

# Terms and Conditions of Purchase of ae group ag (Status February 2023)

This English version is for service. Only the German version is binding.



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## Preamble / Exclusivity Clause

ae group does not recognize order confirmations or other contractual declarations by the contractual partner with a reference to general terms and conditions other than these, unless ae group expressly agrees to their validity in writing. ae group's terms and conditions of purchase also apply if ae group accepts the supplier's delivery without reservation while being aware of the supplier's terms and conditions that conflict with or deviate from ae group's terms and conditions of purchase. The conditions of ae group also apply to future orders.

## 1. Written Form / Order Confirmation

### Written Form

Orders, transactions and call offs as well as changes and additions to these must be made in writing. Orders and call offs can also be made by remote data transmission or fax.

### Order Confirmation

Orders and call offs from ae group are deemed to have been accepted if the supplier does not object to them in writing within 1 week of receipt. However, ae group is also entitled to withdraw within a further week if the supplier has not previously declared acceptance in writing.

## 2. Prices and Terms of Payment

### Terms of Payment / Discount

The payment period begins at the earliest upon receipt of the correct invoice, but not before receipt and technical acceptance of the goods ordered or acceptance of the service. The date of the receipt stamp applies as the date of receipt of the invoice. If an early delivery is accepted, the agreed date shall apply as the delivery date. Discount deduction is also permitted if ae group offsets or withholds payments of a reasonable amount due to defects. The payment period begins after the defects have been completely eliminated. Payments do not mean that the deliveries or services are recognized as being in accordance with the contract. Payments are made subject to the correctness of the delivery and invoice.

### Fixed Prices

Pending price increases must be communicated to ae group in writing at least 6 weeks before the intended time of the change and the reasons must be given in detail. Price increases are only deemed to have been agreed if they have been approved in writing by ae group. The agreement on the place of performance is not affected by the type of pricing. Unless otherwise agreed, the agreed prices are fixed prices (including packaging) until the order is delivered free to our ae group plant.

### Price Adjustment

The agreed prices and, if these should be reduced on the market or have not been fixed, the respective lowest daily prices are decisive for the calculation. Insofar as no prices have been specified as part of the order, ae group reserves the right to give its approval, even if the execution of the order has already begun. General price increases up to the delivery time can only be imposed on ae group if they are provided for in the contract. Unless otherwise agreed, the prices are fixed. Price increases are only effective if they have been made with the written consent of ae group. The prices are to be determined before the order is placed. They are fixed prices, including packaging, postage, papers and transport insurance. If, in exceptional cases, prices are not fixed in advance, they must be specified by the supplier in the acceptance of the order and are only deemed to have been agreed if ae group agrees to them in writing. In these cases, ae group is expressly entitled to withdraw from the order.

### Additional Costs

The agreed prices are fixed net prices and are understood to be free to the agreed destination, including packaging and freight costs, postage, papers and transport insurance, plus the applicable VAT. We reserve the right to accept excess or short deliveries. The supplier bears the material risk until acceptance of the goods by ae group or the place commissioned by ae group to which the goods are to be delivered in accordance with the order. Preparation of

### Offers

These prices also include all deliveries, services and ancillary services which, according to the offer documents and drawings or catalogs of the supplier, belong to the acceptance-ready production of the overall service specified in the contract. Remuneration for visits or for the preparation of offers and projects will not be granted.

### Weight

In the case of weight prices, the official weighing is decisive; in the absence of this, ae group's own weight determination is decisive.

## 3. Due date / Beginning of the Period

If certificates for material tests (e.g. factory certificate, measurement report, annealing report, etc.) have been agreed, these are part of the performance target owed and must be sent to ae group together with the goods. The payment period for invoices does not begin before receipt of the due certificate. Means of

### Payment

ae group is free to choose the means of payment. In the case of payments by bill of exchange or acceptance, ae group remains entitled to a cash discount.

### Security

deposit If advance payments are to be made by ae group, these advance payments are only due when ae group has received a directly enforceable guarantee from a major German bank, cooperative bank or public savings bank that secures these advance payments and is due on first request in the amount of the advance payments.

## 4. Offsetting

ae group is entitled to offset against claims of the supplier with all claims due to ae group or its parent company, and to domestic and foreign companies affiliated with it within the meaning of the law. The supplier will receive a list of these companies on request. The supplier agrees to the offsetting of his claims and liabilities towards ae group. All prerequisites are to be assessed according to the point in time at which they arose and not the due date of the claims. If claims have different due dates, settlement is based on the value date. In the case of current account relationships, the offsetting agreement extends to the balance.

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## 5. Excess / Short

Quantities ae group reserves the right to accept excess or short deliveries. ae group is not obliged to accept partial or multiple deliveries that have not been expressly agreed. The same applies if the goods are delivered before the agreed date. If necessary, ae group is entitled to return the goods at the expense and risk of the supplier or to store them with third parties.

## 6. Invoicing

Invoices are to be submitted to ae group in duplicate in duplicate with all associated documents and data after the delivery/service has been completed. ae group reserves the right to return invoices if ae group's order number is not specified. Invoices that are not submitted properly are only deemed to have been received by ae group from the time they are corrected. Invoices must contain all the information required by ae group and must be submitted to ae group immediately, no later than 3 days after delivery. The invoice must not be enclosed with the delivery.

## 7. Delivery Time / Period

### Definitions

The agreed delivery period is calculated from the day of the order by ae group. If the ae group specifies a delivery week under the above item, all working days from Monday to Friday are included. In this case, the delivery item must arrive at ae group's works no later than on the last of the aforementioned working days of the delivery week specified by ae group. The regionally applicable public holidays must be considered by the supplier. If a day, a week, a month or a quarter is specified as the delivery, the supplier shall be in default from the first following day in the event of non-delivery, without the need for a reminder. In the case of a delivery date designated as probable, approximate, approx. or similar, a leeway of a maximum of one week is permitted. The receipt of the goods by ae group is decisive for compliance with the delivery date or the delivery period. If delivery "free works" (DDU or DDP according to Incoterms® 2020) has not been agreed, the supplier must make the goods available in good time, considering the time for loading and shipping to be agreed with the forwarding agent. In the absence of the necessary documents to be provided by ae group the supplier can only appeal if the supplier has sent a written reminder setting a reasonable deadline for the documents and has not received them within this period.

### Bindingness

The agreed delivery dates and delivery periods are binding and are understood to be fixed dates.

### Prematureness

Premature deliveries, deliveries outside of those specified by ae group Goods acceptance times as well as partial and excess deliveries require the consent and the express written acceptance of ae group. If the delivery is made before the agreed delivery date, ae group reserves the right to return the goods at the expense and risk of the supplier. If the goods are not returned in the event of early delivery, the goods will be stored by ae group or third parties at the supplier's expense and risk. Obligation to provide

### Information

If there is a recognizable delay in a delivery or service or supplementary performance, ae group must be informed immediately in writing of the reason and duration of the delay and the decision must be obtained from ae group. To compensate for any delay, ae group can demand that the supplier choose the fastest possible shipping method without surcharge. Further claims of ae group remain unaffected by this.

### Legal Consequences

Exceeding deadlines that disrupt operations entitles ae group to reject the outstanding deliveries without setting a grace period and to demand compensation for non-performance or to withdraw from the contract in this respect. Otherwise, the statutory provisions on default shall apply. If the supplier is in default of delivery, ae group is entitled to the statutory claims. In the case of a fixed purchase (§ 376 HGB), there is no need to set a grace period. If the agreed delivery date is not met due to circumstances for which the supplier is responsible, ae group is entitled, after the unsuccessful expiry of a reasonable grace period set by ae group, to demand compensation for non-performance or to procure a replacement from a third party, at ae group's option to assert further statutory warranty claims. Acceptance of a late delivery does not affect any claims for damages by ae group. If the delivery date is not met, the supplier will be in default without a reminder or setting a grace period.

### Contractual Penalty

If the agreed period is exceeded for reasons for which the supplier is responsible, ae group is entitled to demand a contractual penalty of 1% for each week started, but no more than a total of 10% of the respective order or call-off value. Further claims of ae group remain unaffected by this. ae group can demand the contractual penalty up to the final payment or set it off against payments due if the service has been accepted without reservation.

## 8. Dispatch / Assumption of Risk

Unless otherwise agreed, the costs of dispatch, insurance and packaging shall be borne by the supplier. In the case of pricing ex works or ex the supplier's sales warehouse, shipping must be at the lowest cost in each case, unless the ae group has stipulated a specific mode of transport. Additional costs due to non-compliance with shipping instructions shall be borne by the supplier. If the price is free to the recipient, ae group can also determine the mode of transport. Additional costs for accelerated transport that may be necessary to meet a delivery date are to be borne by the supplier. If the return of empties and packaging material is agreed, the costs will be borne by the supplier. In the case of delivery free works, the risk passes to ae group when the delivery has been properly handed over and accepted at the place of performance.

## 9. Compliance with legal requirements and technical standards

All properties specified by the supplier for the item or required by ae group according to the order, including certificates and testimonials, are guaranteed. For materials that require special treatment in terms of packaging, transport, storage, handling and/or waste disposal due to laws, regulations, other provisions, their composition or their effect on the environment, the supplier will provide the safety data sheet, additional product information and hand over an appropriate accident leaflet (transport). In the event of changes to the materials, the legal situation and the production site, the supplier is obliged to immediately submit updated data sheets to ae group. The supplier shall immediately provide the proof of origin required by ae group (e.g. supplier declarations, movement certificates, etc.) with all the necessary information and properly signed.

## 10. Notice of Defects / Incoming Inspection

Acceptance is subject to inspection for freedom from defects, in particular for correctness, completeness and suitability. ae group is entitled to examine the subject matter of the contract to the extent and as soon as this is feasible in the ordinary course of business; discovered defects will be reported by ae group immediately after discovery. In this respect, the supplier waives the objection of delayed notification of defects. Hidden defects are reported immediately after their discovery. ae group is not obliged to investigate non-obvious defects, in particular laboratory tests or the like.

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## 11. Warranty

### General

The statutory provisions on material defects and defects of title shall apply unless otherwise regulated below. In principle, payments made do not mean that the delivery/service is recognized as being in accordance with the contract and free of errors. Description of

### Quality

The supplier is responsible for ensuring that the items supplied or the services rendered do not have any defects that would impair their value or suitability and that they have the warranted or guaranteed properties. The delivery must correspond to the agreed specifications. Product changes or changes in the supplier's production that lead to changes in the specification, the drawings or the quality standard or otherwise affect the quality, operational safety or function of our products are only permitted with the prior written consent of ae group. Unless expressly agreed otherwise in writing, ae group's terms and conditions of purchase shall apply exclusively to ae group orders, even if the supplier's terms and conditions of sale are different and ae group does not expressly object to them. Elimination of

### Defects

#### General

ae group is entitled to the statutory warranty claims without restriction and without limitation. Irrespective of this, ae group is entitled to demand that the supplier rectify the defect or make a replacement delivery, at ae group's discretion. In this case, the supplier is obliged to bear all expenses necessary for the purpose of remedying the defect or making a replacement delivery. ae group is entitled to remedy the defect itself at the expense of the supplier without setting a grace period if there is a risk of delay or there is a particular urgency. The right to compensation for damages, in particular compensation for damages due to non-performance, remains expressly reserved.

#### Right to Choose

If the delivery is defective, ae group is entitled to choose between free repairs or the delivery of flawless goods.

#### Warranty Costs

All expenses incurred as a result, in particular transport, travel, labor and material costs, are to be borne by the supplier. The assertion of further compensation for damages remains unaffected by this. If a defective item is delivered, ae group is entitled to return the defective item to the supplier at the supplier's expense. If the supplier does not comply with ae group's request to remedy the defect or to deliver a defect-free item within a reasonable period of time, but within a maximum of 8 days, ae group is entitled to withdraw from the contract or to a price reduction. It is not necessary to set a deadline if the supplier refuses subsequent performance, this is unreasonable for ae group or if it has already been unsuccessful. Claims for damages are not affected by the withdrawal.

#### Substitute Performance

In urgent cases or if the supplier does not fulfill his warranty obligations immediately after being requested to do so by ae group, ae group is entitled to repair or replace defective parts and to eliminate any damage incurred at the supplier's expense. If the supplier does not start to remedy the defect immediately after being requested by ae group to remedy the defect, in urgent cases, in particular to avert acute dangers or avoid major damage, ae group has the right to do this itself at the expense of the supplier or to be carried out by a third party. Small defects can be remedied by ae group itself - in fulfillment of the obligation to mitigate damage - without prior agreement, without affecting the supplier's warranty obligation. ae group is then entitled to charge the supplier with the necessary expenses. The same applies if there is a threat of unusually high damage.

#### Retention

In the event of a defective or incomplete delivery, ae group is entitled to withhold payment pro rata until proper fulfillment. Statute of

#### Limitations

In the event of a replacement delivery or the elimination of defects, the warranty period begins again. Claims for defects generally become time-barred after 3 years. The statute of limitations begins when the service is handed over or accepted. In the case of devices, machines and systems, the warranty period begins with the acceptance date specified in ae group's written declaration of acceptance. If acceptance is delayed through no fault of the supplier, the warranty period begins when the delivery item is made available for acceptance. For delivery parts that could not remain in operation during the investigation of a defect and/or the elimination of the defect, a current warranty period is extended by the time of the interruption in operation. For repaired or newly delivered parts, the warranty period begins with the completion of the repair or, if acceptance has been agreed, with the acceptance.

## 12. Liability Clauses

### General

In the case of subcontracted orders, particularly when processing cast parts, the supplier must exercise the utmost care and strictly follow the instructions of ae group. In the case of ambiguities or in cases of doubt, it is essential to consult ae group. By accepting a subcontract, the supplier confirms that he is able to meet the requirements demanded by ae group due to his mechanical equipment. In the event of a culpable breach of duty going beyond the delivery of defective goods (e.g. in the case of an obligation to provide information, advice or examination) or if the guarantee is not fulfilled, ae group is entitled to demand compensation for the damage caused. In these cases, the supplier shall bear all costs and expenses, including the costs of any legal action or recall action. Otherwise, the statutory provisions apply. Upon request, the supplier must provide evidence of the existence of product liability insurance, which in particular covers the risk of a recall, in an adequate amount to ae group. Claim for

### Indemnification

If product liability claims are made against ae group under German law or any other law, the supplier shall be liable to ae group to the extent that he would be directly liable. A contractual liability of the supplier remains unaffected. The supplier is obliged to exempt ae group from such claims if and to the extent that the damage was caused by a defect in the contractual item supplied by the supplier. In cases of fault-based liability, however, this only applies if the supplier is at fault. If the cause of the damage lies within the supplier's area of responsibility, the supplier bears the burden of proof in this respect. In these cases, the supplier shall bear all costs and expenses, including the costs of any legal action or recall action. Otherwise, the statutory provisions apply.

### Information

ae group will inform the supplier immediately if he intends to make a claim in accordance with the above paragraph. Insofar as this is reasonable for ae group, ae group will give the supplier the opportunity to examine the case of damage and to coordinate with ae group the measures to be taken, f.e.f. settlement negotiations. The contractual partners undertake to inform each other immediately of any risks of injury and alleged cases of infringement that become known and to give themselves the opportunity to mutually counteract corresponding claims.

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## Insurance

The supplier undertakes to maintain a product liability insurance with a sufficient flat rate of coverage per personal injury/property damage. If ae group is entitled to further claims for damages, these remain unaffected.

## Recall

If a claim is made against ae group due to violation of official safety regulations or due to domestic or foreign product liability regulations or laws due to defectiveness of your products, which can be traced back to products or services of the supplier, ae group is entitled to demand compensation for this damage from the supplier, as far as the damage is caused by the products delivered by the supplier. This damage also includes the costs of a precautionary recall campaign. All product liability risks, including the risk of recalls, must be insured at a reasonable level with a recognized insurer; the insurance policy must be presented to ae group for inspection upon request.

## Force Majeure

Force majeure, war, pandemics, labor disputes, unrest, official measures, transport disruptions and other disruptions occurring at ae group or our suppliers, which lead to the restriction or cessation of production at ae group, release ae group for the duration and to the extent of its Effect of acceptance or liability for damages if ae group cannot avert this disruption with reasonable means. This applies accordingly to the supplier's obligations. If a delay in delivery is to be expected due to force majeure, ae group must be informed immediately when the events occur or are expected. Events of force majeure entitle ae group to withdraw from the contract without the supplier being entitled to compensation.

## 13. Retention of Title

If advance payments have been agreed, it is stipulated that the supplier transfers ownership of the ordered item to ae group in the amount of the advance payment made at the time the payment is received and stores the item owned by ae group for ae group free of charge. The supplier is obliged to store this item separately from others and not to mix or mix it with other items. The supplier may neither sell nor pledge items owned by ae group or dispose of them in any other way. ae group is to be informed immediately of seizures or confiscations. Substances, parts, containers and special packaging provided by ae group remain the property of ae group. These may only be used as intended. The processing of fabrics and the assembly of parts are done for the ae group. It is agreed that ae group is a co-owner of the products manufactured using the materials and parts of ae group in relation to the value of the materials provided and the value of the entire product, which are stored by the supplier for ae group in this respect. If an item provided by ae group is destroyed or becomes unusable as a result of incorrect treatment or processing, the supplier must compensate ae group for the damage caused as a result. The existence of sufficient insurance cover must be proven at the request of ae group. The delivered goods become the unrestricted property of ae group upon payment: ae group does not recognize any further retention of title by the supplier or third parties.

## 14. Assignment of Claims

The assignment of claims to which the supplier is entitled against ae group requires the prior written consent of ae group. The collection of such claims by third parties is excluded. ae group is entitled to offset against the supplier's claims. If ae group has claims against other companies that belong to the same group as the supplier, ae group is entitled to withhold payment until ae group's claim against the group company has been settled.

## 15. Withdrawal from Bankruptcy

If insolvency, settlement or bankruptcy proceedings are applied for or opened against the supplier's assets or if such proceedings are rejected due to a lack of assets, if bills of exchange or checks are protested and if payments are suspended, ae group is entitled to withdraw from the contract, specifically even if the contract has already been fully or partially fulfilled by ae group or the supplier or both, but the warranty periods for the supplier have not yet expired.

## 16. Models, Tools, Drawings and Products Provided

by sub suppliers are to be obligated accordingly. The material provided by ae group may only be used for ae group orders. Drawings, standard sheets, print templates, gauges, models, molds, samples, profiles, tools and all other documents handed over to the supplier for the preparation and execution of the order as well as the know-how embodied in them remain the sole property of ae group and may not be used without the written consent of ae group passed on to third parties or used for purposes other than the contractual ones. They must be kept strictly confidential and returned immediately upon request by ae group. They are to be carefully looked after, kept safe and insured against damage and loss by the supplier at his expense. Repairs and changes require the prior written consent of ae group. A right of retention is excluded in this respect. Model suppliers undertake to deliver model facilities that are true to the drawing and form.

## 17. Confidentiality

The prices agreed between the contractual partners are confidential and may not be disclosed to third parties. The supplier is obliged to keep all received illustrations, drawings, calculations and other documents and information strictly confidential. They may only be disclosed to third parties with the express consent of ae group. The confidentiality obligation also extends to personal data. The confidentiality obligation also applies after the execution or failure of this contract; it expires if and to the extent that the production knowledge contained in the illustrations, drawings, calculations and other documents provided has become generally known. Sub suppliers are to be obligated accordingly.

## 18. Third-party Property Rights

The supplier is responsible for ensuring that no third-party rights are violated in connection with his delivery. You guarantee that the item delivered by the supplier does not infringe the rights of third parties. Should patents, utility models or other property rights of third parties nevertheless be affected, the supplier is obliged to obtain the necessary license at its own expense. ae group shall be exempted from third-party claims by the supplier.

## 19. Place of Performance, Choice of Law and Place of Jurisdiction

The place of performance for the delivery and service is the point of receipt or the point of use specified by ae group. German law applies exclusively to the contractual relationship, excluding conflict of laws and the United Nations Convention on Contracts for the International Sale of Goods (CISG). The exclusive place of jurisdiction is the registered office of the company. ae group can also sue at the supplier's registered office.

## 20. Severability Clause

Should a provision of these conditions and the other agreements made be or become invalid, the validity of the remaining conditions shall not be affected thereby. ae group and the supplier are obliged to replace the invalid provision with a provision that comes as close as possible to the economic success.



## **21. Miscellaneous**

**Scrap Clauses Scrap** suppliers certify in writing: "We assure that the scrap supplied has been checked by us for the presence of explosive devices, explosive objects and closed hollow bodies. Based on this test, we can, to the best of our conscience, issue a declaration that the scrap supplied is free of explosive devices, potentially explosive objects and closed hollow bodies." Scrap suppliers have to obligate their sub suppliers in the same way. The supplier assures and, upon request, assures in writing that the scrap to be delivered corresponds to the agreed analyzes and specifications, is free of explosive devices, objects suspected of being explosive and hollow bodies and has not been radioactively contaminated.

### **Quality/Repair Work**

ae group reserves the right to check the quality of the material used, dimensional and quantitative accuracy and other quality of the manufactured parts during production and prior to delivery in accordance with our order at the supplier's works and its sub suppliers. Procurement of

### **Spare Parts**

The supplier undertakes to carry out orders for wearing parts for at least 10 years and other spare parts orders for at least 7 years after the last delivery.

### **Data Protection**

ae group is entitled to process the personal data received as part of the business relationship in accordance with data protection regulations. The supplier is obliged to ae group to comply with all data protection regulations and provisions.

### **Subcontractors**

The transfer of orders to third parties or the involvement of subcontractors is only permitted with the prior written consent of ae group. Even if consent is given, the third party involved shall be deemed to be the supplier's vicarious agent.

### **Miscellaneous**

The INCOTERMS in the version valid at the time of conclusion of the contract shall apply to the interpretation of commercial clauses. Persons who carry out work on the factory premises in fulfillment of the contract must observe the provisions of the respective company regulations. Liability for accidents that happen to these people on the factory premises is excluded unless they were caused by intentional or grossly negligent breach of duty by our legal representatives or vicarious agents. Irrespective of other rights of termination and withdrawal, ae group is entitled to terminate the contract or to withdraw from it if the supplier suspects criminal acts, in particular fraud, bribery, etc., or there are investigations against the supplier or one of his relevant agents' employee was initiated. Proof of

### **Origin, Proof of Sales Tax Law, Export Restrictions, Proof of Origin**

The supplier declares that he has a permanent location of commercial activity in the national territory of the country mentioned in the address and that from the location services are rendered to the ordering part. Requested by ae group shall be provided by the supplier with all the necessary information and duly signed and made available immediately. The same applies to proof of sales tax law for deliveries abroad and within the EU. The supplier will inform ae group immediately if a delivery is subject to export restrictions in whole or in part under German or other law. Suppliers from member states of the European Union are obliged to provide ae group with long term supplier declarations without being asked within 30 days of acceptance of the order and then within the first two months of each calendar year in accordance with the applicable European regulation. If this cannot be done for individual deliveries of goods, corresponding Proof of origin must be provided at the latest with the invoicing.