



## **1 General Provisions – Scope of Application**

- 1.1** These GTCs are applicable to all business transactions between STEINER ELEKTRONIK LTD. (referred to in the following as “Seller”) and its customers (referred to in the following as “Purchaser”), even if no specific reference is made to the GTCs in subsequent agreements. Furthermore, they apply accordingly to work and services. These GTCs apply exclusively. Contradictory or supplementary Purchaser GTCs, or Purchaser GTCs which deviate from these GTCs, are not the subject matter of any contract, unless the Seller expressly agrees to their applicability.
- 1.2** These GTCs also apply if the Seller effects deliveries without reservation in the awareness of contradictory or deviating GTCs or does not provide these GTCs to the Purchaser in connection with specific future transactions.
- 1.3** Individual agreements with the Purchaser which are concluded on a case by case basis always take precedence over these GTCs.
- 1.4** The Purchaser’s statutory rights beyond the scope of these GTCs remain unaffected.
- 1.5** The contractual language is English. The English version of these GTCs is always definitive in cases of uncertainty and dispute.

## **2 Offer and Contract Conclusion**

- 2.1** The Seller’s offers are subject to change and non-binding unless specifically designated as binding. They merely constitute an invitation to the Purchaser to make a corresponding offer to the Seller by way of placing an order. All information in catalogues and brochures and other promotional media and information on compliance with statutory provisions are intended to provide an overview of the products and do not constitute the subject matter of the contract.
- 2.2** Purchaser orders constitute binding offers. The Seller may accept orders within 14 days of their receipt. Orders are accepted by way of a separate order confirmation, delivery of the ordered products or performance of the service.
- 2.3** Receipt of the Seller’s order confirmation by the Purchaser or, in the case of immediate execution of the order, delivery of the ordered products, are definitive for the time of contract conclusion.
- 2.4** If the Purchaser has any objections to the content of the order confirmation or the delivered products, it must contest them without delay. Otherwise, the contract enters into force according to the stipulations and content of the order confirmation.
- 2.5** All orders placed for products which are designated as non-standard products by the Seller can not be cancelled or returned. The Seller may designate the products as non-standard products or NC/NR in various ways, e.g. by making reference to this in offers, product lists or order confirmations. The Purchaser may only amend, cancel or change delivery dates for standard product orders with the Seller’s consent.
- 2.6** Contract conclusion and execution are subject to the proviso that they are not prevented by Bulgarian, U.S. or other applicable national, EU or international foreign trade legislation, embargos or other sanctions. The Purchaser undertakes to provide all information and documents, and to procure all necessary permits, authorisations and approvals for export, shipment and/or import of the ordered products. The Purchaser undertakes not to export the products to a country in which an export ban on the products exists.



### **3 Product Description**

- 3.1** If the Contract pertains to products which are subject to technical optimisation, the Seller is entitled to supply the products in accordance with the most recent version of the manufacturer's data sheet provided that their use for the contractually agreed purpose is not impaired. Customary deviations and deviations due to statutory regulations are permissible, provided that they do not impair the use of the products for the contractually agreed purpose. The Purchaser undertakes to inform the Seller if it is only interested in the ordered type and any deviations from this type are not acceptable.
- 3.2** Information about products distributed by the Seller (e.g. weights, dimensions, consumption data, load bearing capacity, tolerances and technical data) and illustrations thereof (e.g. drawings and images), particularly those featured in brochures, type lists, catalogues, data sheets, promotional literature, requirements documents and descriptions, specifications and other technical terms and conditions of supply, certificates (e.g. certificate of compliance) and other documents do not constitute the Seller's guarantee of quality or durability.
- 3.3** Samples of products distributed by the Seller are pilot samples and do not constitute any guarantee of product quality unless an explicit agreement exists in this respect. Effective tolerances must be taken into account.
- 3.4** Manufacturer information on the reliability of the supplied products are average statistical values and for orientation purposes only. They do not pertain to individual deliveries or delivery lots.

### **4 Framework Agreements**

- 4.1** Framework agreements under which the Purchaser orders a specific quantity of products for delivery in several part deliveries over a specific period of time are subject to a separate agreement if fixed delivery dates for individual deliveries are required. Unless otherwise agreed, the Framework Agreement term may not exceed twelve months.
- 4.2** Under framework agreements, the individual deliveries must be called off by the Purchaser at latest 8 weeks before the required delivery date. After an appropriate subsequent time period, the Seller is entitled to deliver and invoice the products, or to withdraw from the contract or, if the Purchaser acted culpably, to demand compensation for damages in lieu of performance. If the Purchaser does not comply with the call-off deadlines, the Seller reserves the right to modify prices as of the expiry of the call-off deadline.

### **5 Prices/ Price Adjustment**

- 5.1** Unless otherwise agreed, the prices stated by the Seller in the order confirmation are applicable. The prices are effective ex-works for the scope of the delivery or services specified in the order confirmation. Stated prices do not include, in particular, costs for packaging, freight, insurance, customs duties, public charges and VAT.
- 5.2** VAT at the statutory rate on the invoice date will be stated separately on the invoice, if applicable.
- 5.3** In the event of unforeseeable cost increases, particularly due to changes in market prices or the costs of materials and raw materials, between conclusion of the contract and delivery of the ordered products over which the Seller has no influence, as a result of which the Seller can only obtain the products from its supplier at less favourable commercial terms than those which existed when the contract was concluded with the Purchaser, the Seller is entitled to adjust the prices agreed with the Purchaser to the changed circumstances without any further mark-up if the delivery or part-delivery of the products is not effected until at least two months after conclusion of the contract. The same applies in the event that the Seller is only able to procure the products from its supplier at less favourable commercial terms than those which could be foreseen when the



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contract was concluded with the Purchaser due to currency fluctuation.

**5.4** The Seller is entitled to demand advance payment or security in respect of outstanding deliveries or services if, after conclusion of the contract, it becomes aware of circumstances which substantially impair the Purchaser's creditworthiness and may jeopardise payment of outstanding receivables. This also applies if the Purchaser fails or refuses to pay outstanding Seller receivables and there are no indisputable or legally binding objections against the receivables on the part of the Seller.

## **6 Terms of Payment**

**6.1** Unless otherwise agreed, all Seller's invoices are payable immediately without deduction, and at latest within 30 days of the invoice date.

**6.2** If the Purchaser is in default of a due payment, the Seller is entitled to charge legal interest for each day of late payment plus a flat-rate default charge of EUR 40 per invoice, appropriate collection costs and legal charges, and to declare all outstanding invoices immediately due and payable.

**6.3** Bills of exchange and cheques are only accepted as payment on the basis of an explicit written agreement. Discount charges and other charges for bills of exchange and cheques are to be paid for by the Purchaser. The Seller's rights under section 10 of these GTCs remain in force until settlement in full of all bills receivable.

**6.4** The Seller is entitled to offset Purchaser payments against the longest outstanding receivables. If costs and interest have accrued, the Seller is entitled to initially offset the costs, then the interest and then the main receivable against payments effected.

**6.5** If the Purchaser does not accept purchased products by the expiry of an extension period granted to it (default on acceptance), the purchase price becomes due and payable on the date when the Seller informed the Purchaser that the products were ready for delivery. At the same time, the Seller may demand a flat-rate payment in respect of warehousing costs as of the date on which default commenced. Without further proof, this is 1 % of the purchase price for each commenced week and limited in total to 5 % of the purchase price. The Purchaser and Seller are at liberty to furnish proof that the warehousing costs associated with non-acceptance of the products were higher or lower. This in no way affects other claims.

## **7 Offsetting, Retention and Assignment**

**7.1** Counter claims asserted by the Purchaser only entitle it to offset amounts or exercise a right of retention if they are established as legally binding or indisputable.

**7.2** The assignment of any Purchaser receivables from the Seller arising from this contractual relationship is subject to the Seller's written agreement in order to be effective. The Seller will only refuse consent for legitimate reasons.

## **8 Delivery, Delivery and Performance Periods and Part Deliveries**

**8.1** All deliveries are ex-works (Incoterms 2010 "EXW"), unless otherwise agreed between the Parties.

**8.2** The delivery periods and dates stated by the Seller are provisional periods and dates and are non-binding. The Seller has no liability for delayed deliveries. Delivery periods and dates are only binding for the Seller if it has explicitly stated or confirmed in writing that they are binding. Unless otherwise agreed, deliveries shall be deemed to have been effected by the Seller on time if the products are handed over at the Seller's company premises or warehouse to a carrier or, if the



Purchaser refuses acceptance, when the Seller informs the Purchaser that the products are ready for delivery. The same applies to delivery periods and dates.

- 8.3** Agreed delivery periods do not commence until the Purchaser has provided all required documents, approvals and permits, all issues have been clarified and any agreed down payment has been received. Compliance with delivery periods or dates are subject to the Purchaser's timely and proper performance of other obligations. Compliance with agreed delivery periods and dates is subject to timely and proper deliveries being effected to the Seller by its suppliers. The same applies to delivery periods and dates.
- 8.4** If the Seller fails to receive deliveries or services from manufacturers, upstream suppliers or sub-contractors, or such deliveries and services are incorrect or late due to no fault of the Seller despite congruent cover, or incidents of force majeure with a duration exceeding four weeks occur, the Seller shall furnish timely written notification to the Purchaser. In this case, the Seller is entitled to postpone the delivery or service for the duration of the incident or to withdraw in full or part from the unexecuted part of the contract provided that it complied with its obligation to inform the Purchaser and the incident preventing delivery has a duration of more than 2 months. Force majeure extends to strikes, lock-outs, official measures, energy and raw material shortages, transport bottlenecks for which the Seller is not responsible, i.e. as a result of fire, water or equipment damage, and all other obstructive incidents which, upon objective consideration, have not been deliberately caused by the Seller.
- 8.5** If a binding delivery or performance date, or a binding delivery or performance period has been agreed, and such date or period is exceeded by more than two months for the reasons specified in 8.3, or the Purchaser can not reasonably be expected to accept the delivery or performance due to the delay, the Purchaser may grant the Seller a reasonable additional time period accompanied by a warning. Should the delivery or performance still be outstanding upon expiry of the additional time period, the Purchaser is entitled to withdraw from the unexecuted part of the contract. The date on which default on delivery commences is in accordance with statutory provisions.
- 8.6** Part deliveries are admissible if they can be used by the Purchaser for the contractually agreed purposes, it is certain that the remaining products will be delivered and the Purchaser does not incur any substantial additional expenses or costs as a result.
- 8.7** The Seller reserves the right to make excess or short deliveries of up to 5 % of the scope of delivery for production-related reasons. No reimbursements will be made for short deliveries.

## **9 Passing of Risk / Shipment**

- 9.1** The risk of accidental loss or deterioration of the products passes to the Purchaser at the time when the products are handed over to the carrier or to a person designated to effect their shipment and, at latest, when the products are handed over to the Purchaser. This also applies if part deliveries are effected or freight/cost-free shipment is agreed with the Purchaser. The Seller shall take out transport insurance for the products at the request and expense of the Purchaser covering the risks specified by the Purchaser.
- 9.2** If the hand over or shipment is delayed due to circumstances for which the Purchaser is responsible, the risk passes to the Purchaser on the day on which the products are ready for delivery and the Seller has notified the Purchaser that they are ready for delivery.
- 9.3** If the Purchaser selects the shipment method, the shipment route and/or the carrier, the Seller is only liable for deliberate acts or gross negligence in connection with the selected method, route or carrier.

## **10 Retention of Title**



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- 10.1** The delivered products remain the property of the Seller until payment has been effected in full of all receivables due to the Seller from the Purchaser in connection with the transaction. The Purchaser undertakes to handle the products with due care for as long as title to them is retained. In particular, the Purchaser undertakes to take out adequate insurance against fire, water and theft damages covering the new value of the products. The Purchaser hereby assigns all claims under the aforementioned insurance policies to the Seller. The Purchaser hereby accepts the assignment. If assignment is not admissible, the Purchaser shall irrevocably instruct its insurer to make any payments to the Seller only. This does not affect further claims on the part of the Seller. The Purchaser shall furnish proof of the insurance having been taken out to the Seller upon request.
- 10.2** The Purchaser is only permitted to sell the products to which title is retained in the ordinary course of business. The Purchaser is not entitled to pledge the products to which title is retained, to transfer title to the products as collateral or to dispose of them in any other way which would jeopardise the Seller's title to them. In the event of attachment or other third-party interventions, the Purchaser shall provide written notification to the Seller without delay, furnish all necessary information, inform the third party of the Seller's ownership rights and support the Seller's actions to protect the products to which title has been retained. The Purchaser shall pay all costs for which it is responsible and which are necessary to annul the attachment and retrieve the products, unless the third party was not able to confiscate them.
- 10.3** The Purchaser hereby assigns claims associated with the sale of the products and all ancillary rights to the Seller, irrespectively of whether the products to which title has been retained are sold before or after processing. The Seller hereby accepts the assignment. If assignment is not admissible the Purchaser shall irrevocably instruct the third-party debtor to make any payments to the Seller only. The Purchaser is revocably authorised to collect receivables assigned to the Seller on behalf of the Seller. The collected amounts shall be transferred to the Seller without delay. The Seller may revoke the Purchaser's right to collect receivables and to sell the products if the Purchaser fails to comply with its payment obligations to the Seller, or is in default of payment, or ceases to effect payments or if insolvency proceedings are initiated in respect of the Purchaser's assets. The sale of receivables is subject to the Seller's prior consent. When notification of assignment to the third-party debtor is furnished, the Purchaser's right to collect receivables is revoked. In this case, the Seller can demand that the Purchaser informs it about the assigned receivables and the respective debtors, provides all information necessary for the collection of the receivables, hands over the necessary documents and informs the debtor (third party) about the assignment.
- 10.4** If the Purchaser is in default of payment, the Seller is entitled to withdraw from the contract without prejudice to its other rights. The Purchaser shall give the Seller or a person authorised by the Seller immediate access to the products to which title has been retained, hand over the products and inform the Seller or authorised person of their whereabouts. After an appropriate and timely warning, the Seller may otherwise dispose of the products to which title has been retained in order to settle due receivables from the Purchaser.
- 10.5** The processing or modification of the products to which title has been retained by the Purchaser is always performed on the Seller's behalf. The Purchaser's inchoate title to the products continues to apply to processed or modified items. If the product to which title is retained is inseparably combined, mixed or blended with other items which are not owned by the Seller, the Seller shall acquire co-ownership of the new item to an extent which reflects the value of original product in proportion to the value of the other items at the time of processing. The Purchaser shall safe keep the new items for the Seller. The provisions pertaining to title retention on products also apply to the new items created by processing or modification.
- 10.6** The Seller is required at the Purchaser's request to release the collateral to which it is entitled if the realisable value of such, taking the customary bank discounts into account, exceeds the Seller's receivables to be secured in connection with the business relationship by more than 20 %. The valuation is based on the invoiced amount for the products to which title is retained and the



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nominal value of receivables.

- 10.7** When products are delivered to countries with other legal systems in which retention of title pursuant to section 10, nos. 1 to 6, does not have the same effect of providing security that it does in Bulgaria, the Purchaser hereby grants the Seller an appropriate security interest. If further declarations or actions are necessary in this connection, the Purchaser shall make such declarations and take such actions. The Purchaser shall support all actions which are necessary and helpful in ensuring the effectiveness and assert ability of such security interests.
- 11 Defect Claims, Restrictions on Use and Liability**
- 11.1** The Seller's liability for defects depends, first and foremost, on the contractually-agreed product quality. The Seller warrants that the supplied products conform to the quality characteristics which are specified by the manufacturer or, by mutual agreement, in verifiable technical parameters. Appendices, lists and other Purchaser documents do not constitute an agreement on product quality, unless the Seller has expressly agreed to their applicability.
- 11.2** The supplied product is intended for the use stated by the manufacturer in the relevant product specification only. If the Purchaser uses a product for such a reserved use without express confirmation, it shall be used at the Purchaser's sole and exclusive risk. This also applies if the Purchaser illegally uses the product in contravention of Bulgarian, U.S. or other applicable national EU or international foreign trade regulations, embargos or other sanctions. The Seller accepts no liability for use of the products for reserved or prohibited uses unless it has provided its express assurance. The Purchaser undertakes to hold the Seller harmless against all third-party claims for personal and/or property damage if the damage occurred in connection with the prohibited or reserved use of the product without the prior and express consent of the manufacturer or Seller.
- 11.3** The Purchaser is responsible for the product's suitability and safety for a Purchaser-side application unless explicitly otherwise agreed. This also applies to the Purchaser's obligation to analyse and check Seller information and recommendations, as well as manufacturer data on environmentally hazardous product content. The Seller accepts no responsibility for the correctness of such information and recommendations, nor for the products containing environmentally hazardous or prohibited content which exceeds admissible limits. The Seller does not offer any guarantee on the product, particularly with regard to its composition, condition or durability.
- 11.4** If the product to be supplied is processed by the Purchaser on the Seller's behalf, the provisions of 11.1 and 11.2 apply accordingly. The Seller undertakes in this case to ensure professional processing as per the written specifications of the Purchaser, without assuming any responsibility for any effects of processing on the function or condition of the product.
- 11.5** The supplied product must be inspected upon delivery and written notification of obvious defects and defects revealed by such an inspection must be sent to the Seller without delay after receipt of the product. The Purchaser must send written notification of concealed defects without delay to the Seller after their discovery. Without delay is defined as within two weeks, whereby the timely dispatch of the notification suffices for compliance with the time limit. If the Purchaser fails to properly inspect the product and/or notify the Seller of defects, the Seller has no liability for the defect which it was not notified about or notified about after expiry of the notification deadline. The Purchaser's defect notification must include details of all defect symptoms and the defective product.
- 11.6** If the products are delivered in batches on which a static goods receipt quality inspection can be performed in accordance with generally recognised practices, this inspection shall, at least, be performed as the goods receipt inspection. The inspection shall be performed in accordance with the inspection conditions and criteria specified in the relevant standard terms.



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- 11.7** The Purchaser shall grant the Seller the necessary time and opportunity for subsequent performance and, in particular, hand over the defective product to the Purchaser at the Purchaser's request for inspection purposes. The necessary costs associated with inspection and subsequent performance, in particular transport, travel, labour and material costs, shall be paid by the Seller if it turns out that the product does have a defect. However, the Seller shall not be required to pay higher costs due to the product having been transported by the Purchaser to a location other than the place of delivery.
- 11.8** If the product has a defect, the Seller shall, at its discretion and within a reasonable period of time, either render subsequent performance by remedying the defect or supply a defect-free replacement product. This does not affect the Seller's right to refuse subsequent performance in accordance with statutory provisions.
- 11.9** The Seller is entitled to make subsequent performance dependent upon the Purchaser paying the due purchase price. However, the Purchaser is entitled to withhold part of the purchase price in an amount proportionate to the severity of the defect.
- 11.10** If the Seller is not willing or able after a reasonable period of time to render subsequent performance, the Purchaser may, at its discretion, either withdraw from the contract or demand a reduction of the purchase price. This also applies if subsequent performance fails or is deemed to be unreasonable by the Purchaser. The Purchaser has no right to withdraw from the contract in case of negligible defects.
- 11.11** If the defect is the responsibility of the Purchaser, the Seller may demand compensation for damages in accordance with the provisions of 11.15.
- 11.12** Warranty shall not be given if the Purchaser repairs or engages a third party to repair the product, or processes or engages a third party to process the product without the Seller's consent and this unreasonably complicates the process of remedying the defect or renders it impossible.
- 11.13** Purchaser claims for reimbursement of expenses in lieu of compensation for damages are excluded if such expenses were unnecessary or an informed third-party would not have incurred them.
- 11.14** Return consignments of defective products to the Seller for the purpose of subsequent performance may only be effected after obtaining prior written consent in accordance with the Seller's regulations (return material procedure - RMA). The risk of accidental loss or deterioration of the product does not pass to the Seller until the Seller accepts the product at its business premises. The Seller is entitled to reject products which are returned without an RMA number having been issued for them.
- 11.15** Warranty claims of defective products on the part of the Purchaser become statute barred after one year, if the defective product was used for non-customary purposes and this caused the defect. The limitation period commences with the passing of the risk or, at latest, upon delivery of the product.
- 11.16** A statement issued by the Seller in response to a defect claim asserted by the Purchaser does not constitute acknowledgement of the defect or commencement of negotiations on a claim or circumstances substantiating a claim.
- 11.17** The Seller assumes no procurement risk unless it has concluded a written agreement to this effect.
- 11.18** Place of performance for supplementary performance and remedy of defects is the place where the Seller's company is registered. The Seller is entitled to effect supplementary performance and remedy of defects at the Purchaser's premises.



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**12 Product Liability**

- 12.1** The Purchaser undertakes not to modify the products and, in particular, not to modify or remove any warnings about risks associated with improper use. If the Purchaser breaches this obligation, it shall hold harmless the Seller in the internal relationship from product liability claims asserted by third parties, provided that the Purchaser is responsible for the incident giving rise to such a claim.
- 12.2** If, due to a product defect, the Seller is required to recall the product or issue a product warning, the Purchaser undertakes to support the Seller and to take all reasonable actions as instructed by the Seller. The Seller undertakes to pay the costs of product recalls and warnings if it is responsible for the product defect and the ensuing damages. This does not affect further claims on the part of the Seller.
- 12.3** If, due to a product defect, the Seller is required to recall the product or issue a product warning, the Purchaser undertakes to support the Seller and to take all reasonable actions as instructed by the Seller. The Seller undertakes to pay the costs of product recalls and warnings if it is responsible for the product defect and the ensuing damages. This does not affect further claims on the part of the Seller.
- 12.4** The Seller is obliged to maintain Product Liability Insurance, but its territorial coverage has to exclude the US and Canada territories.

**13 Industrial Property Rights and Copy right**

- 13.1** The products may be subject to patent rights, trademark rights, copyrights, design rights and other third-party rights. The Seller is not responsible or liable for claims associated with breaches of such rights. The Purchaser is not granted any rights of ownership or use, other than the right to use the products in customary business operations.

**14 Concluding Provisions**

- 14.1** The Purchaser's rights and obligations may only be assigned to third parties with the Seller's written consent.
- 14.2** The legal venue for all disputes in connection with the contractual relationship is the place where the Seller has its registered office. The Seller is also entitled to bring legal action at the Purchaser's place of registered office or any other admissible legal venue.
- 14.3** The contractual relationship, its interpretation and execution, is governed by the laws of the Republic of Bulgaria. The United Nations convention on Contracts for the International Sale of Goods (CISG) shall not apply.
- 14.4** If a provision of these GTCs should be found to be invalid or unenforceable, or a provision has been omitted, it shall not serve to invalidate the remaining provisions hereof. In place of such a provision a valid or enforceable provision shall be agreed which comes closest to the purpose of the invalid or unenforceable provision. This also applies if a relevant provision for a matter requiring regulation has been omitted.