

General Terms and Conditions of Business and Delivery

- I. Scope
- (1) Our General Terms and Conditions of Business and Delivery only apply if the Buyer is an entrepreneur (Section 14 BGB – German Civil Code), a legal person under public law or a special federal fund under public law.
- (2) Our offers, sales and deliveries are exclusively based on our General Terms and Conditions of Business and Delivery set out below as stated in the respective latest version. In addition, our General Terms and Conditions of Business and Delivery can be viewed at any time on the Internet at <https://www.trelleborg.com/en/pipe-seals/resources/general-terms-and-conditions> and can be saved and printed by the Buyer in a form suitable for reproduction.
- (3) These General Terms and Conditions of Business and Delivery apply to all future business transactions regarding the sale and/or delivery of movable items with the same Buyer without the necessity for us to refer to them in each individual case. Any Buyer's conditions of purchase are expressly rejected. Agreements contrary to our General Terms and Conditions of Business and Delivery apply solely if – and insofar only for the respective individual case – they have been confirmed by us in writing as an addition to our General Terms and Conditions of Business and Delivery. This confirmation requirement shall apply in every case, including if we unreservedly deliver to the Buyer although we are aware of the Buyer's conditions of purchase. No subsidiary verbal agreements existed at the time of entering this contract.
- (4) The Buyer's individual agreements expressly entered into with us on an individual basis (including subsidiary agreements as well as supplements to and additional information regarding these General Terms and Conditions of Business and Delivery) shall – in case such individual agreements are entered into after the conclusion of the contract – have preference over these General Terms and Conditions of Business and Delivery in every case. A written contract or – if a written contract is not available – our written confirmation to the Buyer shall be authoritative with respect to the content of such individual agreements.
- II. Offers and demonstrations
- (1) All our offers are subject to change without notice at all times.
- (2) The Buyer shall be bound by their order for a period of two weeks after placing an order. An order and its subsidiary agreements shall be deemed accepted if they have been confirmed in writing by us.
- (3) Measurements, weights and other technical data stated by us are to be construed to include the customary variations in accordance with the pertinent DIN regulations or in accordance with the official licensing requirements. Drawings, diagrams, sketches, descriptions, etc. are only intended as illustrations. If nothing to the contrary has been agreed in writing with us upon entering into the contract, our deliveries need only comply with such illustrations by way of analogy with the customary variations.
- (4) We reserve the right to amend services at any time insofar as they are reasonable to the Buyer and after consideration is given to all circumstances. Quality improvements in the case of material, models and measurements are permitted at all times at our discretion.
- (5) We reserve title and copyrights to our cost estimates, drawings and other documents. These documents may not be made available to third parties without our express prior written approval.
- (6) In the event that as part of a demonstration against payment of our equipment at a customer's building site the demonstration cannot be carried out because the customer has not provided us with the correct and complete information required for the demonstration, we shall be entitled to charge the agreed remuneration, whereby consideration shall be given to potential saved expenses.
- III. Delivery
- (1) Partial deliveries on our part are permissible in reasonable quantities. Deliveries shall only be made as long as stocks last. The contract with the buyer is subject to correct and timely deliveries to our company as far as the material required to fulfil our obligations to the Buyer is concerned.
- (2) All the collection dates and delivery periods stated by us shall at all times apply merely as approximate dates and shall not have binding force for us unless a delivery date was expressly agreed upon in writing with binding force upon entering into the contract or thereafter, including with verbal binding force. As a general rule, the agreed binding delivery date shall commence upon the conclusion of the contract, but not, however, before the Buyer has made available all the documents, licences, clearances, export details and auxiliary devices the buyer is required to provide and that are necessary for the determination and manufacture of the goods, and not prior to receipt by us of an advance payment if the Buyer is required to make such an advance payment.
- (3) Our deliveries shall be made ex works. The delivery time shall be deemed met if the consignment has left our plant up until expiry of the delivery time or if the Buyer has been informed of the readiness for dispatch in respect of the goods.
- (4) The delivery period shall apply subject to unforeseeable or unusual circumstances that we cannot avert irrespective of applying reasonable care in accordance with the circumstances of the case and irrespective of whether such circumstances affect our plant or our subcontractors. This includes cases of force majeure, war, unrest, operational disruptions, strikes, lock-outs, the absence of specialists, official sanctions and intervention, delays in the delivery of key raw materials or energy supply difficulties, and other unforeseeable hindrances that are beyond our sphere of influence. Insofar as such circumstances give rise to delays, and the delivery or service is not impossible as a result, the delivery period shall be extended accordingly. The above-mentioned circumstances shall also not be deemed our responsibility if they occur during an existing default. We shall inform the Buyer within three (3) workdays following the start of the hindrance of the above-mentioned type. If the hindrance lasts for more than 60 successive days, we shall be released from our delivery obligation without the Buyer having an entitlement to lodge any kinds of claims against us.
- (5) If the Buyer requests amendments or supplements regarding the order after the contract has been entered into, whereby these amendments or supplements render adherence to the delivery date impossible, the delivery date shall be postponed in accordance with the requested amendments and supplements by a period that is reasonable in which to manufacture such amendments or supplements.
- IV. Default and impossibility
- (1) A reminder issued by the Buyer shall be required in each case for the occurrence of default in delivery on our part.
- (2) Insofar as we default in delivery as a result of minor negligence, the Buyer may – insofar as they show probable cause for the damage they have suffered as a result – demand compensation for each lapsed week of the default of 0.5% of the price (or 5% of the total at most) for the part of the deliveries that could not be properly used because of the default. The Buyer is free to furnish proof of greater damage caused by the default and we may furnish proof of lesser damage. Both claims for damages by the Buyer regarding default in the delivery and claims for damages instead of the performance that extend above and beyond Clause IV. (2) of these General Terms and Conditions of Business and Delivery are excluded in all cases of delayed delivery, including following expiry of a period for delivery set for us. However, this does not apply insofar as liability applies in accordance with Clause XII. (2) of these General Terms and Conditions of Business and Delivery.
- (3) Irrespective of the right of the Buyer to withdraw in the event of defects (see Clause XI. of these General Terms and Conditions of Business and Delivery), the Buyer may only withdraw from the contract in the event of a violation of an obligation that is our responsibility if the performance is impossible or in the event of default.
- (4) At our request, the Buyer is obliged to state within a period of reasonable length whether or not they shall withdraw from the contract because of the default in performance or whether or not they insist on receiving the delivery. If the Buyer does not make such a statement within the period of reasonable length we have stated, the Buyer shall no longer be entitled to reject the delivery or withdraw, and may not assert claims for compensation instead of the performance.
- (5) An amendment to the burden of proof to the detriment of the Buyer is not associated with the above regulations.
- V. Passing of risk and default of acceptance by the Buyer; transport damage
- (1) The risk of possible loss of or deterioration in the delivery item shall pass to the Buyer at the latest upon sending the delivery parts to the Buyer, including if partial deliveries are made or we have also assumed other services, in particular, the shipping costs or the carriage. At the written request of the Buyer, we shall insure the consignment against theft, breakage, transport damage, damage by fire or water, and other insurable risks. All costs arising as a result of this shall be borne by the Buyer.
- (2) If shipping is delayed as a result of circumstances that are the Buyer's responsibility, the risk of possible loss of or deterioration in the delivery item shall pass to the Buyer from the day it is ready for dispatch. In such a case, we shall be willing, at the written request of the Buyer, to enter into the insurance contracts requested by the Buyer. All such costs that arise shall be borne by the Buyer. Irrespective of this, the Buyer undertakes to compensate us for the additional expenses we have incurred as a result of such delays.
- (3) Insofar as an acceptance was agreed, it shall be authoritative for the passing of risk. Also in other respects, the statutory provisions of service contract law shall apply to an agreed acceptance. The handover or acceptance shall be deemed to have taken place in case the customer defaults in acceptance.

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- (4) If the Buyer defaults in acceptance, fails to collaborate or if our delivery is delayed for other reasons that are the Buyer's responsibility, we shall be entitled to request compensation for the resulting damage, including additional expenses (e.g. warehousing costs). In this respect, we shall impose flat-rate compensation of at least 0.5% of the invoice amount each month (or 5% of the total at most) starting upon the delivery period or – in the absence of a delivery period – upon notification of the readiness to dispatch the goods. This also applies if goods are stored at the plants of another manufacturer. This shall not prevent us from furnishing proof of greater damage and shall not affect our statutory claims (in particular compensation for additional expenses, reasonable compensation or termination). However, the liquidated damages are to be counted towards further reaching monetary claims. The Buyer is permitted to furnish proof that we have not suffered any damage or have suffered considerably less damage than that reflected in the above liquidated damages. We are also entitled, after setting a period of reasonable length in which to accept the goods and the expiry of such a period without resolution, to otherwise dispose of the goods and to supply to Buyer by way of an extended period of reasonable length at the prices that shall then be valid at that time.
- (5) Unless otherwise agreed upon with the Buyer, the goods shall be delivered ex works and shipped at the Buyer's request. The respective forwarding agent is to be informed of transport damage that occurs. Insofar as we are entitled to make claims for damages as a result of such transport damage that does not constitute any defects in the goods, we shall assign these to the Buyer.
- VI. Price and payment
- (1) In the absence of a separate agreement, all our prices shall apply ex works in euros plus the value added tax at the respective valid rate. Additional costs, in particular, for packaging, transport, insurance and customs duties, etc. shall, where applicable, be charged separately. All domestic and foreign incidental costs that arise in conjunction with the delivery shall be borne by the Buyer.
- 2) The minimum order value for orders, which fall due for payment following invoicing, is €100.00. Otherwise goods shall be delivered via cash on delivery or as cash sales.
- (3) Invoices for filling materials, spare parts and services shall fall due for payment immediately without deduction following receipt of invoice. Other invoices shall fall due for payment within 30 days after the invoice date without deduction.
- (4) Payment shall only be deemed effected once we can dispose of the amount. Cheques and bills of exchange shall only be accepted on account of performance. All costs in respect of discounting and collection shall be borne by the Buyer.
- (5) We are not under obligation to present bills of exchange and cheques in good time. If a cheque is not cashed, or is not cashed in good time, or if a bill of exchange is not discounted or not cashed in good time, the Buyer is to ensure that our entire claim or residual claim is settled without delay.
- (6) If it becomes clear after entering into the contract that our claim for the purchase price is jeopardised as a result of lacking performance on the part of the Buyer (e.g. as a result of an application for the institution of insolvency proceedings), we shall be entitled, in accordance with the statutory provisions, to reject performance and – where applicable after setting a period – to withdraw from the contract (Section 321 BGB). In the case of contracts for the manufacture custom-made items, we may give immediate notice of withdrawal. This shall not affect the statutory provisions on the dispensable nature of setting periods.
- (7) If a factor such as wages, energy costs and/or the cost of raw materials increases or falls in the period between entering into the contract and the delivery date by more than 5%, we reserve the right to adjust the prices by the amount by which the acquisition or manufacturing costs in respect of the delivery item have increased or fallen.
- (8) We may request that a Buyer who is not located in Germany pay by way of a confirmed, irrevocable documentary letter of credit, which is issued by a German bank/savings bank of our choice in our favour without us incurring costs as a result, and which permits us to partially ship the delivery items of which one-third (1/3) shall fall due for payment immediately upon issue of the letter of credit at the first request subject to confirmation of receipt and the remaining two-thirds (2/3) shall fall due following submission of the documents.
- VII. Default in payment
- (1) The Buyer shall be deemed in default of their payment obligation following the issue of a reminder by us. A reminder shall not be required if a period in accordance with the calendar is specified for payment or if payment is to be effected within a certain period following the occurrence of an event. Without a reminder, the Buyer shall be deemed to be in default 30 days following receipt of our invoice or, if we cannot specify the time at which the invoice is received, 30 days following receipt of the goods.
- (2) If the Buyer defaults in their payment obligation, we shall be entitled to charge interest, from the start of default at the interest rate charged by our company bank, for outstanding overdraft facilities on current accounts, of at least 8% above the respective basic rate of interest of the Central Bank of Germany. The interest is to be set at a higher or lower rate if we furnish proof of a charge at a higher interest rate or the Buyer furnishes proof of a lower charge that we incur. This does not affect asserting claims for greater damage caused by default.
- VIII. Right of retention, set-offs and assignment
- (1) The right of retention with respect to payments for any type of the Buyer's claims against us is excluded unless the right of retention is based on the Buyer's claims resulting from the same contractual relationship.
- (2) Set-offs by the Buyer against our claims with their own claims is not permitted unless the claims are undisputed or have become res judicata.
- (3) The Buyer may not assign their claims against us to third parties.
- IX. Reservation of title
- (1) All deliveries and services shall remain our property up until payment in full of all our claims that exist at the time of entering into the contact of purchase and future claims resulting from the contract of purchase and an ongoing business relationship (secured claims) irrespective of the legal basis for such claims. If we enter into contingency commitments in the Buyer's interest, all deliveries and services shall remain our property until we are released in full from such liabilities, in particular resulting from bills of exchange. This also applies if payments were made for specially described claims. The discontinuation of individual accounts receivable with respect to an ongoing account or drawing up a balance and their recognition shall not affect the reservation of title.
- (2) Processing or converting of the delivery item (reserved good) by the Buyer shall, at all times, be carried out on our behalf. If the reserved good is mixed with items that are not our property, we shall become co-owners of the entire item in accordance with the statutory provisions. If the Buyer acquires sole ownership of the new item, they shall assign to us at this point in time co-ownership in the proportion of the value of the reserved good to that of the combined items at the time they were combined.
- (3) If the reserved goods are sold or leased by the Buyer alone or in conjunction with goods that are not our property, the Buyer shall assign to us at this point in time as a security the claims resulting from the sale or lease in the sum of the gross invoice amount including all subsidiary rights. If we co-own the resold reserved goods, the assignment of claims shall apply to the amount that corresponds with the proportionate value of our co-ownership. We hereby accept the above assignments.
- (4) We authorise the Buyer, subject to revocation, to collect the claims assigned to us as long as the Buyer honours their payment obligations to us and is not in default of payment, no application has been filed for the institution of insolvency proceedings and no other defect with respect to their performance applies. However, if this is the case, the Buyer shall be required to inform us of all the debtors of the assigned claims, provide us with all the information required in respect of collection, surrender to us the appertaining documents and inform the debtors of the assignment. In such a case, we shall also be entitled to inform the respective debtors themselves of the assignment, and make use of our authority to collect.
- (5) In the event of actions by the Buyer in breach of contract, in particular in the event of failure to pay the due purchase price or in the event of violation of their obligation to treat the reserved goods with care, we shall be entitled to take back the reserved goods after issuing a reminder and setting a period of reasonable length, and undertake to request the Buyer to surrender the reserved goods. In addition, setting such a period may be dispensed with in accordance with the statutory provisions. Asserting a reservation of title and pledging the reserved goods by us are not deemed withdrawal from the contract. The Buyer hereby agrees that persons commissioned by us with the collection of the reserved goods may gain access to and drive on the Buyer's grounds where the reserved goods are located for the purpose of collecting the reserved goods.
- (6) The Buyer is only entitled to sell, use, install, combine and/or process the reserved goods during the course of customary and proper business activities, and is only entitled and authorised on condition that the claims assigned to us in accordance with the provisions above actually pass to us or that we shall, in accordance with the above provisions, become co-owners of the overall item in the proportion of the invoice value of the processed, mixed or combined reserved goods. The same provisions that apply to the reserved goods also apply to the items created by combining or processing the reserved goods. The customer is not entitled to otherwise dispose of the reserved goods. With regard to the reserved goods the Buyer may not, in particular, pledge the delivery item or transfer ownership by way of security.

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- (7) The Buyer has to inform us without delay of enforcement measures or other intervention by third parties regarding the reserved goods – including if we only have co-ownership – or regarding the claims assigned to us. Furthermore, such notification is to be accompanied by the handover of documents relevant to an objection to such measures or action.
- (8) The Buyer is to insure, at their own cost, the reserved goods, in particular, against fire and theft. All claims against the respective insurer regarding the items subject to a reservation of title shall be assigned to us. We hereby accept this assignment.
- (9) If the realisable value of the securities granted to us in total exceeds our claims by more than 20%, we undertake and are willing at our discretion to return to the Buyer or release the securities granted to us insofar as they exceed the agreed cover limit.
- (10) Buyers who are not located in Germany shall take all action presumed by law or otherwise that is necessary to render our reservation of title – as stated in the General Terms and Conditions of Business and Delivery – valid in the country in which the goods are supplied.
- X. Notice of defects
- (1) The Buyer is to provide written notification of legal or material defects, the lack of warranted characteristics that may under certain circumstances be guaranteed by us or the shelf life of the delivery item and the excessive, shortfall or wrong deliveries (hereinafter referred to as 'defects') – insofar as they are obvious – at the latest within 14 days following receipt of the delivery item. Likewise, the Buyer is to provide written notification of defects that could not be identified during the customary incoming goods inspection at the latest 14 days after such defects are identified.
- (2) If a claim is not asserted regarding claims within the periods in accordance with the above subclause (1), any warranty claims against us shall be excluded.
- XI. Warranty
- We shall be liable as follows in the event of provision of notification in good time in accordance with the above Clause X of these General Terms and Conditions of Business and Delivery:
- (1) All the parts or services that prove to be faulty within the warranty period (see Clause XI. (2) of these General Terms and Conditions of Business and Delivery) are to be subsequently improved, delivered afresh or rendered afresh at our discretion insofar as the Buyer furnishes proof that the fault existed at the passing of risk.
- (2) The warranty period lasts for 12 months from delivery of the goods to the Buyer. If acceptance is agreed, this warranty period shall commence upon the acceptance. We shall be liable for 24 months from delivery of the goods for damage resulting from the loss of life, physical injury or detrimental effects on health caused by a fault, in the case of an intentional or grossly negligent violation of an obligation by us and in the event of maliciously concealing a fault.
- (3) The Buyer is to accept the delivery item, irrespective of warranty rights, and even if it contains insignificant defects.
- (4) Warranty claims shall not apply in the case of merely insignificant variations from the agreed quality, in the case of merely insignificant detrimental effects on use, natural wear-and-tear or damage caused as a result of faulty or negligent handling, excessive use, unsuitable operating materials or as a result of special external influences that are not assumed in accordance with the contract and in the event of software errors that cannot be reproduced. If the Buyer or third parties make inappropriate alterations or carry out repairs, these and the resulting consequences shall likewise be excluded from any warranty claims. Excessive or shortfall deliveries for ordered quantities are permissible as part of tolerances that are customary in the trade.
- (5) We are entitled to render the due subsequent performance conditional on payment of the due purchase price by the Buyer. However, the Buyer is entitled to retain part of the purchase price that reasonably corresponds to the defect.
- (6) We are initially to be given an opportunity to provide subsequent performance within a period of reasonable length; in particular, the goods for which a complaint has been made are to be handed over for testing. In the event of replacement, the Buyer is to return the faulty item to us in accordance with the statutory provisions. If our subsequent performance fails, the Buyer may withdraw from the contract or reduce the remuneration – irrespective of possible claims for damages or claims for compensation of expenses in accordance with Clause XII of these General Terms and Conditions of Business and Delivery.
- (7) We do not undertake to provide subsequent performance if this is only possible by way of disproportionately high costs. Such costs shall be deemed disproportionate if they exceed 25% of the purchase price of the goods. In such a case, the Buyer may make use of statutory legal remedies.
- (8) If notification of defects proves to be wrong, we shall be entitled to request that the Buyer compensate us for the expenses incurred.
- (9) If the delivery item is subsequently brought to a location other than the location of the Buyer's branch, and if the expenses, in particular, transport, road, work and material costs for the subsequent performance or replacement increase as a result, the Buyer is not to be reimbursed for such increased expenses unless bringing the delivery item to another location corresponds with the intended use of the delivery item.
- (10) In urgent cases, e.g. jeopardising operational safety or to ward off disproportionate damage, the Buyer shall be entitled to rectify the damage and request that we provide compensation for the expenses actually required in that respect. We are to be informed without any delay of such unilateral action and in advance, where possible. The right to take unilateral action shall not apply if we were entitled to refuse corresponding subsequent performance in accordance with the statutory provisions.
- (11) In other respects, Clause XII. of these General Terms and Conditions of Business and Delivery applies to claims for damages and compensation of expenses. Further reaching claims or claims by the Buyer against us and our vicarious agents regarding defects other than those set out in Clause XI of these General Terms and Conditions of Business and Delivery are excluded.
- XII. Liability
- (1) Unless provided otherwise in the General Terms and Conditions of Business and Delivery, all the Buyer's claims for any kind of compensation for damages, including claims for compensation of expenses and indirect damage are excluded. This applies, in particular, to claims regarding all violations of obligations resulting from the contract and resulting from tort. The exemption from liability also applies if we have called on the services of vicarious agents and subcontractors.
- (2) Contrary to Clause XII. (1) of these General Terms and Conditions of Business and Delivery, we shall only be liable, irrespective of whichever legal grounds, which also applies if we have called on the services of vicarious agents or subcontractors – if and to the extent:
- (a) we have acted with gross negligence or intent;
- (b) we have fraudulently concealed the defect or warranted the quality of the Product;
- (c) we have willfully or negligently caused damage to life, bodily injury or damage to health; and/or.
- (d) we violate substantial contractual obligations (cardinal obligations) endangering the purpose of the agreement as a whole, that is
- (aa) in the event of material violations of duties which endanger the achievement of the contractual purpose, or
- (bb) in the event of the violation of duties – the fulfilment of which enables the proper performance of the Contract in the first place and on the observance of which the Buyer may regularly rely ("Cardinal duties").
- (3) In the case of Clause XII. (2) (d) of these General Terms and Conditions of Business and Delivery, the amount of our liability is, however, limited in the case of merely minor or ordinary negligence to the typically foreseeable damage.
- (4) The exclusion of liability shall not apply in relation to claims resulting from the German Product Liability Act. An amendment to the burden of proof to the detriment of the Buyer is not associated with the above regulations.
- XIII. Place of performance, applicable law, place of jurisdiction
- (1) Our registered office in Duisburg is deemed the place of performance for all mutual obligations, e.g. payment by the Buyer or our delivery: Trelleborg Pipe Seals Duisburg GmbH – Dr.-Alfred-Herrhausen-Allee 36 – D-47228 Duisburg, Germany.
- (2) Solely German law applies to these General Terms and Conditions of Business and Delivery as well as all legal relations between us and the Buyer. Application of the Vienna UN Convention on Contracts for the International Sale of Goods dated 11.04.1980 is excluded.
- (3) The court with jurisdiction for our registered office in Duisburg is deemed the exclusive place of jurisdiction for all current and future claims resulting from the business association with us, including claims resulting from bills of exchange and cheques insofar as the Buyer is a general merchant or a legal entity under public law. However, we are also entitled to bring an action at the court with jurisdiction for the Buyer's headquarters.