

4. Testing of Technical Products

- 4.1. General Provisions
 - 4.1.1. The customer shall send the required number of test samples with the accompanying documents at his own expense to the address specified. The test samples must bear the customer's name and the reference given by VDE GS HK. They should be shipped in packaging that can be re-used for their return.
- 4.2. Product Testing
 - 4.2.1. Test samples shall be tested according to current applicable normative requirements (generally on the basis of VDE specifications) as well as other technical regulations, guidelines and legal requirements. If there are no relevant technical regulations, VDE GS HK at its reasonable discretion considers the generally recognized rules of technology when determining the respective test basis to be used and informs the customer of such before the start of the test.
 - 4.2.2. Tests for the preparation of an expert opinion, a statement respectively a test report for the information of the customer can also be created according to test procedures or test specifications given by the customer.
- 4.3. Use of the Test Sample
 - 4.3.1. VDE GS HK has the right to keep reference samples for proof of the identity of the sample provided for the test.
 - 4.3.2. Test samples that are no longer required will be disposed of by VDE GS HK at the customer's expense. If the customer so desires, these samples can be returned to the customer at his risk and expense.

5. Special Inspections, Expert Opinions and Tests

- 5.1. VDE GS HK offers inspections and conformity assessments within the scope of expert opinions and product tests in preliminary and ongoing production and/or shipment processes in order to examine product and process attributes for the customer.
- 5.2. This service can be utilized for all products. The content and scope of the tests are agreed with the customer ahead of time. As part of this service, products can be examined with respect to attributes agreed upon by the recipient and manufacturer/supplier, including safety aspects, functionality, packaging, processing, completeness, etc. The agreed scope of service does not include products that are not part of the random sample group.

6. Appeal Procedure

- 6.1. Any disputes between the customer and VDE GS HK shall first be submitted to an Appeal Committee with the objective of reaching an amicable settlement. So long as the aforesaid procedure has not been concluded, recourse to ordinary courts shall be excluded. This shall not apply with regard to provisional (preliminary) remedies. These shall be decided upon by the competent court.
- 6.2. Either party may have recourse to the Appeal Committee which shall meet within three weeks after the receipt of a founded appeal. It shall consist of:
 - one or two members appointed by the customer,

- one or two members appointed by VDE GS HK
 - and the Chairman of the Appeal Committee appointed by the Permanent Advisory Committee of VDE GS HK who shall convene the negotiations.
- 6.3. The Chairman of the Appeal Committee shall use his best efforts in accordance with his duty to reach an amicable settlement between the parties.
 - 6.4. The settlement achieved shall be logged and signed by the Chairman and the parties. If applicable, necessary remedial actions shall be examined on the basis of their effectiveness and be documented.
 - 6.5. If settlement cannot be reached within a period of six weeks after the first meeting of the Appeal Committee, the parties may have recourse to the courts.

7. Warranty, Liability, Rescission, Contractual Penalty

- 7.1. The warranty of VDE GS HK is first limited to the supplementary performance within a reasonable amount of time. If supplementary performance is not successful, i.e. it is not possible, unacceptable for the customer, unjustifiably refused by VDE GS HK or improperly delayed then the customer at his discretion is entitled to request reduction of payment or rescission of the contract.
- 7.2. The warranty period is one year from the transfer of risk. The transfer of risk is the provision of services, i.e. the notification concerning the performance of the commissioned services by VDE GS HK.
- 7.3. VDE GS HK assumes no liability with respect to the customer or third parties that the product or equipment of the customer is free of defects and suitable for use. Therefore, VDE GS HK is not liable for damages caused by the product or equipment or respectively their use.
- 7.4. VDE GS HK is only liable in cases of intention or gross negligence. A liability for slight negligence is excluded unless there is injury to life or health, or VDE GS HK violates an essential contractual obligation. In the latter case, the claim for damages is limited to the typical contractual, predictable damage.
- 7.5. VDE GS HK shall not be liable for any damage to the samples resulting from testing, burglary, theft, fire, water, or other force majeure events. This also analogously applies for the documents provided by the customer.
- 7.6. A liability for the fact that the service is appropriate for the purpose of the customer is only assumed by VDE GS HK if a respective warranty statement has been expressly provided in writing.
- 7.7. To the extent that third parties assert claims against VDE GS HK, the customer indemnifies and holds harmless VDE GS HK from any such claims.
- 7.8. The liability limitations of VDE GS HK are similarly applicable for personal liability of the employees of VDE GS HK as well as the vicarious agents appointed by VDE GS HK.
- 7.9. VDE GS HK is entitled, in the following cases, to rescind the contract without the customer being able to assert loss or damage.
 - impossibility
 - default or a material breach of duty on the part of the customer
 - force majeure
 - strike
 - natural disaster

8. Miscellaneous

- 8.1. This document is governed by the laws of Hong Kong with the exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
- 8.2. The place of jurisdiction is Hong Kong.
- 8.3. Should any provision of these regulations be or become invalid, this shall not affect the validity of the remaining provisions. The invalid provision shall be replaced by another, which corresponds to the same or at least the similar intention of these regulations.
- 8.4. These Terms and Conditions shall be effective as of January 1, 2012.
- 8.5. These Terms and Conditions are valid for contracts that have been concluded between VDE GS HK and the customer before January 1, 2012 unless the customer objects to the validity in writing within three months after these Terms and Conditions are published.