

## **Trelleborg Group Terms and Conditions of Purchase of Raw Materials**

### **1) Definitions**

- a) "Purchase Contract" means any purchase order, call-off, work order, delivery instruction or similar contractual document agreed or issued by the Parties, these Terms and Conditions and all other documents specifically made part of the Purchase Contract by the Buyer.
- b) "Supplies" means the raw materials (including any part shipment of the Supplies) further described in the Purchase Contract.
- c) "Trelleborg" means any subsidiary or affiliate of Trelleborg AB named in the Purchase Contract but not Trelleborg AB.
- d) "Supplier" means the contracting party supplying the Supplies.

### **2) Binding Purchase Contract**

- a) Purchase Contracts are binding only if they are issued or confirmed in writing by Trelleborg's Purchasing Department. These Terms and Conditions of Purchase become an integral part of the Purchase Contract between the Parties once the Purchase Contract is accepted by Trelleborg. Any Purchase Contract issued by Trelleborg is limited to and conditional upon Supplier's acceptance of these Terms and Conditions of Purchase exclusively.
- b) Supplies rendered without any written Purchase Contract do not place Trelleborg under any obligation whatsoever and no payments will be made even if Supplies are delivered at the request of a Trelleborg employee.
- c) Terms and conditions provided by the Supplier do not apply even if Trelleborg does not specifically object thereto. Payments made or acceptance of Supplies by Trelleborg is not an acknowledgement of any other conditions than these Terms and Conditions of Purchase or a Purchase Contract between the Parties.

### **3) Packing, Shipping and Delivery**

- a) Supplier shall properly pack, mark, and transport the Supplies and provide all documentation required by Trelleborg, by the carriers involved and by the authorities of the country of destination.
- b) For the purchase of raw materials the Supplier will provide Trelleborg with the identity and volume/amount of all ingredients (and any accepted changes in the ingredients) accompanied by the appropriate material safety data sheets ("MSDS"), physical and chemical reports of analyses or tests conducted to ensure that raw materials delivered, or raw materials used in the items delivered, conform to the specifications required by the Purchase Contract and prevailing law.
- c) Unless otherwise specified in the Purchase Contract, Supplies shall be delivered DDP Trelleborg's address, as set forth on the face of the Purchase Contract (in accordance with the latest version of the ICC INCOTERMS)
- d) Time is of the essence and the agreed dates of delivery are binding. If Supplier, for any

reason, does not comply with Trelleborg's delivery schedule or any other requirement, Trelleborg may, in its sole discretion apply appropriate compensatory or corrective measures at the expense of the Supplier.

- e) In the event that the Supplier fails to meet an agreed date of delivery Trelleborg may in its discretion chose to either (i) apply late delivery penalties of 5 % of the purchase sum for that part of delivery which is delayed per commenced week of delay, up to a maximum sum of 25% of the total purchase sum for all supplies under the Purchase Contract or (ii) hold Supplier liable for all costs, losses and expenses incurred by Trelleborg as a result of the delayed delivery.

### **4) Price and payment terms**

- a) The purchase sum for the Supplies shall be as agreed in the Purchase Contract.
- b) Unless otherwise stated in the Purchase Contract, the purchase price: (i) is a fixed price and no unilateral price changes are permitted (ii) is exclusive of VAT but inclusive of all other taxes and any duties applicable; and (iii) is inclusive of all storage, handling, packaging and all other expenses and charges of Supplier.
- c) Unless otherwise agreed Trelleborg shall pay for the Supplies within 90 (ninety) days from the latter of delivery of Supplies and the receipt of an undisputed and properly raised invoice.
- d) The Supplier warrants that the prices for the Supplies sold to Trelleborg are no less favorable than those that the Supplier offers to any other Customer for Supplies of like grade and quality in similar quantities.
- e) Payment for Supplies shall not constitute acceptance of non-conforming Supplies, nor will it limit or affect any rights or remedies of Trelleborg.
- f) Invoices must state the name of the Supplier, the relevant purchase order number, the period to which the invoice relates and the Supplier's bank account for payment

### **5) Declaration and Inspection**

- a) All Supplies shall comply with Trelleborg's specifications as well as with all applicable laws, regulations, norms and requirements.
- b) The Supplier shall comply with the obligations established under the EU Chemicals REACH Regulation and warrants so to Trelleborg.
- c) A declaration of conformity with all prevailin legal requirements, and if applicable, a hazard analysis, must accompany all Supplies.
- d) Acceptance of Supplies delivered shall not constitute acceptance of non-conforming Supplies, nor will it limit or affect any rights or remedies of Trelleborg.

### **6) Changes**

- a) Trelleborg reserves the right to cancel any undelivered part of the Supplies or to request change of the Supplies and its delivery, including the packaging, testing requirements, shipping date, or time or place of delivery.

- b) The Supplier shall within ten (10) business days of receipt of a change request notify Trelleborg in writing if such change will affect cost or timing and provide substantiation thereof. Where Trelleborg requests a change, at the request of Supplier Trelleborg and the Supplier will negotiate in good faith for an equitable price adjustment (up or down), a change in shipping or delivery terms, or other appropriate adjustment.

#### **7) Warranties**

- a) In addition to any other express and implied warranties provided by law or otherwise, Supplier warrants to Buyer that it has good and marketable title to the Supplies 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 Buyer or offered by Supplier; (iii) free from all defects in design (to the extent designed by Seller), workmanship and materials; (iv) be of merchantable quality; (v) be fit and sufficient for the purposes intended by Buyer – to the extent known by Supplier; (vi) conform to all applicable laws in the country of production and delivery (vii) do not infringe patents or other intellectual property rights of third parties
- b) The warranty period shall be the longer of (a) two years from the date Trelleborg accepts delivery of the Supplies, or (b) the warranty period provided by applicable law.

#### **8) Default and Remedies**

- a) Supplier agrees to indemnify, defend and hold harmless Trelleborg and its affiliated parties from and against any and all costs, fees, penalties, damages (direct, indirect, consequential, punitive or otherwise), attorneys' fees and all other liabilities and obligations whatsoever arising out of any claim which, in whole or in part, arises from or relates to any:
- (i) Defect or non-conformity of the Supplies; (ii) Noncompliance by Supplier with any of its representations, warranties or obligations under the Purchase Contract; (iii) Negligence or fault of the Supplier in connection with the design or manufacture of the Supplies; (iv) Any environmental damage, spill, discharge or emission of hazardous wastes or substances caused by a defect or contractual nonconformity of the Supplies; or (v) Infringement (including contributory infringement or inducement to infringe) of any Intellectual Property Right relating to Supplies provided by Supplier.

#### **9) Termination**

- a) Trelleborg may terminate the Purchase Contract in whole or in part by written notice; (i) for convenience, effective thirty (30) days following delivery of a written termination notice; (ii) immediately for default.
- b) Supplier shall be in default if it (i) breaches any warranty or other term of the Purchase Contract; (ii) fails to deliver or threatens not to deliver Supplies in accordance with the Purchase Contract; (iii) makes an assignment for the benefit of creditors, or if proceedings in

bankruptcy or insolvency are instituted by or against Supplier.

#### **10) Limitation of Liability**

- a) In no event shall Trelleborg be liable for any direct or indirect costs or losses, for loss of profits, for penalties incurred or for any other direct indirect consequential punitive or other damages or liabilities incurred by the Supplier or any of its affiliates or agents as a result of a termination by Trelleborg of a Purchase Contract.

#### **11) Insurance**

- a) The Supplier warrants that it has reasonable insurance cover, provided by a reputable insurer, for all general liability and all products liability that may arise in respect of any Supplies made under a Purchase Contract. The limits of such insurance must be at least ten times the contractual value of the Supplies under any Purchase Contract, however never less than 25 M Euro. Unless expressly waived by Trelleborg, Trelleborg shall be named additional insured on such policies.
- b) Within 10 business days from the conclusion of a Purchase Contract the Supplier shall provide Trelleborg with a certificate of insurance reasonably acceptable to Trelleborg showing the amount of coverage, the policy number, the date of expiration of the insurances and that Trelleborg is a named additional insured.
- c) The Supplier, on behalf of itself and its insurers, irrevocably waives any right of subrogation against Trelleborg for any liability, cost or expenses asserted by any third party.

#### **12) Set Off**

- a) Trelleborg shall be entitled to set off any sums owing by Trelleborg to Supplier for any reason whatsoever, against any sums payable by Trelleborg under the Purchase Contract.
- b) All rights and remedies reserved to Trelleborg in the Purchase Contract are cumulative with and in addition to all other legal or equitable remedies available to Trelleborg .

#### **13) Limitation of Assignment**

- a) The Supplier is not entitled to assign, transfer or sub-contract out any of its obligations towards Trelleborg to any third party, including without limitation the obligation to procure and supply the Supplies.

#### **14) Severability**

- a) The Purchase Contract shall be construed so as to comply with all applicable laws. Should any provision of the Purchase Contract be found to be incompatible with prevailing legal requirements that provision shall be disregarded and shall not affect the validity of the remaining provisions.

#### **15) Secrecy**

- a) The Purchase Contract and all commercial and secret technical details provided by Trelleborg thereunder shall be kept confidential by the Supplier and shall not be divulged to any person or entity except to those of its employees and affiliates who have

a need to know for the purposes of fulfilling the Purchase Contract. The Supplier must obtain Trelleborg's written approval before publicly referring to its business relationship with the Trelleborg Group.

**16) Force Majeure**

- a) Neither Trelleborg nor Supplier shall be liable to the other for delay or non performance of their obligations under the Purchase Contract which is due to a cause or causes beyond that party's control ("Force Majeure") which Force Majeure shall include (but not be limited to) Acts of God, civil disturbance, fire, storm, or flood, acts of international state governmental, federal or local authorities, bodies or institutions ("Public Authority"), non availability of shipping or other transport, lockouts, strikes or other trade disputes, or interruption or breakdown of any communication or data processing services or equipment.
- b) Upon Trelleborg or Supplier (the "Affected Party") being affected by Force Majeure: (i) the Affected Party shall advise the other party of such Force Majeure in writing as soon as reasonably practicable and shall use reasonable endeavours to mitigate the effect of Force Majeure including, but not limited to, a fair and equitable allocation of any remaining supply of goods available to perform the Purchase Contract; (ii) if the Force Majeure ceases to apply the parties shall resume performance of their obligations hereunder as soon as reasonably practicable after the Force Majeure ceases to apply; (iii) if the Force Majeure continues for more than thirty (30) days Trelleborg (but not Supplier) shall be entitled to cancel the Purchase Contract without liability save for any outstanding obligations in respect of Supplies delivered to or in the course of delivery to Buyer.

**17) Code of Conduct**

- a) The Trelleborg Code of Conduct is available to the Supplier on Trelleborg's webpage ([www.trelleborg.com](http://www.trelleborg.com)) and the Supplier acknowledges that they will abide by its terms and shall incorporate them in its business and thus observe the rules of fair competition and non-bribery and otherwise conduct business in accordance therewith.

**18) Governing Law and Jurisdiction**

- a) Unless otherwise agreed the Purchase Contract is subject to the laws of the country of Supplier's domicile. In the event the Purchase Contract is issued to a U.S. based supplier, the laws of the State of Delaware shall govern the Purchase Contract The UN Convention on Contract for International Sale of Goods (CISG) shall not apply to the Purchase Contract.
- b) Any dispute or controversy arising out of or in connection with this Purchase Contract shall if not settled amicably by the parties be submitted to the jurisdiction of the courts of the country of Supplier's domicile.