

General Conditions of Purchase of the AMANN Group and its affiliated enterprises (hereinafter referred to as AMANN)

1. General – Scope of Application

(1) The legal relationships between Supplier and AMANN shall be governed by these Conditions and any other agreements. No amendments to or modifications of the same shall be effective unless made in writing. The validity of the General Terms and Conditions of Business of our suppliers will herewith be explicitly and finally refuted, unless otherwise agreed in writing.

(2) The present Conditions of Purchase shall apply for the whole duration of the business relationship, unless rescinded in writing by AMANN. The Conditions of Purchase shall also apply to any and all future business with the Supplier.

2. Order

(1) Supply contracts (order / acceptance) and delivery schedules, as well as any amendments thereto and modifications thereof shall not be effective unless made in writing. The transmission of delivery schedules by remote data communication, by e-mail or facsimile shall be permitted.

(2) The Supplier is required to accept the order within 10 days of receipt. If the Supplier does not accept the order within this period, AMANN will be entitled to revoke it. Delivery schedules/orders shall be deemed to be binding at the latest if the Supplier has not revoked the same within two weeks of receipt.

(3) AMANN Purchasing transacts orders in the name and for the account of the companies united in the AMANN Group. If the object of supply is intended for use in a company belonging to the AMANN Group or in a contract manufacturer commissioned by the AMANN Group, the supplies can also be called off and/or paid for by the relevant company of the AMANN Group. This will be made clear by AMANN Purchasing upon placement of the order and shall be taken into consideration by the Supplier as regards the delivery and invoice address.

(4) Within the scope of what is deemed reasonable for the Supplier, the Purchaser may request changes to the design and execution of the object of supply. In this

respect, the implications, in particular as regards higher or lower costs as well as delivery dates, shall be regulated as appropriate by mutual agreement.

3. Delivery Period - Transfer of Risk - Documents

(1) Any agreed delivery dates and periods shall be binding.

(2) The criterion for compliance with the delivery date or the delivery period shall be receipt of the goods at the delivery address indicated in the order. If delivery “carriage paid to factory” (DAP or DDP in accordance with INCOTERMS 2010) is not agreed, the Supplier shall provide the goods promptly taking account of the usual time required for loading/unloading and transport.

(3) The supplies shall be handled in compliance with the instructions of AMANN Purchasing and/or of the respective company acting as Purchaser within the AMANN Group.

(4) Unless otherwise agreed in writing, each delivery shall be made carriage-paid and free of other costs.

(5) In the case of deliveries with assembly or erection of the object of supply, the risk will pass to AMANN upon final acceptance. In the case of deliveries without assembly or erection of the object of supply, transfer of risk will take place upon arrival of the object of supply at the delivery address indicated by AMANN, unless any differing terms of supply are agreed in individual cases in accordance with INCOTERMS 2010.

(6) Each delivery shall be accompanied by a delivery note. The AMANN Order No. must be given on the delivery note and the invoice. Should the Supplier fail to provide this information, any delays in processing will not be attributable to us. If the delivery address and the invoice address are different, the invoice should also contain the full address of the recipient of the goods.

(7) The Supplier is required to immediately notify AMANN in writing, if circumstances occur or come to its attention, which could result in the stipulated delivery period not being observed i.e. additional freights costs became due in order to observe the delivery period.

(8) In the event of default in delivery, AMANN will be entitled to the statutory claims.

4. Payment

(1) Unless otherwise agreed in writing between AMANN and the Supplier, payments shall be made on a ten-day basis within 14 days after contractual receipt of the goods and receipt of a proper and verifiable invoice with 3 % discount or within 60 days net. All invoices falling due in the ten-day period will therefore be remitted for payment with discount on the 5th, 15th or 25th of the respective month.

(2) In the case of defective delivery, AMANN will be entitled to retain payment of the proportional value up until due and proper performance.

(3) The Supplier shall not be entitled to assign its claims against AMANN or to have the same collected by third parties without the prior written consent of AMANN, which may not be refused on unreasonable grounds. In the case of extended retention of title, the consent shall be deemed to have been granted. If, contrary to Sentence 1, the Supplier assigns its claims against AMANN to a third party without the consent of AMANN, the assignment shall nevertheless be effective. AMANN may, however, discharge itself from its obligations by, at its own discretion, paying either the Supplier or the third party.

5. Force Majeure

Force majeure, industrial disputes, disturbances, official measures and other unforeseen, unavoidable and serious events shall exempt the contractual parties from their obligations for the duration of the interruption and in the scope of its impact. The same shall also apply, if such events occur at a time, when the contractual party concerned is in default. The contractual parties shall, where deemed reasonable, be obliged to furnish the necessary information without delay and to adjust their obligations to the changed circumstances in good faith.

6. Notice of Defects and Liability for Defects

(1) Defects in delivery will immediately be notified to the Supplier in writing by AMANN, as soon as they are detected in the course of ordinary business. To this extent, the Supplier shall waive the plea of late notification of defects.

(2) The Supplier shall guarantee that the supplied products are free of defects and that their condition is in conformity with the contract.

(3) If a defect exists, AMANN may, at its discretion, require that the defect be rectified or a replacement be supplied by the Supplier (“subsequent performance”). The necessary costs incurred within the scope of subsequent performance shall be borne

by the Supplier. If rectification of the defect proves to be a failure after a reasonable period of time or the replacement delivery does not lead to any success, AMANN will be entitled to rescind the relevant contract or – in the event of statutory conditions – to claim compensation. AMANN hereby reserves the right to file any claims for compensation in respect of performance rendered in vain.

(4) If the same goods are repeatedly supplied with defects, AMANN will after written notice of default in case of another defective delivery be entitled to rescind the contract also with respect to that part of the scope of supply not performed.

(5) If despite observance of the obligation referred to under Paragraph (1) (Notice of Defects) the defect is not established until after the commencement of production, AMANN can demand subsequent performance and reimbursement of the costs required for the purpose of subsequent performance or reduce the purchase price.

(6) In urgent cases, e.g. in the event of imminent danger or in cases where own performance commitments require particularly urgent attention, AMANN is entitled to rectify the defects itself at the expense of the Supplier or to have such rectification carried out by a third party. The same shall apply, if the Supplier has delivered the goods after occurrence of the default.

(7) In case of negligent breach of duty extending beyond supply of defective goods (e.g. of an obligation to clarification, consultation or examination) AMANN will be entitled to demand compensation for the resulting consequential damage caused by the defects as well as for the consequential damage caused by the defects that has been reimbursed by AMANN to its customers. Consequential damage caused by defects shall be deemed to such damage as AMANN sustains through the supply of defective goods in legal assets other than the goods themselves.

(8) Where a claim is filed against AMANN by a third party on account of defects in the goods procured from the Supplier, AMANN will be entitled to have recourse against the Supplier, and the above paragraphs will apply mutatis mutandis. The Supplier is required to reimburse AMANN with the expenses incurred as a result of the defects, in particular transport costs, route charges, labor and material costs.

(9) The statute of limitations for claims relating to defects amounts to 36 months from the time of transfer of risk, unless explicitly agreed otherwise or the law provides for a longer period of limitation.

(10) For parts of the supply that have been restored or repaired within the period of limitation, the statute of limitations shall once again begin to run from the time, when the Supplier has fully complied with the claims to subsequent performance.

(11) The statute of limitations for any claims shall be suspended for as long as the goods are located on the premises of the Supplier or of such person engaged at its behest for the purpose of examination for defects or remedy of the same.

(12) The Supplier shall indemnify AMANN against any and all claims of third parties in the case of defects in title in the goods. The statute of limitations for defects in title amounts to 10 years.

7. Product Liability

(1) Where the Supplier is responsible for product damage, it is required to indemnify AMANN against compensation claims of third parties, including the costs and expenses incurred in connection with such claims, at the first request, insofar as the cause lies in its sphere of control and organization and it is itself liable in respect of third parties.

(2) The Supplier shall effect and uphold an adequate product liability insurance appropriate to the value of the goods for its objects of supply under this contract. Appropriate supporting evidence must be submitted to AMANN at any time upon request. Where we are entitled to more far-reaching compensation claims, these will remain unaffected.

8. Proprietary Rights

(1) The Supplier shall be liable for ensuring that the goods it has supplied do not infringe any German and foreign industrial proprietary rights of third parties, in particular any design rights, patents or licenses.

(2) The Supplier shall indemnify AMANN and AMANN customers against any third-party claims arising from any infringement of proprietary rights and shall bear all costs incurred by AMANN in this connection.

9. Environment

(1) Our Suppliers undertake to comply with the environmental laws concerning them. As a consequence, deliveries of raw materials, consumables and supplies, for example, must conform to the applicable laws governing chemicals, the regulations prohibiting chemicals and the regulations governing hazardous substances.

(2) Supplies shall, wherever possible, be made in returnable containers or on reusable thread holders. Where disposable packaging is used, the provisions of the

Packaging Regulations (VerpackV) shall apply. The costs of disposal by AMANN of packaging, which cannot be recycled free of charge, shall be borne by the Supplier.

(3) Textile dyes and textile processing chemicals as well as processed yarns and threads must meet the current requirements of the regulations governing consumables, as last amended, and of the Eco-Tex Standard 100. In all other respects, the respective official national requirements shall be observed in the plants to be supplied.

10. Quality - Documentation

(1) The Supplier shall comply with the recognized state of the art, the safety provisions and the agreed technical data for its supplies. Any changes to the object of supply shall be subject to the prior written consent of AMANN.

(2) With respect to initial sample inspections, reference is made - where so requested - to the VDA Document "Securing the Quality of Supplies – Choice of Supplier/Production Process – and Product Clearance/Quality Performance in Series Production". The delivery of the series production may not be commenced until AMANN has accepted the samples. Irrespective of this, the Supplier shall regularly review the quality of the objects of supply. The contractual parties will keep each other informed of ways of improving quality.

(3) If no fixed agreement is reached between the Supplier and AMANN regarding the type and scope of tests as well as the testing facilities and methods, AMANN is, at the request of the Supplier and within the scope of its knowledge, experience and possibilities, willing to discuss the tests with the Supplier, in order to establish the necessary respective state of the art for testing purposes.

(4) The Supplier undertakes to comply with the requirements of DIN EN ISO 9001.

(5) Where official agencies, which are responsible for vehicle safety, exhaust gas provisions or the like, request insight into the production process and testing documents of AMANN for the purpose of verifying certain requirements, the Supplier agrees to grant the agencies the same rights in its plant and to provide any and all reasonable assistance.

(6) Quality records shall be kept in safe custody for a period of 25 years.

(7) In case of complaints of AMANN regarding defects of the Supplier's products, the Supplier shall establish and provide AMANN with an 8D-i.e. 4D-Report within 10 working days.

(8) AMANN has the right to carry out product, process and system

audits on site at the Supplier. AMANN also has the right to require that the Supplier carries out and reports internal product, process and system audit results.

11. AMANN Code of Conduct

The AMANN Code of Conduct fixed fundamental ethic behavior principles which are to influence all action of the AMANN Group. All suppliers are required to follow these principles. The AMANN Code of Conduct as amended from time to time is available at <http://www.amann.com/en/company/code-of-conduct.html>.

12. Provision of Material

Any material provided shall remain the property of AMANN and shall be stored separately by the Supplier at no charge, marked and administered accordingly. It may be used only for contracts of AMANN. In the case of deterioration or loss of any material provided, the Supplier shall replace the same at its own expense. In the event of processing, combination, mixing of material provided with other materials, AMANN will obtain co-ownership in the new product in the proportion that the value of the material provided bears to the value of the total product.

13. Confidentiality - Data Protection - Advertising

(1) The Supplier is required to treat our orders as well as any and all information and documents relating thereto in strict confidence and to commit its own suppliers accordingly.

(2) The Supplier understands and agrees that – where stipulated by law or required for the purpose of fostering our business relationship – its data will be processed and used by electronic means. In the case of person-related data, AMANN explicitly undertakes to observe the provisions of the German Federal Data Protection Act (BDSG) mutatis mutandis.

(3) Either contractual party may only publicize their business relationship with the prior written consent of the other party.

14. Applicable Law

The contracts concluded by us concerning supplies and services shall be subject exclusively to the laws of the Federal Republic of Germany. The same shall also apply to any orders transacted by AMANN Purchasing in the name and for the

account of foreign companies within the AMANN Group. The application of the terms of the UN Convention on Contracts for the International Sale of Goods (CISG) shall be excluded.

15. Place of Performance and Jurisdiction

(1) Unless otherwise stated in the order, the place of performance shall be the registered office of the respective company in the AMANN Group to be supplied.

(2) The exclusive place of jurisdiction for any and all legal disputes arising directly or indirectly from contractual relationships based on these Conditions of Purchase shall be Stuttgart, where permitted by law. AMANN is, however, at its own discretion, entitled to file a lawsuit at the registered office of the Supplier.