General Purchase Conditions

Item 1 General Points – Scope of Validity

1. The scope of validity for these purchase conditions apply to all companies belonging to the ae group, in detail these are:
   - ae group ag
   - ae group gelsenkuglen gmbh
   - ae group nentershausen gmbh
   - alu druckguss lübeck gmbh
   - ae group polska sp z o.o.
2. The purchase conditions of the ae group apply exclusively. Conflicting or deviating terms and conditions of the supplier will not be recognised unless the ae group has expressly agreed to their validity in writing.
3. The purchase conditions of the ae group shall also apply when the ae group accepts the delivery without reservation, while knowing of conflicting or deviating conditions of the supplier.
4. All agreements concluded between the ae group and the supplier must be recorded accordingly in writing.
5. Our ae group purchase conditions shall also apply to all future transactions with the supplier.

Item 2: Ordering

1. If the supplier does not accept the order in writing within 5 working days of receipt, then the ae group is entitled to revoke the order without the supplier being able to assert claims against the ae group.
2. Calls for scheduled deliveries will become binding at the latest when the supplier does not object in writing within 5 working days of receipt.
3. With the exception of the supplier, the ae group may demand amendments and/or alterations to the design, version and construction of the delivery item. The hereby resulting effects, in particular with regard to additional and reduced costs as well as delivery dates, shall be adequately regulated by mutual agreement.
4. The ae group will hereby retain ownership rights and copyrights to illustrations, drawings, calculations and other documents; they may not be made accessible to third parties without the express written consent of the ae group. These are to be used exclusively for production on the basis of orders from the ae group; they are to be returned to the ae group without request after completion of the order. They are to be retained as confidential with regard to third parties and, insofar as applicable, the regulations of Item 11 Paragraph 5 are valid.

Item 3 Prices – Payment Conditions – Assignment / Factoring

1. The price indicated in the order is binding. Insofar as there is not a deviating, written agreement, then the price for delivery as "free house" including packaging is valid (INCOTERMS in the respective valid edition). The return of packaging requires a special agreement.
2. The legally applicable value added tax and/or sales tax is not included in the price. The supplier is solely responsible for any other taxes, customs duties and other charges or expenses.
3. The ae group can only process invoices when they contain the order number specified in the order in accordance with the specifications; the supplier is responsible for all consequences arising from non-compliance with this obligation, unless they can otherwise verify that they were not responsible for them.
4. Unless otherwise agreed in writing, the ae group will pay the purchase price within 30 days, calculated from receipt of goods and invoice, with 3% discount or 90 days net after receipt of goods and invoice. The ae group retains the right to pay the supplier's invoice with discountable bills of exchange; all fees and expenses incurred shall be borne by the ae group.
5. Acceptance of deliveries in advance of the due date will be aligned with the agreed delivery deadline.
6. In the event of incorrect or defective delivery, the ae group is entitled to withhold payment pro rata until proper performance has been executed.
7. The ae group is legally entitled to all rights for set-off and retention.
8. The supplier may not transfer any claims to third parties without written permission from the ae group (Assignment/Factoring).

Item 4: Delivery Time

1. Agreed dates and deadlines are binding. The date of receipt of the goods at the ae group factory which is to be supplied will be decisive for compliance with the delivery date or delivery deadline.
2. The supplier is obligated to deliver the ae group immediately in writing when circumstances arise or become apparent to them which indicate that the agreed delivery time cannot be adhered to.
3. In the event of a delayed delivery, the ae group is entitled to demand lump-sum default damages amounting to 1% of the delivery value per complete week, but not more than 10%; additional, subsequent legal claims (withdrawal or claims for damages) remain reserved.
4. The supplier retains the right to prove to the ae group that no damage or a substantially lower damage was incurred as a result of the delay.
5. In the case of slight negligence, claims for damages shall be limited to additional freight costs, retrofitting costs and, after setting an unsuccessful grace period; in case of loss of interest in the delivery, the additional expenses for covering purchases.
6. Should the ae group be unable to execute acceptance/approval of the delivery/service in accordance with the order due to unforeseen events such as force majeure, industrial disputes, operational disruptions of any kind, a decline in demand due to a reduction in acceptance which results in a reduction in consumption, etc., then the ae group may, without reason, and after due consideration of the order. In such a case, the supplier shall have no claims for expenses or claims for damages, nor shall they be entitled to demand a higher price or other claims.
7. Ownership of the goods which have been ordered and delivered will be transferred to the ae group after delivery and acceptance. Any contrary, extended retention of title by the supplier shall not be recognised and shall be invalid unless otherwise agreed in writing.

Item 5 Transfer of Risks – Documentation

1. The delivery must be executed, insofar as no other written agreement exists, as free domicile (INCOTERMS in the respective valid edition).
2. The supplier is obliged to precisely state the order number of the ae group on all shipping documents and delivery notes; should they fail to do so, then delays in processing are not the responsibility of the ae group.

Item 6 Regulation Conform / Management System

1. The ae group expects 100% delivery loyalty from our suppliers. The supplier must comply with the current scientific and technical standards, the safety regulations and the agreed technical data which apply for their delivery. They are also obliged to comply with all respective, applicable legal and local authority ordinances.
2. Suppliers of materials with a direct influence on the ae product must have implemented a quality management system (IATF 16949, minimum pursuant to DIN EN ISO 9001) and have the system certified accordingly. If this should not be the case, then approved and suitable measures must be defined in order to ensure quality compliance. The ae group retains the right to inspect the effectiveness of the quality management system at a company-related location. The supplier will also grant this right to customers of the ae group. Amendments and alterations to the item to be delivered require previous, written agreement. Refer to VDA Publication 2 "Quality assurance of deliveries - production process and product approval (PPA)" for the initial sample inspection. The supplier must still regularly inspect the quality of the item to be delivered even though the aforementioned reference has been stated. The contractual partners will mutually inform each other regarding possibilities for quality improvement.
3. The supplier must furthermore record in their quality records for all products, when, how and by whom the fault-free production of the deliveries was ensured. Every participant in the supply chain is obliged to the same degree within the framework of the legal possibilities available to them. Refer to VDA Publication 1 "Guideline for documenting and archiving quality requirements and quality records". All materials utilised in production must comply with the applicable legal safety and environmental regulations of the respective country of manufacture and/or distribution.
4. Materials (substances, preparations) and objects (e.g. goods, parts, technical equipment, unclean empties) which, due to their nature, characteristics, properties or condition, may pose risks to human life and health, the environment and property and which must therefore undergo special treatment with regard to packaging, transport, storage, handling and waste disposal in accordance with ordinances, provisions or regulations, the supplier will hand over to ae group with the quotation a fully completed safety data sheet in accordance with Article 14 of the Hazardous Substances Ordinance and an applicable accident report sheet (Transport). In case of alteration Amendments to materials or legal requirements the supplier will transfer the updated data and fact sheets to the ae group.
5. The supplier will, insofar as special quality guidelines apply, supplying serial parts, die casting moulds, trimming tools as well as machining and testing devices. Special attention must be given to the compliance with the listed values for these materials. The supplier will receive special quality guidelines for supplying serial parts, die casting moulds, trimming tools as well as machining and testing devices. Special attention must be given to the compliance with the listed values for these materials.
6. The supplier must additionally ensure that the products which they deliver comply with the provisions of the Ordinance (EC) No. 1907/2006 for registering, evaluating, assessing, approving and limiting chemical substances and their preparations ("REACH-Ordinance"). The substances or materials contained in the supplier's products are pre-registered, insofar as required under the provisions of the REACH-Ordinance, or registered after expiry of the transitional periods, unless the substance or material is exempted from registration.
Item 7 Further use of defective products

The supplier must have a documented process for further use of defective products, provided that these products cannot be reworked or repaired. The process must ensure that a product, which does not meet the requirements and has to be scrapped, is made useless before disposal, unless otherwise agreed with ae.

Every component produced for delivery to ae, which is not delivered directly to ae or an authorized third party, hast to be destroyed in-house before recycling, so that a component cannot be used for its purpose. This includes defective components, production test runs, technical models, as well as any and all adjustment and testing parts. Without prior approval of ae, the supplier cannot use defective products for repairs or other purposes. Suppliers have to guarantee and assure the compliance of this procedure, also they have to assure that their suppliers comply with this procedure. A proof, that the suppliers were informed of this rule, has to be kept and submitted if enquired by ae.

Item 8 Inspecting Defects – Warranty

1. The ae group is obliged to inspect the goods for any deviations in quality and quantity within a reasonable period of time in accordance with the circumstances of a proper course of business: complaints must be submitted to the supplier punctually or when they have been deemed to have been received within a period of five working days from receipt of the goods in the case of hidden defects, from their discovery. In this case, the supplier waives the objection of late notification of defects. Complaints during the warranty period will already interrupt the process of this time. The supplier hereby waives the right to limitation of the notice of defect. Separate agreements can be concluded with the supplier e.g. a quality assurance agreement, which will then take precedence.

2. The ae group may, after consultation with the supplier, execute improvements and/or repair itself or have them executed by a third party in urgent cases. Any resulting costs from this action will be borne solely by the supplier. If the components are repeatedly delivered in a faulty condition, then the ae group is entitled to withdraw from the unfurnished scope of delivery after a written warning.

3. The warranty period will be 36 months, commencing from the transfer of risk.

4. Insofar as this is not otherwise regulated in the aforementioned text, then the warranty will be aligned to the legal provisions.

5. In the event of a culpable breach of duty which exceeds the delivery of defective goods (e.g. obligation to clarify, advise or examine), then ae group may demand compensation for the thereby resulting damage (including consequential damage).

6. In the case of machinery, plant and systems, the agreed acceptance test is to be executed to determine performance and compliance with the contract-relevant characteristics. Should the actual condition which is determined deviate from the contractually agreed condition, then the supplier shall be granted a reasonable period for rectification. If the corresponding, applicable requirements are still not fulfilled, then the ae group reserves the right to permit rectification, improvement work, to convert or reduce the price. In the event that a quality penalty has been agreed for, then where a performance parameter is not achieved, then this penalty shall also be due when the ae group does not demand it directly upon the failed acceptance.

Item 9 Product Liability – Indemnity – Liability Insurance Protection

1. Insofar as the supplier is responsible for a product defect, then they are obliged to indemnify the ae group upon first request against claims for damages by third parties to the extent that the cause lies within their sphere of control and organisation and they are also liable towards third parties.

2. Within the scope of their liability for cases of damage within the meaning of Paragraph 1, the supplier is also obliged to reimburse any expenses in accordance with Articles 683, 670 BGB and Articles 830, 840, 426 BGB which result in, or in connection, with a recall action executed by our company or group. The ae group will inform the supplier regarding the content and scope of the recall measures to be implemented - to the extent possible - and provide them with the opportunity to comment. All other legal claims hereby remain unaffected.

3. The supplier hereby undertakes to maintain product liability insurance with a lump sum coverage of € 5 million for each personal injury / property damage. If the ae group is entitled to additional, subsequent claims for damages, then these shall remain unaffected.

Item 10 Property Rights

1. The supplier will be liable for claims arising from the infringement of industrial property rights and industrial property right applications (property rights) in the contractual use of the delivery items, at least one of which from the industrial property right family has been published either in the supplier’s home country, by the European Patent Office or in one of the Federal Republic States of Germany, France, Great Britain or the USA.

2. If the ae group is therefore subjected to a liability claim from a third party, then the supplier is hereby obliged to indemnify the ae group against these claims. Processing or transformation by the supplier will be executed for the ae group. If reserved and/or stock goods belonging to the ae group are processed with other items not belonging to the ae group, then the ae group will acquire co-ownership of the new item in the ratio of the value of the item of the ae group (purchase price plus VAT and/or sales tax) with regard to the other processed items at the time of processing.

3. If the items provided by the ae group are mixed with other items or objects not belonging to the ae group, which cannot be subsequently separated, then the ae group will acquire co-ownership of the reserved or stock item in the ratio of the value (purchase price plus VAT and/or sales tax) with regard to the other processed items at the time of processing. If the mixing is executed in such a way that the supplier’s item is to be regarded as the main item, then it is deemed to be agreed that the supplier assigns pro rata co-ownership to the ae group; the supplier will hereby retain and grant sole ownership or co-ownership to the ae group.

4. The ae group will retain ownership of tools. The supplier is obliged to exclusively utilise the tools for producing the goods which the ae group has ordered. The supplier is obliged to assure the tools belonging to the ae group against damages caused by fire, water and theft at its own expense at the current new, replacement value. At the same time, the supplier will hereby assign all claims for compensation arising from the tools to the ae group. The ae group hereby agrees the assignment accordingly. The supplier is obliged to execute any necessary servicing and inspection works as well as all maintenance and repair works on our ae group tools in good time at their own expense and indemnify the ae group against any malfunctions. If they do not fulfil this obligation, then any claims for damages will be inadmissible.

5. The supplier is obliged to retain all technical and commercial details, such as illustrations, technical drawings, calculations and other documents and information, which are not public, as strictly confidential. These may only be issued or publicised to third parties with the express permission from the ae group. The obligation of confidentiality will also apply after the execution of this contract. This will also apply when and insofar as the manufacturing knowledge contained in the illustrations, technical drawings, calculations and other documents provided have become generally known. Deviating regulations can be implemented and concluded in a special confidentiality agreement.

6. Insofar as the confidentiality interests of ae group pursuant to Paragraph 1 and/or Paragraph 2 exceed the purchase price of all reserved goods not yet paid by ae group by more than 20%, the ae group is obliged to release the confidentiality rights at the suppliers’ request at the ae group’s discretion.

Item 13 General Conditions

1. If one contractual party suspends its payments or enter into administration proceedings then judicial or extra-judicial proceedings are initiated and then the other party is entitled to withdraw from the contract for the unfulfilled part.

2. Should any provisions of these conditions and the affected additional agreements be invalid or become invalid, then this will not affect the validity of the remainder of the contract. In such a case, the parties will hereby undertake to reach an agreement that comes as close as possible to the economic purpose and content.
3. Unless otherwise agreed, the law of the Federal Republic of Germany shall apply exclusively, with the exclusion of the Hague Sales Law / UN Sales Law (CISG). The ae group polska sp. z o.o. is hereby excluded. Unless otherwise agreed, the law of the Polish Republic shall apply exclusively, with the exclusion of the Hague Sales Law / UN Sales Law (CISG).

4. The data required for order processing and invoice verification can be stored electronically by the ae group.

5. The supplier is obliged to particularly indicate additional freight costs to the ae group and to create a verification for correction measures.

6. The supplier shall not either participate actively or passively or directly or indirectly in any form of bribery or corruption, violation of human rights or discrimination against its employees, or participate in forced labour or child labour.

**Item 14 Place of Jurisdiction – Fulfilment Location**

1. Unless otherwise agreed, the law of the Federal Republic of Germany shall apply exclusively, except for the ae group polska sp. z o.o. Unless otherwise agreed, the law of the Polish Republic shall apply exclusively for this company insofar as no other agreement exists. The ae group is however also entitled to sue the supplier at the court responsible for their registered place of business.

2. Insofar as not otherwise stated in the order, the place of performance and fulfilment shall be the place of business of the ordering company from the ae group.