

## General terms and conditions of purchase

### 1. General

Only the following conditions of purchase shall apply to our orders and completions in relation to deliveries and services of the supplier. Deviating terms and conditions of the supplier are hereby expressly excluded. The unconditional acceptance of deliveries and services or their payment shall not constitute consent to the terms and conditions of the supplier. In case of conflict between the text of the order or the text of the documents listed in the order and the following conditions of purchase, the text of the order or the text of the documents listed in the order shall prevail.

#### 2. a) Orders / order confirmations

Our orders shall be in written form, text form or be transmitted by means of electronic data exchange (e.g. EDI). Text form is understood to mean transmission by fax, computer fax or email, whereby the issuing company and the issuing person shall be clearly identifiable. Orders shall be effective without handwritten signature if there is a corresponding note on the order form.

The supplier shall be obliged to accept the order in the same form, or in case another form was agreed upon, in the form agreed upon, within a period of 2 weeks. After this period, we shall be entitled to revoke the order.

All conditions, specifications, standards and other documents that are referred to in or attached to the order shall form part of the order.

#### b) Framework agreement

Insofar as a written framework agreement with regard to certain delivery items is in existence and does not contain conflicting provisions, we shall waive the requirement for an order confirmation when ordering these delivery items. Orders within the framework agreement shall take effect if the supplier does not contradict them within 5 working days after receipt. An order confirmation which deviates from the order shall only take effect if we confirm the deviations in written or text form. Call-off orders in accordance with the agreed delivery schedule shall not require any confirmation. Written confirmation shall be required for every legally binding declaration, which differs from the framework agreement or complements it.

#### c) Requirements planning

Insofar as no different deadlines are mentioned in the framework agreement with the supplier, the quantities shown in the delivery schedule for the first 3 months shall be released for production. The quantities shown until month 6 shall only be used for material planning. In case of cancellation for technical or other reasons, the supplier may demand that we accept the material costs against transfer of ownership of the material, on condition that supplier proves that the procurement of the material was required to comply with the delivery schedule and any other use is not possible. Any additional assumption of costs shall be excluded.

#### d) Remote data transfer

If a remote data transfer link is set up to the supplier, the requirement for a written form is waived for the purchase orders/requests specified under point b). However, any legally binding declaration that deviates from or supplements the framework agreement must be provided in writing.

### 3. Changes to the delivery item

If we require a change to the delivery item, the supplier shall immediately advise us of and prove to us the reason for increased or reduced prices and impact on dates in writing.

### 4. Obligation to supply spare parts

The supplier shall be obliged to supply delivery items, which become part of our products as spare parts, at reasonable market prices for at least 12 years after the production of the product concerned has ceased.

## 5. Force majeure

Production interruptions due to unavoidable events (force majeure, e.g. labour dispute) shall entitle us to withdraw from orders; in addition, the dates and conditions of delivery and payment shall be extended according to the duration of the delay for all obstacles to acceptance caused through no fault of our own.

## 6. Delivery time

Agreed delivery dates and deadlines shall be binding. If delays are caused by the supplier, they shall be placed in default without notice. The supplier shall inform us promptly of foreseeable delivery delays.

In the event of a delivery delay, we shall be entitled to statutory claims, in particular compensation for the damage caused to us by the delay. Additional costs, particularly in case covering purchases are required, shall be borne by the supplier. The unconditional acceptance of the late delivery does not constitute a waiver of claims.

## 7. Deliveries

The deliveries, inclusive of appropriate packaging and insurance, shall be carried out at the expense of the supplier. Eco-friendly packaging materials shall be given preference. We shall not assume costs for transport insurance. Shipping terms with different arrangements shall require written agreement.

During the course of the contract negotiations, the supplier shall provide a binding packaging concept in writing or shall finally accept our packaging concept.

Insofar as the supplier is obliged to take back the packaging used in accordance with the local Packaging Ordinance, they shall bear the costs of return transport and recycling.

The supplier shall indicate the order, contract or scheduling agreement number and our part number in all documents relating to an order. All shipping documents shall be duly furnished with the information required by us, in particular with order number, order item, commission number, schedule number, dimensions as well as quantity and weight per item. The supplier shall bear the costs arising from non-compliance with our shipping instructions. Unless proven otherwise, the quantities, weights and dimensions established during our incoming goods inspection shall be binding.

Partial deliveries shall require our consent and shall be identified as such in the shipping documents.

## 8. Particulars and documents used in foreign trade

The supplier shall be obliged to provide the following foreign trade data upon delivery of the delivery items:

- Classification of goods in trade statistics (commodity code)
- Country of origin
- Identification and classification of goods which are subject to export control
- On request: provision of a certificate of origin or preference document

Where the supplier is enrolled in any supply chain security accredited programs, such as AEO or other similar programs that may exist in the country of the supplier, the supplier shall provide us with documentary evidence of such enrolment upon written request, where available and permitted by law. Where the supplier is not certified in the AEO or a comparable program, we will require documentary proof of the supplier's alignment with the AEO Security Criteria in the form of a reply to a Supply Chain Security questionnaire on an annual basis. Where the supplier's questionnaire replies indicate security deficiencies, the supplier shall develop and implement written procedures to improve its supply chain security procedures.

The supplier shall conduct an annual security audit at each of its facilities and shall take all necessary corrective actions to ensure conformity with AEO standards consistent with AEO requirements and the supplier's policies.

At all times all products shall be eligible for shipment to the destination for the end use and end user as advised by us in accordance with all applicable export control regulations including applicable U.S. regulations and

orders, EU regulations and orders, U.N. resolutions, regulations in force in the supplier's country and/or the country from which the products will be exported. The supplier further agrees that:

- (i) any Export Compliance Declaration completed by seller shall form a part of the Agreement;
- (ii) Seller will advise us as soon as possible if any of the products ceases to be eligible for shipment to the specified destination;
- (iii) in the event that additional delivery items are added to a framework agreement or order, seller will evaluate their eligibility for shipment and either provide a new Export Compliance Declaration form or advise us that the delivery items are not eligible for shipment.

Customs Ocean Cargo Security Requirements Compliance (optional / for U.S.):

To the extent applicable, the supplier agrees to provide any necessary assistance so that any ocean vessel shipment of products arrives in the U.S. in compliance with the U.S. Customs and Border Protection ("CBP") cargo security filing requirements for maritime carriers ("10+2 Requirements"), as amended from time to time by CBP.

The supplier agrees to ensure that the carrier shall defend, indemnify, hold harmless and reimburse us from and against all fines, penalties and damages sustained by us arising out of or relating to the Carrier's failure to comply with CBP's 10+2 Requirements, including damages sustained by us as a result of CBP's seizure.

## **9. Invoicing and payment**

The supplier shall submit an invoice for each delivery or service separately from the delivery. The invoice must match the wording of the order designations and contain our order and article number. The exact name of our department placing the order and the date of the order must be listed. Invoices that do not contain this information shall be returned by us and shall not establish a due date for payment. The deadline for the payment of the invoice shall start with the working day following the receipt of a proper and verifiable invoice, or the acceptance of the goods or service - whichever is the latest.

If we note that there is an obligation to withhold taxes (e.g. withholding tax) or we are prompted by relevant authorities to do so, we shall be entitled to deduct these amounts from the invoice amount. Should the supplier be in possession of documents for an appropriate exemption, they shall submit them without being prompted. The right of the supplier to reclaim the taxes and duties from the charging authorities shall remain unaffected. Settlement shall take place at our discretion, calculated from receipt of the invoice within 10 days a 3% discount, within 30 days a 2% discount or within 90 days without deduction, notwithstanding our right to lodge a complaint at a later date.

In the event of an early acceptance of the delivery items, the payment period shall start from the delivery date in accordance with the purchase order or receipt of invoice - whichever is the latest. In the event of contracts for deliveries or contractually agreed acceptance, the payment period shall not commence prior to acceptance.

In the event of faulty deliveries, we shall be entitled to withhold payment until the proper performance of the order, without losing any rebates, cash discounts or similar payment advantages.

## **10. Liability for defects**

The supplier shall be responsible for ensuring that the delivery items are free from defects as to quality and defects of title.

Unless otherwise agreed in writing, the warranty for the delivery items shall expire 24 months from commissioning/use of the final product.

We shall be entitled to the statutory defect claims without restriction. The supplier shall be obliged to provide repair or replacement at our option free of charge. The supplier shall be entitled to a maximum of two attempts within a reasonable period of time. If the supplier is not willing or able to provide the supplementary performance as quickly as necessary to prevent disproportionately large damages, we shall have the right to have the defect eliminated in-house or by third parties, make covering purchases, and demand reimbursement of the costs and expenses required. In the event that the supplier has not eliminated the defect within a reasonable period set

by us in writing, or the rectification of the defect has conclusively failed, we shall also be entitled to reduce the purchase price, withdraw from the order or claim reimbursement of expenses or damages.

We shall be entitled to assign claims arising from the liability for defects to other companies within the KION Group.

### **11. Quality assurance, product security**

The supplier shall inform us in a timely manner prior to delivery of any changes to manufacturing processes, materials or components related to the delivery items, relocation of production sites, as well as changes in procedures or facilities for the testing of the delivery items, or other measures which may affect the quality and/or safety of the delivery items. Changes to the agreed specifications shall not be made without our written consent.

All changes to the delivery items and product-related changes in the process chain shall be documented in a product life cycle. The matters to be documented shall include, but not be limited to, modifications of drawings, deviation approvals, changes to the test methods and test frequencies, changes to suppliers, bought-in parts or operating supplies. The documentation on the product life cycle shall be disclosed to us on request.

### **12. Product liability, product recall**

In the event that claims are made against us as a result of product liability by a customer or third parties, the supplier shall be obliged to indemnify us from such claims, to the extent and insofar as the damage has been caused by a defect of a delivery item. In such cases, the supplier shall bear any and all costs and expenses, including legal costs.

In the event that a safety-related defect of the delivery items makes it necessary to carry out a product recall, or if such recall is ordered by public authorities, the supplier shall also bear any and all costs and expenses for the product recall. We shall coordinate the content and extent of such a product recall with the supplier, as far as practicable and reasonable. We shall in particular be entitled to act on our own in the interest of the supplier, if they do not have the facilities to implement a recall in their business (e.g. lack of a service organisation). In addition, the statutory provisions shall apply.

### **13. Chemical substances as or as part of delivery items**

Delivery items in this section are differentiated according to (EC) No. 1907/2006 REACH: 1. chemical substances as such, 2. mixtures, 3. articles.

The supplier warrants that the delivery items comply with all relevant national and international laws (e.g. EU-Regulations/EU-Directives, US Dodd-Frank-Act provisions).

The supplier shall warrant that he fulfils the requirements of the EU Chemicals Regulation REACH (EC) No. 1907/2006, in its current version, hereinafter referred to as "REACH ". This means in particular:

#### *a. Registration of substances, substances in mixtures and articles:*

If the delivery item is a substance, the supplier shall ensure that the substance has been registered prior to delivery (if required according to REACH Article 6).

If the delivery item is a mixture, the supplier shall ensure that the substances in the delivered mixture have been registered prior to delivery (if required according to REACH Article 6).

If the delivery item is an article, the supplier shall ensure, that any substance present in this article has been registered and/or notified (if registration/notification is required according to REACH article 7).

#### *b. Authorization of substances:*

If the delivery item is a substance or a mixture, we shall not be obliged to obtain authorization approval under REACH for the use of any substances/mixtures supplied by the supplier. The supplier shall inform us without delay once an authorisation application: will be submitted, will not be submitted, has been submitted, was not submitted, has been granted or refused in the supply chain.

#### *c. Information obligation regarding articles according to REACH Article 33:*

If the delivery item is an article containing any substance that is listed on the candidate list of substance of very high concern (SVHC-list) above 0.1% weight by weight (w/w), the supplier is responsible to inform us at the e-mail address "suppliersustainability@kiongroup.com" immediately (see also ECJ-ruling C-106/14). The information must be given to us, unless otherwise advised, in written form by stating at least the name of the substance, if applicable a substance identifier (e.g. CAS, EC-no.) and our article number. The latest version of ECHA's candidate list can be found under <http://echa.europa.eu>. This obligation also applies for ongoing deliveries as soon as a new substance has been added to the list.

*d. Information obligation for substances / mixtures via safety data sheet (REACH Article 31) and substances/mixtures for which a safety data sheet is no required (REACH Article 32):*

If any substance or mixture supplied contains any SVHC substance above 0.1% weight by weight, this information must be given via Safety Data Sheet according to article 31 in conjunction with Annex II REACH or, if a safety data sheet is not required, according to article 32. The requested information also comprises information on substance restrictions according to Annex XVII. The delivery of such products require a separate approval by us.

Furthermore, the supplier warrants that delivered goods do not contradict with the provisions set out in the following laws:

- (2011/65/EU) "RoHS Directive" on the restriction of the use of certain hazardous substances in electrical and electronic equipment – according to their area of application;
- (EU) No. 528/2012 Biocidal Products Regulation, in its current version;
- (2006/507/EC) Council Decision of the Stockholm Convention on Persistent Organic Pollutants, in its current version;
- (EC) No. 1005/2009 Regulation on substances that deplete the ozone layer, in its current version.

In addition, the supplier shall not deliver any items containing any conflict minerals according to section 1502 U.S. Dodd-Frank-Act dated 2010, or similar national or international laws and regulations. If the supplier cannot exclude the presence of such minerals in delivery items, the supplier is responsible to notify us immediately at the e-mail address "suppliersustainability@kiongroup.com" by indicating our article number and providing information by using the current version of the CFRI Conflict Minerals Reporting Template (see: <http://www.responsiblemineralsinitiative.org/conflict-minerals-reporting-template>).

The supplier shall be obliged to indemnify us from any and all liability in connection with the supplier's non-compliance with the above laws.

#### **14. Industrial property rights**

The supplier shall warrant that no industrial property rights of third parties are infringed in connection with their delivery. If claims are made against us due to such infringement, the supplier shall indemnify us against all claims and bear all costs and expenses incurred in connection with the claims being made.

#### **15. Rights to documents, models, etc.**

Any provided documents, data, electronic information, software, materials, type-specific tools or devices, and items (e.g. samples, models) – hereinafter referred to as "material" – which we make available to the supplier for the execution of an order shall remain our property; the supplier shall handle such material with care, maintain it and insure it on our request. We shall be the sole holders of all rights to the material, except for the order-related rights of joint use. Without our written consent, the material may neither be used, nor reproduced, nor made accessible to third parties for purposes other than those related to the order. Delivery items or products which are manufactured using the material according to information provided by us or with us being involved in their development to a considerable extent may only be supplied to third parties with our written consent.

If the supplier acquires such material from us or from third parties especially for the execution of our order with the provision that we finance such investment and/or an option exists according to which we may or shall purchase the material after the execution of the order at the latest – the provisions contained in section 1, sentences 3 and 4 shall apply accordingly. The same shall apply if the material is the supplier's property but

our know-how is contained or embodied in the material or in the delivery items or products to be manufactured using the material.

#### **16. Confidentiality**

The supplier shall be obliged to treat all information in connection with the business relationship with us in strictest confidence, including our orders and the information on the material provided by us (see clause 15), and not disclose it or make it available to third parties without our written consent. The supplier shall only disclose the confidential information to their own employees, if and insofar as this is necessary for the performance of their tasks in connection with the business relationship with us. The obligation of confidentiality shall remain in force even after the termination of the business relationship with us. Further agreements on confidentiality shall be regulated in separate agreements if required.

#### **17. Data protection**

Any processing of persona data by any of the Parties (if any) shall be performed in accordance with applicable data protection laws. The Parties will establish any agreements required to ensure the lawful processing of such data prior to the processing.

#### **18. External companies' management**

The supplier shall be obliged to comply with all our rules and instructions in relation to occupational safety, environmental protection, entry to and driving on the factory premises, identification requirements, etc., which we provide or issue to them when working on one of our sites for the respective site. The supplier shall actively brief themselves on the existing rules for external companies. The corresponding information sheets are available at the entrance to the plant premises from plant security.

#### **19. Principles of supplier conduct**

The supplier is obliged to comply with the relevant legal regulations and the KION principles of supplier conduct. More information is available at [www.kiongroup.com](http://www.kiongroup.com) (Investor Relations > Corporate Governance > Compliance at KION).

#### **20. Severability clause**

The ineffectiveness of a regulation of these general term and conditions of purchase does not affect the validity of the remaining provisions. In the event that a regulation proves to be ineffective or unworkable, it shall be replaced by a new provision which is as close as possible to the legal and economic effect of the ineffective or unworkable current provision.

#### **21. Applicable law**

The law at the headquarters of our ordering company shall apply, under exclusion of the law on conflict of laws, the Hague Conventions Relating to a Uniform Law on the International Sale of Goods, the United Nations Convention on Contracts for the International Sale of Goods (CISG) and other conventions, in the absence of a different contractual agreement with the supplier.

#### **22. Jurisdiction and place of performance**

The place of jurisdiction and performance shall be the place of business of our ordering company, in the absence of a different contractual agreement with the supplier.

### **Annex**

**Annex: Country-specific regulations - Germany****1. Duty of inspection and notification of defects**

We shall be entitled to examine the delivery items according to approved sampling procedures in the ordinary course of business. The supplier shall waive the objection to late notification of defects, if the defects discovered during the above mentioned process are notified to them promptly, or the defects that were not discovered are notified to them promptly after their discovery.

**2. Commitment to minimum wage**

In relation to our orders for service or works within Germany, the supplier shall undertake to comply with the provisions of the Minimum Wage Act ("Act Regulating a General Minimum Wage" dated August 11, 2014, as amended).

The supplier shall provide us with information about the subcontractors and providers of labour appointed by them for the execution of the orders. The supplier shall not appoint any subcontractors or providers of labour for the execution of orders, unless they have exercised due diligence to convince themselves that these comply with the Minimum Wage Act. Other subcontractors or providers of labour - also in a subsequent business chain - shall not be permitted. The supplier shall be obliged to promptly provide us with all necessary evidence for the compliance with the Minimum Wage Act by themselves and their subcontractors or providers of labour - also in a subsequent business chain - in the case of an official examination.

In the case of breach of the obligation under the foregoing paragraph, we shall have a right to extraordinary termination.

Insofar as employees of the supplier, or employees of the subcontractors or providers of labour contracted by them to carry out our orders, make claims for payment in accordance with section 13 of the MiLoG (Minimum Wage Act) in conjunction with section 14 of the AEntG (Law on Posting of Workers), the supplier shall undertake to indemnify us from such claims within the scope of section 14 of the AEntG, in the event of a breach of the regulations of Minimum Wage Act or a breach of the obligations referred to in section 1. The supplier shall also be obliged to indemnify us if and to the extent that other damage is caused to us as a result of such a breach of the provisions of the Minimum Wage Act or the obligations referred to in section 1 by the supplier.

**3. Payment term**

Deviating from paragraph 9, section 3, settlement shall take place at our discretion, calculated from receipt of the invoice, within 10 days at 3% discount or 30 days net, if there is no individual agreement between the supplier and KION.