

§ 1 Scope

(1) The present General Terms and Conditions of Purchase ("GTCP") shall apply to all business relations of Hengst SE, Nienkamp 55 – 85, 48147 Münster, Germany, and/or Hengst Filtration GmbH, Hardtwaldstraße 43, 68775 Ketsch, Germany, and/or Hengst Air Filtration Germany GmbH, Shamrockring 1, 44623 Herne, Germany („Hengst“ or „we“ or „us“) with our suppliers ("Supplier").

(2) The GTCP shall apply exclusively to our purchase orders, unless otherwise agreed upon expressly in writing. Any terms and conditions of the Supplier that conflict with or deviate from our GTCP will not be accepted, even if we have not expressly objected to their application in the individual case.

(3) Our GTCP shall also apply to all and any future business with the Supplier, even if they have not been expressly agreed upon again. Our GTCP shall be considered accepted upon the execution of the first delivery, at the latest.

(4) Individual agreements and information in our purchase order shall prevail over the present GTCP.

(5) References to the applicability of provisions of statutory law are made for clarification only. The provisions of statutory law apply even without such clarification unless they are directly modified or expressly excluded in the present GTCP.

§ 2 Purchase Orders / Order Confirmations / Samples

(1) Unless otherwise provided in § 1 Section 3, a purchase order is deemed to have been placed only when the purchase order has been given in writing. Any statements we make orally or by telecommunication are non-binding and shall not become binding unless we subsequently send a written purchase order.

(2) In case of obvious errors, typing and arithmetical errors in any documents, drawings and plans submitted by us, we are exempted from any obligation. In case the Supplier detects such errors, he is obliged to inform us about any such errors to minimize the damage, so that our purchase order can be corrected and resubmitted.

(3) Unless the Supplier objects in writing within a period of 14 days from receipt of the purchase order, the purchase order shall be deemed confirmed. In addition to the purchase order number and the parts numbers and drawing numbers stated in it, the order confirmation must contain the agreed prices and discounts and the binding delivery dates.

(4) Any deviations in quantity and quality from the wording and content of our purchase order as well as deviations from the technical standards provided by us shall be deemed as agreed upon only if they have been confirmed explicitly by us in writing, subject to § 1 sub-paragraph 4. The same shall apply to subsequent contract alterations.

(5) In the case of first-time purchase orders for parts constructed by us, and in case of purchase order changes, initial samples in the agreed quantity, together with the initial sample inspection report (EMP), must be provided to us prior to final construction. Only after our written approval of the samples shall the purchase order be deemed finally placed, subject to § 1 sub-paragraph 4.

(6) We can demand reasonable changes of design and manufacturing of the goods. In this case, the impact on the costs, for example regarding additional or lower costs and delivery times, shall be mutually agreed appropriately.

§ 3 Prices

If not expressly stated otherwise, the agreed-upon prices are fixed prices.

§ 4 Delivery / Passing of Risk

(1) Delivery shall be DAP (Delivered at Place, Incoterms 2020) to the receiving point specified by us, which shall also be the place for fulfilment of delivery and of any subsequent rectification.

(2) If, in the case of an exception, we have to pay freight charges, the Supplier must enquire with us as to which is the mode of transport and delivery we require, and must select it for delivery.

§ 5 Transport Documents / Customs / Export Control

(1) Suppliers situated in the EU must document the country of origin of the goods by providing a valid (long-term) supplier's declaration (in accordance with the then current version) and Suppliers not situated in the EU must document the country of origin of the goods by providing a preference certificate or a certificate of origin. The (long-term) supplier's declaration shall contain our part number, the exact country of origin and the customs tariff number.

(2) A change of the country of origin must be indicated to us immediately.

(3) If a (long-term) supplier's declaration cannot be provided, a certificate of origin must be added to the delivery unrequested and free of costs.

(4) The Supplier shall indemnify us from any costs and claims of third parties caused by inapplicable, incomplete, or faulty documents of origin or statements of origin.

(5) Upon the first delivery we must have obtained a valid supplier's declaration (in accordance with the then current version) as well as all product information relevant for the (inter)national trade. In case of delivery of goods underlying an export control, the Supplier is obliged to provide us immediately with all necessary documents and information needed for applying for administrative authorizations. This information obligation of the Supplier shall survive the termination of the business relationship.

§ 6 Documentation / Information

(1) The complete correspondence associated with our purchase orders, including delivery notes, invoices, freight papers etc., must include all ordering data (purchase order number, date of purchase order, Supplier number). The Supplier in case of negligence is liable for any consequences resulting from faulty declarations.

(2) If the Supplier delivers goods in the meaning of Art. 3 of the EC-Regulation No. 1907/2006 concerning the Registration, Evaluation, Authorization and Restriction on Chemicals (REACH), he is responsible to fulfill his obligation to communicate certain information according to Art. 33 REACH-Regulation.

(3) To ensure the stability of the supply chain, Hengst is entitled to request financial information from the Supplier in justified cases. In the event of a request, this right notably comprises the right to be granted access within a period of 14 days from the request to the last three annual financial statements, including the profit and loss account and the monthly financial statement analyses (German: *Betriebswirtschaftliche Auswertungen*) of the current and previous financial year.

§ 7 Invoices / Payment

(1) Payments will be settled within 60 days from delivery and receipt of the invoice, however not before a period of 60 days from the agreed delivery date has expired.

(2) For payment of any invoice, we acknowledge and accept - subject to the provisions of § 9 - only the quantity and weight determined by our incoming goods inspection.

(3) Accounts receivable by the Supplier from us may be assigned to third parties or collected by third parties subject to our consent only, which shall not be withheld unreasonably. § 354a HGB (German Commercial Code) shall not be affected. Payments will be made to the Supplier only.

(4) We shall be entitled to the scope of rights of set-off and retention and the defense of non-performance of the contract provided for by law. We shall be entitled to withhold due payments for as long as we are entitled to claims against the Supplier arising from incomplete or defective deliveries or services.

(5) The Supplier shall have a right of set-off or retention only on the grounds of counterclaims that are *res judicata* or undisputed.

§ 8 Transfer of Title / Reservation of Title

(1) Title to the supplied goods shall pass to us at the time of the delivery. To the extent that the Supplier has agreed to a simple reservation of title by individual agreement, the title shall pass to us as soon as we have paid the purchase price for the actual delivered goods. In the event of a partial payment, the ownership must be transferred to us in the amount of the shares of the partial payment, so that we acquire co-ownership of the goods. Any form of extension or expansion of the reservation of title requires our previously written consent.

(2) If we provide the Supplier with material, we reserve the title in them. Any processing or reshaping by the Supplier will be carried out for us. In the event of processing or blending, we shall acquire co-ownership in the new goods in same proportion as the value of our goods to the other processed goods at the time of the processing.

(3) Materials that we provide must be stored as such in a separate place, must be used for our purchase orders only, and shall be kept in safe custody (German: *Verwahrung*) by the Supplier on our behalf; any expenses for and cost of such custody are included in the purchase price. The Supplier shall be liable for any decrease in value or loss in cases of negligence and wilful intent.

§ 9 Obligation to Make a Complaint / Outgoing Goods Inspection

(1) We are under no obligation to inspect the goods nor make special enquiries about any defects upon conclusion of the contract. Contrary to § 442 sub-paragraph 2 BGB (German Civil Code), we shall therefore be entitled without limitation to claims for defects even if at the time of conclusion of the contract the defect remained unknown to us through gross negligence.

(2) The provisions of law (§§ 377, 381 HGB; German Commercial Code) shall apply to the commercial obligation to inspect and give notice of defects (German: *kaufmännische Untersuchungs- und Rügepflicht*) with the following proviso: Our obligation to inspect goods upon receipt shall be limited to defects which become apparent upon external inspection of the goods, including the delivery documents, (e.g. damage in transit, incorrect or short delivery), or which can be recognized in the sampling procedure. If formal acceptance has been agreed, there is no obligation to inspect. Otherwise, it depends on whether an inspection would be considered appropriate in the ordinary course of business, taking into account the circumstances of the individual case. Our obligation to give notice of defects discovered thereafter shall not be affected. Notwithstanding our duty of inspection upon receipt of the goods, our complaint (notice of defects) shall in any case be deemed to be without delay and timely if it is sent within 10 working days from discovery or, in the case of evident defects, from delivery.

(3) If, due to a deficient delivery, an inspection that exceeds the usual scope of an incoming goods inspection becomes necessary, the Supplier shall bear any additional expenses thereby caused.

(4) The Supplier must carry out an adequate type and scope of quality assurance check that is in accordance with the latest state of the art of technology, and provide proof thereof upon request.

§ 10 Warranty

(1) The Supplier warrants that our purchase order will be executed in an expert and proper manner in accordance with the corresponding state of the art of technology and the current version of the Hengst Environmental Standard (German: *Hengst Umweltnorm*) with the designation "BN 13.09", as amended, accessible at: <https://www.hengst.com/en/company/suppliers>.

(2) We are entitled to both the full legal warranty (German: *Gewährleistungsrechte*) and the full legal rights to reimbursement of expenses and to recourse, cumulatively.

(3) In the event of a suspected defect, we will notify the Supplier and, with a brief description of the facts, request a written statement. If no substantiated statement is made within 4 weeks and no amicable solution is reached, the existence of the defect shall be deemed to have been acknowledged and accepted. Where the claim for defects has been invoked by our customer, the claim for defects granted by us shall be deemed to be owed to our customer. In this case, the burden of proving the opposite shall be on the Supplier.

(4) We are entitled to claim at our choice defect rectification or delivery of a substitute. In this case, the Supplier shall bear the expenses required to rectify the defect or deliver a substitute. We reserve the right to claim damages.

(5) We shall be entitled to claims arising from supplier recourse even if the defective goods are combined with another product, e.g. by fitting them into another product, mounting, or installing them on or into another product, or further processed in any other way by us or a third party.

(6) The general limitation period for claims for defects is 36 months from the passing of the risk. The statutory limitation period for claims of third parties to surrender in rem shall not be affected. Furthermore, claims arising from defects in title shall not become time-barred for as long as the third party is able to claim the title against us. The limitation periods under German laws on purchases (German: *Kaufrecht*), including the above extension, shall apply to all contractual claims for defects. If and inasmuch as we are also entitled to non-contractual damages claims on the grounds of a defect, the statutory limitation period (§§ 195, 199 BGB; German Civil Code) shall apply, unless the application of the limitation periods of the German laws on purchases results in a longer limitation period in the individual case.

(7) If the Supplier has failed to perform timely defect rectification, we are entitled to rectify the defect ourselves at the expense and risk of the Supplier. The same shall apply in cases where the defect must be removed immediately to prevent any further substantial damage.

(8) If the Supplier repeatedly delivers defective goods, we shall be entitled to withdraw from the contract after having granted a grace period with a rejection warning.

§ 11 Manufacturer's Liability

(1) If claims are filed against us for violation of government safety regulations or due to domestic and foreign manufacturer's liability rules or laws as a result of a defectiveness of our products which is ascribable to the goods of the Supplier, we shall be entitled to claim, at our choice, either damages or to be held free and harmless if and to the extent the damage is due to the products supplied by the Supplier. Such damage shall also comprise damage prevention expenses (e.g. in the form of necessary recall measures), if and to the extent the Supplier is legally obliged to pay damages. Within the scope of the Supplier's obligation to hold us free and harmless, the Supplier shall reimburse expenses pursuant to §§ 683, 670 BGB (German Civil Code) arising from or in connection with claims asserted by third parties, including recall actions carried out by us. We shall inform the Supplier of the content and scope of any recall measures as far as possible and reasonable and give the Supplier the opportunity to comment. Further claims under statutory law shall not be affected.

(2) If we are made responsible by a third party in foreign countries for personal damages or damages of goods caused by a defect of the goods delivered by the Supplier, we have the right to raise a counterclaim to start third party proceedings or to raise claims for indemnification and a total or partial recourse at the jurisdiction of the main claim against the Supplier.

(3) The Supplier is obliged to sustain sufficient product liability insurance at its own costs. Such insurance shall not constitute any limitation of liability of Supplier.

§ 12 Trade Secret Information

The Supplier agrees to treat our purchase order, the business relationship, and all related non-apparent commercial and technical details, which the Supplier gains knowledge of during our business relationship, as trade secrets as defined in § 2 GeschGehG (German Act on the Protection of Trade Secrets). The Supplier shall impose equivalent obligations on its sub-suppliers. Only after obtaining our written consent may the Supplier advertise the business relationship or disclose it to third parties, especially by mentioning us as reference customer.

§ 13 Technical Plant Equipment

(1) The Supplier agrees to transfer to us after full payment of the agreed purchase price ownership of the technical plant equipment, e.g. tools, models, devices, casting tools, and injection moulds, et al. (including subsequent tools), that are used exclusively for production for us. In the case of a partial payment, we receive co-ownership of the technical plant equipment (including subsequent tools) as well as a right of purchase.

(2) The technical plant equipment stated under sub-paragraph 1 shall be stored at the Supplier's premises free of storage fees, and shall be protected against fire, theft, and vandalism, insured accordingly, and marked as Hengst's property.

(3) Using the technical plant equipment owned by us for third parties is not permitted unless we have given our prior written consent. Agreed tool capacities must be fulfilled. If agreed output quantities of faultless parts are not complied with due to fault of the Supplier, we shall be paid back our tool investment in relation to the supplied quantity. Any repairs of the technical plant equipment shall be at the expense of the Supplier; such expenses are included in the payment according to sub-paragraph 1, respectively in the fixed prices stated under § 3 for the goods manufactured using the technical plant equipment and delivered to us.

(4) If the contractual supply relations with the Supplier are terminated for any reason, the Supplier shall be obliged to immediately surrender the technical plant equipment specified in sub-paragraph 1.

§ 14 Design Protection

To the extent that the ordered components are manufactured by the Supplier based on our design, all rights resulting in connection with the design remain with us. With the acceptance of the purchase order, the Supplier undertakes to refrain from supplying or offering the ordered components to third parties now or at any other time. Inquiries are to be forwarded exclusively to us.

§ 15 Intellectual Property Rights

The Supplier is liable for any infringement of patents or other intellectual property rights on the part of third parties that may occur through his supplies and the use thereof. He exempts us and our customers from any claims whatsoever arising from the infringement of such intellectual property rights. This shall not apply if the Supplier has manufactured the supplied goods according to drawings, models, or any other descriptions or instructions equivalent to drawings or models that are provided by us, and this causes the infringement, and the Supplier is not aware or cannot be aware in connection with the products manufactured by him that third-party intellectual property rights are thereby being violated.

§ 16 Delivery Dates / Default of Delivery

(1) The agreed delivery dates are binding. For compliance with a delivery date, the date of receipt of the goods at the receiving point and/or point of use is the relevant date. If the Supplier realizes that an agreed-upon date cannot be complied with for whatever reasons, he must inform us about this immediately in writing, indicating the reasons and the expected duration of the delay.

(2) The Supplier shall be in default (German: *Verzug*) in accordance with § 286 sub-paragraph 1, sub-paragraph 2 BGB (German Civil Code). The delivery date stated in our purchase orders shall qualify as the due time for performance set on the basis of the calendar (German: *nach dem Kalender bestimmte Zeit*) within the meaning of § 286 sub-paragraph 2 BGB (German Civil Code).

(3) In the event of a default of delivery, we are entitled to claim a lump-sum damage in the amount of 1 % of the delivery value per completed week, however, in total not to exceed 5 %. Any further legal claims are reserved. The Supplier is entitled to prove that no damage or that a substantially lower damage was caused due to the default. In such a case, the lump-sum damage payment will be reduced accordingly.

(4) We are not obliged to accept delivery prior to expiry of the delivery date. In case of a delivery prior to the agreed-upon date, we reserve the right to return the goods at the Supplier's expense. If the goods are not returned in case of early delivery, they will be stored at our place at the Supplier's expense and risk until the delivery date.

(5) We will accept partial deliveries only if explicitly agreed upon in advance. For agreed-upon partial deliveries, the remaining residual quantity must be documented in writing.

§ 17 Force Majeure

(1) Events of force majeure will suspend the contractual obligations of the parties for the time of the disruption and to the extent of their effects. Force majeure means any event beyond the control of the respective party which prevents it from fulfilling its contractual obligations and for which it is not responsible.

(2) Disruptions in operation, supply difficulties, and other performance disruptions on the part of the Supplier's sub-supplier shall only be deemed force majeure if the sub-supplier is prevented from fulfilling its contractual obligations by an event as defined in sub-paragraph 1, sentence 2. The parties are obliged to reasonably provide the necessary information without delay and to adjust their obligations to the changed circumstances in good faith.

(2) In the case of performance obstacles as per sub-paragraph (1), we are entitled to withdraw from the contract in respect of the affected scope of performance, provided the delays exceed a period of 6 weeks and the goods to be delivered /services to be performed can no longer be exploited by us, taking into account all economic aspects.

§ 18 Sustainability / Duties of Diligence in the Supply Chain

The Supplier undertakes to comply with the current version of our "Supplier Code of Conduct" (German: *Verhaltenskodex für Lieferanten*), as amended, accessible at: <https://www.hengst.com/en/company/suppliers>.

§ 19 General Provisions

(1) The place of jurisdiction for any action whatsoever related to the present GTCP shall be Münster (Westfalen), Germany, provided the Supplier is a fully qualified merchant, a corporate body of public law or special public assets within the meaning of § 38 sub-paragraph 1 ZPO (German Code of Civil Procedure). However, we are entitled to bring action against the Supplier at his place of business also.

(2) The present GTCP and all legal relations between the Supplier and us shall be governed by the laws of the Federal Republic of Germany, excluding international uniform law and the UN Convention on Contracts for the International Sale of Goods, even if the Supplier's principle place of business is in a foreign country.

(3) In the event that any provision in the present GTCP or a provision in any other agreements is or becomes invalid, the validity of all the other provisions or agreements shall not be affected.