



General Terms and Conditions (GTC)

(Valid for coatings of pipes and field joints)

1. General

The following General Terms and Conditions apply to the legal relationship between TDC International AG (hereinafter "TDC") and the Customer. The business relations between TDC and the Customer are governed exclusively by the following Terms and Conditions of TDC, unless otherwise expressly agreed in writing. Conflicting or deviating General Terms and Conditions of the Customer are not recognised by TDC.

2. Offer and contract content

Our offers are not binding unless expressly agreed in writing. A binding contract is entered into when TDC issues the order confirmation.

The Customer undertakes to name and disclose in the written order all the important information required by TDC, such as article description, number of items, any pre-treatments and regulations. Specifically, he is required to inform TDC in advance of the applicable pipe laying procedure.

The services of TDC are listed in the confirmation of order, which may include supplementary inserts (e.g. price lists and schedules of auxiliary services). Services that are not included in the confirmation are charged separately.

TDC is entitled to call in third parties at any time to fulfil its contractual obligations.

3. Price sheets, brochures and samples

Price lists and brochures are not binding without a separate written agreement. Information in technical documents is only binding insofar as it is expressly stipulated.

All documents, samples etc. provided to the Customer along with a quotation remain the legally protected property of TDC. No offers, documents, samples or similar items may be disclosed to third parties without prior written agreement by TDC.

4. Prices

All prices quoted by TDC in price lists, brochures, offers or similar documents are net, excluding VAT and without incidental costs such as freight, taxes, fees, public charges, etc.

TDC reserves the right to adjust and update the prices agreed upon in the order confirmation at any time. A corresponding price adjustment is carried out if modifications have to be made to the coating material or the processing of the goods because the information and / or documents provided by the Customer do not accord with the actual circumstances or were incomplete, or if the nature or extent of the services contained in the order confirmation change.

If the necessity for supplementary services should arise, TDC will notify the Customer of the extra charge before starting the additional work.

Furthermore, a unilateral price adjustment can be made by TDC if the required raw material prices on the market should rise by more than 5% compared to the prices at contract signing.

5. Terms of payment

All payments will be made at the legal seat of TDC without deduction of cash discounts, expenses, taxes, duties, fees, customs duties or similar, unless otherwise agreed in writing.

For any amount remaining unpaid at the agreed due date, the Customer is obligated, without any further notice, to pay interest on late payments at the annual rate of 5%. Such interest will be charged from the due date until payment. The right to claim further damages remains unaffected.

Offsetting obligations with any claims of the Customer against TDC is excluded under this contract.

6. Invoicing guidelines

Invoicing by TDC is in accordance with the conditions agreed in the order confirmation.

The invoice amount must be paid by the date indicated on the invoice or in the contract documents or within the specified payment period. The Customer may lodge objections against the invoices by this date in writing, stating the grounds for said objection. If he fails to do so, the invoice is deemed accepted.

If the Customer has not paid the invoice by the specified date or within the payment period, or objected to it in writing providing grounds, then TDC may stop providing the services without further notice or take action to prevent damage and terminate the contract without notice and without compensation.



7. Delivery dates

If delivery timetables or timetables for the completion of the work have been agreed upon, these start as soon as TDC is in possession of the goods and the corresponding full information. The dates and deadlines are extended, inter alia,

- in the event there are obstacles which TDC cannot avert, despite the application of due diligence, irrespective of whether they arise with the Customer or a third party. Such obstacles include, but are not limited to, epidemics, mobilisation of an army, war, turmoil, serious operational disasters, accidents, labour conflicts, delayed or faulty supply of the necessary raw materials, official measures or omissions, natural disasters;
- if the Customer or third parties are in arrears with the work to be performed by them or with the performance of their contractual obligations, in particular if the Customer does not comply with the payment terms.

8. Place of performance, transfer of risk and benefit

Unless explicitly agreed otherwise in writing, the benefits and risks pass from TDC to the Customer with the departure of the finished goods ex works. If the departure is delayed at the Customer's request, or for other reasons not attributable to TDC, the risk passes to the Customer at the time originally scheduled for the delivery ex works. TDC is entitled to store the goods at the expense and risk of the Customer.

The statutory provisions regarding passing of benefit and risk apply to any services TDC performs at the construction site for field joint coating or field pipe coating.

9. Inspection and acceptance of the deliveries and services

TDC inspects the goods in the usual way before shipping. If the Customer requests further testing, this must be arranged with TDC and paid for by the Customer additionally.

The Customer is required to check the goods and services of TDC without delay and inform TDC promptly of any evident defects in writing. If the Customer fails to raise such objection, the deliveries and services are deemed approved.

A written record of the condition of the items must be prepared for the delivery or return of items.

10. Warranty, liability and defects

The warranty period is 12 months. The warranty expires sooner if the Customer or a third party undertakes inappropriate modifications to the goods or services of TDC or also if a defect has occurred and the Customer does not immediately take all appropriate measures to mitigate the damage and gives TDC the opportunity to remedy the deficiency. Defects may only be remedied by TDC or a third party contracted by TDC.

TDC is no longer liable if, after coating, the goods are altered, repaired or otherwise further processed by the Customer or a third party.

The warranty and liability of TDC excludes damage that is not demonstrably attributable to TDC but due to normal wear and tear, failure to observe the operating instructions, improper repairs or alterations of the Customer or third parties, excessive strain, unsuitable operating resources or extreme environmental influences, etc.

TDC is exclusively liable for the expressly warranted characteristics of its goods and services. TDC is also responsible for ensuring that its goods and services do not exhibit any physical defects that annul or reduce their value or suitability for their required use.

TDC is required to repair, replace or discount defects that are properly reported and proven. **The right to decide how to remove the defects (remedy, replacement or discount) is that of TDC alone.** It decides at its own discretion, taking into account the type and severity of the defect. Elimination of notified defects does not restore the warranty.

Any further liability of TDC is excluded to the extent permitted by law.

11. Exclusion of further liability of TDC

All cases of infringements and their legal consequences as well as all claims of the Customer, no matter for what legal reason, are regulated in these Terms and Conditions. In particular, all not expressly mentioned claims for damages, abatement, annulment of the contract or withdrawal from the contract are excluded. In no event can the Customer claim compensation for damage not caused to the delivered goods themselves, for example, loss of production, loss of use, loss of orders, lost profit or other direct or indirect damages. This exclusion of liability does not apply to unlawful intent or gross negligence of TDC.

The Customer indemnifies TDC from all non-contractual claims by third parties resulting from his product liability. Any recourse claims of the Customer against TDC from the satisfaction of non-contractual claims regarding product liability by third parties are excluded.



12. Copyright and other intellectual property rights

All intellectual property rights arising in connection with the performance of the contract shall remain with TDC.

13. Severability Clause

If any provision of these General Terms and Conditions is wholly or partially invalid, the parties will replace it with a newly agreed provision that comes closest to their legal and commercial intent.

14. Jurisdiction and Applicable Law

Court of jurisdiction for the Customer and TDC is the court competent for the **domicile of TDC**. However, TDC is also entitled to file an action against the Customer at his own place of jurisdiction.

The legal relationship between the parties is subject to substantive Swiss law, under exclusion of the UN Sales Convention.

TDC International AG, Luzern, Switzerland

Date of issue: June 2017