

General Terms and Conditions of Delivery and Payment of the MANN+HUMMEL Group



1. Scope

These General Terms and Conditions shall exclusively apply to all M+H's offers, contracts, deliveries and other services (hereinafter "delivery"). These Terms and Conditions shall be deemed accepted upon order placement or receipt of the products at the latest. M+H hereby explicitly objects to any deviating or supplementary conditions set by Customer such conditions shall only apply if M+H has expressly agreed to them in writing. Also, in case M+H participates in a Customer's electronic platform and activates any dialogue boxes requested by the system, such activation does not constitute an acceptance of the terms of use or any other general terms and conditions of the Customer.

2. Formation of contracts

- 2.1 M+H's offers are not binding. A contract shall only come into force upon M+H's order confirmation in writing or text form. Solely M+H's order confirmation in writing or text form is relevant for the date, kind and quantity of the delivery. If the order is not confirmed by M+H in writing or in text form the contract shall come into force upon performance of the order at the latest. Statements made orally or by phone by M+H's representatives shall be legally binding only if confirmed in writing or in text form.
- 2.2 M+H reserves all proprietary rights and copyrights to cost estimates, concepts, designs, drafts, drawings and other documents; these may be modified or made available to third parties only with M+H's explicit approval. Drawings and other documents provided as part of an offer must be returned to M+H upon request at any time and in any event if the order is not placed with M+H. In case M+H delivers items according to drawings, models, samples or other documents provided by the Customer, the Customer shall ensure that industrial property rights of third parties are not infringed. If a third party, by invoking proprietary rights, prohibits in particular the manufacturing and delivery of such items, M+H shall be entitled to suspend all relevant activities and to claim damages without being obliged to analyse the legal situation (see also clause 8.3). In addition, the Customer shall immediately indemnify M+H from any third-party claims related to documents provided to M+H by the Customer.
- 2.3 M+H reserves the right to charge the costs for construction, (including e.g. drawings) samples and testing parts as well as for tools required for their manufacturing. In case of doubt, payment shall be due and payable after acceptance of the first sample, test component or tool. Costs will be charged for procuring and manufacturing the tools required for serial production, unless agreed otherwise. In any case M+H maintains title to all tools made or procured by M+H even if the procurement or manufacturing costs are wholly or partially covered by the Customer.
- 2.4 M+H shall be entitled to procure the materials for the entire order and to manufacture the total order quantity immediately. Any Customer requests for changes after order placement can, therefore, not be taken into consideration, unless explicitly agreed otherwise.

3. Performance description

- 3.1 The quality of the delivered goods or services is finally described by the explicitly agreed specifications. Any other qualities of goods and services are subject to a further explicit written agreement.
- 3.2 Details of the delivery item (e.g. as provided in catalogues, product information, electronic media or on labels,) are based on M+H's general experience and knowledge and are for purposes of reference value or labelling only. These product details as well as expressly agreed features or application purposes shall not relieve the Customer from the obligation to test the product for the Customer's intended purpose and to take the respective measures for appropriate storage.

4. Delivery and delivery periods

- 4.1 Lead times are provided for information purposes only and shall be non-binding, unless it is explicitly agreed that the delivery date shall be fixed, i.e. it is put in writing that the Customer has no further interest in the delivery after the agreed date. Confirmed delivery dates are subject to the correct, complete and timely receipt of supplies by M+H. Delivery deadlines shall be considered as met if prior to deadline expiry the delivery item has left M+H's facility or if M+H has informed the Customer that the order is ready for shipment. Delivery periods shall not start to run until the Customer has properly fulfilled its respective contractual obligations, such as furnishing technical data and documents, approvals, making a down payment or providing a payment guarantee.
- 4.2 M+H is entitled to make partial deliveries.
- 4.3 Events of *force majeure* or other circumstances beyond M+H's control that render the timely execution of accepted orders impossible shall relieve M+H from delivery commitment as long as these events continue to exist. As *force majeure* is also deemed strikes and raw material shortage. M+H will inform the Customer without delay about the *force majeure* event.
- 4.4 In case the Customer becomes subject to insolvency proceedings, or comparable proceedings, the Customer will inform M+H

immediately and provides a formal information of financial status, experiences payment difficulties or in case M+H becomes aware of a significant deterioration of the Customer's financial situation, M+H shall be entitled to suspend deliveries immediately and to refuse the fulfilment of current contracts unless the Customer provides the respective consideration or, upon M+H's request, provides appropriate securities or advanced payment.

- 4.5 In case the products are sent to the Customer or a third party at the Customer's request, the risk of accidental loss or accidental damage of the products shall pass to the Customer once the products have left M+H's facility/warehouse at the latest, irrespective of the agreed dispatch place and irrespective of which party bears the transport costs.
- 4.6 Unless explicitly stated otherwise, any delivery shall be made FCA according to INCOTERMS 2020 as published by the International Chamber of Commerce (ICC).
- 4.7 M+H obligation to provide foreign trade related data is restricted to non-preferential origin as defined in Art. 59 et seq. of European Union Customs Code Regulation (EU) No 952/2013 and the Combined Nomenclature subheading both indicated in our invoices. M+H does not issue declarations of preferential origin (supplier's declarations / movement certificates / preferential declarations on invoices).

5. Securities

- 5.1 M+H reserves title to all delivered products until all M+H's existing claims, including conditional and accessory claims against the Customer resulting from M+H's business relation have been satisfied; for this purpose, all deliveries shall be considered as one single delivery transaction. In case of a current account, the reservation of title shall serve as security for M+H's outstanding balance claim. All aforementioned provisions shall also apply to future claims. In case of a material breach of contractual obligations by the Customer, M+H may immediately retrieve the products without further notice, reasonably taking into account the legitimate interests of the Customer; the Customer hereby consents in advance to return the products in such instances. Retrieving the products shall only be deemed a withdrawal from the contract if explicitly so stated by M+H. All costs resulting from retrieving the products (in particular transport costs) shall be borne by the Customer. To the extent M+H does not explicitly declare M+H's withdrawal from the contract the Customer may request delivery of the products only once the purchase price and all costs have been paid in full.
- 5.2 The Customer must not pledge or assign as security any products delivered under reservation of title or any products processed or manufactured on M+H's behalf. The Customer shall notify M+H immediately of any pledge or any other interference with M+H's ownership rights by third parties and shall confirm M+H's title in the respective product in writing, both to M+H and the third party. Any costs arising from resulting legal action shall be borne by the Customer.
- 5.3 In case the reservation of title under clause 5.1 needs to be publicly registered or requires any other kind of cooperation by the Customer in order to be valid, the Customer hereby irrevocably consents to such registration and agrees to take all necessary actions at its own cost.

6. Prices and payment

- 6.1 M+H's prices are as quoted in the respective offer, including statutory VAT, transport and packing costs are not included if not stated otherwise in the offer.
- 6.2 Unforeseen changes in costs beyond M+H's control, such as costs for raw materials, wages, energy and other costs shall entitle M+H to adjust prices accordingly. For partial deliveries each delivery may be invoiced separately. If no specific prices have been agreed in the contract, M+H's prices valid at the respective delivery date shall apply.
- 6.3 M+H's invoices are due immediately and payable without discount to M+H's bank account. Any discount has to be specifically agreed in writing.
- 6.4 The date of receipt of payment shall be the day on which the amount is received by M+H on its bank account. In case the Customer is in default of payment M+H may charge interest at the rate of 9 percentage points above the base interest rate published by the respective Federal Bank of the M+H entity the goods are delivered from for the duration of the default. This shall not restrict M+H's right to claim additional damages or costs.
- 6.5 In addition, in case the Customer is in default of payment, M+H may choose to call due any outstanding purchase price instalments or other existing claims against the Customer as well as to make future deliveries under this or other contracts subject to provision of a security in advance or simultaneous payment against delivery or advance payment before delivery.
- 6.6 The Customer may set off or withhold payments only if his counterclaim is undisputed or legally binding. This restriction shall not apply to claims of the Customer for corrective measures in

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relation to a defective product or completion of an unfinished product.

- 6.7 Upon request, the Customer shall provide M+H with any documentary evidence for tax purposes which are required under the applicable statutory provisions. In case of non-compliance the Customer shall, after receipt of a corrected invoice, cover any VAT claims and interest imposed on M+H by the tax authorities. The Customer shall inform M+H about the invalidity or any changes in its VAT identification number without undue delay.
- 6.8 In case the purchase price is paid by way of the credit note procedure for VAT purposes, the Customer shall be solely responsible for compliance with the VAT related provisions on invoices. M+H shall not be liable for damages resulting from the credit note procedure, e.g. any refunds of input tax and payment of interest by the Customer to the competent tax authorities.

7. Claims for defects

- 7.1 M+H shall be liable for defects of products delivered by M+H only according to the following provisions.
- 7.2 The Customer shall inspect the products without undue delay and shall notify M+H of any defects without undue delay, and, if a defect is discovered later in the ordinary course of business, shall notify M+H of such defect without undue delay after discovery.
- 7.3 If defective products are delivered, M+H shall be given the opportunity, prior to the start of manufacturing (processing or installing), to sort out such products and to remedy the defect or to make a substitute delivery, unless this cannot reasonably be expected from the Customer. In case M+H is unable to accomplish this or fail to comply in due course, the Customer may withdraw from the contract to this extent and may return the products at M+H's risk. In case of urgency, the Customer may, following consultation with M+H, remedy the defects himself or instruct a third party to do so. Expenses incurred by such remedial activities shall be reimbursed by M+H according to clause 8.
- 7.4 If the defect is discovered only after the start of manufacturing or initial operation, despite the fulfilment of all duties according to clause 7.2, the Customer may demand subsequent performance (rework or substitute delivery at M+H's discretion). The delivery of defective products results in a right of retention only insofar as it is in due proportion to the respective defect and the expected costs of the subsequent performance, and provided that the Customer's counterclaim is based on the same contractual relationship.
- 7.5 Any claims for damages for defective products shall be subject to two useless attempts of subsequent performance. In case of substitute delivery the Customer is obliged to return the defective products upon request.
- 7.6 A withdrawal from the contract or a claim for reduction of purchase price shall be granted only if the defect cannot be remedied within an appropriate period, if subsequent performance will incur disproportionate costs, is unreasonable or must be considered as failed for other reasons. The Customer shall, however, have no right to withdraw from the contract in case of minor defects.
- 7.7 The Customer shall allow M+H to inspect any rejected products without undue delay; in particular these products shall be made available to M+H upon request and at M+H's cost. If complaints are unfounded, M+H may charge the transport costs and inspection expenses to the Customer.
- 7.8 No claims for defects may be raised in case of merely insubstantial deviations from the agreed quality, insubstantial impairment of serviceability, or if the defect can be put down to a violation of operating, maintenance or installation instructions, unsuitable or improper use or storage. This shall also apply in case of faulty or negligent handling or assembly, normal wear and tear or tampering with the delivery item by the Customer or a third party.
- 7.9 No costs may be claimed regarding the subsequent performance, the withdrawal from the contract or damage-repair because of defective products, in particular costs for shipment, transportation, labour and material, insofar as these claims and costs result from the fact that the products have been transferred to a place different from the agreed place of performance after passing of risk. However, this does not apply in case such transfer corresponds with the normal use of the products known to M+H.
- 7.10 Damages and reimbursement of expenses may only be claimed according to clause 8.
- 7.11 The Customer may not make the aforementioned claims for any products, which, according to mutual agreement, M+H does not deliver as new products.

8. Liability

- 8.1 M+H shall be liable for any damages, in particular resulting from a breach of duty of care when entering into a contract, from a breach of obligations or from unlawful acts, only to the extent that M+H, M+H's employees or vicarious agents have acted intentionally or grossly negligent.
- 8.2 For damages resulting from death or bodily harm or a violation of material contractual obligations, M+H shall also be liable for ordinary negligence. Contractual obligations shall be deemed as "material" if their fulfilment is a prerequisite for proper performance of the

contract and the Customer regularly trusts in their fulfilment and also may do so. In case of a violation of a material contractual obligation our liability shall be limited to the direct average damage, predictable and typical for the respective type of product. This shall also apply to a breach of obligations by our employees or vicarious agents.

- 8.3 M+H shall be liable for the infringement of third parties' industrial property rights in connection with the sale of M+H's products under the foregoing provisions only if the infringement results from the proper use of the product, and only to the extent such third parties' industrial property rights are valid in the country of delivery and have been published at the time of delivery. This shall not apply if M+H has manufactured the product according to drawings, models, or other descriptions or data provided by the Customer and if M+H did not know or did not have to know of any infringement of industrial property rights in connection with the developed product. In this case M+H's Customer is liable for any current or future infringement of third parties' industrial property rights. The Customer undertakes to inform M+H without undue delay of any potential and alleged cases of infringement of third parties' industrial property rights he may become aware of, and to indemnify M+H from any third parties' claims, costs and expenses incurred.
- 8.4 Claims for defects of delivered products, including any damages relating to such defects – irrespective of the legal grounds – shall become time-barred 1 year after delivery.
- 8.5 M+H's liability regarding Product liability shall remain unaffected by the foregoing provisions.
- 8.6 M+H shall only be liable for claims of recourse by the Customer if and to the extent the Customer has not accepted obligations towards his own Customer beyond the mandatory statutory provisions on remedies for defects and liability. Unless agreed otherwise in writing, clauses 7 and 8 shall apply accordingly to any claims of recourse raised by the Customer.
- 8.7 M+H does not accept any further liability.

9. Confidentiality

- 9.1 Customer shall keep any knowledge and information of a technical or economical nature it has received from M+H in connection with the business relationship ("Confidential Information") strictly confidential towards third parties at any time, even after the end of the business relationship, unless the Customer proves that the Confidential Information is (i) already known to the Customer or in the public domain at the time of disclosure or subsequently becomes public knowledge other than through a fault of the Customer, (ii) subsequently developed by the Customer completely independent from the Confidential Information, or (iii) received by the Customer from a third party without breach of a confidentiality obligation.
- 9.2 M+H remains the sole owner of any documents, in particular drawings, containing Confidential Information, which are disclosed in the course of the business relationship. Any such documents must be returned to M+H upon M+H's request but at the latest at the end of the business relationship. The Customer has no right of retention regarding Confidential Information or documents or materials containing Confidential Information.
- 9.3 The disclosure of Confidential Information does not establish any industrial property rights, rights to knowhow or copyrights of the Customer and does not constitute a prior publication or right of prior use according to the applicable patent, design and utility model laws. Any kind of license is subject to a written agreement.

10. Data Protection

- 10.1 The contracting parties may provide each other with personal data in the course of the performance during the contractual relationship. The processing and transfer of which will be done in accordance with applicable data protection law. Each contractual party is a data controller in respect of personal data processing.
- 10.2 The Customer is obliged to comply with data protection regulations by receiving its deliveries and services. In particular it will oblige its employees to maintain data confidentiality according to applicable data protection law, if these employees have access to personal data.
- 10.3 Further information by M+H regarding personal data processing of Customers are accessible under: (link).

11. Place of performance and jurisdiction, miscellaneous

- 11.1 Should any provision of the present General Terms and Conditions be invalid, this shall not affect the validity of the remaining provisions thereof.
- 11.2 For all claims resulting from M+H's business relationship with the Customer, in particular regarding their deliveries, the site from which the delivery originates shall be deemed the place of performance.
- 11.3 The Customer may assign its claims arising from the contractual relationship only with M+H's prior written approval.
- 11.4 Unless otherwise agreed, the local laws of the distributing company should be the governing law. Application of the United Nations Convention of 11 April 1980 on Contracts for the International Sale of Goods shall be excluded.
- 11.5 The place of jurisdiction shall be the place of the registered office of the distributing company. However M+H has the right to file claims

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against the Customer also at the place of his registered office. These
Terms and Conditions are the basis of the business relationship