

# GENERAL CONDITIONS OF DISPATCH for INDUSTRIAL RUBBER PRODUCTS

Accepted by the Swedish Rubber Industry Association

Regardless of any conditions of purchase that may be imposed by the Purchaser these general conditions of Dispatch specified below apply unless otherwise agreed in writing.

## 1 QUOTATION AND CONCLUSION OF CONTRACT

The Seller's quotation applies to the period stated therein for acceptance of a reply or order from the Purchaser. Unless the period of validity of the quotation has been specially stated. It is limited to thirty (30) days counting from the date of the quotation.

A contract will not be deemed to have been concluded until the Seller has acknowledged the order in writing. Only the conditions stated in the acknowledgement of the order apply to a concluded purchase-contract.

## 2 SUCCESSIVE DISPATCHES

If the contract refers to successive dispatches of goods, then each dispatch shall be regarded as an independent sale. Accordingly the Purchaser has no right to cancel the rest of the contract in the event of delayed dispatch of part of the order or of any fault of shortage in such dispatch. If dispatch's postponed because of any such circumstance as is stated in point 13 then the Seller has right to postpone subsequent dispatch of goods to a corresponding extent.

If within an agreed period the Purchaser does not supply materials. Information and/or any other particulars which he shall supply under the provisions of the contract. Then the Seller has the right to postpone the dispatch by a period that is reasonable in view of the circumstances.

## 3 DELAY

If a part finds that he cannot keep to an agreed time for dispatch of goods or part thereof or for receipt of the goods. Then the other party shall be informed thereof without delay.

If the delay is not a consequence of any such circumstance as stated in point 13 and if it can be shown that the delay causes substantially increased expenditure of inconvenience for the party not responsible for the delay. Then the said party has the right to cancel the contract as far as the delayed dispatch is concerned. The seller is not obliged to provide compensation for loss or damaged caused by delay. If dispatch is delayed by any such circumstance as is stated in point 13 or because of any action or negligence on the part of the Purchaser. Then the period allowed for dispatch shall be extended by a period that may be considered reasonable in view of the circumstance in the case.

## 4 CHECKING

If no agreement for a more thorough dispatch-check has been concluded between the Seller and the Purchaser. Then the goods shall be checked in the way that is normally used by the Seller before he dispatches such goods. A dispatch-check made by the Seller does not in any case free the Purchaser from his general obligation to examine the goods when he receives them. The Purchaser shall as soon as possible or in any case not later than 30 days after he receives the goods inform the Seller in writing of any defect or shortage in the goods that he has observed or should have observed, at the risk of otherwise forfeiting the rights due to him because such defect or shortage.

With regard to a defect or shortage that may have arisen in connection with transport and that can be ascertained without difficulty. The Purchaser shall at the risk of otherwise forfeiting his rights stated above. Immediately after receiving the goods inform the carrier concerned and the Seller of the defect or shortage.

## 5 QUANTITY

An agreed quantity of goods delivered may be exceeded or reduced by 10%. The amount debited shall be based upon the quantity delivered. The term "agreed quantity" in this context means the total agreed quantity regardless of whether partial deliveries are made.

## 6 PACKING AND PLACE OF DELIVERY/RISK FOR GOODS

Prices stated by the Seller are deemed to apply to unpacked goods. With regard to the packing of goods and to the cost thereof. These are therefore subject to what has been agreed to in the contract.

Unless otherwise is agreed, prices stated are free Seller's factory or place where the Seller has the goods to which the contract refers in stock. The trade term used shall be interpreted according to Incoterms 1953 (published by the International Chamber of Commerce.)

## 7 GUARANTEE (RESPONSIBILITY FOR DEFECTS)

The Seller accepts responsibility during a guarantee period of twelve (12) months counting from the date of delivery for defects of materials, design, construction and/or manufacture. If goods delivered should prove to have any such defect then the Seller shall at his own option either supply substitutes for repair or reprocess the goods. Immediately after the Purchaser has obtained knowledge of any such defect as is stated in the first paragraph of this point he shall inform the Seller thereof and do what is in his power to enable the Seller to fulfil his liabilities. Within Sweden, goods replaced, repaired or reprocessed will be delivered carriage free by the Seller to the original place of destination. In the case of export shipments goods replaced, repaired or reprocessed will be dispatched FOB Swedish export harbour. Unless otherwise agreed, the Purchaser shall pay the cost of return freight Seller's factory. Replaced, repaired or reprocessed goods are guaranteed on the same conditions and under the same assumptions as those applying the original goods, but the Seller's guarantee obligations for replaced, repaired or reprocessed goods do not apply in any case longer than eighteen (18) months from the commencement of the original guarantee period. If new goods are dispatched in replacement of defective goods within the scope of the guarantee, then the Seller has the right to charge the Purchaser for the goods delivered in replacement, the price of these being reduced bearing in mind the service rendered by the goods originally delivered. The above guarantee obligations do not include any undertaking regarding the service life of products delivered. Information regarding weight, sizes, capacity, price and technical and other data in catalogues, descriptive literature, circulars, advertisements, illustrated materials and price-lists is given without engagement. Such information is binding only in so far as it may have been explicitly referred to in the contract.

Apart from what has been mentioned above the Seller has no obligation to pay compensation for direct or indirect consequential loss or damage and losses caused by any defect in goods delivered.

## 8 ADJUSTMENT OF PRICES

If a definite price has been agreed to and if after the conclusion of the contract an export or import charge, tax or other similar surcharge is imposed or changed for the goods, then the price may correspondingly be changed even if the possible imposition or changing of such charge etc has not been taken into consideration in the contract.

## 9 VALUE-ADDED TAX

An agreed price does not include value-added tax.

## 10 CONDITIONS OF PAYMENT

Unless otherwise agreed, payment shall be made not later than thirty (30) days after the date of the invoice. Interest will be charged on overdue payments.

## 11 RESERVATIONS REGARDING RIGHT OF OWNERSHIP

Goods delivered remain the property of the Seller until they have been paid for in full. An acceptance or other certificate of indebtedness will not be deemed to constitute payment until it has been discharged in full.

## 12 INSOLVENCY ETC

If there are reasonable grounds for assuming that the Purchaser will not fulfil his obligations to make payment then the Seller has the right to demand payment in cash or that acceptable security shall be lodged. If this is not done without delay, then the Seller has the right to cancel the agreement – such cancellation being notified in writing – in so far as undelivered goods are concerned without thereby being obliged to provide compensation.

## 13 GROUNDS FOR EXEMPTION (FORCE MAJEURE)

If in consequence of a labour dispute or other circumstance outside the control of either or both of the parties, such as war, decision of governmental or public authority, extensive breakdown in operation affecting a party, non-delivery or wrong delivery from a sub-supplier or shortage of raw materials or energy, it becomes substantially more difficult for the Seller to dispatch goods or for the Purchaser to receive them, then the Seller or the Purchaser as one case may be – unless it can reasonably be held that such circumstance should have been taken into consideration when the contract was closed and for that the party could have obviated any adverse effects of the circumstance – is entitled to postpone dispatch for as long a time as is necessary to obviate the effect of such a circumstance. Should this time exceed six (6) months, then either party has the right to cancel the contract entirely or partially in so far as the goods are concerned that should have been delivered during the period for dispatch of goods. A party, wishing to avail himself of a right such as is referred to above shall inform the other party thereof in writing without delay. If the Purchaser has cancelled the contract, however, he shall take over from the Seller at a reasonable price materials obtained for fulfilling dispatch of the goods as well as any goods that have been party is not obliged to provide compensation if the contract is cancelled wholly or partly because of any such circumstance as is referred to in this point.

## 14 MODELS, MOULDS AND OTHER TOOLS

If special models, moulds and other tools are required for the production of the goods, then the Purchaser will be charged their cost, and an agreement to this effect shall be concluded between the parties before production takes place. Unless otherwise agreed, such models, moulds and other tools are the property of the Seller but most not be used for the account of anyone else without the consent of the Purchaser. If the Purchaser cancels the contract because of any circumstance such as is referred to in point 3 or 13 and such as concerns the obligations of the Seller, then the Purchaser is entitled to make use of models, moulds and other tools specially produced for the account of the Purchaser, in order to have someone else produce the remaining quantity of parts accordance with the cancelled contract. However, the Purchaser will have no such right of utilization if the design or construction of such models, moulds or other tools would reveal any specific know-how of the Seller or disclose any other business secret of his concerning productions techniques. During the period when in such cases the Purchaser has the right to make use of models, moulds and other tools, the Purchaser is responsible for these and shall restore them to the Seller in their original condition. Compensation of the right of utilization will be agreed upon case by case.

Models, moulds and other tools will be kept by the Seller, who is responsible for the cost of their maintenance during a period of two (2) years after the latest delivery. After these two years has elapsed, the Seller has the right to scrap or otherwise dispose of such models, moulds and other tools. In such a case the Seller must however have notified the Purchaser accordingly in writing, and no objections shall have been raised by the Purchaser in within one month. If the Purchaser wishes the Seller to keep such models, moulds and other tools longer than the said two years then the Seller have the right to receive reasonable compensation for their care and insurance.

During the time when the Seller keeps models, moulds and other tools, he shall see to it that they are covered by fire insurance.

## 15 CONDITIONS OF PAYMENT FOR MODELS, MOULDS AND OTHER TOOLS

Payment for models, moulds and other tools shall be made by the Purchaser in the manner and at the times stated in the agreement between the parties. If no provisions exist concerning this, payment shall be made in cash net when progress-samples have been delivered and approved by the Purchaser.

## 16 METAL PARTS AND OTHER PARTS INCLUDED

If metal parts or other goods are included in the articles ordered and are supplied by the Purchaser, then such parts of goods shall be dispatched free Seller's factory in the quantities and at the times stated by the Seller. Such parts or goods shall be dispatched with a surplus quantity of 10% in order to provide compensations for rejects.

Such parts of goods shall be made in accordance with agreed dimensions and tolerances so that they fit the moulds and the Purchaser shall see to it that they are suitable for their purpose in other respects also. The Purchaser is responsible for direct expenditure incurred by the Seller because of delays in the dispatch of such parts or goods or faults in them.

## 17 PATENTS REGISTERED DESIGNS, COPYRIGHT AND THE LIKE

Both when goods are delivered in accordance with drawing, models or other prototypes supplied by the Purchaser, and when the Seller has undertaken the designing-work the Purchaser accepts all liability for any infringement of a right of a third party because of a patent, registered design, copyright or the like. The Purchaser shall compensate the Seller for all expenditure he may have to incur or loss or damage he may sustain as a result of such infringement or disputes concerning it.

In the case of export sale the Seller accepts no liability or obligation to provide compensation for infringement of another party's right to a patent, registered design copyright or the like. This applies also when any product of the Seller is included as a component or inclusion product in any other product.

## 18 DESIGNS AND CONSTRUCTIONS

If products are delivered in accordance with special proposals, sketches, drawings or prototypes then the responsibility of the Seller is limited to the manufacture of these goods in accordance with such basic particulars. Unless a special agreement has been concluded the Seller is not responsible if the goods are unsuitable for the purposes of use originally or later intended by the Purchaser.

Proposals, drawings, descriptions, models or prototypes otherwise supplied by a party to the other party or to the recipient of a quotation remain the property of the party supplying them and must not without his permission be used in any way or be communicated to a third party

## 19 PROGRESS SAMPLES

If the Purchaser approves progress-samples without reservations, then the Seller will not subsequently accept any complaints if goods supplied agree with the approved progress-samples

## 20 TOLERANCES AND LIMIT GAUGES

If no special agreement has been concluded regarding tolerances, then the tolerance requirements normally applied by the Seller for such goods shall apply. A change in the tolerance requirements after conclusion of the contract requires a written agreement between the parties.

Special limit gauges and fixtures stipulated by the Purchaser for the checking of completed articles shall be supplied by him

## 21 APPLICABLE LAW

A concluded purchase-contract and legal relationships arising therefrom are subject to Swedish law