

Standard Terms and Conditions – Direct/Series Purchases

Terms and Conditions of the following documents:

- **Procurement Agreements**
- **Purchase Orders**
- **Procurement Contracts**
- **Requests for Quotes**
- **Sample Orders**

Changes and Delivery schedules will NOT have terms and conditions with them as they reference master documents that will have terms and conditions.

STIHL INCORPORATED **Standard Terms and Conditions – Direct/Series Purchases**

1. **APPLICABLE LAW, ETC.:** This order is to be construed under the laws of Virginia, and is not subject to change or variation, irrespective of the wording of the Seller's acceptance, and is not assignable or transferable, without STIHL's written consent. These terms and conditions are applicable to the purchase of both goods and services.

2. **PRICES:** This order may not be filled at higher prices than those quoted by the Seller which appear on the face of this order, without STIHL's written consent. The Seller will give STIHL the benefit of any price declines to actual time of shipment.

3. **SPECIAL TOOLS, ETC.:** If the manufacture of any goods pursuant to this order shall require the development or construction of special tools, dies, patterns, drawings or other equipment by the Seller, such special equipment shall be used exclusively for the manufacturers of goods for STIHL, and, upon reimbursement to the Seller of its reasonable costs of development and construction of such special equipment as agreed upon by STIHL and the Seller, STIHL may acquire absolute title to and right of possession of such special equipment.

4. **SPECIAL TECHNIQUES OR METHODS:** If the performance of any service pursuant to this order requires the implementation of any special technique or method, such technique or method shall be used exclusively for the performance of services for STIHL, and, upon reimbursement to the Seller of its reasonable costs of development and implementation of such special technique or method, as agreed upon by STIHL and the Seller, STIHL may acquire absolute right to use such special technique or method.

5. **USE OF TRADEMARKS:** The Seller is authorized to use STIHL's trademarks on goods delivered under this order only as specified on the face of this order, but for no other purpose. The quality of all such goods must be acceptable to STIHL, and in no case shall the Seller deliver goods bearing a STIHL trademark to anyone other than STIHL except as expressly authorized by STIHL in writing. STIHL shall own all right, title and interest in any copyright material used and/or created pursuant to this Purchase Order. This clause shall operate as an assignment to STIHL of all such rights.

6. **NONCONFORMING GOODS OR SERVICES:** (a) Goods supplied pursuant to this order must conform to samples approved by STIHL and to STIHL's specifications. If the goods or the delivery thereof (including delivery date or dates and quantities) do not conform to this order, then STIHL may reject all or part of the shipment and cancel any unfilled orders or shipments. (b) STIHL may return any rejected goods or hold them at the Seller's expense. In either event the Seller shall be liable for all costs relating to the goods, including but not limited to, the handling, repackaging, examination and reshipping. (c) STIHL may elect to return any rejected goods to the Seller at the Seller's risk and expense for, at STIHL's option, replacement, a credit for STIHL's account, or a refund. This remedy shall not be construed to limit STIHL's right under subparagraphs (a) and (b) above to treat any nonconforming tender as a breach and to receive appropriate damages, including but not limited to consequential damages. (d) Deliveries of goods covered by this order shall be subject to a random sampling testing procedure in accordance with **STIHL's Quality Control Manual**. Such testing procedure shall be carried out within thirty (30) days of receipt of the goods by STIHL. In addition, non-conformities discovered during the manufacturing process or otherwise will be handled and treated the same as those non-conformities discovered by said testing procedures. (e) If any services provided pursuant to this order are nonconforming, STIHL may elect either to require the Seller to cure any non-conformities in performance or to reject any unperformed portion thereof. STIHL shall be entitled to appropriate damages, including but not limited to consequential damages.

7. **WAIVER:** Any non-performance of a condition of this order may be waived by STIHL or treated as a breach; a waiver of a condition for one shipment of goods or partial performance of services does not waive it for all shipments or the entire performance.

8. **WARRANTY OF TITLE:** The Seller warrants that it has good title to goods passing under this order and that it passes title to STIHL of such goods free of any liens.

9. **WARRANTY AGAINST PATENT, COPYRIGHT AND TRADEMARK INFRINGEMENT:** The Seller warrants that goods ordered by this order, or the use thereof, do not infringe upon any United States or foreign patents, copyrights or trademarks; that the Seller will defend any suit that may arise in respect thereto; and that the Seller will save STIHL harmless from any loss or expense which may be incurred by the assertion of any right therein.

10. **COMPLIANCE WITH LAWS:** The Seller warrants that the goods ordered by this order will be manufactured and delivered in accordance with all applicable Federal and State laws, orders and regulations including, without limitation, the Equal Opportunity Act and other non-discrimination and affirmative action laws (41 C.F.R. 60-1.4(a)(7), 60-250.4 and 60-741.4) as applicable, the Fair Labor Standards Act of 1938, as amended, and the Federal Occupational Safety and Health Act of 1970, as amended. The Seller also warrants its compliance with all Worker's Compensation laws.

11. **SUSPENSION OF ORDER:** In the event of fire, flood, strike, lock-out, war, accident or other like causes beyond control of STIHL which interfere with the manufacturing processes of STIHL, then this order may be suspended at STIHL's option until the cause of the disruption is corrected.

12. **CANCELLATION:** STIHL reserves the right to cancel this order, or any part or installment thereof, at any time even if the Seller is not in default hereunder, if circumstances beyond STIHL's control render the fulfillment of the order commercially unreasonable. STIHL shall give written notice to the Seller of its intention to exercise such right of cancellation. STIHL shall pay for all goods delivered and completed and for all services performed and an equitable settlement shall be arrived at for costs incurred by the Seller for goods or services in progress at the time STIHL exercises its right of cancellation, such settlement not to exceed the aggregate committed quantity or price specified in this order. Upon receipt of any notice of cancellation hereunder, the Seller shall, unless otherwise directed, immediately discontinue all work in progress and immediately cancel all orders or subcontracts given or made pursuant to this order. Exercise by STIHL of the rights of cancellation hereby reserved shall give rise to no liability on the part of STIHL except as specified herein and shall not have the effect of waiving damages to which STIHL might otherwise be entitled.

13. SHIPPING TERMS: Unless otherwise specified on the face of the order shipping terms hereunder shall be FOB destination, and risk of loss shall remain with the Seller until the goods are delivered to the destination.
STIHL Inc.

14. INDEMNIFICATION: The Seller shall indemnify and save harmless STIHL from all liability, costs and expenses in connection with claims made or judgments obtained against the Seller or STIHL or their respective officers, agents or employees, based upon injuries to person or property resulting from or arising out of the goods or services provided by the Seller under this order. Upon request, the Seller shall furnish to STIHL evidence of the Seller's liability insurance coverage for goods and services provided under this order.

15. ARBITRATION: Any controversy or claim arising out of or relating to this order shall be settled in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator(s) may be entered in any Court having jurisdiction thereof. Any arbitration shall be held in Virginia Beach, Virginia. The parties hereby agree that if any arbitration is necessary, the losing party shall pay the attorney's fees of both parties and all costs incident thereto.

16. CONFIDENTIALITY AND PROPRIETARY RIGHTS: The Seller agrees that STIHL's designs, drawings, specifications, formulae and manufacturing information as may be necessary to disclose in connection with this order constitute proprietary data and confidential property of STIHL and shall not be utilized for purposes other than those intended in this order without the express written permission of STIHL. Such designs, drawings, specifications, formulae and manufacturing information shall be retained by the Seller in secrecy and shall be used only in a limited access area. The designs, drawings, specifications, formulae and manufacturing information shall be returned immediately upon request of STIHL and must in any case be returned when the work for which they were made available is completed. Such designs, drawings, specifications, formulae and manufacturing information shall not be reproduced, copied or disclosed in any way, without STIHL's written consent.

17. CHEMICAL SUBSTANCES: The Seller shall comply with the Toxic Substances Control Act (TSCA), 15 U.S.C. ch. 53, subch. I §§ 2601–2629, insofar as it is applicable to the performance of this order. Safety data sheets must accompany all shipments of chemical substances to STIHL.

Additional information / Requirements are available in the "STIHL Inc. Supplier Manual" Rev. 08

Effective August 2, 2019

Delivery Conditions

Delivery Conditions of the following documents.

- Procurement Agreements
- Purchase Orders
- Procurement Contracts
- Requests for Quotes
- Sample Orders

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Delivery Conditions

1. **SCOPE:** The following delivery conditions are a constituent part of STIHL's "General Packaging Instructions" and "Purchase Order, Procurement Agreement/Contract Conditions". They supplement any special "Technical Terms of Delivery".

2. **DELIVERY ADDRESS:** The postal delivery address indicated on Purchase Orders, and/or Procurement Agreements/Contracts, etc. must be strictly observed. Consequential costs resulting from non-observance shall be charged to the supplier.

3. **RECEIVING TIMES:** The Receiving department will accept shipments during the following times: · Monday - Friday 0600 hrs - 1730 hrs. · Any deliveries outside this time frame **must be pre-approved.**

4. **SHIPPING DOCUMENTS:** A freight bill must be attached in duplicate to each shipment at a clearly visible point or handed over to us before unloading the goods. In addition a packing list & label should be attached to each package (e.g. box, KLT, crate).

The freight bill must contain the following information:

- a) Supplier's name
- b) Number of packages
- c) Net and gross weights of complete shipment and of each individual package

The packing list & label should contain the following information:

- a) STIHL Purchase Orders, and/or Procurement Agreements/Contracts number
- b) STIHL part number
- c) STIHL part description
- d) Quantity
- e) Supplier's name
- f) Manufacturer's lot number (if applicable)
- g) Manufacturing date (if applicable)

5. **PACKING:** Packing shall be dimensioned in such a way that it offers adequate protection from damage during shipment. The packing criteria specified here are based on STIHL's "General Packaging Instructions" which the supplier should observe when selecting shipping and packing materials. All skids (unless otherwise specified in STIHL factory standards (SWN)), must use a minimum of 29.5 x 48-inch heat treated skids with maximum skid dimensions of 31.5 x 48-inches. Skids should be packed in order to minimize the number of mixed parts. If a skid is to be mixed in order to complete a skid, the mixed boxes will be identified.

Shipments which do not comply with STIHL's packing specifications may be returned. Should this not be possible for reasons of deadlines, STIHL Inc. will repack the shipment. The costs incurred as a result will be charged to the supplier. Subject to prior agreement, the supplier may also carry out repackaging at STIHL's premises at his own expense.

STIHL Incorporated differentiates between 3 types of shipping materials:

- a) Shipping materials whose ownership is transferred when they change hands: These are European skids, 31 inches x 48 inches x 6 inches, EUR DIN 15146/47, load capacity 1,000 kg (2205lb.). The pallet height including the skid should not exceed 42 inches.
- b) One-way packing: STIHL Inc. reserves the right to return one-way containers at the supplier's expense if they do not comply with the requirements of STIHL's "General Packaging Instructions".
- c) Returnable Packaging: Returnable packaging agreements will be handled through STIHL's "Technical Terms of Delivery". The supplier shall contact STIHL Inc. before using steel strapping as a packing solution.

6. **MATERIAL CONDITION UPON DELIVERY:** Shipping materials and packing will be accepted only if they are in perfect condition. In addition to STIHL's "General Packaging Instructions", STIHL's "Purchase Order/Procurement Agreement/Contract Conditions" shall apply in respect of the condition of the packing and goods. In the event of provable damage to shipping materials, STIHL Inc. reserves the right to refuse acceptance or charge a lump sum equal to its new value. Any changes to mutually agreed forms of packaging may be carried out only with the prior consent of "STIHL Procurement Department".

7. **DELIVERY WEIGHT:** Shipments which exceed a weight of 50 kg (110lb.), must be delivered on European skids. The weight of each individual package must not exceed 25 kg (55lb.) if shipped "loose".

8. **DELIVERY DIMENSIONS:** Unless otherwise specified in writing by STIHL, the maximum dimensions of European skids should be within the external dimensions.

· *Maximum delivery dimensions of European skids.* STIHL Inc. cannot handle dimensions projecting beyond these limits. Goods should not protrude from the upper edge of the box skid. In case of small hardware or sharp parts, which could project through the mesh of standard Euro skid, the inner walls of the box should be lined with sturdy packaging material.

Each delivered part is unique and the best packaging method should be used. Preferred box sizes should be used whenever possible:

Outside box dimension
Bulk Box 46.25" x 29.625" x 30"

Large Box 23.25" x 15.5" x 8.25"
Medium Box 15.5" x 11.5" x 8.25"
Small Box 11.625" x 7.5" x 6"
Small Bulk Box 27.25" x 23.625" x 17.25"

9. QUALITY NON-CONFORMANCE: · Quality Penalty for non-conformance: up to \$750.00 per occurrence (e.g. failure to meet drawings and/or specifications, failed containment, missed quality gates, etc.). · Rework charges: All charges associated with non-conforming material/parts to make usable to keep STIHL's production lines running: up to 100% recoverable, \$50.00 per man/hour.

10. WARRANTY LANGUAGE: Seller warrants that the Products sold to STIHL under this Agreement shall conform to STIHL's specifications and be free of non-conformity. Seller also warrants that its material and workmanship of the Products comply with its standard of quality and STIHL's requirements. Should any catastrophic, epidemic or widespread failure or non-conformity become common to all or substantial numbers of the Products, Seller will provide replacement or retrofit parts to STIHL without charge, and will reimburse STIHL's costs to conduct such replacement or retrofit. Should a recall become necessary, Seller alone will bear the costs of such recall, including but not limited to the costs of mailings, literature, advertising and attorneys' fees.

11. LATE DELIVERIES: Assembly line downtime charges: All charges that relate to the stoppage of production due to late delivery: 100% recoverable, \$50.00 per man/hour. · Premium freight charges: Supplier may be responsible for reimbursement of 100% of premium freight charges associated to keep the production assembly running. Premium freight charges are those charges above normal delivery fees