

Approved March 2016

STANDARD TERMS OF BUSINESS
of Trelleborg Croatia d.o.o.,
Slavonska avenija 24/VI, 10 000 Zagreb

1. Scope of application

1.1. These conditions shall apply to all transactions, including future transactions, between us, Trelleborg Croatia d.o.o., and the customer, **unless** the customer is a **consumer** within the meaning of the Consumer Protection Act. The deliveries, services and quotations by our enterprise shall be made exclusively on the basis of these terms of business; the customer's conflicting conditions or conditions departing from these terms of business shall not be recognised unless we have expressly consented to their application. Acts in performance of the contract on our part shall to this extent not be deemed to be consent to contractual conditions departing from our conditions.

1.2. The present terms of business shall also be deemed to apply as framework agreement from **1.04.2008** to all future transactions between the contracting parties. **Individual agreements to the contrary shall be invalid unless in writing** and shall only apply to the specific transaction and expressly not to subsequent transactions. The customer hereby confirms his knowledge of the contents of these standard terms of business.

1.3. By attaching his signature, in particular to our order forms, confirmations of order, quotations and other business papers, the customer confirms that he agrees to the content of the standard terms of business, that he has read the standard terms of business or in any event has had the opportunity to acquire knowledge of their content.

1.4. The standard terms of business are available to the customer for inspection at any time in our business premises and on our home page, and shall be sent to the customer electronically or by post upon request.

2. Amendments of the standard terms of business

Amendments of the standard terms of business shall be **deemed to be approved** and shall also have effect for existing contracts if the customer fails to withdraw from the contract within **three months** after notification of the amended standard terms of business and has pointed out this legal consequence to us in good time. The announcement of the amended standard terms of business with reference to the legal consequences can be made in writing or electronically.

3. Conclusion of contracts

3.1. An offer to conclude a contract (order) by a customer -- in whatever form -- shall require a **written confirmation of order**. In the case of urgent orders, the contract shall be concluded by the delivery of the goods by us, the invoice also being regarded as confirmation of order in such case. The sending by us in good time of the goods ordered by the customer shall also effect the conclusion of the contract.

3.2. **Quotations** and other declarations shall be **without obligation** and shall only be binding in law if issued in writing or -- if issued orally -- if confirmed in writing. Deadlines set by the customer to quotations shall not be deemed to be set. The acceptance of quotations shall also be on the basis of the present standard terms of business.

4. Prices

4.1. The prices applicable at the time of the conclusion of the contract shall apply. These shall be understood to be in kuna and shall not include shipping and packaging costs, customs clearance, import collateral charges and the statutory value added tax applicable at the time, and shall be deemed to be ex our warehouse or ex the works of our supplier.

4.2. If the quantity ordered falls short of the minimum order quantity, we shall be entitled to charge the minimum order value applicable at the time, provided that the ordering party has been informed of this in advance.

4.3. All tools, moulds, castings and models shall remain our property irrespective of whether the customer has participated in the production costs thereof or not. After the order in question has been completed, these objects shall remain in our possession and shall be kept by us without obligation for future orders for an appropriate period to be determined by us.

5. Terms of payment

5.1. Invoices shall be payable within 10 days after the invoice date with 2% discount or within 30 days of the date of invoice net cash.

5.2. The deduction of a discount shall only be permissible if at the time of payment all invoices whose date of issue is more than 45 days in the past have been settled.

5.3. We shall be entitled to credit incoming **payments to older unpaid deliveries**, even in the event of instructions to the contrary by the customer.

5.4. In the case of part invoices, the corresponding part payment shall be due upon receipt of the relevant invoice. This shall also apply to invoice amounts that result from subsequent deliveries or other agreements concerning the original contract amount, irrespective of the terms of payment agreed for the main delivery.

5.5. Payment shall be deemed to have been made on the day on which we can dispose freely of it.

5.6. The customer shall not be entitled to retain or offset payments on the grounds of warranty claims or other counterclaims.

5.7. In the event of payment default, legal default interest at a highest rate as permitted by the law at the time shall be deemed to be agreed.

5.8. Notwithstanding our other rights, we can postpone the performance of our own obligations until payment has been made or any other performance has been made, and claim an appropriate prolongation of the delivery period. In any event, we shall be entitled to charge pre-litigation costs, in particular warning costs and attorney costs.

6. Shipping and acceptance

6.1. Dispatch shall be ex-warehouse or ex-works, and shall not include packaging.

6.2. If an agreement has been made for the shipping of the goods, such shall be in average packaging usually suitable for shipping. If a particular type of transportation is agreed, the services shall be provided or organised by us in return for separate payment of the resulting additional costs. If the customer has not agreed a particular mode of transport, we shall select such ourselves. The customer hereby expressly confirms his agreement to shipping by carrier, forwarding agent, rail or post.

6.3. If the place of delivery or performance is abroad, the delivery/performance shall in any event be at the customer's expense. The customer shall also be obliged at his own expense to pay duty and tax on the goods, and if necessary insure them appropriately. At the same time, the customer shall at his own expense obtain all consents and confirmations in accordance with the statutory requirements that are necessary for the export of the goods from Croatia and the import of the goods into the foreign country, and if necessary present such, and issue the corresponding declarations.

6.4. If at the time of the conclusion of the contract, no place of delivery/performance is agreed, we shall be entitled to effect delivery/performance at the registered office or another business

establishment of the customer.

6.5. If the customer fails to accept the goods at the place of delivery (acceptance default), we shall be entitled but not obliged, after setting a reasonable grace period of at least 10 days, to withdraw from the entire contract including all further contracts and to use the goods elsewhere. We shall also be entitled to insist on performance of the contract. In such event, the customer shall be obliged to bear the costs of delivery to the usual amount.

7. Delivery periods, scope of delivery and transfer of risk

7.1. The delivery period shall commence on the date of confirmation of the order but not before complete clarification of all the details of the contract.

7.2. The delivery periods and delivery deadlines stated by us shall be without obligation and shall only be valid subject to unrestricted transportation possibilities. Claims for damages for any exceeding of the delivery period or any penalty payments (contractual penalty) on the grounds of late delivery shall be excluded.

7.3. We reserve the right to deliver up to 10% more or less than the ordered quantity. The invoice shall be based on the actual quantity delivered. We shall also be entitled to make part deliveries.

7.4. The risk shall transfer to the customer upon delivery to the forwarding agent or carrier, and at the latest when the goods leave our warehouse or the works of our supplier, including if part deliveries are made or if we have taken on responsibility for other services. If dispatch is delayed on the grounds of a circumstance for which the customer is responsible, the risk shall transfer to the customer at the time when the goods are ready for dispatch. We undertake to insure the goods stored by us in accordance with the customer's specifications upon express written request and at the customer's expense. The preceding provision shall also apply in cases in which a delivery date is not agreed.

7.5. In the case of call orders without an agreement of a contractual term, production quantities and acceptance dates, we shall be entitled to demand the binding specifications of these factors at the latest three (3) months following confirmation of order. If the customer fails to comply with this request within three (3) weeks, we shall be entitled to set a two-week grace period and following such to withdraw from the contract and/or claim damages.

7.6. The goods ordered by the customer shall be accepted within the delivery period specified by us. In the event of a failure by the customer to accept the goods, we shall be entitled either to deliver the goods and charge the agreed price or to withdraw from the contract.

7.7. We assume no liability whatsoever for any delivery delay or failure to deliver due to a fault on the part of our suppliers.

7.8. If compliance with the agreed delivery period is prevented by unforeseeable circumstances or such independent of the parties' intent, such as all cases of force majeure, the delivery period shall in any event be extended by the duration of such circumstances; these shall include in particular delays in customs clearance, transport damage, official interventions and the failure of an essential supplier that is difficult to replace or circumstances whose effects are equivalent to the examples just mentioned.

8. Reservation of title

8.1. Goods shall be supplied by us subject to reservation of title and shall remain our property until paid for in full, including any collateral charges, and until the settlement of any open account balance.

8.2. The assertion of the reservation of title shall only constitute a withdrawal from the contract if this is expressly stated. If we take goods back, we shall be entitled to charge any transport and handling costs incurred. If a third party attempts to take possession

of goods subject to reservation title - in particular by means of writ of execution -- the customer undertakes to refer such party to our title and to notify us immediately thereof in writing.

8.3. The customer bears the full risk for the goods subject to reservation of title, in particular the risk of destruction, loss or deterioration.

8.4. If the customer is entitled to dispose of the goods before payment thereof, he shall reserve title to the goods until the performance to which he is entitled (purchase price) has been paid in full.

8.5. If our goods are processed, mixed or combined with other materials, we shall acquire joint ownership of the resulting products in proportion to the other material.

9. Warranty, obligation to examine and complain

9.1. Quality and the execution of the project shall be determined by the samples that we shall submit to the customer upon request. A reference to the technical standards shall serve the description of the performance and shall not be construed as a guarantee of qualities. Nor shall public statements or advertising constitute a contractual statement as to the quality of the goods.

9.2. We shall satisfy the customer's warranty claims in all cases at our choice, either by repair, replacement of what is missing or exchange within an appropriate period. Only if no repair, no replacement of what is missing or exchange takes place within a reasonable period for the customer shall the customer be entitled to reduce the price or cancel the contract (rescission of contract).

9.3. We assume **no liability** for the suitability of our goods **for the purpose** intended by the customer. This shall also apply to mere visual deviations that do not impair the proper use of the goods.

9.4. Unauthorised reworking and inappropriate treatment shall lead to the loss of all claims based on defects. The customer shall only be entitled to effect repairs or demand compensation for the reasonable costs, having first notified us, in order to prevent unreasonably large damage or if we are in default in remedying the defect.

In addition, the customer shall not have any claims if the goods have not been stored, used and processed by the customer appropriately and correctly, if our **recommendations and installation instructions are not complied with (see Section 11)**, or if the goods are combined or processed with inappropriate components. Goods complained of shall be sent to us following prior consultation.

9.5. In case we do not fulfil our obligations from the warranty sheet, the customer is entitled to submit a **warranty claim** before the court. Warranty claims must be asserted before the courts **within one year**. Said period shall commence as of the day customer informed us of the deficiency and requested to repair or replace the product.

9.6. The warranty period is two years from delivery of the goods to the buyer, and it applies to the goods purchased from our company on the territory of the Republic of Croatia. The warranty does not affect the statutory rights pertaining to the buyer under other legal grounds, subject to these terms and conditions. These terms and conditions shall be delivered to the buyer in written form together with the invoice for the delivered goods, and shall in all aspects replace the warranty sheet which shall not be issued separately.

9.7. Customer claims aimed at remedying the material deficiencies of the sold goods by means of repair or replacement can only be asserted once we are proven to be in default with the satisfaction of the warranty claims.

9.8. Compensation of damages on the ground of the warranty or the liability for the material deficiencies of the sold goods is subject to the conditions of Section 10. Sections 9.1., 9.2., 9.3. and 9.4.

shall apply adequately to our liability for defective goods.

9.9. The customer shall examine the goods immediately following delivery/collection within the meaning of Articles 403 and 404 of the Croatian Law on Obligations. Deficiencies identified shall be notified to us in writing immediately and without delay, stating the type and scope of deficiency and specifying **in writing** the precise identification of the goods or article number, the date of the delivery/service and the date and number of the invoice. The label attached to the products shall be returned to us.

9.10. **Concealed deficiencies** shall be complained of in writing immediately and without delay after discovery, likewise together with communication of the above details.

9.11. The timeliness of the written complaint of the deficiency shall be determined by its receipt within our enterprise. If a complaint about a defect is not lodged in good time or not in accordance with these provisions, the goods shall be deemed to be approved and all customer claims based on whatever legal title shall be excluded.

9.12. To the extent possible, the customer shall be obliged, on pain of loss of claim, to allow us to make more precise investigations including an inspection and viewing of the documents and the like in order to determine the existence of any defects. Deficiencies in individual but independent parts of the delivery/service shall under no circumstances entitle the customer to withdraw from the contract as a whole or to rescind the entire contract.

10. Damages

10.1. All claims for damages shall be excluded in cases of slight negligence, including with respect to our **recommendations and installation suggestions (see Section 11) (specific materials and types)**. If the failure to comply with our **recommendations and installation suggestions (see Section 11) is causal for the damage, no damages shall be payable**. For all other claims and subject to these terms and conditions, our maximum aggregate liability under, arising from, or connected with the contract, shall not exceed the total value of such contract, and all consequential losses will be excluded. For the avoidance of doubt, consequential losses shall include, but not limited to, all consequential and indirect losses, punitive or exemplary damages, and any loss of actual and anticipated profit, loss of production, loss of product, loss of revenue, loss of use, in each case whether presented as a direct or indirect claim, and whether or not foreseeable at the date of contract.

10.2. If an action is brought against us by third parties on the basis of product liability or on the basis of an infringement of official safety regulations or any other legal basis according to Croatian or foreign law, we can claim compensation from the customer for the costs incurred according to the provisions of the liability law applied against us, if at the time of conclusion of the contract the customer fails to inform us or to inform us in full about the subsequent use of the objects supplied by us and to the extent that the failure to notify us is causal for the damage, unless the customer proves that the damage and the failure to inform were not his fault.

10.3. Claims for damages due to the breach of the contract can only be asserted before the courts within **three years**. The provisions concerning damages contained in the present standard terms of business or otherwise agreed shall also apply if the claim to damages is asserted alongside or instead of a warranty claim.

11. Installation suggestions

Installation suggestions and material recommendations are based on the parameters and conditions of use specified by the customer. The application shall in any event require practical trials in the customer's business. Given the large number of possible applications for our products, we cannot assume any warranty for the accuracy of the recommendations provided in the individual case unless the accuracy is guaranteed in writing. Installation

suggestions remain our intellectual property and shall be kept confidential as against third parties.

12. Assignment of claims

12.1. In the case of delivery subject to reservation of title, **the customer hereby in advance assigns to us his claims against third parties** in lieu of payment to the extent that such a right is the result of the disposal or processing of our goods, until final payment of our claim.

12.2. Upon request, the customer shall identify his purchasers to us and notify such in good time of the assignment. The assignment shall in any event be disclosed in the purchaser's business books, delivery notes, invoices etc. in accordance with the statutory provisions

12.3. We shall be entitled to inspect the books of the purchaser of the goods subject to the reservation of title in order to check whether the assignment and notices have been inserted by the customer. The customer issues his express consent to such inspection of books. If the customer is in default with his payments to us, the sales proceeds received by him shall be separated and the customer shall only hold such in our name.

12.4. The customer undertakes to insure our goods according to the principles of a prudent merchant, and hereby in advance assigns to us any claims against an insurer. The customer undertakes to name us as the beneficiary of insurance in the insurance contract, as well as to fulfil all other requirements necessary for the assignment of claims to us, as provided in the Croatian Law on Obligation and other applicable regulation.

12.5. **Receivables** against us **shall not be assigned and/or pledged** without our express written consent. An infringement of this provision shall entitle us to a **contractual penalty** set at the lump sum of 150% of the purchase price claim.

13. Retention and set off

The customer shall not be entitled to **offset** our claims against any claims he holds against us unless the receivable is not disputed or has been determined with final legal effect.

14. Force majeure

14.1. Events of force majeure shall entitle us to suspend delivery for the duration of the impediment and a reasonable start up time, or to withdraw in whole or in part from the contract in accordance with the effects of such events. If shipment is delayed by more than three months as a result of the effects of force majeure, the customer shall be entitled to withdraw from the part of the delivery affected.

14.2. Events of force majeure shall include, but shall not be limited to, all the effects, in particular of natural forces, protection against which or the prevention of which lies outside our scope of influence, such as earthquakes, lightning, frost, confiscation, sabotage, fire and strikes.

15. Data protection, change of address and copyright

15.1. The customer hereby issues his consent to personal data included in the purchase contract being stored and processed by us with computer assistance for the performance of this contract.

15.2. Until the contractual transaction has been completed in full by both parties, the customer shall be obliged to notify us of any change of his business address.

If the notification is not made, declarations shall also be deemed to be served if they are sent to the last known address of the customer.

15.3. Samples or illustrations and the like shall in particular always remain our property. The customer shall not receive any work use or exploitation rights of whatever kind thereto.

16. Use of data for marketing purposes

The customer issues his express consent to his data being used for marketing purposes for our products, in particular to improve the products, for further development and internal needs analysis.

17. Consent to email advertising, reference list

The customer confirms his consent to receiving advertising and information from us by email about our products and offers and from other business partners. The customer's details shall be retained by us and shall not be passed on. The customer can withdraw this consent at any time in writing, by fax or by email.

18. Meaning of the headings

Headings in these standard terms of business merely serve clarity and structure. They have no normative significance. Nor do they serve to limit or extend the scope of application or the interpretation of these terms of business.

19. Partial invalidity

If individual provisions of these standard terms of business should be or become null and void, invalid or contestable, this shall not affect the other provisions hereof, and the latter shall be construed and/or supplemented in such a way that the intended commercial effect is achieved as closely as possible in a lawfully permissible manner. The same shall apply to any gaps in the contract.

20. Choice of law, legal venue

20.1. Croatian law shall apply exclusively.

20.2. The application of the UN law on sales is expressly excluded. The parties to this agreement agree Croatian domestic jurisdiction.

20.3. Exclusive local jurisdiction for any disputes resulting from the present standard terms of business and any contracts based thereon shall be determined by the court competent for such cases in Zagreb.

21. Place of performance

Place of performance shall be the place of the registered office of our company.