

Trelleborg Sealing Solutions Germany GmbH

Schockenriedstr. 1, 70565 Stuttgart

General Conditions of Purchase for Components

1. Basic Provisions

1.1 The General Conditions of Purchase of Trelleborg Sealing Solutions Germany GmbH (hereinafter also called TSS) shall apply exclusively; we do not accept general terms and conditions of business of the supplier conflicting with or contrary to these conditions, unless we have expressly agreed to their applicability in writing. Our Conditions of Purchase shall apply, even if we accept supplies or services of the Supplier (hereinafter: Subject Matter of the Contract) without reservation or pay for them, being aware of conditions of the Supplier conflicting with or contrary to our Conditions of Purchase. In addition, our Conditions of Purchase are freely retrievable via Internet for download and printing at: [***please indicate the URL***] at any time.

1.2 Supplementary agreements or amendments to these Conditions shall not be valid unless they have been expressly confirmed by us in writing while concluding the contract. The supplementary agreement or amendment shall only apply for the contract it has been expressly agreed on. At the moment the contract is concluded, there are no oral agreements.

1.3 Our Conditions of Purchase shall also apply to all future supplies and services of the supplier to us, until our new Conditions of Purchase become effective.

1.4 Terms and conditions being individually negotiated between Supplier and us shall prevail in case they have been agreed on after the conclusion of the Contract. The written confirmation of such negotiations or the contract (if any) shall be decisive on the content of such individually negotiated terms and conditions.

1.5 These General Conditions shall only apply vis-à-vis merchants in accordance with Sec. 14 BGB, governmental entities, or special governmental estates within the meaning of Sec. 310 (1) BGB.

2. Conclusion and Alterations of Contract

2.1 Orders, agreements and other statements are only binding, if we make or confirm them in writing in each case. The stipulation requiring written form is also fulfilled by a copy of an original that remains with us. The order does not require written form in case the order is automatically generated and this fact is indicated within the text of such order.

2.2 Orders become binding upon Supplier if Supplier does not contradict such order within 5 working days after receipt.

2.3 The Purchase Order/Contract is issued to the Supplier in reliance upon its personal performance of the duties and obligations imposed. Therefore, the Supplier may not assign, delegate, transfer, sub-contract or otherwise dispose of any its obligations under the Purchase Order/Contract without our prior written

consent.

3. Prices/Place of Performance

3.1 The agreed prices are fixed prices “ex works” (EXW) and they include packing but, should the question arise, the relevant value added tax has to be added, if nothing else is stated in the order. Regarding the interpretation of trade terms (e.g. EXW), Incoterms 2010 shall apply. The Supplier has to make the goods available in time, taking into consideration the time for loading and shipping that has to be coordinated with the forwarder.

3.2 Notwithstanding the trade terms stated in each case, the supplier bears in any case the risk of material damage until the acceptance of the goods by us or our agent at the place, where the goods have to be delivered according to the order (place of performance).

3.3 If not agreed otherwise, the invoice has to be paid within 90 days at the 10th next month after the maturity of the remuneration claim and the receipt of both the invoice and the goods or, as the case may be, the performance of the service. The payment is made under reserve of invoice verification.

3.4 The descriptions in our orders and supply orders shall apply. The invoice has to be sent to TSS stating the invoice number and other reference characteristics; it shall not be attached to the consignment.

4. Impediments to Performance

4.1 If the goods cannot be delivered in time for reasons for which the Supplier is responsible, the shipping of the goods shall be effected on the fastest transport route accepted by TSS. The Supplier shall defray the extra costs, if any, resulting from a mode of shipping that differs from the order.

4.2 If the Supplier is hindered to fulfill the contract or believes to be so, he has to inform us about that in writing without undue delay, stating the reason and the expected duration of the hindrance.

4.3 The acceptance of the delayed supply or service without reservation is not deemed to be a waiver of damage claims that we are entitled to on account of the delayed delivery or performance of services.

4.4 Force majeure, labour disputes, operating troubles incurred through no fault of our own, administrative measures, and other unavoidable events entitle us – without prejudice to other rights – to cancel the contract wholly or partly, provided that they are of considerable duration and result in a considerable diminution of our requirements.

5. Delivery

5.1 Part consignments are, as a rule, inadmissible, unless they have been expressly permitted by us or if we can be reasonably expected to accept them.

5.2 As far as numbers of units, weights and measures are concerned, the data ascertained by us on the occasion of the examination of the goods received shall prevail, with the reservation of other evidence.

5.3 The date of production of the goods delivered to us may not differ from the date of delivery by more than 12 months unless otherwise agreed with TSS.

6. Warranty Claims and Recourse/Quality Assurance System

6.1 In addition to any other express and implied warranties provided by law or otherwise, Supplier warrants to us that he has good and marketable title to the Goods and that the Goods shall be:

- (I) new;
- (II) free and clear of any and all liens and encumbrances;
- (III) conform with all specifications, drawings, samples and other descriptions furnished by us or offered by Supplier;
- (IV) free from all defects in design (to the extent designed by Supplier), workmanship and materials;
- (V) be of merchantable quality;
- (VI) be fit and sufficient for the purposes intended by us – to the extent known by Supplier;
- (VII) conform to all applicable laws in the country of production and in the country in which Supplier effects delivery to us;
- (VIII) do not infringe patents or other intellectual property rights of third parties.

6.2 TSS is obliged to examine the goods for possible defects and completeness. The notification of quality and/or quantity deviations is made in time, if it is sent off within a period of 10 working days after receipt of the goods in case of apparent defects or, in case of hidden defects, after the detection of the defects.

6.3 The legal provisions regarding material and legal imperfections in title shall apply, unless not otherwise determined in the following.

6.4 As a rule, Trelleborg Sealing Solutions has the right to choose the way of subsequent performance.

6.5 Should the Supplier not start with the correction of the defect without undue delay upon our request to remedy the defect, we shall have, in urgent cases, in particular in order to avert imminent danger or to prevent considerable damage, the right to take these measures ourselves or to have them taken by a third party at the Supplier's cost.

6.6 Unless otherwise expressly agreed the warranty claims for defects lapse 3 years after delivery of the Goods or the completion of Services.

6.7 The Supplier operates an objective quality assurance system for all goods and services, e.g. according to ISO 9001.

6.8 In case the Supplier delivers Goods or provides Services that infringe patents or other intellectual property rights of third parties, and such third parties raise claims against us, Supplier is obliged to indemnify us against such claims at first written request; we are not entitled – without Supplier's prior permission – to enter into any agreement with the third party, in particular to reach an amicable settlement. Supplier's indemnity shall cover all expenses that we incur following from or being in connection with such third parties' claims.

7. Product Liability, Indemnity against Liability, Third Party Insurance

7.1 In case we are held liable on the basis of product liability provisions, the Supplier is obliged to indemnify us against such claims, if and as far as the damage has been caused by a defect of the subject matter of contract supplied by the Supplier. In cases of liability for fault, however, this shall only apply, if the Supplier is at fault. If the cause of the damage lies within the Supplier's sphere of responsibility, he shall bear the burden of proof insofar. In the aforesaid cases, the Supplier shall bear all costs and expenses, including the costs of a possible prosecution of an action or a return call. For the rest of it, the legal provisions shall apply.

7.2 Supplier shall maintain an insurance against product liability and return call costs with an insured amount of 5 million Euro each single case.

In case that the yearly contract value is below € 1 million, the insured amount shall be at least the yearly contract value multiplied by ten, max. 5 million Euro. Supplier agrees to furnish to us promptly upon request a certificate in English or German detailing the specific coverages that it carries for its general and products liability insurance (GLI/PL).

8. General Liability

8.1 Unless agreed otherwise Supplier shall be liable for all kinds of damages including but not limited to reimbursement of expenses and consequential losses, e.g. loss of production caused by breach of contract as far as claims against the Supplier arise from the contract on the basis of the CISG. The same applies mutatis mutandis in case the Supplier acts by duly authorized persons.

8.2 Supplier also shall be liable for all damages based on other claims including but not limited to claims arising from breach of contract, tort or breach of an obligation at the time of contracting (see § 311 BGB [German Civil Code]) in case Supplier acted wilfully or negligently. The same applies mutatis mutandis in case the Supplier acts by duly authorized persons. These limitations do not apply to any claim pursuant to the German Produkthaftungsgesetz.

8.3 We expressly reject any limitation as to the scope of the liability following from any standard terms used by Supplier. We also reject any limitation as to the amount of the damages.

9. Drawings, Production Documents, Tools

9.1 Documents (e.g. drawings), equipment, models, tools, or other means of production or patterns, as provided by us, shall remain our property. They may only be used, copied or transmitted to third parties in order to allow the processing of the proposal and the execution of the order. After execution of the order, they have to be returned to us without undue delay and free of cost.

9.2 We can require that all patterns (e.g. models, tools) and documents, which the Supplier uses for the execution, are left to us. The ownership of these models and documents shall pass to us after payment. We are, without special permission, entitled to use them, in case the Supplier is in delay, in order to bring about the result intended by the conclusion of the contract as well as to procure accessory equipment and to ensure maintenance and repair, later adjustments and the production of spare and reserve parts by us or by contractors, and may hand them over for such purposes. If necessary, the Supplier has to provide us with other information as well that is needed to reach the results intended by the conclusion of the contract.

10. Documents and Confidentiality

10.1 The Supplier shall maintain secrecy and confidentiality regarding all information about technical or business matters of our company. Such information shall not be revealed to third parties unless we have given our prior written consent. Supplier may only use any information provided by us to fulfill the contract.

10.2 Without our prior written consent Supplier may not use the fact that he has a contractual relationship with us for promotional purposes.

10.3 The Supplier has to safeguard all documents and databases that have become known to him in connection with the performance of the agreement against unauthorized persons taking notice. The Supplier is obliged to hand over to us all documents, including copies thereof, which he received in connection with the performance of the contract at the latest upon the termination of this contract.

10.4 The obligation to keep such secrecy shall not apply to information

- being common knowledge at the point in time this information was given to Supplier or
- that have become common knowledge without willful or negligent fault from Supplier or
- that were known by Supplier even before such information was transferred by us or
- that were given to Supplier by a third person and the Supplier has had no means to realize that this third person was violating its confidentiality duties or
- information or know-how was developed independent of any of our information by Supplier.

10.5 This obligation shall continue after the termination of the contract for 5 years.

11. Set-off

11. We expressly reject any limitation of the right of retention or the right to set-off both as provided by law.

12. Retention of Title

Supplier may retain the title in the Goods until full payment of the price has been effected. We expressly reject any further attempts of Supplier to agree on other clauses as to the retention of the title, including but not limited to the so-called extended clause of reservation of title or extended reservation of title as well as any reservation of title in favour of a group of companies. In case the Goods are processed by us or our customer, such processing is not made for the Supplier as far as § 950 BGB (German Civil Code) is concerned.

13. General Provisions

13.1 Should a provision of these Conditions and of the subsequent further agreements be or become invalid, the validity of the other provisions shall remain unaffected. The partners of the agreement are obliged to replace the invalid provision with one that is as close as possible in terms of its commercial effect.

13.2 Place of jurisdiction is our place of business. We are entitled, however, to sue the Supplier at his place of business or at the place of performance as well.

13.3 The contractual relations are exclusively governed by the United Nations Convention on Contracts for the international Sale of Goods(CISG). Outside of the scope of the CISG, these Terms and Conditions and the purchase of Goods hereunder as well as and any legal relations between the Parties shall exclusively be governed by and construed in accordance with the laws of the Federal Republic of Germany.