

Parker Hannifin GmbH

1. General

1.1 The present General Conditions of Sale (“**Conditions**”) of Parker Hannifin GmbH (“**Vendor**”) shall apply only to entrepreneurs in the sense of Art. 14 German Civil Code (BGB) (“**Buyer**”) with regard to the sale of products offered by the Vendor (“**Products**”) and software related to the Products, whether embedded or separately downloaded, provided or made accessible (“**Software**”) as well as Product related services provided by the Vendor (“**Services**”).

1.2 In these Conditions: “**European Union**” means the Union established by the Treaty on European Union signed at Maastricht on 7 February 1992, as amended by any later treaty, being the member states of the European Union; “**Taxes**” means every description of tax, VAT, duty, charge, tariff or levy whether direct or indirect, imposed from time to time by any government or other authority and any related interest, penalty, fine or other amount; “**United Kingdom**” means England and Wales, Northern Ireland and Scotland and a reference to the United Kingdom includes a reference to any one of these; and “**VAT**” means value added tax or any replacement or overseas equivalent of value added tax or similar sales tax.

1.3 Quotations, order confirmations, deliveries and services provided by the Vendor shall be undertaken solely on the basis of these Conditions.

1.4 These Conditions shall also govern all future business relationships including where this has not been expressly agreed again.

1.5 Counter-confirmations by the Buyer citing his terms of business and/or purchase conditions shall not be valid, even where the Vendor has not expressly taken exception to them. Terms and conditions of the Buyer are hereby expressly rejected, whether such terms and conditions are issued by paper-based transactions or via facsimile or other forms of electronic data interchange (“**EDI**”) or electronic commerce.

1.6 Divergences from the present Conditions shall only be effective where they are confirmed in writing by the Vendor.

2. Offer and Conclusion of Contract

2.1 The Vendor’s quotations are subject to change except where they have been expressly specified as binding.

2.2 A contract shall be created only in conjunction with an order confirmation from the Vendor. The order confirmation may be issued in writing or in electronic form (including EDI, remote data transmission or machine-readable data carriers). This shall also apply to additions, amendments or supplementary agreements. The issue of an invoice shall be deemed an order confirmation. Any quotations are given without commitment and no contract is concluded unless and until Vendor has issued an order confirmation. Quotations shall be valid for a period of 30 days from the date of issue or (if different) the period specified with the quotation itself.

2.3 Order or article numbers relate to the given latest issue of the Vendor’s documents such as catalogues or brochures

which also contain further technical details. These documents serve only to provide information where they are not specified as binding or unless they exactly correspond to the purpose of use contractually foreseen by the contracting parties. No guarantee is given for the precise unit weights as specified from time to time in the catalogue.

2.4 Drawings, sketches, dimensions, weights and other performance data shall only be binding where this has been expressly agreed in writing. All drawings and documents shall be returned automatically to the Vendor where no contract is affected.

2.5 Where it becomes apparent after conclusion of the contract that the Vendor’s claim to consideration is endangered through the Buyer’s inability to perform, in particular because of open, outstanding invoices, the Vendor shall be entitled to refuse performance of the contract until the Buyer has effected the consideration or provided security for same. The Vendor shall be entitled to withdraw from the contract where the Buyer fails to perform having been given an appropriate deadline for effecting the consideration or providing security for same. The Buyer’s countervailing rights shall not be affected.

3. Prices and Payment Terms

3.1 The Buyer’s attention is drawn particularly to the fact that the prices specified by the Vendor in his quotations and/or order confirmation are subject to change or a surcharge may apply prior to the delivery of the Products and/or Services in the event of any significant change, event or occurrence arising out of or in connection with the United Kingdom’s withdrawal from the European Union or the expiry of any transitional period following such withdrawal or in case of any significant changes in market conditions (in each case including but not limited to changes in exchange rates, energy and labour costs and raw material prices, including but not limited to steel, brass, rubber, copper, magnetics and aluminium) to cover the additional costs incurred directly or indirectly by Parker to perform its contractual obligations. The Buyer shall be notified in writing prior to the change. Unless otherwise stated in the order confirmation, prices do not include packaging, postal charges, freight, other shipping and handling expenses, insurance, customs duties, VAT, charges, tariffs and levies and any related interest, penalty, fine or other amounts which will be payable by the Buyer in addition to the prices in respect of Products or Services, as the case may be, and which shall be shown as a separate line item on the invoice and invoiced separately. Packaging shall be charged at cost price. The rate of VAT valid at the time shall be shown separately in the invoice..

3.2 Unless otherwise agreed upon the parties in writing, all of the Vendor’s invoices shall be payable in Euro at the place specified by the Vendor net 30 days from the date of the invoice without deduction

3.3 The Vendor shall be entitled, irrespective of contrary Buyer terms, to set off payments against the Buyer’s older debts. Where costs and interest charges have already accrued, the Vendor shall be entitled to set off payments

firstly against the costs, then against the interest charges and finally against the main payment.

3.4 A payment shall only be considered fulfilled when the corresponding sum has been received by the Vendor.

3.5 Where the Buyer falls into arrears with his payment obligations the Vendor is entitled, after a suitable deadline has elapsed, to demand that all outstanding debts be paid immediately or that other securities be provided.

4. Setting Off, Right to Retention, Non-Assignability

4.1 The Buyer shall only be entitled to set off or retention with regard to claims which are undisputed or which have been recognised by declaratory judgment. Deductions because of defects shall be subject to the same restrictions.

4.2 The Buyer declares that his claims against the Vendor may be set off by the Vendor and his associated companies. Claims and obligations of the Buyer's associated companies against Vendor may also be set off in the same way.

4.3 The Buyer's rights out of the contract and these Conditions are non-assignable.

5. Delivery and Performance Time

5.1 The dates and deadlines shall be specified by the Vendor in the order confirmation. Individual delivery time agreements shall be required for on demand and blanket orders.

5.2 Delivery deadlines shall commence on the day on which the Buyer's order has been confirmed by the Vendor. The Vendor's observance of his delivery obligation presumes that the Buyer shall meet his obligations properly and in full; in particular the Vendor must be in possession of all documents, parts, details and licences required from the Buyer and any agreed part-payments must have been made.

5.3 The Vendor shall use reasonable endeavours to deliver the Products and/or perform the Services in accordance with any time(s) stated. The Vendor will be entitled to vary any such delivery times to the Buyer equivalent to any delay which it experiences arising out of or in connection with the withdrawal of the United Kingdom from the European Union or the expiry of any transitional period following such withdrawal.

5.4 Unless otherwise agreed upon between the contracting parties, the applicable delivery term shall be CPT Incoterms® 2020, with the place of delivery (transfer of risk) and the agreed named place of destination of the Products further specified under Section 6.1.

5.5 Acceptable part deliveries and part-performances are permissible to a reasonable degree. Moreover unavoidable divergences in quantity of up to +/- 5-10% shall not be deemed as insufficient quantity.

5.6 The Vendor shall not be responsible for delivery and performance delays caused by *force majeure* effecting itself, its suppliers and/or its carriers. *Force majeure* shall include without limitation: accidents, strikes or and labour disputes, acts of government or government agency, acts of nature,

epidemics, pandemics or other serious widespread illness(es), public health emergency/ies, delays or failures in delivery from carriers or suppliers, shortages of materials, or any other cause beyond Vendor's reasonable control. In the event of *force majeure* the Vendor shall be released from his obligation to perform for the duration of such interruption and to the extent of its effect. The Vendor is obliged to provide all necessary information and to adjust his obligations to the altered circumstances in good faith within the bounds of what may reasonably be expected.

5.7 The Buyer shall only be entitled to withdraw from the contract where the agreed delivery time exceeds the duration of a force majeure event by more than 10 weeks plus an appropriate extra deadline period. Prior to this, the right to withdraw shall only apply where the Vendor has informed the Buyer in writing that the delivery cannot be made by him or can no longer be made. The foregoing restriction shall not apply to transactions where time is of the essence.

5.8 Where the Vendor's delivery is delayed, and where a delivery date has been agreed in writing, the Buyer may withdraw from the contract once he has given the Vendor a suitable deadline for supplementary performance of at least 14 days save where, exceptionally, no such deadline is required.

5.9 Where the Buyer does not specify during such deadline period whether he insists on performance or intends to exercise his right to withdraw and where such declaration is not received by the Vendor within a further period of 7 days, the Vendor shall in turn be entitled to withdraw from the contract. The Buyer's right to claim damages pursuant to section 10. below shall remain unaffected.

5.10 Buyer shall not be entitled to order cancellation following its issuance of a unilateral production stop not initiated by government decision.

5.11 If a change in any applicable law or the introduction of any law occurs which renders some or all of the activities of a party in connection with a contract illegal or unlawful then the Vendor may withdraw from the contract immediately by giving written notice to that effect to the Buyer, in which case the Vendor shall refund any monies already paid by the Buyer to the Vendor under the terminated contract in relation to any unperformed obligations of the Vendor.

5.12 In the event that some or all of the obligations of the Vendor under the contract are rendered illegal or unlawful as a result of any change or occurrence arising out of or in connection with the withdrawal of the United Kingdom from the European Union or the expiry of any transitional period, following such withdrawal of the Vendor may withdraw from the contract at any time with immediate effect by giving written notice to that effect to the Buyer.

6. Transfer of Risk

6.1 Unless otherwise agreed upon between the contracting parties, the Vendor bears the risk of loss or damage until the are delivered to the first carrier at Vendor's ("Ship From") facility. Carriage of Products shall be arranged by the Vendor to the named place of destination ("Ship To")

and the freight cost and other shipping and handling expenses as referenced in Section 3.1 shall be shown as a separate line item on the invoice or invoiced separately in addition to the price of the Products. Both "Ship From" and "Ship To" locations are referenced on, amongst others, the order acknowledgement issued by the Vendor.

6.2 Products delivered, even where they display minor defects, shall be accepted by the Buyer, irrespective of his rights as specified at section 8 below.

7. Right of Retention to Title

7.1 The delivered Products shall remain the property of the Vendor until the Buyer has met all obligations arising out of the business relationship.

7.2 Processing or mixture of Products subject to retention shall always be undertaken with the Vendor in the role of manufacturer yet shall not be binding upon him. Where the Vendor's part ownership lapses through mixing or combination of Products it is herewith agreed that the Buyer's part ownership in the end-product shall be transferred to the Vendor pro rata to the value of the invoice amount. The Buyer shall hold Products or end-products owned or part-owned by the Vendor at his own expense.

7.3 The Buyer undertakes to protect the Products or end-products owned or part-owned by the Vendor with the due care of a proper businessman against spoilage, deterioration or loss, also in regard to his buyers.

7.4 The Buyer is entitled to process and sell Products subject to retention in the normal course of business. Such Products may not be mortgaged or assigned as security. The Buyer herewith declares that he assigns any claims arising out of the resale of the Products subject to retention or on any other legal grounds, together with all ancillary rights, to the Vendor.

7.5 Where third parties wish to seize the Products subject to retention, the Buyer shall advise them of the Vendor's ownership and shall inform the Vendor without delay. Costs and damages shall be borne by the Buyer.

7.6 Where the Buyer is in arrears with payment, the Vendor shall be entitled to withdraw from the contract and shall recover the Products subject to retention at the Buyer's expense or, where appropriate, shall demand that the Buyer assign any rights of recovery which the Buyer may have against third parties to the Vendor. The Vendor's right to claim damages shall remain unaffected. The same shall apply in the event of any other breach of contract by the Buyer.

7.7 The Vendor undertakes to release securities owed to him at the Buyer's request insofar as the realisable value of such securities does exceed the value of his claims by more than 20%. The securities thus released shall be determined at the Vendor's discretion.

8. Defect Claims

8.1 The Vendor warrants that his Products are free of manufacturing and material defects and that they comply with

the specifications set out in the quote or order confirmation. With regard to Services, Vendor warrants only that the Services shall be performed in accordance with generally accepted practices and using the degree of care and skill that is ordinarily exercised and customary in the field to which the Services pertain. Software is only warranted to perform in accordance with applicable specifications provided by the Vendor to Buyer. Except as provided in these Conditions and to the extent legally permissible, Vendor disclaims all other warranties, express and implied, including but not limited to design, merchantability and fitness for a particular purpose.

8.2 The Buyer shall only have the right to claim for defects where he has properly fulfilled his inspection and notification obligations pursuant to Art. 377 German Commercial Code (*HGB*).

8.3 For Products with integrated software a separate sales contract shall be concluded with regard to the software. Vendor does not warrant that the software is error-free or fault-free or fault-tolerant, or that Buyer's use thereof will be secure or uninterrupted. A defect in such software does not represent a defect in the Product as a whole unless the remaining Product does not meet the standard agreed by Vendor and Buyer because of the software defect. Where such a quality has not been agreed, a software defect shall only represent a defect in the Product as a whole where the Product, owing to such software defect, is not suitable for the contractually agreed or usual use. Buyer agrees and acknowledges that the software shall not be used in connection with hazardous or high risk activities or environments such as, but not limited to, the operation of nuclear facilities, aerospace systems, air traffic control, life support, or medical applications. Vendor retains ownership of all software supplied to Buyer hereunder and in no event shall Buyer obtain any greater right in and to the software other than a right in the nature of a license limited to the use thereof and subject to compliance with any other terms provided with the software.

8.4 Industry-standard divergences shall only be deemed defects where this has been expressly agreed in writing by the contracting parties. The Vendor's declarations in his catalogues, brochures and price lists with regard to the Products and their performance serve only as descriptions, designations and guidelines, provided that this has not been otherwise agreed by the contracting parties in the order confirmation or in terms of the contractually agreed purpose. Minor, insignificant divergences compared with the catalogues or compared with previously delivered Products shall not be deemed defects.

8.5 The Buyer, through its own analysis and testing, is solely responsible for making the final selection of the system and Products and assuring that all performance, endurance, maintenance, safety and warning requirements of the application of the Products are met. The Buyer must analyse all aspects of the application and follow applicable industry standards, specifications and other technical information. If Vendor provides Product options based upon data or specifications provided by the Buyer, the Buyer is responsible for determining that such data and specifications are suitable

and sufficient for all applications and reasonably foreseeable uses of the Products. In the event the Buyer is not the end-user, Buyer will ensure such end-user complies with this section.

8.6 Wear and tear of expendable parts during the course of normal use does not represent a defect.

8.7 Where the Vendor's instructions with regard to installation, fitting, operation or servicing are not observed, where alterations to the Products are made, where parts are exchanged or consumables used which do not correspond with the original specifications, the right to claim for defects shall apply only where the Buyer can provide proof that the defect was not caused by such action but was already present at the time the risk was transferred.

8.8 Where the Products have not yet been delivered to the end consumer, the Vendor shall be obliged in the event of justified and properly notified defects to either remedy the defects or to replace the Products or parts thereof at his discretion. Where replacement deliveries or repairs fail, the Buyer may, at his discretion, only demand a discount or withdraw from the contract. The Buyer's right to withdraw and right to claim damages in place of full performance shall only apply where the defect is material. The Buyer's right to claim damages shall apply pursuant to section 10. below.

8.9 Where the Products have already been delivered to an end-customer, the Buyer shall in principle only be entitled to make such defect claims against the Vendor to the extent they have been notified to the Buyer by the end-customer.

8.10 Defect claims cannot be made against the Vendor where the Products have been returned on the basis of goodwill arrangements not agreed with the Vendor. Furthermore the Buyer shall not be entitled to withdraw from the contract where he has been required to take back the Products because he has not properly fulfilled his obligation of supplementary performance and, in particular, where he has failed to fulfil his obligation of supplementary performance within a specified deadline.

8.11 The Buyer shall inform the Vendor in advance in writing of his own buyer's claim for supplementary performance and shall advise the Vendor of his proposed method of supplementary performance and the approximate associated costs. In the interests of the Vendor, the Buyer is obliged to keep expenditure as low as possible pursuant to Art. 439, para. 2 German Civil Code (*BGB*) and to follow the Vendor's suggestions for a cheaper means of providing supplementary performance.

8.12 Where the Vendor is in breach of non performance-related obligations pursuant to Art. 241, para. 2 German Civil Code (*BGB*), the Buyer shall have the right to withdraw and the right to claim damages instead of performance where he may no longer be reasonably be expected to honour the contract.

8.13 Where a defect is to be remedied, the Vendor is obliged to bear all expenses, and in particular all transport, travel, labour and material costs which are necessarily incurred for the purpose of remedying the defect at the original place of

delivery. For the avoidance of doubt, the aforementioned costs are excluded if they arise from the transportation of the given Product to a place other than the original place of delivery or place of performance.

8.14 Defect claims shall lapse 12 months from the date of delivery of the Products or 6 months from the date of performance of the Services to the Buyer. Defect claims for Software shall lapse 90 days from the date of delivery or, when downloaded by or provided or made accessible to a Buyer or end-user, from the date of the initial download or the date on which it is provided or made accessible by the Vendor. Section 10. below shall apply.

9. Software

9.1 The Vendor's software is not intended for private use. It may only be installed and/or used by qualified personnel who are familiar with the Vendor's installation and warning information.

9.2 Any incorrect installation, usage and/or servicing of the software by the Buyer may cause the software to malfunction and/or may cause damage to plant and/or machinery or people.

9.3 Where software defects are caused by the Buyer's failure to observe the Vendor's installation and warning instructions and/or the Buyer's improper use and/or servicing of the software, these shall not be covered by the Vendor's warranty obligation. Equally the Vendor accepts no liability for consequential losses resulting therefrom. This shall apply in particular with regard to any damage suffered by the software and/or consequential damage caused to machinery, plant, other products or people by the defective software.

10. Disclaimer

10.1 The Vendor's liability shall be unlimited in the event of intent or gross negligence, in relation to culpable injury to life, limb or health, for defects which he has deliberately concealed or in the event that he has provided a guarantee of quality or durability. The Vendor's liability shall also be unlimited within the scope of product liability and other liability legislation.

10.2 In the event of culpable violation of material contractual obligations, the Vendor shall also be liable for minor negligence although this shall be limited to contract-typical damages which may reasonably be foreseen at the time the contract is concluded. Material contractual obligations are those the violation of which endangers the object of the contract because those rights of the Buyer are thus taken or restricted which the Vendor is meant to be granting him under the terms of the contract.

10.3 Further damage claims, particularly claims relating to pecuniary loss, are excluded.

10.4 The above liability restrictions specified here at section 10. also apply to employees, representatives, agents and assistants of the Vendor.

11. Rights of Usage and Processing, Property Rights

11.1 Insofar as the Vendor manufactures Products based on information or design provided by Buyer, the Buyer shall be liable to the Vendor with regard to ensuring that the Products and Services ordered do not violate the property rights of any third party. He shall indemnify the Vendor against any such claims and shall compensate him for any losses thus incurred.

11.2 Where the Vendor makes tools, drafts, installation suggestions or other drawings and documentation available to the Buyer together with the Products, the former shall retain title and all property and usage rights to such items. The Buyer shall only be entitled to usage within the scope of the sale contract; he shall in particular not be entitled to reproduce such Products or make them available to third parties.

11.3 Where the Products in question are integrated software, the Buyer is entitled to use them to the extent defined in the contract. The intellectual property rights to the software and any manuals delivered with it shall remain unaffected. The Buyer may only reproduce the software and/or manuals or make them available to third parties where this is imperative under legislation. Art. 69 a et sqq. of the Copyright Act (*UrhG*) shall remain unaffected. The Vendor gives no guarantee and accepts no liability for the software where and insofar as it has been altered or improperly used by the Buyer.

12. Non-Disclosure Clause

12.1 Unless otherwise expressly agreed in writing, all information to which the Buyer is made privy within the scope of the contractual relationship shall be treated as confidential.

12.2 Confidentiality shall not apply to such information:

(a) of which the party who received the information (“**Receiving Party**”) can verifiably demonstrate that it was already aware prior to disclosure provided that the Receiving Party informs the party which disclosed the information (“**Disclosing Party**”) within one month of receipt of such information;

(b) which at the time of its disclosure to the Receiving Party was already in the public domain or accessible, or entered the public domain or became accessible after disclosure without any violation of a contract on the part of the Receiving Party;

(c) that the Receiving Party shall receive from third parties provided that this information does not form part of a non-disclosure agreement with the Disclosing Party;

(d) the disclosure of which to third parties has been approved in advance in writing by the Disclosing Party; or

(e) the disclosure of which the Disclosing Party is obliged either under legislation or by court order or by official directive.

12.3 The obligation to observe confidentiality shall also apply after the contractual relationship has ended.

13. Compliance

13.1 Buyer agrees to comply with all applicable laws, regulations, and industry standards and professional standards of care, including, but not limited to, those of the country or countries in which Buyer may operate or in which the Products may be used, including without limitation any applicable anti-corruption laws and U.S., United Kingdom and European Union export control and sanctions laws (“**Export Laws**”). Buyer agrees to indemnify, defend, and hold harmless Vendor from the consequences of any violation of such provisions by Buyer, its employees or agents. Buyer acknowledges that it is aware of and familiar with the applicable anti-corruption laws and Export Laws, and certifies that Buyer will adhere to the requirements thereof and not take any action that may cause Vendor to be in violation of any such law or requirement. In particular, Buyer represents and agrees that Buyer will not make any payment or give anything of value, directly or indirectly, to anyone - including, without limitation, any governmental official, any foreign political party or official thereof, any candidate for foreign political office, or any commercial entity or person - for the purpose of influencing such entity or person to purchase Products or otherwise benefit the business of Vendor. Buyer further represents and agrees that it will not receive, use, service, transfer or ship any Product from Vendor in a manner or for a purpose that violates Export Laws or causes or may cause Vendor to be in violation of Export Laws.

13.2 The Vendor shall store and process all data relating to the Buyer obtained in connection with the contract for his own purposes observing the provisions of the German Federal Data Protection Act (*Bundesdatenschutzgesetz*).

14. Severance Clause

Where one of the provisions of these Conditions or any other provision in any other agreement is or should become invalid or where any loophole is contained this shall not affect the validity of the remaining provisions or the contracts as a whole. Loopholes shall be filled with such valid provisions as would have been agreed by the contracting parties in keeping with the economic purpose of the contract and these Conditions had they recognised the loophole in the first instance.

15. Place of Jurisdiction, Place of Performance

The sole and exclusive place of jurisdiction for any disputes arising out of or in connection with these Conditions and any contract formed pursuant hereto (including any relating to non-contractual obligations) shall be Bielefeld, Germany. Notwithstanding the foregoing, the Vendor is however entitled to take action against the Buyer in the place of his registered office and to seek specific performance, interim or final injunctive relief or any other relief of similar nature or effect in any court of competent jurisdiction. Unless otherwise specified in the order confirmation, the place of performance shall be the place of the registered office or branch office of the Vendor carrying out the respective delivery.



General Conditions of Sale

16. Applicable Law

The laws of the Federal Republic of Germany shall govern these Conditions and any contract formed pursuant hereto and any non-contractual obligations arising out of or in connection with these Conditions and any such contract. The United Nation Convention on Contracts for the International Sale of Goods (CISG) is excluded.