

TERMS AND CONDITIONS OF PURCHASE

for Non-Production Materials, Investments, Tools and Services

1. Subject matter and definition

- 1.1 For the manufacture and supply of non-production materials, investments and tools and for the provision of services by the supplier to all AMK locations in Germany the following Terms and Conditions of Purchase shall have exclusive application.

For the manufacture and supply of machinery, equipment and tools the terms and conditions regulated in Annex 1 shall also apply.

Annex 2 shall be relevant for the provision of information technology services.

- 1.2 These Terms and Conditions of Purchase shall also apply if the supplier, especially when accepting the order or in the order confirmation, makes reference to its own terms and conditions. Terms and conditions of the supplier or deviating agreements shall be valid only if we have acknowledged them in writing. Neither our silence nor the acceptance of the delivery nor the payment thereof shall be deemed to be an acknowledgment of these.

2. Order, order confirmation

- 2.1 Contracts, orders, agreements and amendments shall be required in writing to be binding. The provision of written form shall also be considered observed if carried out by fax, email or remote data transmission (EDI, Web EDI). A signature by us is not required. Deviations from any agreements made or from our orders shall be effective only after our prior written consent.
- 2.2 The acceptance of our order must be confirmed in writing in the form prescribed by us, stating our complete order data. If the supplier does not accept the order within 10 days of receipt, we shall be entitled to cancel the order.
- 2.3 Quotations of the supplier shall be binding and free of charge unless otherwise agreed.

3. Prices, terms of payment, invoices

- 3.1 The agreed prices and payment rates are fixed prices and include regularly incurred travel costs and travel times, costs for materials and costs for using the test facilities of the supplier, unless something different has been agreed. They do not include VAT.
- 3.2 If a total price is agreed and after conclusion of contract a change in the performance is agreed, which leads to a reduction in the scope of the performance, then an amended total price shall be agreed on the price basis underlying the contract price taking into account the decrease in costs. The same shall apply if an increase in the scope of the performance is agreed after conclusion of contract, provided the supplier indicated in writing that a price change will be necessary before the revision leading to the increased scope was agreed to.

- 3.3 Invoices must be issued stating our complete order data (order number, date, delivery note number). Where required, a copy of the acceptance protocol and/or report should be enclosed as an appendix to the invoice. These enclosures must be signed and provided with readable names. The supplier shall be responsible for any delays in invoice processing and settlement caused by the failure to fulfill this condition. Invoices must be made out to the purchasing party and sent to the billing address specified on the order. We reserve the right to return invoices to the supplier if the order information or billing address is incomplete or incorrect.
- 3.4 Where possible and necessary, the supplier shall attach a delivery note to each goods delivery. Along with the usual information, this shall contain our order number and state the delivery quantity in the quantity units we have shown in the order. If we have distributed a product across several items in the order, this distribution shall be adopted in the delivery note and the invoice.
- 3.5 If no special agreement has been made, payment shall be made net by bank transfer 30 days from receipt of invoice at AMK.
- 3.6 If by deviation payment by installment is agreed, the supplier shall secure the payments rendered by means of an open-ended bank guarantee at a German bank or savings bank or a German credit insurance company. The schedule of these must be enclosed with the deposit invoice.
- 3.7 Payments by us do not represent an acknowledgment of a proper performance of the contract by the supplier.
- 3.8 The supplier shall not be entitled to assign its claims against us or have them collected by third parties without our prior written consent.

4. Deadlines, delay

- 4.1 Agreed performance deadlines and performance periods are binding. The determining factor for compliance with the performance deadline or performance period is the delivery or the provision of the contractual service to us or the recipient designated by us. If the supplier exceeds the agreed performance deadlines or performance periods it shall be in default, without a reminder being required.
- 4.2 The supplier must notify us of any recognizable delay in its performance or delivery immediately in writing, stating the reasons for and the expected duration of the delay.
- 4.3 If the supplier finds itself in default, 0.5% of the defaulting delivery or performance shall be charged as a penalty for each commenced week of delay, but up to a maximum of 5% of the total order value, unless something different has been agreed. AMK reserves the right to assert a further claim for default damages; in this case, the penalty shall be deducted from this claim. Should AMK not claim the penalty immediately after the occurrence of default, this shall not represent a waiver of the claim of the penalty; AMK shall, moreover, continue to be entitled to assert the penalty up until the final payment and/or offset this against this payment, if and to the extent that a final payment has been agreed.

5. Employees of the supplier, subcontractors

- 5.1 The supplier has the functional and disciplinary right of direction with respect to its employees. This shall apply even if contractual services are for project-related reasons to be performed in our premises.
- 5.2 We shall be entitled at any time to order employees and agents of the supplier to leave our factory premises or to deny them access, if we consider this appropriate for security reasons, in particular because of the behavior of the person concerned. The supplier shall replace the person concerned at its own expense.
- 5.3 Staff assigned by the supplier should be changed only in exceptional cases. We must be notified of this change in advance in writing. In the case of a change of staff, the supplier must ensure that we incur no disadvantages in terms of care responsibilities.
- 5.4 If an employee appointed by the supplier to execute the contract has to be replaced by another employee for reasons AMK is not responsible for, the costs of the training period shall be borne by the supplier.
- 5.5 The supplier may use subcontractors only with our written consent.
- 5.6 The supplier is obliged to deploy only staff for which it fulfills the tax and social security regulations. The supplier may deploy employees requiring a work permit only if these are its own employees and they have a residence and work permit that is valid for the geographical area and time period of services to be provided. Corresponding proof must be presented upon request.
- 5.7 The supplier shall ensure that only trained and sufficiently qualified staff are employed for the implementation of all services. All workers employed with us must have sufficient specialized experience; evidence of this must be shown upon request.
- 5.8 The supplier must ensure that its employees have the required knowledge of the systems and site as well as the necessary qualifications to perform their tasks.
- 5.9 The employees must be remunerated in accordance with the statutory and collectively agreed minimum wage regulations of the respective country. Compliance with this must be confirmed upon request by us.
- 5.10 If the supplier is provided with client equipment (e.g. forklift), the supplier shall be liable for any damage caused if the machines/equipment were operated by the staff of the contractor.

6. Cooperation between the contracting parties

- 6.1 We and the supplier shall each designate a qualified person and a deputy who shall be available as the contact person during the execution of the contract and be empowered to make the necessary decisions or arrange for these decisions to be made without delay. Changes to these persons shall be possible for good cause only; the other contracting party must be notified of this immediately.
- 6.2 We shall be entitled at any time to inspect the performance of the services.
- 6.3 Depending on the nature and scope of the project, the contracting parties will come together at regular intervals to determine the project's progress and discuss outstanding issues. The content and outcome of the meetings shall, where necessary and agreed, be recorded in the protocol to be signed by both contracting parties.

7. Travel Expenses

If no special agreement has been made, each party shall bear the travel expenses of their own employees themselves.

8. Statutory regulations, requirements

The supplier shall bear responsibility itself for compliance with the applicable statutory regulations and official requirements, in particular the respective applicable safety and accident prevention regulations. Furthermore, the supplier shall itself be responsible for obtaining the necessary approvals for the services on its own account, where applicable.

9. Code of conduct for suppliers

- 9.1 The supplier shall observe the AMK Code of Conduct in its provision of deliveries and services. The supplier is committed to ensuring that human rights are respected, labor standards are observed and discrimination and forced and child labor are not tolerated. The supplier confirms that it will not tolerate any form of corruption or bribery.
- 9.2 The supplier shall also demand that its subcontractors comply with the Code of Conduct. The AMK Code of Conduct can be downloaded from www.amk-group.com.
- 9.3 If the supplier fails to comply with these obligations, AMK shall, without prejudice to further claims, be entitled to withdraw from or terminate the contract.

10. Data privacy

The supplier is obliged to comply with the data privacy regulations in its deliveries and services. In particular, it shall require its employees to maintain data secrecy in accordance with the German Federal Data Protection Act (BDSG), insofar as such employees come into contact with personal data.

11. Confidentiality

- 11.1 The supplier shall be obliged to treat all information it becomes aware of (e.g. business and trade secrets, data as well as the processing and results of this, other technical or commercial information of any kind) as confidential and use this only for execution of the contract. The information must not be disclosed in any way to third parties; an exception is made for employees and other vicarious agents, insofar as these need the information to carry out the contract.
- 11.2 The obligation to maintain secrecy shall continue to be upheld even after the termination of the contract.
- 11.3 The obligation of confidentiality does not apply in respect to such information that is commonly known or has been made available to the supplier by a third party without breach of an obligation of confidentiality.
- 11.4 The supplier shall oblige its staff and other persons whose services it uses to fulfill its contractual obligations to maintain confidentiality in accordance with the foregoing provisions on confidentiality and to ensure that the undertaking is observed.
- 11.5 Suppliers may advertise their business relationship with AMK only with prior written consent.

12. Copyright

If the contractually agreed service with the supplier consists of a development or project planning assignment, AMK shall be the owner of the work result, all protectable inventions and the expertise. The supplier undertakes that it and its staff shall do everything within their power to transfer such intellectual property to us and to enable it to be protected under patent law.

13. Indemnification from rights of third parties

The supplier guarantees that no rights of third parties are violated in connection with its performance. It gives its assurance in particular that the use of the goods and services it supplies does not violate any third-party rights. If a third party brings a claim against us on account of an infringement of its rights, the supplier shall be obligated to indemnify us from these claims. The indemnification obligation applies to all expenses necessarily incurred by a third party in connection with the claim.

14. Force majeure

14.1 Events of force majeure, wars, natural disasters, official measures (e.g. seizure, export ban) and other unforeseeable, unavoidable and serious events will release the contracting partners from their performance obligations for the duration of the disturbance and within the scope of its effect. The contractual partners shall within the scope of what is reasonable be obliged to provide the necessary information immediately and to adapt the obligations to the changed circumstances in good faith.

14.2 If such event continues for more than two months, the contracting parties of the contract concerned may withdraw from the contract concerned (or the as yet unfulfilled contractual obligations) or terminate the contract concerned without notice.

15. General Provisions

15.1 The contractual relationship shall be governed by the laws of the Federal Republic of Germany, with the exclusion of the UN Convention on Contracts for the International Sale of Goods.

15.2 The place of performance for all rights and obligations arising from the contractual relationship shall be the registered office of AMK.

15.3 The place of jurisdiction for all disputes arising from or in connection with the contractual relationship shall be Stuttgart. AMK shall also be entitled to sue the supplier at any other competent court.

15.4 If any provision of these Terms and Conditions or the additional agreements made be or become invalid, the validity of the remaining contract shall not be affected. The contractual partners shall be obliged to replace the invalid provision with a provision most closely resembling it in terms of its economic effect.

These Terms and Conditions of Purchase are the basis of the supply relationship existing with you and shall be effective immediately for all your goods and services.

Please acknowledge these Terms and Conditions by returning the signed document to us.

We have received your current Terms and Conditions of Purchase for Non-Production Materials, Investments, Tools and Services and have acknowledged these. In addition to the General Terms and Conditions, we confirm the acknowledgment of:

Annex 1: Additional Terms and Conditions for the Manufacture and Supply of Machinery, Equipment and Tools

Annex 2: Additional Terms and Conditions for the Provision of Information Technology Services

For further information, please contact your responsible purchasing agent at AMK.

Place, date

Signature, company stamp

Annex 1:
Additional Terms and Conditions for the Manufacture and Supply of Machinery, Equipment and Tools

1. Subject matter and definition

These Terms and Conditions apply in addition to the General Terms and Conditions of Purchase for all orders with respect to the manufacture and/or supply of investment goods, equipment, machinery and tools (= contractual object) by the supplier/contractor.

2. Delivery, shipment

- 2.1** Every delivery must be accompanied by a delivery note stating our complete order data.
- 2.2** Unless otherwise agreed, deliveries shall be carried out free of freight and packaging to the receiving location – DAP (according to INCOTERMS 2010). The risk in this case shall pass over at the time of delivery at the agreed destination.

3. Preliminary acceptance

- 3.1** Upon completion and before shipment release of the contractual object, a preliminary acceptance must be carried out in the factory premises of the contractor. The contractor shall inform AMK in writing no later than 5 working days before the scheduled preliminary acceptance date of the pending preliminary acceptance date, so that AMK is able to schedule inspection staff in good time.
- 3.2** For the preliminary acceptance, the contractor shall provide free of charge the necessary specialist staff as well as the testing and measurement equipment and tools necessary to verify the product specifications as well as all necessary materials and supplies. If AMK is providing testing and measurement equipment and tools, this shall be indicated in the product specifications. AMK shall bear the travel expenses and working time costs for the AMK staff.
- 3.3** The materials, supplies and energy sources necessary for the preliminary acceptance of the contractual object must be provided free of charge by the contractor, unless otherwise agreed in the product specification documents.
- 3.4** The preliminary acceptance must be prepared accordingly by the contractor to enable a speedy preliminary acceptance to be carried out by the AMK inspection staff. This shall also involve the contractor ensuring that the contractual object corresponds to the specification documents and the order and the contract.
- 3.5** Should AMK expressly waive a preliminary acceptance, the contractor shall be notified of this in good time.
- 3.6** In the case of a preliminary acceptance, the AMK preliminary acceptance protocol is to be completed and signed by both contracting parties.
- 3.7** The contractual object shall be regarded as preliminarily accepted if the AMK preliminary acceptance protocol is defect-free and signed by both parties.
- 3.8** If only insignificant defects are detected, the AMK inspection staff may at their discretion note in the AMK preliminary acceptance protocol that the preliminary acceptance is confirmed subject to immediate rectification (removal of defects), so that a second preliminary acceptance is not required.
- 3.9** Should the preliminary acceptance prove to be negative, the contractor undertakes to correct the deficiencies at its own expense by a new preliminary acceptance date. The preliminary acceptance will be repeated on this new date, whereby the contractor must also bear the costs incurred by AMK through the additional preliminary acceptance (e.g. travel and personnel costs) and still comply with the originally agreed commissioning and handover date.

- 3.10** The preliminary acceptance does not have the legal effects of acceptance within the meaning of § 640 BGB [German Civil Code] in the application of work contract law.

4. Acceptance

- 4.1** The contractor shall inform AMK in writing of the completion of its services. AMK is according to the agreed acceptance conditions obliged to check the performance and in the case of conformity with the contract, i.e., existence of the acceptance criteria, to perform and declare the acceptance. The acceptance carried out must be documented in writing in a protocol and signed by the contracting parties.
- 4.2** In the case of the release or acceptance of partial performances, the totality of services shall be accepted only with the final acceptance with respect to the interaction of all partial performances as per the contract, whereby in this regard Clause 4.1 shall apply accordingly.

5. Liability for material defects/Warranty

- 5.1** Claims for defects shall expire 24 months after recorded final acceptance, unless different periods are expressly agreed in writing.
- 5.2** The service or delivery must reflect the state of the art and comply with the specifications, the agreed quality, the purpose, the quality requirements, the relevant environmental legislation, the applicable DIN standards, the accident prevention regulations of the professional association, the relevant provisions and directives of authorities and professional associations as well as legal regulations.
- 5.3** In the case of defects in the service or delivery, including the lack of agreed qualities, the supplier shall, without prejudice to other legal requirements, be required to remove the defect immediately and free of charge. If the supplier fails to fulfill its defect removal obligation or is not successful in doing this, AMK may reduce the price or withdraw from the contract.

- 5.4** Excluded from the liability for material defects are wearing parts; these must be defined by the contracting parties in each case in the specification or in the individual contracts in a wearing parts list.

6. Quality and environmental management

- 6.1** The supplier undertakes in the execution of its deliveries and services to apply the principles of quality management and environmental management.
- 6.2** The Supplier shall constantly monitor the quality of its goods and services. At the request of AMK, it shall be obliged to establish and maintain a quality assurance system according to a standard to be agreed with AMK.
- 6.3** Regarding the services supplied, these must comply with German environmental and safety requirements. Compliance with all legal and safety requirements for restricted, toxic and hazardous substances by the supplier is mandatory.

7. Transfer of title

After the final acceptance has been carried out, AMK shall acquire title of the contractual object, unless otherwise agreed in a separate agreement.

8. Supply of replacement parts

Unless otherwise agreed, the supplier is obliged to deliver spare parts on reasonable terms for the period of ordinary technical use, however for at least 10 years after the last delivery of the delivery item.

**Annex 2:
Additional Terms and Conditions for the Provision of
Information Technology Services**

1. Subject matter and definition

- 1.1 These Terms and Conditions shall apply in addition to the General Terms and Conditions of Purchase for all orders with respect to information technology services.
- 1.2 Information technology services within the meaning of these Terms and Conditions are all services, including consulting, in connection with the research, development and practical implementation of computer programs, in particular the creation of specification documents, functional specifications, requirements specifications, concepts, implementation as well as modification and supplementation of programs, adaptation of standard programs, training and all system-related services, in particular the purchase and procurement of standard software, hardware and services for these.

2. Changes to the service

- 2.1 If after signing the contract we request a change to the agreed service (e.g. hardware must be adapted to our operations), the supplier is obliged to take account of the desired change in the provision of its service, unless this is unreasonable in view of its operating capability and it informs us of this immediately in writing, but no later than within 10 working days after receipt of the change request.
- 2.2 Within 10 working days of receipt of the change request, the supplier must notify us in writing as to whether the change we require shall have an impact on the agreed remuneration and execution period; if this is the case, this must be justified.
- 2.3 If a comprehensive examination is required on the question of the feasibility of a desired change or its impact, particularly on the agreed remuneration and execution period, the supplier must inform us of this in writing within the period specified in Clause 2.2, stating the reasons and the expected duration of the examination. The implementation of such an examination shall require a separate agreement.
- 2.4 Until the conclusion of an agreement on the implementation of an examination pursuant to Clause 2.3 or a change requested by us, the services pursuant to the contractual agreements applicable prior to the amendment request should be carried out, unless we demand an interruption to these in accordance with Section 2.

3. Duties to cooperate

- 3.1 We shall provide the supplier with all information and documents necessary for the execution of the contractual performance and make the necessary decisions at short notice for the performance of the contract.
- 3.2 If for project-related reasons services are to be performed in our premises, we shall provide the necessary work space, computer time and programs free of charge.
- 3.3 The supplier shall ask us in writing and in detail to meet our obligations to cooperate, insofar as we ourselves fail to meet these and the supplier sees itself hindered thereby in the timely implementation of its services.

4. Liability for material defects/Claims for defects

- 4.1 The goods and services must meet the agreed standards (specifications, service description), the quality requirements and agreements, as well as be free from defects in title. This applies particularly for quality specifications in the service description and for the functions specified in brochures and product descriptions of the supplier, manufacturer or licensor.
- 4.2 In case of defects in the delivery, including the lack of an agreed quality, the supplier shall, without prejudice to other statutory provisions, according to our choice either immediately remove the defect free of charge (subsequent improvement) or deliver a defect-free product (subsequent delivery). In the case of impossibility or failure of the subsequent performance, we may reduce the agreed purchase price or withdraw from the contract. Our right to claim damages remains unaffected.
- 4.3 Claims for defects shall expire 24 months after acceptance of the service or delivery.
- 4.4 In the context of software projects, any existing programming errors that cannot be remedied within a short period that is reasonable in terms of the impact of the error, must be fixed for us provisionally by way of a reasonable workaround; the obligation to final remediation remains unaffected.
- 4.5 We will support the supplier in removing defects by providing the information and documents required for analyzing the defect.

5. Data back-up.

Electronically generated services must be continuously backed up by the supplier in the appropriate project stage as partial results, including the requisite program environment. The back-up copies must be stored professionally away from the premises.

6. Documents and programs

- 6.1 Documents of any kind that we have provided to the supplier shall remain our property. Copies may be made only for the execution of the contract. Originals and copies must be kept carefully and returned to us after the execution of the contract.
- 6.2 The supplier may use the programs provided by us only to the extent necessary for the implementation of the contract.

7. Source code

Programs developed for us individually must be provided to us in source code with documentation. In the context of the liability for material defects in the programs, any measures carried out must be incorporated immediately into the source code and the documentation; a copy of each updated version must be sent to us immediately.