1. **Scope**

1.1 These General Terms and Conditions apply only where the Purchaser is an entrepreneur according to Sec. 14 German Civil Code (Bürgerliches Gesetzbuch), a legal person under public law, or a special fund under public law.

1.2 Quotes, sales, and deliveries by TRELLEBORG SEALING SOLUTIONS GERMANY GMBH ("TSS") are made exclusively on the basis of the most recent version of the General Terms and Conditions set out below. These General Terms and Conditions can be viewed online at any time at http://www.tss.trelleborg.com/de/de/agb.html in a reproducible form that can be saved and printed out by the Purchaser.

1.3 Unless otherwise agreed these General Terms and Conditions in its version valid at the time of order or at least in the version provided to Purchaser in text format at the latest also apply as a frame contract for all future business transactions with the same Purchaser concerning the sale and/or delivery of goods, without TSS being required to refer to these General Terms and Conditions again in each individual case.

1.4 The Purchaser's terms and conditions of purchase as well as further Purchaser terms such as quality assurance agreements, logistic agreements or warranty agreements are here-with expressly rejected. Any provisions that differ from those of these General Terms and Conditions shall apply only where they have been confirmed in writing by TSS as a supplement to these General Terms and Conditions and only for the particular situation at hand. This confirmation requirement applies in all situations, for example, even where TSS makes delivery to the Purchaser in full knowledge of the aforementioned terms and conditions without expressing any reservations or without expressly rejecting such terms and conditions.

2 **Quote, Contract, Scope of Delivery**

2.1 Quotes provided by TSS are non-binding and can be provided in writing or via email. Unless otherwise agreed by the parties, a contract is formed upon receipt of TSS' order confirmation in writing or via email, however no later than when TSS makes delivery. No verbal collateral contracts exist at the time the contract is formed.

2.2 The scope of delivery owed by TSS is always determined by the order confirmation according to Sec. 2.1. Where no order confirmation exists but TSS has submitted a binding quote with a time limit and the Purchaser has accepted the quote within that time limit, said quote shall determine the scope of delivery.

2.3 Agreements between the Purchaser and TSS specifically tailored for the particular situation (including collateral contracts, supplements and amendments to these General Terms and Conditions) – where such were entered into after the contract was formed – shall always take precedence over these Terms and Conditions. A written contract or, absent such, subject to the proof of contrary by Purchaser a confirmation according to Sec. 2.3 of these General Terms and Conditions shall apply.

3 **Prices**

3.1 The prices valid at the time the contract is formed shall apply. These prices are in euros, they are ex works and do not include shipping and packaging costs, customs fees, import duties, or the value-added tax applicable by law in the particular situation.

3.2 Where the quantity ordered is less than the minimum order quantity, TSS is entitled to invoice the applicable minimum order quantity, provided the Purchaser has been informed in advance, has been given a reasonable deadline to object to this practice, and has not expressed any objections by the deadline.

4 **Tools, Molds, and Models**

4.1 Unless otherwise agreed all tools, molds, dies, models, and testing equipment remain the property of TSS. After the completion of the particular order, such items will remain in the possession of TSS and will be held in storage for future orders for a reasonable period of time to be determined by TSS without any obligation on the part of TSS. TSS retains industrial property rights and copyrights that may exist in such tools or in their underlying materials, e.g., drawings. Where such rights exist, the production of replicas of the items specified above is prohibited.

4.2 Tooling costs invoiced by TSS are only proportionate tooling costs. This pro-rata costs include regular and preventive maintenance, monitoring of production quantities, execution of potential necessary repairs, renewal in case of abrasion, storage of the tool, its insurance and ensuring that these tools except for reasonable maintenance and repair times are ready for operation.

Cost for consequential tools which replace the currently used tool after the agreed output quantity has been reached will be paid by Purchaser.

5 **Payment Terms**

5.1 Invoices issued by TSS are payable 14 days net from date of invoice. Section 2.3 shall apply in addition.

5.2 Payment shall only be deemed received if and when TSS is able to dispose of the amount invoiced.

5.3 Where the Purchaser is in default of payment, TSS shall be entitled, while retaining any further rights in this regard, to charge (i) late payment interest pursuant to Sec. 288 (2) of the German Civil Code in the amount of 9% per annum above the base rate and (ii) a lump sum pursuant to Sec. 288 (4) of the German Civil Code in the amount of EUR 40.

6 **Offsetting and Withholding Payment**

6.1 Offsetting with counterclaims is prohibited except where such are undisputed or subject of a final and conclusive judgement of a competent court.

6.2 Withholding payments owed due to any claims made by the Purchaser against TSS is prohibited except where the right to withhold payment is based on claims made by the Purchaser arising from the same contractual relationship with TSS.

7 **Delivery Periods, Scope of Delivery, Forecasts, Release Orders**

7.1 The delivery period starts on the date the order confirmation is issued, however not until all of the details of the order have been fully clarified. Once the Purchaser has been notified that the order is ready to be shipped, the delivery period is considered to have been adhered to even if the shipment is delayed or impossible without TSS’s fault.

7.2 Delivery dates and delivery periods are always approximations only and are not binding on TSS except where TSS has expressly agreed to a binding delivery date or delivery period in writing when entering into the contract. In all other respects, Sec. 2.3 of these General Terms and Conditions shall apply.

7.3 TSS reserves the right to deliver a quantity that exceeds or falls short of the quantity ordered, provided this is not unreasonable for the Purchaser and such variations are within commercial tolerances. The basis for the invoice issued shall be the actual quantity delivered. TSS shall be entitled to make partial deliveries in such scope as is not unreasonable for the Purchaser.

7.4 Delivery quantities or forecasts provided via electronic order systems or other communication channels by Purchaser to TSS are binding. However, TSS grants Purchaser the right to change or withdraw the order up to six (6) weeks before the agreed delivery date.

In the case of call-off orders where the contract term, batch sizes, and purchase dates have not been stipulated, TSS can, no later than three (3) months from the date of issue of the order confirmation, request a binding designation of these.
Where the Purchaser fails to satisfy this request within three (3) weeks, TSS shall be entitled to set a two (2) week grace period and, once this has passed, to rescind the contract and/or claim damages.

8 Shipment and Transfer of Risk

8.1 The Purchaser bears all packing cost. Orders are shipped DAP ("delivered at place", Incoterms 2010) however, the Purchaser bears all cost TSS incurred thereby.

8.2 In the event shipment is delayed due to circumstances over which the Purchaser has control, risk transfers to the Purchaser at the time the Purchaser is notified that the order is ready to be shipped.

8.3 If the shipment is delayed at the request of the Purchaser, TSS is entitled, after setting a reasonable deadline for acceptance of delivery and after such deadline has passed without result, to dispose of the items to be delivered in another manner and to deliver the order to the Purchaser by a reasonably extended deadline.

9 Default and Impossibility of Performance

9.1 The Purchaser’s right of rescission in the event of defects notwithstanding (see Sec. 13 of these General Terms and Conditions), in the event of impossibility of performance or default by TSS, the Purchaser may rescind the contract only where there is a breach of a duty under the contract for which TSS is responsible.

9.2 In the event of an immaterial breach of duty Purchaser is not entitled to withdraw from the contract. Withdrawal is also excluded if Purchaser is solely or largely responsible for the circumstances giving rise to the withdrawal or if circumstances arise during the delay in accepting delivery by the Purchaser for which TSS is not responsible.

9.3 Additionally, in order to rescind or receive damages in lieu of performance in the event of default, the Purchaser must have first set a reasonable deadline for TSS in writing of at least four (4) weeks to perform as required per the terms of the contract, and must have specified clearly that in the event of failure to meet this deadline, the Purchaser would rescind the contract and/or assert a claim for damages. Once this deadline has passed, upon request by TSS, the Purchaser must state whether it will continue to insist on delivery, assert a claim for damages, or rescind the contract.

9.4 The only situation in which the Purchaser is not required to set a time limit as described in Sec. 9.3 of these General Terms and Conditions is where TSS sincerely and decisively refuses to perform as required per the terms of the contract or there are special circumstances that, given the interests of both parties, justify immediate rescission.

9.5 Sec. 14 of these General Terms and Conditions applies with respect to damage claims.

10 Force Majeure

Severe events in particular such as force majeure, labour disputes, disturbances, war or terrorist conflicts, epidemics, pandemics, plague which lead to unforeseeable consequences for the performance of the contract, relieve the parties from their performance obligations for the duration of the disturbance except the respective party is responsible for such severe event - even if the party concerned is already in default. This does not entail a dissolution of the contract. The parties are committed to give each other the necessary information and to adjust their obligations in good faith to the changed circumstances.

11 Retention of Title

11.1 All delivered items remain the property of TSS until such time as payment has been made in full for all TSS accounts receivable existing at the time the contract was formed. Where TSS has accepted checks or bills of exchange in the interest of settling the Purchaser’s account, all delivered items shall remain the property of TSS until the full amount of such checks or bills of exchange has been cleared. In case of a current account the reservation of title shall be deemed a collateral for the balance of account in TSS’s favour and if a balance is struck and confirmed by the Purchaser, this shall not affect the retention of title.

11.2 The Purchaser is entitled to adapt and process delivered items in connection with its usual business operations. The Purchaser undertakes any such adaptation and processing of delivered items on behalf of TSS without this creating obligations on the part of TSS. In the event that delivered items are processed, combined with, incorporated into, or commingled with other goods not supplied by TSS, TSS shall have partial ownership of the newly item in the same proportion the invoice value of the delivered items bears to the rest of the processed goods at the time the items are processed, combined, incor- porated, or commingled. Where the Purchaser acquires sole ownership of the newly created item by law, at this time the Purchaser hereby grants TSS partial ownership of the newly created item in the proportion described above and shall hold such item in safekeeping for TSS free of charge.

11.3 In the event the Purchaser sells the delivered item or the item subject to shared ownership as described in Sec. 11.2 of these General Terms and Conditions either by itself or together with goods that do not belong to TSS, at this time the Purchaser hereby assigns to TSS the receivables resulting from the resale in the amount of the delivered items together with all related rights. TSS hereby accepts this assignment. Where the item sold is partially owned by TSS, the assignment of the receivable shall extend to a sum equivalent to the value of the percentage of ownership held by TSS. TSS hereby grants the Purchaser the authority – which can be revoked – to collect receivables assigned to TSS. Should the Purchaser default on its obligations to TSS, the Purchaser must name to TSS all of the parties that owe the receivables assigned. Furthermore, the Purchaser must report the assignment to such debtors. In such case, TSS is also entitled to disclose the assignment to the respective debtors itself and to exercise its right to collect on the receivables.

11.4 Where the Purchaser’s actions are not in compliance with the terms of the contract, in particular where the Purchaser is in default with regard to its payment obligations or breaches a duty of care with regard to the handling of the delivered item, TSS shall be entitled, after sending a warning and setting a deadline, to rescind the contract and to repossess the delivered item. In such case, the Purchaser is required to return the delivered item after TSS declared the withdrawal.

11.5 The Purchaser is entitled and authorized to resell the delivered item only in the usual and ordinary course of business and only on condition that receivables assigned to TSS pursuant to Sec. 11.3 above of these General Terms and Conditions are also actually transferred to TSS. The Purchaser is not entitled to dispose of the item delivered in any other manner. In particular, it may not pledge the item delivered or transfer title for purposes of collateral.

11.6 The Purchaser must immediately notify TSS of any measures undertaken by third parties to enforce judgments (seizure) with respect to the delivered item subject to retention of title or the receivables assigned to TSS and provide any documentation necessary to object to such measures.

11.7 Where the Purchaser’s principle place of business is not in Germany, it shall take every action set out by law or elsewhere as is necessary to perfect TSS’s retention of title as provided in these General Terms and Conditions in the country in which delivery is made.

11.8 Upon request of Purchaser TSS shall release securities at its own option when the realizable value of the securities granted to TSS exceed the claims of TSS by more than 10%.

12 Notice of Defects

12.1 Purchaser is obliged to adhere to its duties according to Secs. 377, 438 German Commercial Code (Handelsgesetzbuch). TSS will not waive the objection of delayed notification of defects. Warranty claims for defects which have not been or not duly been notified are barred.

12.2 Once the goods have been processed or installed into another object, complaints regarding obvious defects are barred. Defects in part of a delivery cannot result in a complaint concerning the entire delivery except where it is unreasonable for the Purchaser to accept the part of the delivery that has no defects.
12.3 The notice must indicate the details of the defect that is being reported. The defect should be described as precisely as possible, e.g., the type of defect or malfunction, its location, and whether it is such that TSS is granted the opportunity to inspect the alleged defect at TSS’s place of business.

13 Defect Claims

13.1 The terms of the contract define what constitutes the absence of defects in the delivery as well as the quality and workmanship of the delivered items. Any indication of technical standards in the contract serves as a specification of services and shall not constitute a guarantee of properties.

13.2 Installation suggestions, material recommendations, parameters and further data including public comments or advertising are always subject to the particular field of use and the application in which the good is intended to be used and therefore neither constitute an agreement on the legal and factual nature, nor a guarantee of quality except as otherwise agreed upon in writing.

13.3 Where TSS issues installation recommendations, the Purchaser must take into consideration that the function of the goods supplied by TSS depends not only on their particular features but first and foremost on how the goods supplied interact with the other components of the respective Purchaser application system. Where TSS has not expressly entered into a contractual agreement to do so, the selection and testing of the suitability of the goods supplied by TSS for Purchasers application are the Purchaser’s responsibility, as is the testing of the interaction of the TSS goods with the other components of the application. Technical modifications and errors exceeded which do not adversely affect the Purchaser and which are carried by a legitimate interest of TSS.

13.4 Improperly performed attempts by the Purchaser or a third party to remedy defects and improper storage – especially storage that contradicts the instructions given by TSS – shall result in the Purchaser losing all rights to assert claims for defects insofar as such actions have increased the expense for TSS of remedying the particular improperly handled defect or caused further defects or damage.

13.5 Upon receiving written consent from TSS in advance, the Purchaser shall be entitled to make repairs or to request reimbursement of the reasonable costs of doing so, but only for purposes of avoiding disproportionately large losses or in the event TSS has delayed remedying the defect(s).

13.6 Where a notice of defects is legitimate, TSS shall either remedy the defect (repair) or provide a replacement, at its discretion, provided the Purchaser proves that the defect had already existed at the time of transfer of risk. After consultation Purchaser shall give TSS the required time and opportunity to carry out the repair or replacement of the goods. The place of performance of supplementary performance shall be the place of delivery. This does not apply if TSS selects the repair as supplementary performance and the goods cannot be shipped to TSS. Otherwise, TSS shall be entitled to claim compensation for damages (in particular test and transportation costs) incurred from Purchasers unjustified request to remedy deficiencies, unless the lack of effectiveness was not apparent to the Purchaser.

13.7 Where the cure is unsuccessful, i.e., TSS allows a reasonable deadline set for TSS to provide a cure to pass, TSS has made two attempts at repair or has provided one replacement and this has not remedied the defect reported, or in the event that TSS unjustifiably refuses or unreasonably delays making repairs or providing a replacement, or when repair is not acceptable for the Purchaser for other reasons, and where the conditions set out in Sec. 281 (2) or Sec. 323 (2) of the German Civil Code have been met or in case TSS has legitimately rejected the cure as being disproportionate, the Purchaser can, in lieu of repair or re-delivery, demand the remedy provided for by law of rescission and of reducing payment, and may assert claims for damages or reimbursement of expenses, the latter pursuant to Sec. 14 of these General Terms and Conditions.

13.8 In addition TSS is not obliged to repair or replace the goods if this is only possible subject to disproportionate cost. Any form of subsequent performance may be denied by TSS if the estimated cost as well as those of the subsequent delivery exceed 100% of the purchase price of the delivered goods.

14 Damages

14.1 The Purchaser can assert claims for damages irrespective of the legal grounds insofar as such are based on deliberate breach of contract or breach amounting to gross negligence or such breach of duty during contract negotiations by TSS, its legal representatives, or parties assisting it in performance.

14.2 In the event of breach of so-called material duties, i.e.,
(a) substantial breaches of duties under the contract that jeopardize the achievement of the purpose of the contract, or
(b) breach of duties where the satisfaction of such is essential for the proper performance of the contract to occur at all and compliance with which the Purchaser should be able to trust in as a matter of course ("material duties").
TSS shall also be liable for slight negligence, however this shall be limited to damages for typical and foreseeable loss arising from the Purchaser’s interest in performance identifiable by TSS upon execution of the contract.

14.3 Unless otherwise provided in these terms, all claims by the Purchaser for damages of losses of any type, even claims for reimbursement of expenses and consequential losses such as production stoppage, are barred. This applies in particular with respect to claims due to any breaches of duties arising from the contractual relationship and from tort actions. The exclusion of liability also applies where TSS has assigned employees or other parties to assist in performance.

14.4 This exclusion of liability does not apply with respect to claims based on the German Product Liability Act or where TSS provided a warranty for properties of the delivered item or assumed the procurement risk, or in the event that TSS fraudulently concealed a defect in the delivered item. Moreover, the exclusion of liability does not apply with respect to claims for damages based on injury of life, body or health.

14.5 Where claims are made against TSS by third parties based on product liability or the violation of official safety regulations or other legal grounds pursuant to domestic or foreign law, TSS can demand that the Purchaser reimburses TSS for the expense incurred under the provisions of liability law applied to TSS insofar as the Purchaser failed when entering into the contract to provide information or complete information to TSS concerning the subsequent use of the items delivered by TSS and insofar as the failure to provide such information gave rise to the loss, except where the Purchaser proves it was not responsible for the loss and the omission of notification.

15 Period of Limitation due to defects

15.1 Except as stipulated otherwise on a case by case basis the period of limitation in accordance with Secs. 438 (1) no. 3, 445b (1) or 634 a (1) no. 1 of the German Civil Code for all defect claims is twelve (12) months, starting from the date the delivered items change hands or in case an acceptance has been stipulated with acceptance of the delivered item. The expiry suspension according to Sec. 445b (2) Germany Civil Code shall end after three years.

15.2 Notwithstanding the foregoing the statute of limitations as provided by law shall apply also in the scope of Secs. 438 (1) no. 3, 445b (1) or 634 a (1) no. 1 of the German Civil Code:

15.2.1 to claims for damages based on injury of life, body or health caused by a defect for which TSS is responsible,

15.2.2 to defects stemming from a deliberate breach of a duty under the contract by TSS or one amounting to gross negligence,

15.2.3 in the event of fraudulent concealment of a defect,

15.2.4 for warranties (Secs. 444, 639 German Civil Code) and

15.2.5 if the last contract along the supply chain (Sec. 445a German Civil Code) is deemed to be a consumer contract according to Sec. 474 German Civil Code.

15.2.6 Claims in accordance with the German Product Liability Act (Produkthaftungsgesetz) as well as rules upon expiry suspension, suspension and recommencement of limitation periods shall remain unaffected.

(as of 08/2018)
16 Property Rights

16.1 TSS reserves all rights (including copy rights, the right to apply for industrial property rights and patents, utility models, mask work rights, design patents and trademarks and the property rights in items made available that contain documents (papers, CD/DVD/USB-Sticks, etc.)) to any of its documents including but not limited to specifications, drawings, notes, memos, instructions, technical information and technical data, both in paper form and in electronic form. Such documents must not be provided to third parties without TSS’s explicit prior written consent.

16.2 Purchaser warrants that goods supplied by TSS will not infringe third party intellectual property rights as far as TSS manufactured these goods according to drawings, models, patterns or other documents provided by Purchaser. Purchaser shall fully indemnify TSS for all costs, expenses, liabilities, losses, damages, claims, proceedings, (including without limitation legal fees) that may result from Purchasers breach of its obligations arising out of this Sec. 16.2.

17 Data Protection and Confidentiality

17.1 TSS processes personal data in accordance with the General Data Protection Regulation (GDPR) and the German Data Protection Act only. TSS is obliged to inform the data subject where personal data are collected from in accordance with section 13 GDPR. Purchaser will find the required information under the following link: https://www.tss.trelleborg.com/de/de/agb.html.

17.2 The Purchaser shall maintain strict confidentiality with respect to confidential information the Purchaser gains knowledge of, i.e., all data and information that the Purchaser learns of in connection with the contractual relationship with TSS (“Confidential Information”). The Purchaser shall use Confidential Information only for the purposes of the contract entered into with TSS and shall not disclose such to third parties or make such available to third parties in any other manner without TSS’s explicit prior written consent. Furthermore, the Purchaser shall safeguard Confidential Information against access by third parties. In doing so, the Purchaser must exercise the same degree of care applied when handling its own Confidential Information; at minimum the Purchaser must exercise reasonable care. The Purchaser shall impose on its employees the same obligations to maintain confidentiality with respect to Confidential Information. The Purchaser shall immediately notify TSS in writing should the Purchaser learn of a breach of the confidentiality clause that is impending or has already transpired or where the Purchaser has become suspicious of such. Purchaser has to refrain from any reverse engineering except as allowed by Sec. 69e German Copyright Act (Urhebergesetz). i.e. backward analysis by observing, inspecting, dismantling or testing the goods for the purpose of acquiring the trade and business secrets embodied in such items.

17.3 The obligation to maintain confidentiality with respect to Confidential Information is not applicable where the Purchaser proves that:

- the Confidential Information was already known to the Purchaser before such was communicated by TSS;
- the Purchaser received the Confidential Information lawfully from third parties without an obligation to maintain confidentiality being imposed;
- the Confidential Information is public knowledge or has become public knowledge without any breach of the obligation to maintain confidentiality set out herein;
- this Confidential Information had been or is being developed by the Purchaser independently from the communication of such by TSS.

17.4 Under no circumstances TSS grants any property rights, license rights, reproduction rights, rights of use or other rights to TSS’s Confidential Information granted hereby, irrespective of whether or not intellectual property rights in such exist.

17.5 At TSS’s request, the Purchaser must immediately return to TSS or in case of electronic transfer delete all Confidential Information received, with the sole exception (i) of copies that are required to be retained in order to satisfy regulations mandated by law or (ii) for routinely made back-up copies of electronically exchanged data. Sec. 17.1 shall apply to these copies without restriction.

17.6 The confidentiality obligation shall survive for a period of three (3) years after the end of the contract.

18 Final Provisions

18.1 The Purchaser may assign or transfer receivables only after receiving TSS’s prior consent.


18.3 The place of performance for payments by the Purchaser and deliveries by TSS is TSS’s principal place of business in Stuttgart.

18.4 For legal actions against businesspersons, legal entities organized under public law, and entities specially funded under public law, the courts of Stuttgart shall have exclusive jurisdiction and venue. TSS is also entitled to take legal actions also at Purchasers general place of jurisdiction.

18.5 TSS will comply with the Directive 2001/95/EC on general product safety as well as the Regulation No 1907/2006 concerning the registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). Any Purchaser and product related requirements exceeding these legal requirements shall require the express written consent of TSS prior to any purchase order. Additional Purchaser requirements at a later date shall only become effective or as the case may be a part of a supply contract after TSS’s written consent.

18.6 Purchaser agrees and undertakes that:

18.6.1 it will not use the goods for any purpose connected with chemical, biological or nuclear weapons, missiles capable of delivering such weapons, nuclear explosive activity or in any way that would cause TSS to be in breach of financial or trade sanctions imposed against Iran or any other destination;

18.6.2 it will not export, re-export, re-sell, supply or transfer the goods to any destination or party subject to UN, EU, or US trade embargos, or to any destination or party if it is known or suspected that the goods are likely to be used for the purposes set out in Sec. 18.6.1 above;

18.6.3 it will comply with all applicable export and sanctions laws;

18.6.4 it will include the same terms in its dealings with its customers; and

18.6.5 it agrees to fully indemnify TSS for all costs, expenses, liabilities, losses, damages, claims, proceedings, (including without limitation legal fees) incurred or awarded against TSS arising out of or in connection with any breach of Sec. 18.6 whether such breach occurs directly or indirectly, with or without the knowledge of TSS.

18.7 Supplier’s declaration for goods having preferential origin status pursuant to Implementing Regulation (EU) No. 2015/2447: TSS hereby declares that, except where otherwise indicated, the goods listed in this document are goods originating in the European Union and satisfy the rules of origin governing preferential trade with the EU. TSS shall make available to the customs authorities any further documentation regarding origin that they request. The most recent information can be found at the customs websites: www.zoll.de and www.wup.zoll.de.