

# MANN+HUMMEL BA, Filter factory, Joint Stock Company, Tesanj

## Terms and Conditions of Purchasing for Non-production Material, Investments, Tools and Services

- 1. Subject and definition**
- 1.1 The following terms and conditions of purchasing apply exclusively for the production and supply of non-production materials, investments, tools and for the performance of services of the supplier to MANN+HUMMEL BA, Filter factory, Joint Stock Company, Tesanj in Bosnia and Herzegovina (hereinafter: "MANN+HUMMEL").
- In addition, the conditions regulated in Appendix 1 apply for the production and supply of machines, equipment and tools.
- Appendix 2 is relevant for the performance of information technology services.
- 1.2 These terms and conditions of purchasing also apply if the supplier refers to its own terms and conditions, in particular when accepting the order or in the order confirmation. Supplier conditions or differing agreements shall only apply if we have acknowledged them in writing. Neither our silence nor the acceptance of the service nor payment for the service may be deemed as acknowledgement.
- 2. Ordering, Order confirmation**
- 2.1 Contracts, orders, agreements or amendments must be made in writing in order to be binding. Communication sent by fax, e-mail or other telecommunications (EDI, Web-EDI) shall also be considered written communication. A signature on our part is not required. Deviations from agreements that have been made and our orders shall only be effective once our prior written consent has been given.
- 2.2 The acceptance of our order must be confirmed in writing with a statement of our complete order data in the form we have specified by the first sentence of Point 3.3 hereof. If the supplier does not accept the order within 10 days of receipt, we shall be entitled to cancel.
- 2.3 Quotations from the supplier are binding and will not be remunerated unless an agreement to the contrary has been made.
- 3. Prices, payment conditions, invoices**
- 3.1 The agreed prices and remuneration rates are fixed prices and include recurring travel costs and times, costs for material and use of the supplier's test systems unless an agreement to the contrary has been made. They are understood to be exclusive of VAT, which will be paid in addition.
- 3.2 If a total price has been agreed and an amendment of the service is agreed after the contract has been concluded which leads to a reduction in the scope of service then an amended total price shall be agreed based on the base price used for the contract price in consideration of the reduced costs. The same applies in the event of an increase in the scope of services agreed after the conclusion of the contract if the supplier has made a written reference to the need for a price adjustment before the agreement of the amendment leading to the increase.
- 3.3 When preparing invoices, our complete order data (purchase order number, date, delivery note number) must be stated. If necessary, a copy of the acceptance record or the report must be enclosed with the invoice as an appendix. These must be signed and have legible names included. If this condition is not fulfilled then the supplier shall be responsible for any resulting delays in invoice processing and settlement. Depending on the purchaser, invoices must be made out and sent to the invoice address stated on the order. We reserve the right to return invoices with incomplete or incorrect order information or incorrect or incomplete invoice addresses to the suppliers.
- 3.4 If possible and necessary, the supplier shall enclose a delivery note with each delivery of goods. In addition to the normal information, this shall include our order number and state the delivery amount in the units of measure we stated in the order. If we have distributed an article over several items in the order then this distribution must be adopted accordingly in the delivery note and the invoice.
- 3.5 If no special agreement has been made then payment shall be made via bank transfer 60 days net after the receipt of the invoice at MANN+HUMMEL.
- 3.6 Payments from us do not represent acknowledgement of proper contractual performance by the supplier.
- 3.7 Without our prior written consent the supplier is not entitled to cede its receivables against us or have them collected by third parties. If the supplier cedes its receivables against us without our consent then the cession shall still be effective. However we may choose to make performance to the supplier or the third party with discharging effect.
- 4. Deadlines, default**
- 4.1 Agreed performance deadlines and periods are binding. The contractual service must be performed or supplied to us or to the recipient specified by us; otherwise the supplier shall not be considered to have complied with the performance deadline or period. Exceeding the agreed performance deadlines or periods shall result in the supplier being in default without this requiring a reminder.
- 4.2 The supplier must inform us immediately in writing of an identifiable delay in their service or delivery with a statement of the reason and the anticipated duration of the delay.
- 4.3 If the supplier is in default then, provided that nothing to the contrary is agreed, 0.5% per commenced week of default shall be calculated as a contractual penalty for the delivery or service that is in default, however this shall be a maximum of 5% of the total order value. MANN+HUMMEL reserves the right to any further claim for compensation due to default, in which case the contractual penalty shall be counted against this. If the contractual penalty is not enforced immediately by MANN+HUMMEL after the start of default, this shall not mean that enforcement of the contractual penalty has been waived and instead MANN+HUMMEL shall be entitled to still enforce the contractual penalty on/before the final payment or to offset it against the final payment provided that and to the extent that a final payment has been agreed.
- 5. Employees of the supplier, subcontracted suppliers**
- 5.1 The supplier has specialist and disciplinary managerial authority over its employees. This applies even if contractual services have to be carried out on our premises due to the specific project. The "[guideline for external contractors MHG-HS-I-0011](#)" applies for all ser-

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- 5.1 vices on our premises. The supplier must comply with instructions on plant security.
- 5.2 We shall be entitled to expel the supplier's employees and agents from the premises or to deny them access at any time if this seems to be appropriate to us for safety reasons, in particular as a result of the behaviour of the person in question. The supplier must replace the person in question at its own cost.
- 5.3 The personnel used by the supplier should only be changed in exceptional circumstances. We must be given prior written notification of this change. In the event of a change in personnel the supplier must ensure that this does not result in any disadvantages in the duty of care for us.
- 5.4 If an employee used by the supplier for contractual performance needs to be replaced with another employee due to reasons for which we are not responsible then the induction period shall be at the supplier's expense.
- 5.5 The supplier may only use subcontracted suppliers with our written consent.
- 5.6 The supplier is obliged only to use employees for whom it complies with tax and social security regulations. The supplier may only use workers who need a work permit if they are its own employees and they have a residency and work permit which is valid for the region where and time when the services are being performed. Corresponding evidence must be provided on request.
- 5.7 The supplier shall ensure that only trained and sufficiently qualified specialist personnel are used for the performance of all services. Sufficient specialist professional experience shall be required for all employees used on our premises and evidence of this must be provided on request.
- 5.8 The supplier must ensure that its employees have the required system and local knowledge, and the necessary qualifications, in order to complete the work.
- 5.9 Employees must be remunerated at least as per the minimum wage regulations of the industrial agreement in the relevant country. Compliance must be confirmed when requested by us.
- 6. Cooperation between contractual partners**
- 6.1 Both we and the supplier shall each name a specialist person and their deputy who shall be available as a contact when carrying out the contract and who are authorised to make the necessary decisions or to bring these decisions about immediately. These persons may only be changed due to a significant reason; the other contractual partner must be informed of this immediately.
- 6.2 We are entitled to ask to view the performance of the services at any time.
- 6.3 Depending on the nature and scope of the project, the contractual partners shall meet at regular intervals in order to determine the project progress and discuss upcoming matters. The content and result of the meetings must, if necessary and agreed, be recorded in minutes to be signed by both contractual partners.
- 7. Travel expenses**  
If no special agreement has been made then each party shall bear the travel costs of its own employees itself.
- 8. Statutory provisions, regulations**  
The supplier itself shall ensure compliance with the relevant valid statutory provisions and official regulations, in particular the relevant applicable safety and preventative regulations of Bosnia and Herzegovina. Furthermore, if necessary the supplier shall obtain the required permits for the services at its own responsibility and expense.
- 9. Code of conduct for suppliers**  
The supplier shall observe the MANN+HUMMEL Code of Conduct when performing its deliveries and services. The supplier pledges to safeguard human rights, comply with labour standards and not to tolerate discrimination or forced/child labour. The supplier confirms that it does not tolerate any form of corruption or bribery.  
The supplier will also demand that its subcontracted suppliers comply with the Code of Conduct. The MANN+HUMMEL Code of Conduct can be accessed at [www.mann-hummel.com/coc](http://www.mann-hummel.com/coc).  
If the supplier culpably infringes these obligations then, without prejudice to other claims, MANN+HUMMEL shall be entitled to withdraw from the contract or to terminate the contract.
- 10. Data protection**  
The supplier is obliged to comply with data protection regulations in its deliveries and services. In particular it will oblige its employees to maintain data confidentiality as per the General Data Protection Regulation (GDPR), if these employees have access to personal data. If personal data are collected, processed or used by the supplier on behalf of MANN+HUMMEL or if personal data are accessible in the context of an IT service- or maintenance agreement, a contract has to be concluded which meets the requirements of Art. 28 GDPR.
- 11. Confidentiality**
- 11.1 The supplier is obliged to treat all information which it learns through us (e.g. business and trade secrets, data and its processing and results, other technical and commercial information of any kind) confidentially and only to use it to implement the contract. Third parties may not be made aware of the information in any way; this does not include employees and other agents if they need the information in order to implement the contract.
- 11.2 The obligation for confidentiality shall exist even after the end of the contract.
- 11.3 The obligation for confidentiality shall not exist in relation to information which is public knowledge or which the supplier was made aware of by a third party without a duty of confidentiality being breached.
- 11.4 The supplier must oblige its employees and other persons it uses to perform its contractual obligations according to the abovementioned regulations on confidentiality and must ensure that this obligation is complied with.
- 11.5 Suppliers may only use their business relationship with MANN+HUMMEL for promotional purposes if they have prior written permission.

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- 12. Copyright**  
If the service contractually agreed with the supplier results from a development or project planning order then MANN+HUMMEL is the owner of the work result, all protectable inventions and the expertise. The supplier agrees that it and its personnel will make all contributions necessary in order to transfer any such intellectual property to us and to have it protected by patent.
- 13. Release from rights of third parties**  
The supplier guarantees that no third party rights are infringed in relation to its service performance. In particular it shall ensure that the use of the objects and services it supplies does not infringe any third party rights. If claims are brought against us by a third party due to an infringement of its rights then the supplier is obliged to release us from these claims. The obligation for release shall relate to all expenses which necessarily arise in relation to claims being brought by a third party.
- 14. Supplier master data**  
14.1 A DUNS/ VAT number must be available in order for there to be a business relationship with suppliers. An order may only be placed with suppliers who are registered and approved with their DUNS/ VAT number on our supplier portal at the time of ordering.  
14.2 Our suppliers' master data is managed via the supplier portal <https://www.srm-mann-hummel.com>. The supplier commits to keep its data in the portal up to date at all times and to check the datasets at least once per year.
- 15. Force majeure**  
15.1 Events of force majeure, acts of war, natural disasters, official measures (e.g. seizure, export ban) and other unpredictable, unavoidable and serious events shall release the contractual partners from the performance obligations for the duration of the disruption and to the extent of its effect. The contractual partners are obliged to provide the necessary information as soon as is reasonably possible and to adjust the obligations to the altered circumstances in good faith.  
15.2 If an event of this nature lasts more than two months then the contractual partners may withdraw from the contract in question (or the contractual obligations that have not yet been fulfilled) or terminate the contract in question without notice.
- 16. General provisions**  
16.1 If a contractual partner ceases its payments or if an application is made for insolvency proceedings in relation to its assets then the other contractual partner is entitled to withdraw from the unfulfilled part of the contract.
- 16.2 If a provision of these conditions and further agreements that are made is or becomes ineffective, this shall not affect the validity of the rest of the contract. The contractual partners are obliged to replace the ineffective provision with a regulation which comes as close as possible to its economic purpose.
- 16.3 The laws of Bosnia and Herzegovina shall apply exclusively unless anything to the contrary is agreed. The United Nations Convention on Contracts for the International Sale of Goods, dated 11 April 1980, shall not apply to any domestic purchases nor to any cross-border purchases either.
- 16.4 The place of jurisdiction is where the court competent for MANN+HUMMEL is located in Bosnia and Herzegovina.

These terms and conditions of purchasing are the basis of the supply relationship existing with you and shall apply to all of your deliveries and services with immediate effect. Please confirm these conditions for us by returning the signed document to us.

We have received and acknowledged your current terms and conditions of purchasing for non-production material, investments, tools and services. In addition to the general conditions, we confirm that we acknowledge:

- Appendix 1: Additional conditions for the production and supply of machines, equipment and tools
- Appendix 2: Additional conditions for the performance of information technology services

Please contact your responsible purchaser at MANN+HUMMEL if you have any queries.

\_\_\_\_\_  
Place, date

\_\_\_\_\_  
Signature, company stamp

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**Appendix 1: Additional conditions for the production and supply of machines, equipment and tools**

- 1. Subject and definition**  
These further conditions apply in addition to the Terms and Conditions of Purchasing for Non-production Material, Investments, Tools and Services of MANN+HUMMEL for all orders related to the production and/or supply of investment goods, equipment, machines and tools (hereinafter: Subject of the Contract).
- 2. Delivery, shipping**

  - 2.1. A delivery note stating our complete order data (purchase order number, date, delivery note number) must be enclosed with each delivery of the Subject of the Contract.
  - 2.2. Unless anything to the contrary is agreed, the deliveries of the Subject of the Contract shall be made carriage and packaging free to the destination, i.e. delivered at place – DAP Tesanj, Bosnia and Herzegovina (as per INCOTERMS 2010) for cross-border purchases, respectively only for domestic purchases just on *fco* MANN+HUMMEL warehouse basis, at the same location. In this case the risk upon the delivered Subject of the Contract is transferred at the time of delivery at the agreed destination.
- 3. Acceptance**

  - 3.1. The supplier shall inform us in writing when its services related to the Subject of the Contract have been completed/delivered. In accordance with the agreed acceptance conditions, we are obliged to check such services and to carry out and declare the acceptance thereof, if they comply with the contract, i.e. if the acceptance criteria have been met. The completed acceptance must be documented in writing in a report and signed by the contractual partners.
  - 3.2. In the event of the release or acceptance of part services related to the Subject of the Contract, such services as a whole will only be accepted with the final acceptance related to the contractual interaction of all parts of the same services, in which case Point 3.1 applies accordingly in this respect.
  - 3.3. The same – above under Points 3.1 and 3.2 stated – applies respectively also to the delivery of any and all items of the Subject of the Contract, regardless if the same are delivered with or without any accompanying services.
- 4. Material defect liability/warranty**

  - 4.1. Claims for defects shall become time-barred at the end of 24 months from documented final acceptance, unless any different periods have been explicitly agreed in writing.
  - 4.2. The service and/or delivery of the Subject of the Contract must comply with state of the art, the specification, the agreed properties, the purpose of use, the quality requirements, the relevant environmental regulations, the valid industry standards, the accident prevention regulations, the relevant provisions and guidelines from the authorities and specialist associations and the statutory regulations of Bosnia and Herzegovina.
  - 4.3. In the event of defects in the service and/or delivery of the Subject of the Contract, including the lack of agreed properties, the supplier is obliged at our discretion either to remedy their defects immediately and free of charge (improvement), or to supply defect-free new service and/or new Subject of the Contract (subsequent delivery), and that without prejudice to any other statutory regulations. If the supplier does not meet its obligation to remedy defects or if this does not succeed, then we may accept the service or the delivery of the Subject of the Contract only upon the adequate and proportional reduction of the agreed price. Finally, we may even decide to withdraw from the contract. This does not affect our right to compensation.
  - 4.4. Wearing parts of the Subject of the Contract, which in each case must be defined by the contractual partners in the specification or in the individual contracts in a wearing parts list, are excluded from material defect liability.
- 5. Quality and environmental management**

  - 5.1. The supplier commits to apply the principles of quality management and environmental management systems when carrying out its deliveries of the Subject of the Contract and services.
  - 5.2. The supplier must constantly monitor the quality of its deliveries of the Subject of the Contract or services. At our request it is obliged to establish and maintain a quality assurance system according to a standard to be agreed with us.
  - 5.3. Environmental and safety regulations of Bosnia and Herzegovina must be complied with both in the supplied services, as well as in the Subject of the Contract that is delivered. Compliance by the supplier with all such statutory and safety-related requirements for restricted, toxic and hazardous substances is a mandatory requirement.
- 6. Transfer of Ownership**  
When final acceptance upon the duly delivered Subject of the Contract and/or of the rendered services has been carried out by us, we shall gain ownership of the Subject of the Contract, unless anything to the contrary is regulated in individual contracts.
- 7. Spare parts supply**  
Unless anything to the contrary has been agreed, the supplier is obliged to supply spare parts at reasonable conditions for the period of normal technical use, but at least for 10 years after the last delivery of the items of the purchased Subject of the Contract.

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**Appendix 2: Additional conditions for the performance of information technology services**

- 1. Subject and definition**
  - 1.1 These further conditions apply in addition to the Terms and Conditions of Purchasing for Non-production Material, Investments, Tools and Services of MANN+HUMMEL for all orders related to information technology services.
  - 1.2 Information technology services in the sense of these conditions are all services, including consultation in relation to the development, elaboration and practical introduction of computer programs, especially the production of specifications, functional specifications, requirement specifications, concepts and implementation as well as amendment and supplementation of programs, adjustment of standard programs, training and all system-related services, in particular the purchasing and procurement of standard software, hardware and related services.
- 2. Amendment of the service**
  - 2.1 If we require an amendment to the agreed service (e.g. hardware needs to be adapted to our operational processes) after the conclusion of the contract then the supplier is obliged to observe the required amendment when performing its service unless this is not reasonable in view of its operational capacity and it informs us of this immediately (no later than within 10 working days of receiving the request for amendment) and in writing.
    - 2.2 Within 10 working days of receiving the request for amendment, the supplier must provide written notification of whether the amendment we have requested will have an effect on the agreed remuneration and execution period; reasons for any consequences must also be provided if applicable.
    - 2.3 If extensive testing is needed in relation to the question of whether a required change can be implemented or in relation to its effect, in particular on the agreed remuneration and execution period, then the supplier must provide written notification of this within the period stated in Point 2.2 with a statement of the reasons and the anticipated duration of testing. A separate agreement shall be needed for the performance of any such testing.
    - 2.4 Until an agreement is concluded on the performance of testing as per Point 2.3 or on the amendment that we have requested, the services must be carried out as per the contractual agreements valid before the amendment request, provided that we do not request a break as per Point 2.
- 3. Duties of cooperation**
  - 3.1 We will provide the supplier with all information and documents necessary for the performance of the contractual service and make the decisions necessary for the performance of the contract quickly.
  - 3.2 If services need to be carried out on our premises on a project-specific basis then we shall provide the necessary working areas, computer time and programs free of charge.
  - 3.3 The supplier shall provide us with a detailed written request to comply with our duties of cooperation if we fail to meet them and as a result of this the supplier believes that it is being prevented from completing its services in good time.
- 4. Material defect liability/claims for defects**
  - 4.1 These services must meet the agreed requirements (specifications, performance description) and both property details and agreements, and must be free from defects of title. This applies in particular for property details in the performance description and for the functions stated in the brochures and product descriptions of the supplier, producer or licensor.
    - 4.2 In the event of defects in the delivery of services, including the lack of an agreed property, the supplier is obliged at our discretion either to immediately remedy the defect free of charge (improvement) or to supply a defect-free new service (subsequent delivery), and that without prejudice to other statutory regulations. If subsequent performance is not possible or fails, then we may accept the service only upon the adequate and proportional reduction of the agreed purchase price. Finally, we may even decide to withdraw from the contract. This does not affect our right to compensation.
    - 4.3 Defect claims shall become time-barred at the end of 24 months from acceptance of the service.
    - 4.4 Programming errors present in software projects which cannot be remedied in a reasonably short period in consideration of the effects of the error must be temporarily removed using a workaround which is reasonable for us; this does not affect the obligation for final remedying of the defect.
    - 4.5 We will support the supplier during the remedying of the defect by providing the documents and information necessary in order to analyse the defect.
    - 4.6 The supplier will be informed immediately of defects in hardware.
- 5. Data back-up**

Electronically produced services must be continually backed up by the supplier during project progress according to partial results with the involvement of the programming environment necessary for this purpose. The back-up copies must be removed and professionally stored.
- 6. Documents and programs**
  - 6.1 Any documents which we provide to the supplier shall remain our property. Copies may only be made for the purpose of implementing the contract. Originals and copies must be stored carefully and returned to us following the performance of the contract.
  - 6.2 The supplier may only use the programs supplied by us to the extent necessary for the performance of the contract.
- 7. Source code**

Programs individually developed for us must be provided to us in the source code with documentation. Measures carried out on the programs as part of material defect liability must immediately be included in the source code and the documentation by the supplier; a copy of the relevant updated status must be provided to us immediately.