

## Item 1 General Points – Scope of Validity

- 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 gerstungen gmbh*
  - *ae group nentershausen gmbh*
  - *alu druckguss lübeck gmbh*
  - *ae group polska sp. z o.o.*
- 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. 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*.
- All agreements concluded between the *ae group* and the *supplier* must be recorded accordingly in writing.
- Our *ae group* purchase conditions shall also apply to all future transactions with the *supplier*.

## Item 2: Ordering

- 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*. Calls for scheduled deliveries will become binding at the latest when the *supplier* does not object in writing within 5 working days of receipt.
- Within the extent reasonable for 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.
- 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

- 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.
- 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.
- 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.
- 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 *ae group*.
- Acceptance of deliveries in advance of the due date will be aligned with the agreed delivery deadline.
- In the event of incorrect or defective delivery, the *ae group* is entitled to withhold payment pro rata until proper performance has been executed.
- The *ae group* is legally entitled to all rights for set-off and retention.
- The *supplier* may not transfer any claims to third parties without written permission from the *ae group* (Assignment/Factoring).

## Item 4: Delivery Time

- 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.
- The *supplier* is obliged to inform 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.
- In the event of a delay in 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.
- 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.
- 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; or in case of loss of interest in the delivery, the additional expenses for covering purchases.

- 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, within reason, amend and reduce the order accordingly. 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.
- 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

- The delivery must be executed, insofar as no other written agreement exists, as free domicile (INCOTERMS in the respective valid edition).
- 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

- 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 deliveries. They are obliged to comply with all respective, applicable legal and local authority ordinances.
- 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. The *ae group* is committed to purchasing environmentally friendly and energy-efficient materials, equipment and services designed to improve the environmental and increase energy performance. For this reason, continuous improvement of energy use and/or reduction of energy consumption is therefore of great importance to the *ae group*. We hereby draw the attention of all manufacturers and suppliers to the fact that the evaluation of goods, quality and services is also based on energy-related performance (in particular efficiency and energy efficiency class). Utilising renewable resources must be preferred wherever this is possible. We expect the responsible use of finite resources. The reduction and avoidance of CO<sub>2</sub>-emissions have to be actively promoted. This also applies to logistics and transport efforts. The use of renewable energies is preferable, if this is possible. Our suppliers help to protect the environment by separating and recycling their materials. In case of a procurement preference is given to suppliers who have introduced a management system in accordance with ISO 14001 and / or ISO 50001.
- 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. The *supplier* must also oblige all sub-suppliers 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.
- 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 alterations and amendments to materials or legal requirements the *supplier* will transfer the updated data and fact sheets to the *ae group*.
- 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 points in these guidelines.
- 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/or materials ("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 supplier has to assure that a product, which does not meet the requirements and has to be scraped, 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, has 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 or, 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 deadline. The *supplier* will thereby waive 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 same goods are repeatedly delivered in a faulty condition, then the *ae group* is entitled to withdraw from the unfulfilled 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 tests are 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 contractual penalty has been agreed for a case 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 from, 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 reasonable - 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, Austria 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 after the initial, written request. The *ae group* is not entitled to conclude any agreements with the third party - without the *supplier's* consent - and in particular not entitled to conclude a settlement.
3. The *supplier's* obligation to indemnify *ae group* relates to all expenses necessarily incurred by *ae group* from, or in connection, with claims by a third party.

## Item 11 Termination:

1. The *ae group* retains the right to terminate a contract at any time. In such a case, the *ae group* will reimburse the *supplier* for the costs incurred for the services relating to already produced or semi-finished products. Additional, subsequent claims, especially for loss of profit are inadmissible. Our property relating to the *ae group* is to be surrendered immediately. This also applies to property relating to customers of the *ae group* as long as they have submitted corresponding claims. Services and products which have already been created and/or provided must also be returned to the *ae group* upon request.

## Item 12 Retention of Title - Provision of Materials - Tools - Confidentiality

1. The *supplier's* rights of retention of title will only be recognised upon express written confirmation by the *ae group*.
2. Insofar as the *ae group* provides material to the *supplier*, then the *ae group* reserves ownership of such material. 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 mixed 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 *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 insure 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 this insurance 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. They must immediately notify the *ae group* with regarding to 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 expire 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%, then 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 provision 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*.