

**General Conditions of Purchase of Applied Micro Electronics “AME” B.V.**  
**Version 2022/1 MIS6997090530R04**

**Article 1 - Applicability**

- 1.1. Any request for quotation (RFQ) and/or purchase order (“PO”) and/or agreement issued by Applied Micro Electronics “AME” B.V. (“AME”) is governed by these General Conditions of Purchase (“GCP”). The latest edition of these GCP are downloadable from [www.AME.nu](http://www.AME.nu). Execution of any PO shall constitute acceptance of these GCP. The applicability and validity of the general sales and delivery terms of Supplier are hereby explicitly excluded. No other conditions apply unless signed by AME and Supplier in writing.

**Article 2 - Offer**

- 2.1 Any offer issued by Supplier (“Offer”) is valid for thirty (30) days after receipt by AME, unless explicitly agreed upon otherwise in writing.
- 2.2 Any Offer is only binding to AME if and when accepted by AME by means of an PO. Any subsequent Offers thus accepted by AME shall constitute one agreement as a whole, unless explicitly agreed upon otherwise in writing.

**Article 3 - Price, Order, Invoicing and Payment**

- 3.1 All prices offered by Supplier are net in Euro, and exclusive of VAT, fixed, on DDP basis (Incoterms latest edition) except when explicitly agreed upon otherwise in writing. Invoices shall specify the PO number as well as delivered items and shall be raised in accordance with the PO.
- 3.2 The Supplier is obliged to confirm the PO within three working days of receiving the order.
- 3.3 AME shall effect payment against invoice if the PO has been duly executed and the deliveries and invoice have been accepted by AME within sixty (60) days after receipt of invoice except when explicitly agreed upon otherwise in writing..
- 3.4 AME shall be entitled to offset amounts due by AME to Supplier with amounts payable by the Supplier to AME under any PO until the dispute has been resolved amicably or otherwise.

**Article 4 - Quality**

- 4.1 Supplier guarantees that the goods and services:
- are suitable for the intended or destined purpose;
  - are in conformity with AME’s specification, approved samples or other instructions;
  - are new and of good workmanship, free from defects in design, material or manufacture or other defects which may hamper normal installation, assembly or use of the goods supplied or services rendered;
  - are designed, manufactured and delivered in conformity with; (i) the relevant EC laws and regulations, at least including CE marking, RoHS, Reach, CMRT, Health and Safety, environment and sustainability legislation; (ii) applicable technical norms and standards, such as test standards for printed circuit boards or other electronic components; and (iii) the latest Responsible Business Alliance Code of Conduct;
  - are provided with all information and instructions necessary for proper and safe storage (MSDS), process, installation, assembly or use;
  - are unencumbered by any rights of third parties.
- 4.2 In the event of a quality non-conformance, Supplier must initiate and inform AME in writing about the problem solving process to effectively determine the root cause of severity of the defect and the suitable corrective measures in order to deliver goods which satisfy the requirements

specified in this article within 48 (forty-eight) hours. Supplier shall complete the implementation and standardization of all identified corrective actions for sustainable defect prevention and shall send a finalized 8D form to AME within ten (10) working days of the initial notification. If Supplier is not able to resolve deviations from the specified requirements, AME shall be entitled to repair or replace at its own discretion, or by a third party. All costs and damages relating to quality non-conformance shall be paid by Supplier to AME against invoice.

## **Article 5 - Delivery**

- 5.1 Supplier shall deliver at AME site on the agreed delivery date at the latest, whereby time is of the essence. In the event Supplier anticipates that the PO will be delivered earlier than the agreed delivery date, a prior approval of AME in writing is required. In the event of early delivery, payment will be effected in accordance with the original payment schedule of the PO.
- 5.2 In the event of late delivery, early warning notification is obliged in writing at the latest 15 working days before the agreed delivery date. In the event of late delivery AME reserves the right to cancel, revoke or re-schedule a PO partially or wholly.

## **Article 6 - Trade term**

- 6.1 Deliveries are on DDP basis (Incoterms latest edition), Eindhoven, The Netherlands, unless designated in the PO otherwise.

## **Article 7 - Inspection**

- 7.1 AME has the right to arrange for pre-shipment inspection or auditing at Supplier's site or after the delivery at AME's site, at Supplier by staff appointed for this purpose. Supplier shall cooperate fully in this regard and without any charge. Inspection shall not constitute acceptance;
- 7.2 In the event any of the delivered goods does not satisfy the strict requirements agreed upon, including drawings and specifications, AME will provide the opportunity to repair or replace within a reasonable period to Supplier, and at Supplier's own discretion. If Supplier is not able to resolve these deviations from requirements, AME preserves the right to terminate the PO notwithstanding AME other remedies available under these GCP or applicable law;
- 7.3 AME preserves the right of returning a PO In the event of the situation as described in Article 7.2. In the event of rejection of goods during or after delivery, both ownership and risk are considered to remain at Supplier and did not transfer to AME;
- 7.4 Neither inspection or acceptance shall release Supplier from any of its obligations under the GCP.

## **Article 8 - Ownership**

- 8.1 All machinery, moulds, test-beds, tools, drawings, specifications, (raw) materials, data, and any other property or materials furnished to Supplier by AME, or which have been produced, are work-in-progress or bought by Supplier for the benefit of AME ("Materials") the PO shall remain or become the sole exclusive property of AME and Supplier shall transfer the Materials to AME upon AME's first written request and shall not be furnished or made available to any third party without AME's prior written consent, and all information with respect thereto shall be confidential and proprietary of AME. In addition, any and all of the foregoing shall be used solely for the purpose of fulfilling PO from AME, shall be marked as owned by AME, shall be held at Supplier's risk, shall be held in good condition, and shall be returned properly upon AME's first request.

## **Article 9 - Confidentiality**

- 9.1 Supplier shall treat all information provided by or on behalf of AME or generated by Supplier for AME under any PO as confidential. All such information shall be used by Supplier only for the

purpose of the PO. Supplier shall protect AME's information, using not less than the same degree of care with which it treats its own confidential information, but at all times shall use at least reasonable care. All such information shall remain the property of AME, and Supplier shall, upon AME's request, properly return to AME all such information and shall not retain any copy thereof. Supplier shall not be entitled to use AME's name in advertisement and other commercial publications without prior written permission from AME.

## **Article 10 - Warranty**

- 10.1 If within twelve (12) months after delivery, the delivery (in whole or in part) is found by AME to be non-compliant with the stipulations in Article 4 of these General Conditions of Purchase, Supplier shall, for its own account, replace, repair, or re-execute the delivery at AME's discretion within two weeks after first requested to do so, without prejudice to any other right or remedy available to AME's under the GCP or applicable law. If Supplier continues to default on its warranty obligations, AME has the right to proceed to replace, repair or re-execute the PO at Supplier's expense, with or without help from third parties.
- 10.2 For goods which are intended to be incorporated in products or systems, the warranty period shall not start until the time the products or systems are delivered at the customer of AME, provided always that the warranty period ends no later than eighteen (18) months after the date of delivery of the goods. Supplier accepts that in this case the warranty can be appealed to by a third party to whom AME delivered the product, either in isolation or as part of a larger product or system.

## **Article 11 - Intellectual property**

- 11.1 Supplier shall indemnify and hold AME harmless, its agents and employees, and any person selling or using any of AME's products in respect of any and all claims, damages, costs, and expenses (including but not limited to loss of profit and reasonable attorneys' fees) in connection with any third party claim that any of the goods or services, alone or in any combination, or their use infringes any patent, trademark, copyright, trade name, trade secret, license, or other proprietary right of any other party or any intellectual property right, or, if so directed by AME, shall defend any such claim at Supplier's own expense.

## **Article 12 - Liability**

- 12.1 Supplier shall indemnify and hold AME harmless from and against any and all claims by third parties in connection with the goods or services and shall reimburse AME in respect of any and all damages, losses and expenses (including reasonable attorneys' fees) arising directly or indirectly from any breach or non-performance by Supplier of its representations, warranties and obligations under the GCP.

## **Article 13 - Suspension and Termination**

- 13.1 AME is entitled to suspend the performance of its obligations under the PO and/or agreement in whole or in part by means of written notice, in the event that:
- (a) Supplier defaults on one or more of the obligations as contained in this GCP or in the agreement;
  - (b) Supplier is declared bankrupt, suspension of payment is requested, its business has been shut down or liquidated, a substantial part of its assets have been attached, or the business has been transferred to a third party;
  - (c) The delivery in whole or in part is rejected after inspection or re-inspection.
- 13.2 In the event of termination the risk of the goods already delivered remains with Supplier. The

goods shall then be at Suppliers' disposal and they are to be collected by Supplier. Supplier shall promptly refund any payments made by AME within the framework of the PO or agreement.

**Article 14 - Applicable law and disputes**

- 14.1 The PO and agreement shall be governed by Dutch law.
- 14.2 The United Nations Convention on Contracts for the International Sale of Goods is explicitly excluded.

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