

**General Purchasing Conditions (GPC)**  
**of**  
**AUTO KABEL Management GmbH,**  
**Im Grien 1, 79688 Hausen i.W.**

**Applicable also for**

Auto-Kabel Hausen GmbH & Co Betriebs KG  
Auto-Kabel Rülzheim GmbH + Co.  
KCC Kabel-Concept Colonia GmbH  
AUTO CABLE S.A.R.L  
SAK AUTO KABEL AG  
Auto-Kabel Krupka s.r.o.

**Hereinafter respectively referred to as „AK“**

**1. Determination**

- 1.1 These GPC shall apply now and in future for every preliminary business contact, every agreement and every execution of agreements between AK and any Supplier of commodities or services. They also shall apply additionally to all other agreements unless otherwise agreed upon in writing. Any terms and conditions of the Supplier shall not apply and shall be deemed null and void. Contradicting or deviating terms and conditions of the Supplier in whatever context and conflicting with these GPC shall be deemed excluded provided that we had accepted them in details in writing or had approved them expressly in a specific wording. This also applies if we have not objected any such terms and conditions of the Supplier in the course of any business correspondence of any kind or if we have accepted deliveries or services unconditionally.
- 1.2 The Code of Conduct for Corporate Social Responsibility (hereinafter respectively referred to as "CoC") is significant part of the AK GPC and essential component of every legal act of AK.
- 1.3 These GPC and CoC are available for download at [www.autokabel.com/en/contact/purchasing.html](http://www.autokabel.com/en/contact/purchasing.html). In a cross-border business relationship these GPC and CoC in accordance with Article 8 of the United Nations Convention on Contracts for the International Sales of Goods (CISG) shall be deemed implemented in any business relationship upon forwarding in written form.
- 1.4 These GPC shall also apply in any business relationship as mentioned in 1.1 between the Supplier, the Supplier's affiliated companies and AK and all AK affiliated companies.

**2. Principles for the Deliveries of Products.**

- 2.1 AK is a globally operating supplier of safety and functionally relevant products for passenger car, trucks, special vehicles, agricultural vehicles and special applications (hereinafter referred to as „The Products“).

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The obligation for defect prevention imposed on us by our customers and by legal requirements encompasses each supplier of Products (including software) and service provider in the same scope as integral part of our obligation. The Supplier by entering into a contractual relationship based in these GPC guarantees the capability to manufacture Products without defects.

- 2.2 IATF 16949:2016 in the version valid as of the date of the effectiveness of a contract including therein referred to international standards applicable in the international automotive industries shall be deemed integral parts of any contract and be applied by the Supplier in the Supplier's sole responsibility.
- 2.3 Definitions of terms mentioned in applicable standards shall prevail all other interpretations of terms unless otherwise mentioned in these GPC.
- 2.4 For products and services others than Products the statutory provisions shall apply.

**3. Determination of Products, Quality and Nature of a Product, Initial Sample Inspection Report, Change of Products**

- 3.1 The Supplier in the scope of customer related processes in accordance with IATF 16949-4.3.2 shall collaborate to determine the specifications and product safety requirements (IATF 16949-4.4.1.2) of the Products (quality and nature of the Products). The Supplier shall assess the feasibility and the viability of the requirements described by AK as the case may be in a requirements specification document in accordance with IATF 16949-8.2.3.1.3 and in assent with AK shall determine all characteristics relative to the Product. The contractually binding quality and nature shall be documented in an Initial Sample Inspection Report (ISIR). The ISIR shall contain in particular but not limited to documented evidence of process capabilities, control plan, capabilities of test and measure equipment's and Product history (Section 9 below).
- 3.2 By submitting the complete ISIR including ancillary documents as agreed upon the supplier assures by means of the Part Submission Warrant (PSW) signed by him or an equivalent document of performance that his deliveries and services fulfil the conditions agreed with AK for series delivery to AK and can therefore be released and used by AK to the AK customer. The release by AK is based on these assurances of the supplier. Any release by AK shall not be interpreted as and shall not constitute an assent or acceptance of AK. It does not release the supplier from his contractual obligations to fulfil the contract as a whole.
- 3.3 The Supplier shall store the ISIR and any change or amendment thereof for 15 years. The storage in external servers (cloud- computing) shall be subject to the prior written approval of AK. The Supplier shall guarantee the security of the storage against any unauthorized or illegal access. The documents and/or the data thereof on request of AK shall be furnished to AK without undue delay in particular but not limited to events of warranty or product liability cases. The Supplier by entering in the contractual relationship to AK waives any right to refuse performance.

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- 3.4 Any change of the Product or of the production process and any change within the supply chain of the Supplier not initiated by AK must be notified to AK immediately and shall be subject to the prior written approval of AK. AK may request a new ISIR at the costs of the Supplier. The Supplier shall demonstrate the effects of any such changes as required in Section 3.1 above..
- 3.5 The Supplier shall perform all contractual obligations by himself. Any engagement of a third party shall be subject to the prior written approval of AK and may, at the costs of the Supplier, require of a new ISIR at the discretion of AK or AK's customer. The Supplier shall approve the quality capability of any third party. The Supplier shall validate and verify any purchased product in order to ensure defect prevention and product safety in the processes of AK.
- 3.6 AK at any time shall be entitled to request changes of the Product and the production processes including but not limited to test and measure equipment. The Supplier shall collaborate according to Section 3.1 above. Adjustments of cost shall be subject to negotiations. The Supplier shall not make the immediate performance of any change requested by AK dependent from an agreement of the adjustment of costs.
- 3.7 If the Supplier has been nominated by a customer of AK (nominated supplier or "directed supplier as to IATF 16949- 8.4.1.3), the scope of contractual and technical determinations and specification agreed upon between the nominated Supplier and the customer shall be deemed integral parts of responsibilities of performance of the nominated Supplier to AK with protective affect to AK. The request of the customer to purchase products form the nominated supplier the nominated supplier shall ensure the validation of his products for the application to the Products of AK. The nominated supplier shall provide all information and documents to AK in the nominated supplier's assessment may be necessary or appropriate to ensure the absence of defects in the Products. On request of AK the nominated supplier shall sign a Quality Assurance Agreement defining in particular but not limited to interfaces, measure methods and measure methods in order to ensure the validation of the product of the nominated supplier. The contractual relationship between AK and the nominated supplier shall be deemed a business relation relative to Section 311 Nr. 3 of the German Civil Code.
- 3.8 It the nominated supplier is a dealer these GPC shall apply accordingly except those provisions directly referring to the manufacturing of the Products. The dealer shall independently guarantee the performance of all specification as agreed upon. The agreed upon specifications between the dealer and his contractor of the products shall be deemed to provide protective effect for AK.
- 3.9 For mass products, standard products or norm products (e.g. screws, rivets, bearings or washers) the Supplier shall ensure within the production management and production control the performance of the specifications. EN ISO 16426 shall apply informatively. On request of AK the Supplier shall establish tests appropriate to ensure an utmost assurance of absence of defects. Ppm-quotes are solely indicators for initiating corrective actions to the production process of the Supplier.

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**4. Quality Management System**

- 4.1 The Supplier shall establish and maintain during the term of the entire business relationship to AK a certified Quality Management System, in accordance with and complying to ISO 9001:2015 and IATF 16949:2016 or equivalent. If the Supplier does not maintain a certified Quality Management System, AK at its discretion may request 100% outgoing inspections. The Supplier shall notify each expiration, limitation or withdrawal of the certificate. AK shall at any time be entitled to request audits and annual re-qualifications of the Products.
- 4.2 AK may request to sign a Quality Assurance Agreement (QAA) as a precondition for any deliveries or services.

**5. Coordinators, Product History, Change Management**

- 5.1 AK and the Supplier shall appoint responsible coordinators for each project. The coordinators shall determine processes related to the Product realization and documentations unless otherwise agreed upon in accordance with VDA 2 (2012). The coordinators are process owners according to IATF 16949-5.1.1.3.
- 5.2 Each change of Products or production processes shall be deemed a change of the contract and shall be subject to an agreement. Each determination between the coordinators in particular but not limited to the drawing number and indices shall be documented by the coordinators in the Product history which must be signed by the coordinators. The Product History shall be deemed the final binding determination of the contractual status between AK and the Supplier. The Product History may only be executed by the coordinators or specifically appointed representatives of AK and the Supplier. Deletions in the Product History are not permitted.
- 5.3 On request of AK the Supplier shall reveal and provide all documents produced within or relative to the product realization processes to AK. In the event of reasonable good causes to protect Supplier's business secrets AK may request to release or provide those documents to an independent representative professionally committed to confidentiality.

**6. Re-traceability**

- 6.1 The Supplier shall ensure the re-traceability of delivered products including but not limited to purchase products, bulk materials and services. The re-traceability must be ensured through the entire supply chain (IATF 16949-8.5.2.1). The marking of the products shall be agreed upon with AK.
- 6.2 On request of AK the Supplier shall produce and shall unconditionally provide all documents relative to the re-traceability to AK.

**7. Incoming Inspection**

- 7.1 The Supplier shall inspect and document the products to be delivered to AK. Based on those inspections AK is released from a comprehensive inspection and may reduce the incoming inspection as required under Section 377 German Commercial Code to checks of identity, quantity and obvious transportation damages. AK shall notify any such deficiencies to the Supplier without undue delay.

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- 7.2 The supplier understands and accepts that defects depending on the nature of the Product or the production process cannot be detected in advance but reasonably in the course of production at AK. Any immediate notification of AK of the detection of defects in the course of production at AK or from customers of AK shall be deemed in time and complying with the requirements of Section 377 German Commercial Code. A complaint of AK in addition shall be deemed in time and complying with the requirements of Section 377 German Commercial Code if the root cause of the defect has been identified and attributed to the Supplier only upon test and/or investigations. The Supplier expressly waives to plead on immediate complaint by AK in the sense of Section 377 German Commercial Code which is hereby accepted by AK.
- 7.3 In all events of Section 7 the Supplier waives the objection of delayed complaints of AK.

**8. Production Equipment**

- 8.1 Production equipment of any kind as defined and provided by AK (e.g. machines, jigs, gauges, drawings, models, tools, documents, software etc.) shall remain exclusively the sole property of AK and shall permanently be marked by the Supplier as such. Production equipment in the meaning as described before but manufactured or purchased by the Supplier and paid by AK as agreed upon shall become the exclusive and sole property of AK at the moment of physical acquisition by the Supplier. The transfer of title shall be replaced by permitting the use on a loan base. The Supplier shall be fully responsible to protect AK's property with the same care the Supplier applies for his own properties. AK may request specific tool agreements.
- 8.2 Production equipment as defined in Section 8.1 shall be administered by the Supplier without cost for AK and separated from the Supplier's or third party's properties and be protected with all due care against any access or attachment. The Supplier shall be liable for all and any damages to the production equipment provided the damage had not been caused under the responsibilities of AK.
- 8.3 Production equipment of AK may only be used for purposes of performance for AK otherwise AK shall be entitled to withdrawal the production equipment at AK's discretion. The cost for repairs, maintenance and operations of the production equipment shall be borne by the Supplier unless otherwise agreed upon in writing.
- 8.4 The Supplier shall notify each attachment of any third party to the production equipment without undue delay and shall unconditionally support AK in the defence of any attachment.
- 8.5 The Supplier shall unless otherwise agreed upon in writing insure the production equipment at replacement values against fire, destruction and elementary damages. The Supplier shall instruct his insurer to arrange payments only to AK.

**9. Environment, Hazardous Materials, Conflicting Minerals**

- 9.1 The Supplier shall establish and maintain a certified environment management system according to ISO 14001 or equivalent and shall notify each withdrawal, reduction or suspension of the certificate to AK

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immediately. If the Supplier has not establish an environmental management system according to ISO 14001 he shall guarantee to undertake and to maintain all appropriate activities for the protection of the environment as required by any law, regulation or ordinance. The Supplier shall notify to AK any restriction of his operation permissions which might have an impact on the manufacturing of the Products.

9.2 The Supplier shall declare and document all substances and material in the IMDS. The Supplier shall not use any forbidden substance and shall monitor and survey all applicable laws and regulations e.g. under „Global Automotive Declarable Substances List GADSL“, [www.gadsl.org](http://www.gadsl.org)., and shall keep AK permanently informed thereof.

9.3 If AK must report under any laws or legal theories pertinent to sources for materials, substances or components use by the Supplier (e.g. under the US Dodd-Frank-Act -Conflicting Minerals), the Supplier shall provide all information and documents as requested by AK without undue delay. The Supplier shall not be entitled to refuse any such request from AK. The Supplier shall be hold liable for all and any costs including fines imposed on AK caused by delay or incomplete performance of Supplier.

**10. Logistics, Packaging**

10.1 Deliveries and delivery schedules shall be performed as agreed upon as the case may be. The „Guideline for Suppliers“ of AK shall constitute an integral part of these GPC and shall be furnished to the Supplier separately. They contain in particular but not limited to scopes of deliveries, sequences of deliveries, locations etc. (e.g. „ex works“, DDP, Incoterms ® 2010), transportation and packaging.

10.2 Any deliveries shall only be deemed compliant with the contract if they conform to the quality and nature of the Product as agreed upon and if they are accompanied by all and complete statutory documents including but not limited to documents required for custom compliance for cross border deliveries e.g. according to EU-Regulation 1207/2001 or customs codex.

10.3 Partial deliveries are not permitted. The acceptance of partial deliveries by AK shall not be deemed an approval of or acceptance by AK for the partial delivery and shall leave all claims of AK unaffected.

10.4 The Supplier shall be responsible for the appropriate and adequate for the safe delivery to AK and the eligible operation at AK. The packaging must be in compliance with environmental requirements and be appropriate for disposal according to the requirements of Section 6 of the Packaging Regulations.

**11. Deliveries, Default in Delivery**

11.1 The dates of deliveries shall be determined in the respective orders of AK and shall be binding upon receipt at the Supplier. Any deviation not approved by AK shall be deemed default of deliveries. AK shall be entitled to seek remedies in accordance with the statutory provisions of default.

11.2 Irrespective of all other provisions the Supplier shall notify any threatening event of potential default of deliveries and shall undertake all measures to avoid or to mitigate consequences from the default.

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- 11.3 Any order of AK shall be deemed binding and accepted in its entirety provided that the Supplier does not object within five (5) days after receipt of the order. Within the five day's period AK may revoke an order not rejected by the Supplier without any costs.
- 11.4 The Supplier shall establish and maintain permanently appropriate contingency plans in accordance with IATF 16949-6.1.2.3 in order to be prepared in any event of disturbances or in the event of Force Majeure (Section 12 of the GPC). On request of AK the Supplier shall provide evidence of the effectiveness of the contingency plans.
- 11.5 AK shall be entitled based on the information provided by the Supplier after expiration of a reasonable grace period to undertake any activity and measure to mitigate damages and costs including but not limited to covering purchases.

**12. Force Majeure**

- 12.1 In the event of Force Majeure in particular but not limited to natural catastrophes, fire, riots, governmental acts, labour disputes outside the collective sphere of the Supplier (strikes and lockouts) or embargos the Supplier shall immediately notify AK about the background of the event the Supplier believes to be an event of Force Majeure, the extent of the event and the potential impact on the business relationship to AK. This also applies to labour disputes in the collective sphere of the Supplier including strikes and lockouts which shall not be deemed events of Force Majeure. Shortages in raw materials or bulk materials e.g. production stop of certain plastics shall not be deemed events of Force Majeure.
- 12.2 During the term of an event of Force Majeure a party shall be released from its contractual obligations in the scope as reasonably and directly affected.
- 12.3 Events of Force Majeure of presumably not short term duration or ramification to AK shall entitle AK to cancel an order or rescind partially or in total. This also applies if the event could cause a material reduction of the needs of AK.
- 12.4 Irrespective of the foregoing the Supplier shall undertake any reasonable measure to maintain the supply to AK and to support as the case may be and requested by AK the covering purchases. Upon approval of AK and for the duration of the effects of an event of Force Majeure the Supplier shall be entitled to shift the production to another location or to cover the needs from third sources. AK shall not refuse its approval unreasonably. AK shall without limitations remain entitled to undertake any measure AK in its sole discretion believes to be reasonable or supporting to mitigate the impacts from the event of Force Majeure.
- 12.5 The Supplier shall provide evidence of the effectiveness of his contingency plans in any event of Force.
- 12.6 Section 206 of the German Civil Code shall not apply in the event of Force Majeure.

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**13. Payment**

- 13.1 Upon delivery by the Supplier and complying with all contractual obligations payments shall be made until the 25th day of the month following the delivery with discount of 2 % or 90 after days net in credit procedure unless otherwise agreed upon.
- 13.2 Payments shall be subject to submission of a correct invoice. In the event of advanced deliveries the payment will be made according to the delivery dated in the order.
- 13.3 In the event of deliveries of non-complying Products AK shall be entitled to withhold an amount equivalent to the defective Products until complete performance of replacement or repair of defective Products including associated costs for the complaint management at AK. AK shall also be entitled to withhold or set off respective amounts from other amounts due to the Supplier in the event that AK had made payment irrespective of the delivery of defective Products. Payments of AK shall not be deemed any kind of acceptance or approval and shall not affect any right of AK under all laws or legal theories.

**14. Approval**

The Supplier shall not assign any account receivable without the express approval of AK which AK will not withhold unreasonably. In the event of extended retention of title the approval of AK shall be deemed granted. In the event of an assignment without the approval of AK AK shall be entitled to pay with discharging effect at AK's discretion to the Supplier or the third party.

**15. Warranty**

- 15.1 Each deviation from the quality and nature of the Product as determined or reasonably to be expected by the latest status of the Product history (Section 5.2 of these GPC) including but not limited to missing, defective or not complete documentation of ancillary documents shall be deemed a defective Product entitling AK to pursue all statutory rights and remedies including but not limited to, mantling and dismantling cost and all costs imposed on AK by third parties due to the respective warranty claim. AK reserves all other an additional rights from any other statutory provision or legal theory.
- 15.2 If the Supplier is not able or willing within a reasonable grace period to perform the statutory and contractual rights of AK under warranty provisions AK may at its discretion undertake any measure to mitigate the impacts of the breach of warranty in particular but not limited to repair defects or have them repaired by third parties or replace defect Products from other sources at the costs of the Supplier. AK may also or in addition rescind the order or to reduce the payment to the Supplier. This also applies in the event that AK seeks any remedy in addition to the acceptance of partial deliveries from the order.
- 15.3 If due to warranty concerns caused under the responsibility of the Supplier AK is liable under warranty provisions to third parties the Supplier shall support AK unconditionally in order to avoid or to mitigate costs and damages of any kind. The Supplier shall provide all information, documents and Products and shall participate without refuse in the analysis of the root cause and the performance of containment actions and corrective actions. The Supplier shall not be entitled to refuse any reasonable activity and support.

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- 15.4 The Supplier shall in addition to statutory obligations indemnify AK from any costs asserted by third parties and shall reimburse all costs incurred by AK due to the warranty complaints and responsibility of the Supplier. The foregoing shall include in particular but not limited to transportations costs, costs for dismantling and mantling and all costs asserted against AK from the entire supply chain, costs of recall and service actions of the customers of AK. The Suppliers right to provide evidence of lower costs as asserted by AK remains unaffected.
- 15.5 Warranty claims shall be statute barred after 36 months from the date of delivery provided that any applicable law does not provide a longer period. The warranty period of 36 months shall be suspended from elapsing upon notification of a warranty claims by AK, upon the assertion of specific claims under the regime of warranties, upon the initiating of an 8D-report or an equivalent process to determine the root cause, containment or corrective actions. In any case the suspension shall not expire prior to three months after the closing of the last 8D-report related to the warranty claims of AK.

**16. Product Liability**

- 16.1 In the event that a third party should assert claims under respective national or foreign product liability laws under whatever legal theory based on a defect caused or produced by the Supplier, the Supplier upon request of AK shall indemnify and hold AK harmless from any such costs and shall reimburse such costs on first demand to AK. The Supplier shall provide all and any information and documents as requested by AK in particular but not limited to analyse the root cause, to mitigate the damages, to initiate containment actions and corrective actions. The Supplier in any such case shall support AK in the defence of claims excluding any refuse or conditions precedent. The Supplier may reserve the proof that the damages as asserted are not reasonable or not caused by the Supplier.
- 16.2 The Supplier in any event shall be liable to AK in the scope as he would directly be liable to a third party. AK and the Supplier shall negotiate the background and reasoning in good faith. Any settlement with third parties which could be to the detriment of either AK or the Supplier shall be subject to prior mutual consultation.

**17. Insurance**

- 17.1 Irrespective of any liability the Supplier for the duration of the business relationship shall establish and maintain insurance coverage for all contractual and statutory claims against the Supplier which shall survive the duration of the specific order for at least three years. The insurance coverage shall encompass comprehensively in particular product liability and environmental damages based on the contractual relationship with AK and on respective statutory provisions and any related legal theory. Unless otherwise agreed upon the coverage shall encompass:
- 17.1.1 For manufacturer's liability insurance including extended product liability € five (5) Million for injuries and other damages and additional costs in particular but not limited to investigative costs, field costs, dismantling and mantling costs and replacement.
- 17.1.2 Additional € five (5) Million covering environmental damages and derived damages.

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- 17.2 The Supplier shall provide a confirmation from the insurer within four (4) weeks after signing of the contract or acceptance of an order. The Supplier shall notify to AK immediately any interruption, suspension or termination of the respective insurance contracts
- 17.3 AK reserves the right to pay the premiums owed by the Supplier directly to the insurer in order to secure insurance coverage and to impose those payments on the Supplier or to recover by set offs. AK also reserves the right to include the Supplier with in AK's insurances (insurance for the account of the Supplier) or to terminate such insurance without consent of the Supplier. In the event of insurance for the account of the Supplier any correspondence between the Supplier and the insurer shall be subject to prior approvals of AK.

**18. Industrial Property Rights (IPR)**

- 18.1 Under no circumstances unless otherwise agreed upon in writing an order of AK shall include any transfer of IPRs of AK or constitute any right of the Supplier to use or exploit such IPRs for other purposes than the performance of contract with AK.
- 18.2 AK unconditionally, worldwide, unlimited, not exclusively and without additional costs shall be entitled to use Supplier's IPRs inherited in the Products including software for any application of Products by AK and the customers of AK.
- 18.3 The Supplier shall ensure that by using the Products by AK any violation of third parties IPR are excluded. In the event of any violation the Supplier at the Supplier's costs shall ensure that AK achieves the right to use and exploit third parties rights without additional costs for AK otherwise the Supplier shall change the product in a way not violating any third party' rights.
- 18.4 The Supplier shall indemnify and hold AK harmless from any costs related to the infringement of rights of third parties and shall reimburse any costs and damages incurred by AK. This does not apply if the violation has been caused partially or in total by AK.

**19. IT - Security**

The Supplier shall establish and permanently maintain an IT-management system based on DIN/ISO IEC 27001 in the actual version. The Supplier shall notify to AUTO-KABEL without any undue delay each event which might have an impact on his IT-Security (in particular but not limited to hacker attacks, Trojans, virus etc.). The Supplier must document any of such an event and must submit the documentation available to AUTO-KABEL. AUTO-KABEL and the Supplier shall in assent evaluate all possible impacts of such an event to their IT-Systems and the security of both systems. They shall determine containment actions immediately and effectively. If there is no reasonable action possible or not assented AUTO-KABEL is entitled to interrupt the IT-communication with the Supplier. AUTO-KABEL at any time is entitled to audit the effectiveness of the IT-Security at the premises of Seller or to have it audited by a third person under professionally committed to confidentiality.

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**20. Term of the Contract, Termination of the Contract**

- 20.1. Unless otherwise agreed upon AK shall be entitled to terminate a contract in total or partially with immediate effect:
- 20.1.1 In the event of threatening or filed insolvency of the Supplier. The Supplier shall notify AK immediately of a threatening insolvency.
  - 20.1.2 If the Supplier despite an appropriate warning of AK does not collaborate or cooperate in the determination of specifications or within the processes of product realization (Section 3.1 above).
  - 20.1.3 In the event of the expiration, suspension or withdrawal of the certification for the Suppliers Quality Management System.
  - 20.1.4 In the event of more than one deficiencies in the deliveries or services despite adequate warnings of AK.
  - 20.1.5 In the event of the refuse of the Supplier to agree upon a Quality Assurance Agreement in accordance with Section 4.2 above.
  - 20.1.6 In the event of the partial of total cancellation of the supply to the customer of AK even if AK is responsible for the cancellation. In such case AK shall compensate the Supplier for Products already produced or in the production process including the costs for materials the Supplier under his lead time and processes reasonably has purchased and which the Supplier cannot use otherwise. AK reserves the right to purchase these materials at the cost price according to Section 255 I of the German Commercial Code.
  - 20.1.7 In the event of a change of control in the organization of the Supplier in particular but not limited to the sale of assets or shares to a competitor of AK.
- 20.2 The rights of AK and the Supplier for termination of good cause shall remain unaffected.
- 20.3 Any termination or cancellation must be in writing and must be served by registered mail.
- 20.4 In the event of any termination by AK the Supplier shall continue in the deliveries until AK upon request of AK with the support of the Supplier has established a new source for the supply of the Products.

**21. Venue, Contractual Language**

- 21.1 Exclusive venue shall be at the District Court competent for the residence of AK. AK shall be entitled to open litigations at each Court competent for the Supplier. The contractual language is German. The place of performance shall be the location determined by AK or the affiliated company of AK.
- 21.2 On request of AK the Supplier shall agree to an arbitration agreement according to the rules of the Deutschen Institution für Schiedsgerichtsbarkeit e.V. (DIS) excluding any other recourse to the courts if AK believes that the arbitration and the execution of awards of a foreign arbitration court seems to be more appropriate or effective or easier compared to the rules of a foreign court. The number of arbitrators shall be three. In the arbitration the material German Law shall apply exclusively.

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**22. Governing Laws**

- 22.1 For the entire business relationship between AK and the Supplier the German Laws shall apply exclusively. The United Nations Convention of Contracts for the International Sale of Goods – CISG shall apply in all cross border businesses.
- 22.2 In the event that a third party asserts claims of whatever reason against AK and/or the Supplier under the regime of a foreign jurisdiction at a foreign forum AK and the Supplier shall be entitled to undertake any legal measure under the foreign jurisdiction at the foreign forum.
- 22.3 Claims for compensations and/or recourses between AK and the Supplier shall be dealt with exclusively in accordance with Section 21 above.

**23. Confidentiality**

- 23.1 All information exchanged between AK and the Supplier shall be deemed confidential irrespective of the form or the means of transmitting, documentation or storage. The confidentiality encompasses all technical, financial and organization related information and business secrets and all other intellectual property rights of AK and the Supplier. Confidential information shall only be used for purposes of performance of contractual rights or obligations unless expressly agreed upon in writing. AK and the Supplier shall disseminate confidential information only in the scope and to persons who need- to- know. Confidential information shall not be used for other own purposes other than the performance of contracts, or for the benefit of third parties.
- 23.2 AK and the Supplier shall impose in writing all obligations to secure confidentiality on each person engaged by either AK the Supplier ensuring that the obligation of confidentiality shall survive the duration of the contractual relations with any third party.
- 23.3 Any neglect of the obligation to notify IT-concern according to Section 19 above shall be deemed violation of the obligation of this Section 23.
- 23.4 The obligation for confidentiality does not apply for information in the public domain, already known by a party or achieved without any breach of contracts.
- 23.5 Section 23 does not apply for the dissemination of confidential information upon compelling provisions under laws or based on court orders or governmental orders or to persons under professional obligation to ensure confidentiality. In this scope any dissemination must be reduced to the reasonable minimum and requires the notification to the other party.
- 23.6 In any case of violation of this Section 23 AK shall be entitled to request the addressee of the information and the scope of information rendered by the Supplier.

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**24 Miscellaneous**

- 24.1 Any change, amendment, termination or cancellation of agreement requires written form and the signatures of authorized representatives of AK and the Supplier. The written form shall not be replaced by electronic forms.
  
- 24.2 Should a provision in this QAA be or become invalid or unenforceable all other provisions shall remain unaffected. In the event of invalidity or unenforceability the parties shall assent on a provision legally and economically nearest to the invalid or unenforceable provision.

**25. Exhibit None**

Hausen,

\_\_\_\_\_  
Supplier, Date, Location, Signature

\_\_\_\_\_  
Representative

\_\_\_\_\_  
Representative

Suppliername