

TERMS AND CONDITIONS OF PURCHASE

1. Order placement

- 1.1** AMK only purchases under the following Terms and Conditions of Purchase. With fulfillment of the order the supplier acknowledges these for future deliveries also, even if its own terms and conditions of business are different. Conflicting terms and conditions of the supplier shall have no application. This also applies in the event that AMK unreservedly accepts deliveries or services of the supplier in knowledge that the terms and conditions of the supplier conflict with or deviate from these Terms and Conditions of Purchase. In particular, the silence on the part of AMK with respect to order confirmations with conflicting content should not be construed as an agreement thereto. The delivery by the supplier, regardless of the contents of the order confirmation, shall be considered as the irrefutable acceptance of these Terms and Conditions of Purchase.
- 1.2** Decisive for the respective individual order by AMK shall be the written order (including orders that are issued by e-mail); orders placed verbally shall not take effect until written confirmation by AMK. Individual orders and confirmations by AMK do not require a signature in order to be valid. Each order must be confirmed to AMK within three working days, stating our order data; any deviations from this order must be expressly highlighted. If no order confirmation is effected within this period, AMK shall no longer be bound to the order.
- 1.3** For delivery call-offs from existing contracts AMK shall waive an order confirmation from the supplier. If a delivery call-off by AMK is not objected to within three working days, this shall be deemed accepted.
- 1.4** AMK may request modifications to the construction and design of the delivery items within the scope of what is reasonable for the supplier. The supplier shall facilitate these changes within the framework of the AMK change management process. In this context, the effects on both parties must be adequately taken into account, particularly with regard to additional or reduced costs and delivery deadlines.
- 1.5** The supplier undertakes to present product and process improvements to AMK as part of an ongoing optimization process.

2. Delivery dates

- 2.1** The delivery times indicated in the orders of AMK are binding.
- 2.2** The supplier must report any predictable delays in delivery to AMK in writing immediately after becoming aware of these. The obligation of the supplier to comply with the originally agreed deadlines remains unaffected.
- 2.3** In the case of delay in delivery, AMK shall be entitled to demand a contractual penalty of 0.2% of the value of the delivery in question for each day of delivery delay, but up to a maximum of 5% of the value of the delivery concerned. AMK shall be entitled to assert the contractual penalty in addition to the performance; the reservation of the contractual penalty shall be considered timely provided it is declared to the seller no later than within 10 working days calculated from receipt of the delayed delivery. AMK shall be entitled to assert further claims and rights. The contractual penalty shall be offset against any claims for damages.

3. Shipment and transport risk

- 3.1** Deliveries shall, unless expressly agreed otherwise, be made free of freight and packaging to AMK. AMK reserves the right to choose a particular type of delivery and to name the carrier or freight forwarder.
- 3.2** In principle, serial delivery must be carried out in suitable reusable packaging. The use of disposable packaging is permitted only after consultation with AMK logistics.
- 3.3** Additional costs for an expedited transportation required to comply with the delivery period shall borne by the supplier. The transport risk shall always be borne by the supplier. AMK shall provide compensation for transport and other insurance, only if it has expressly prescribed this.
- 3.4** Each delivery must be accompanied by the dispatch documents as per agreement with AMK logistics.
- 3.5** In the case of excess or short deliveries, AMK reserves the right to claim the following flat-rate costs, unless the supplier is not responsible for the excess or short deliveries:
- EUR 60.00 for the inspection of the delivery,
 - EUR 30.00 per day for the storage of excess parts delivered.

AMK reserves the right to claim higher damages. The flat rate compensation obligation of the supplier shall not apply if the latter proves the occurrence of lower damages for AMK.

4. Prices, payment

- 4.1** The supplier shall provide AMK with a cost breakdown according to the AMK quoting process and the periods provided therein. In this, transport and packaging costs should be shown separately.
- 4.2** The agreed prices shall be fixed prices. Price increases, for whatever reason, shall be recognized by AMK even in the case of successive delivery contracts, only when expressly agreed by contract.
- 4.3** Payments shall be made **within 14 days after delivery less 3% discount or within 30 days net.**
- 4.4** The payment period shall begin with receipt of the invoice, however not before the acceptance of the delivery or acceptance of the service.
- 4.5** If AMK accepts premature deliveries, the payment period shall begin with the agreed delivery date.
- 4.6** In the case of complaints, AMK shall be entitled to defer payment of the invoice until full clarification and still demand discount following this period.
- 4.7** Payment of the invoice by AMK shall not automatically mean its acknowledgment of the goods and services as being in accordance with the contract.
- 4.8** Advance payments made by AMK must be secured by the supplier by means of a directly enforceable and unlimited bank guarantee.

5. Quality

- 5.1 The supplier guarantees that the goods and services to be supplied comply with the specifications, samples and drawings approved by AMK, the relevant standards as well as all legal and regulatory requirements. The same applies to the performance data contained in the supplier's order confirmation and other characteristics.
- 5.2 The supplier shall continually adjust the quality of its products to the cutting edge of technology and point out improvements and technical optimizations to AMK.
- 5.3 The supplier shall install and maintain an appropriate, state of the art quality management system. It shall in particular create records on quality checks and provide these to AMK upon request.
- 5.4 The supplier hereby gives its consent for the conduct of audits by AMK and/or the latter's customers.
- 5.5 The supplier shall provide AMK with a set of parts to be supplied for the purpose of initial sampling before the start of series production. If upon examination of the sample parts by AMK a deviation from the agreed quality is evident, meaning that a new initial sampling must be performed before start of serial production, the supplier is obliged to compensate all costs which are corresponding to AMK's investigations without prejudice to other rights of AMK, unless the supplier is not responsible for the deviation.

6. Complaint period, warranty

- 6.1 If the deliveries are deficient, AMK shall have all contractual and legal claims for defects and damage compensation; these may not be limited in any way by the supplier.
- 6.2 In urgent cases, AMK may after consultation with the supplier undertake the sorting and reworking itself or engage the services of a third party for this. Any costs arising therefrom shall be borne by the supplier.
- 6.3 If defective items are delivered, the supplier shall be given the opportunity to sort the defective goods and rework or replace these according to the choice of AMK. If the supplier does not undertake the sorting, repair or a replacement delivery immediately, AMK shall be entitled to return the entire delivery at the cost of the supplier and to demand subsequent performance and/or damages at its choice.
- 6.4 If the supplier does not carry out the subsequent performance within the reasonable period set by AMK and/or in urgent cases, AMK may carry out the necessary measures itself at the expense of the supplier or have these carried out by third parties. AMK shall inform the supplier accordingly before proceeding.
- 6.5 If the same items are repeatedly delivered in deficient condition, AMK shall be entitled to reject further not yet delivered items and/or demand compensation. In addition, AMK shall be entitled to terminate the respective contract for the deliveries and services without notice.
- 6.6 The warranty period shall be 36 months, insofar as longer statutory periods are not prescribed, and shall begin from receipt of the delivery. The limitation period shall, furthermore, be suspended by the written complaint of AMK, until negotiations within the meaning of § 203 BGB [German Civil Code] have been finally rejected or have failed.

- 6.7 AMK is only obliged to inspect the items for identity and quantity deviations as well as obviously recognizable transport damage and obvious defects and to notify these to the supplier within 14 days after receipt of the delivery. For all other defects, the complaint shall be deemed valid if it is made within 14 days after discovery of the defect. In this respect, the supplier waives the right to object to the belated notice of defect.
 - 6.8 In term of quantities and weights, the figures determined by the check at incoming goods receipt at AMK shall be decisive. Incorrect deliveries shall not be accepted in any circumstances.
 - 6.9 Insofar as AMK provides the supplier with plans, drawings, materials or accessories, the supplier is obliged to check these for completeness, accuracy and suitability for the intended purpose. If the supplier does not raise any objections within a reasonable period of no more than three working days, it shall also be fully liable under guarantee in this regard.
 - 6.10 Without prejudice to other rights of AMK, the supplier is obliged in case of a justified warranty to compensate all costs to AMK for AMK's investigation and processing of the warranty, unless the supplier is not responsible for the warranty.
- ## 7. Molds and tools, software
- 7.1 If the supplier manufactures tools, molds, devices or similar aids (hereinafter "Tools") for the contract, these shall after full payment of the agreed purchase price by AMK become the property of AMK and be kept by the supplier free of charge and properly on behalf of AMK. Tools owned by AMK must be labeled visibly as such by the supplier. To provide evidence of the labeling, the supplier shall without solicitation send photo documentation to AMK in a reasonable period of a maximum of three working days.
 - 7.2 The Tools may not be scrapped without the written consent of AMK.
 - 7.3 Tools as well as objects produced with these may not be passed on to third parties nor be used for these or for the supplier's own purposes without the prior written consent of AMK. They must be secured against unauthorized inspection or use and be surrendered to AMK free of charge upon request at any time. These obligations shall apply with the exception of the surrender obligation even if the tools are in an exceptional case to remain the property of the supplier.
 - 7.4 If designs, developments, drafts or similar services are included in the scope of the supplier, the supplier is obliged to hand over all work results, in particular design and manufacturing drawings as well as documentation, user manuals, design data, calculation models etc. to AMK. These may be used for third parties only with prior written consent of AMK.
 - 7.5 AMK reserves all rights to these documents. The supplier shall upon request provide AMK with all documents necessary for a registration of IP rights without delay.

7.6 In the case of development of software, the service scope shall include in particular delivery of the software in source and object program form and documentation of the program development and application; this also applies for later updates within the framework of a maintenance contract.

7.7 In the case of violation of the obligations defined in Clauses 7.2 and 7.3, the supplier shall pay a contractual penalty to AMK, the amount of which shall be determined by AMK in each individual case at its reasonable discretion, and which in case of dispute can be examined by the competent court.

8. Continued obligation to deliver

8.1 The supplier is committed to deliver further parts/spare parts for a period of 20 years from the termination of the series delivery agreement at the request of AMK. To ensure this commitment, the supplier shall keep, store carefully and insure the Tools and other equipment necessary for the manufacture of the object for this period.

8.2 The period of 20 years referred to in Clause 8.1 shall begin on the date on which AMK releases the supplier from the series delivery obligation in writing. The release of the supplier from the series delivery obligation shall be deemed granted no later than one month after expiry of the last valid (non-binding) delivery plan of AMK.

8.3 Subcontractors must be bound accordingly by the supplier.

9. Product liability

If third parties assert claims against AMK for product liability, the supplier shall be liable vis-à-vis AMK in this respect and shall indemnify AMK from the claims of third parties to the extent that it itself would be liable vis-à-vis the third party. This includes in particular the costs of any necessary recall.

10. Force majeure

Force majeure, industrial action, unrest, official measures 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 on performance obligations. The contracting parties are obliged to immediately provide the necessary information within the bounds of what is reasonable. Also considered to be events of force majeure are in particular changes in laws, regulations and administrative provisions or administrative measures which restrict the contractual use of the items. If these limitations are not temporary, AMK shall be entitled to withdraw from the contract.

11. Final provisions

11.1 Changes to these Terms and Conditions of Purchase or other ancillary agreements must be made in writing to be effective. This shall also apply to the amendment of this requirement for written form.

11.2 In the event that any of the aforementioned provisions should be or become invalid this shall not affect the validity of the remaining provisions of the Terms and Conditions of Purchase. The contractual partners are obliged to replace invalid clauses with such provisions that come closest to the invalid provision in terms of economic purpose. The same shall apply in the case of loopholes.

11.3 The contractual relationship between the contracting parties 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 (CISG).

11.4 The place of performance for all rights and obligations arising from the contractual relationship with the supplier, including also claims from bills and checks, shall be the registered office of AMK in 73230 Kirchheim/Teck.

11.5 The exclusive place of jurisdiction for all disputes arising from or in connection with the contractual relationship and its validity shall be Stuttgart. The jurisdiction agreement applies only to merchants within the meaning of the German Commercial Code [HGB].