

## General Terms and Conditions of Purchase

---

Update: 06/2007

### 1. Fundamental terms

The legal relationship between Stettler and the Suppliers are based on these terms and conditions and any corresponding written agreements. In the order of precedence, any written agreement between Stettler and Suppliers shall have priority over these general terms and conditions and is supplemented by these.

Amendments and supplements to the General Terms of Purchase must be in writing.

### 2. Orders

1. Orders shall only be binding if they are made on our duly signed order letter. Any other agreements and commitments have not been reached.  
2. Contradictory or other business terms varying from these General Terms do not exist. This also applies for any circumstances where Stettler does not explicitly contradict any order confirmation which deviates from these terms or contains contradictory business terms or if such terms form the basis for the order confirmation. The inclusion of any contradictory business terms requires written confirmation by Stettler. The conditional acceptance of a delivery or payment of the purchase price does not represent any acceptance of any terms or conditions which are contradictory to or deviate from these terms and conditions.

### 3. Delivery deadlines

1. If the Suppliers have been set delivery deadlines in the order letter, the deadlines contained in the order letter are fixed deadlines.  
2. If deadlines are exceeded, the Suppliers are in default of delivery without any need for a reminder by Stettler. The receipt of goods by Stettler is decisive for adherence to the delivery date or the delivery deadline. Deliveries are made "free works". Otherwise, the Suppliers shall make the goods available taking into account the usual time for loading and despatch.  
3. The Suppliers are obliged to compensate Stettler for any default damages unless the Suppliers are able to present proof that they are not responsible for the delay.  
For each commenced week in which the delivery date has been exceeded (failure to meet delivery date or to adhere to delivery period) Stettler is entitled to charge default damages to an amount of 1 % of the delivery value (invoiced final amount including value-added tax), however, no more than € 30,000.00 unless the Suppliers are able to prove that damages incurred by Stettler were less. Assertion of the contractual penalty does not exclude Stettler's entitlement to fulfilment of performance.

### 4. Invoices

1. All invoices are to be submitted in duplicate. They must contain the order, article and supplier numbers so that it is possible to record the invoice using data system technology. Invoices that do not comply with these requirements will be returned without any resulting entitlement to compensation for default in payment.  
2. Stettler is entitled to deduct discount amounting to 3 % of the invoice total if the invoice is paid by the 25<sup>th</sup> of the month following the delivery. Stettler is entitled to pay the invoice amount net within a period of 30 days calculated from the end of the calendar month following delivery.  
3. Means of payment shall be at the discretion of Stettler. This also applies for cheques and bills of exchange as well as acceptances.  
4. Stettler's rights to offsetting and retention shall be unrestricted within the scope of statutory regulations.

### 5. Prices

1. All prices are fixed prices.  
2. The Suppliers shall also bear the cost of transport insurance. A full refund is to be made in the case of calculation of packaging materials which are to be returned. The return of packaging materials shall be freight forward.  
3. Incoterms DDP in the respective valid version (currently Incoterms 2000) shall apply in the event of the Suppliers being located outside of Germany.  
4. Stettler is RVS/SVS self insurer.

### 6. Goods acceptance / Place of delivery / Transfer of risk

1. The place of delivery is the goods receiving dept. at the place of business of Stettler.  
2. Approval of goods shall take place at the place of delivery during the regular business hours of Stettler: Monday to Friday from 6 a.m. to 4 p.m.  
3. If Stettler requires prior type samples or approval samples, series delivery by the Suppliers may only commence after written approval of the sample by Stettler.

### 7. Notice of non-conformity / Complaints

1. Goods which have been unloaded at Stettler's premises will be checked by us in the course of regular business operations using our usual methods to establish whether they have any faults or defects. If a spot check shows that the delivery contains faults in excess of the agreed extent (AQL, PPM), Stettler is entitled to assert guarantee claims with regard to the complete delivery.  
2. Formal complaints have been made in good time if they are sent to the Suppliers in writing or by fax within fourteen days of the fault having been discovered by Stettler. Sentence 1 applies accordingly with a period of eight days in the case of apparent faults or defects.  
3. The aforementioned terms also apply in the case of excess or short deliveries; they also apply for the delivery of other goods requiring approval as defined by Section 377 HGB (*Handelsgesetzbuch – German Commercial Code*). A tolerance of  $\pm 5\%$  is permitted in the case of bulk articles. In the event of a quality management agreement having been reached with Stettler in order to ensure the quality of the supplies, the aforementioned clauses 1 to 3 shall only apply inasmuch as no alternative terms have been agreed in the quality management agreement.

### 8. Quality and documentation

1. The Suppliers shall observe the recognised rules of technology and agreed technical data for their supplies and, in particular, the standards according to the GPSG (*Geräte- und Produktsicherheitsgesetz – Equipment and Product Safety Law*), Operational Safety Ordinance etc. Changes to the supplied object must be approved beforehand in writing by Stettler. Irrespective of this, the Suppliers shall regularly inspect the quality of the supplied goods. The Contractual Partners shall inform each other about the possibilities of quality improvement.  
2. Insofar as authorities demand insight into production processes and inspection documents in order to check specific requirements, the Suppliers agree herewith to grant the authorities the same rights within their works and to give them every assistance which can be reasonably expected in this respect.

### 9. Warranty

1. The guarantee period is two years (Section 436 (1) no. 3 BGB / *Bürgerliches Gesetzbuch – German Civil Code*). The period commences with the acceptance of the goods by Stettler.  
2. If the Suppliers have agreed to assemble the goods or materials they have supplied on Stettler's premises, the guarantee period according to sentence 1 shall commence with the formal acceptance of the work by Stettler.  
3. Stettler has the option of statutory rights in the event of any faults. In particular, Stettler is entitled at own discretion to  
a) return the faulty goods at the Suppliers' expense and risk and demand fault-free replacement (subsequent fulfilment)  
b) dispense with the right to replacement with reverse charging of the invoice value of the goods (withdrawal from agreement)  
c) demand compensation instead of performance in accordance with statutory regulations (Sections 437, 440, 280, 281, 283, 311a BGB)  
d) undertake rectification of notified faults in urgent cases at the Suppliers' expense (rectifiable faults) or have such rectification undertaken by a third party.

## General Terms and Conditions of Purchase

---

### 10. Liability

1. The Suppliers exempt Stettler from all claims directed at Stettler as a result of damages incurred by Stettler or third parties in the course of contractual or intended use.  
The same applies for damages incurred by Stettler directly or indirectly as a result of a faulty delivery, infringement of official safety regulations or any other circumstances for which the Suppliers are responsible.
2. The Suppliers shall take Stettler's place to such extent as if they had been directly liable if Stettler is subject to any claims by third parties as a result of liability without fault according to non-modifiable law.
3. The obligation for compensation is excluded insofar as Stettler has restricted effectively their liability to their own customers.
4. The Suppliers shall be liable for measures undertaken by Stettler to avert damages (e.g. recall campaigns) insofar as the Suppliers are unable to prove that the damages are not the result of errors in design and/or production and/or any infringement by the Suppliers of control and product monitoring obligations (reversal of the burden of proof).

### 11. Industrial property rights

1. The Suppliers are liable for any claims resulting from any infringement of trademarks and patent applications (industrial property rights) belonging to third parties despite correct use of the supplied goods.  
The Suppliers exempt Stettler and their customers from any claims from the use of such industrial property rights.
2. This shall not apply insofar as the Suppliers have manufactured the supplied goods according to drawings, models or any other corresponding descriptions or details provided by Stettler and are not aware or must not be aware that there has been any infringement of any industrial property rights as a result of the products they have developed.
3. Upon request by Stettler, the Suppliers will provide notification of the use of published and unpublished own and licensed industrial property rights in the supplied goods.

### 12. General terms and conditions

1. The Suppliers' economic circumstances, type, extent and duration of the business relationship, any contribution to cause and/or fault by Stettler according to the conditions of Section 254 BGB and any particularly unfavourable installation situation of the supplied part shall be taken into account in favour of the Suppliers when determining the extent of the compensation to be paid pursuant to sections 3, 9.3c, 10 and 11. In particular, the replacement performances, costs and expenses to be borne by the Suppliers must be in an appropriate relationship to the value of the supplied part.
2. The contractual relationship is subject exclusively to German law. This also applies for the inclusion of the General Terms of Purchase. Application is excluded of the United Nations Convention of April 11, 1980, on Contracts for the International Sale of Goods.
3. Insofar as the Suppliers are domiciled outside of Germany, it is agreed that the contractual language shall be German. This also applies inasmuch as both Suppliers and Stettler exchange contractual documents which are drawn up in a foreign language. In the event of disputes about the content and interpretation of the agreements reached between the Suppliers and Stettler, the interpretation of the contacts shall take the form that is usual for the German language.
4. The place of fulfilment for all reciprocal obligations resulting from this contractual relationship shall be the domicile of Stettler (Burgwindheim), insofar as nothing different has been agreed in writing.
5. The court of jurisdiction for disputes – including claims in respect of payments and in respect of cheques and bills of exchange – shall be the local court having jurisdiction over the domicile of Stettler, insofar as the Suppliers are a business entity.