

WARRANTY GUIDELINES

1. Terminology

1.1. Warranty, guarantee and goodwill

The terms "warranty" and "guarantee" are often used interchangeably in everyday language, but there are significant differences.

1.1.1. Warranty

The term "warranty" (or "liability for defects") refers to the legal obligations that the seller of an item (e.g., a machine) has towards their customer if the sold item has a defect (especially a material or manufacturing defect). Warranty claims by the customer require that the defect was already present at the time of delivery to the customer (although it is not necessary for it to have been detectable at that time). Warranty claims are only valid for a limited period, the so-called warranty period. After this period, warranty claims can no longer be legally enforced.

1.1.2. Guarantee

The term "guarantee" refers to a contractually promised, voluntary service that is independent of a legally prescribed warranty. The guarantor is often the manufacturer, in which case the term "manufacturer's guarantee" is often used. Due to the voluntary nature of the guarantee, the guarantor can determine the content of the guarantee promise at their discretion; however, they are then bound by this promise. A guarantee can (but does not have to) relate to similar services to those that the customer can claim based on the legal nature of a warranty. It can be designed to exist alongside the warranty (and in such cases can be used alternatively when making a claim). It is also possible for the guarantee to begin only when the original warranty period expires, as is typical for an extended guarantee.

1.1.3. Goodwill

Goodwill refers to a service to which the customer is not entitled either under warranty or guarantee and which the manufacturer or dealer provides voluntarily on a case-by-case basis.

1.2. Definition of terms

1.2.1. Dealer

A "dealer" within the meaning of these warranty guidelines is any independent sales partner who has a contractual relationship with TRACTO-TECHNIK GmbH & Co. KG (hereinafter referred to as "TRACTO") and whose business activity includes the distribution of TRACTO products.

1.2.2. Customer

The "customer" or "end customer" is defined as the person who purchases and uses a product originally supplied by TRACTO to the dealer.

1.2.3. End customer

The "end customer" is defined as the individual who purchases and uses a product or service directly from TRACTO.

1.2.4. Sister Company

A "sister company" is a company that, like another, usually similar company, belongs to the same corporate group.

1.2.5. Authorized service partner

An "authorized service partner" is a company authorized by TRACTO to perform service, maintenance, and warranty work on the products agreed upon in the contract.

1.2.6. Wear parts

Wear parts are components/assemblies that are intended to wear out from the outset. They thereby protect other, more expensive components from premature wear. Parts and assemblies that need to be replaced multiple times during the lifecycle (operating hours) of a machine or accessory are also wear parts.

2. Warranty conditions

2.1. Warranty in the relationship between dealer and customer

In the event of a defect, the customer has a claim against the dealer for rectification under the statutory warranty according to German law. Conversely, the dealer normally has the right to remedy the defect (even if it takes two attempts) before the customer can withdraw from the contract or reduce the purchase price. The customer generally has no legal claim to a replacement delivery (i.e., delivery of a new product) of machines, as this would

involve disproportionate costs. If the rectification fails (twice), the customer has the right to choose between withdrawal and reduction. The right of withdrawal does not exist under the law if it is a minor defect. Unlike consumers, the law provides for a reversal of the burden of proof in favour of the commercial customer. Therefore, the customer who relies on the warranty must prove within a 6-month period that the defect was already present at the time of delivery of the product. The content and scope of the customer's warranty rights are determined in particular by the law in conjunction with the provisions of the purchase contract concluded between them and the dealer.

2.2. Warranty in the relationship between TRACTO and dealer

The content and scope of the dealer's warranty rights in relation to TRACTO are determined by the provisions of the distribution partner contract, TRACTO's general terms and conditions, and these warranty guidelines. Otherwise, the statutory provisions apply. A distinction must be made as to whether the dealer has already delivered a defective product to a customer or whether the defective product is still with the dealer: For defects that occur in machines or other products supplied by TRACTO that the dealer has not yet delivered to customers, the dealer primarily has a claim against TRACTO for rectification. If the dealer decides to remedy the defect themselves, the dealer has no claim for damages against TRACTO. For defects that occur in machines or other products supplied by TRACTO that the dealer has already delivered to customers, TRACTO is neither entitled nor obliged to carry out the rectification for the dealer. Instead, the dealer is obliged to carry out such rectification work that the customer is entitled to against the dealer under the warranty. TRACTO will reimburse the dealer for the expenses incurred in accordance with these warranty guidelines. The dealer is not entitled to any further reimbursement claims than those mentioned here.

2.3. Scope of the warranty

The dealer's reimbursement for rectification work carried out for the customer only exists to the extent that there is also a warranty against TRACTO. In particular, reimbursement requires that the dealer's warranty claims against TRACTO have not yet expired. It is important whether the time at which the customer made a claim for rectification falls within or outside the warranty period between TRACTO and the dealer. The dealer's warranty claims against TRACTO also require proof that a defect was already present at the time of delivery to the dealer. There is no warranty claim for defects whose repair costs or the value of the replacement do not reach the amount of €80. A defect also does not exist if the cause of such a defect is due to the following circumstances:

- Damage during shipping or transport
- External influences such as fire or flooding
- Normal wear and tear
- Installation of unsuitable or incompatible devices (or connection of unsuitable or incompatible accessories)
- Violent impacts
- Incorrect or improper use or overuse (especially in violation of the operating and maintenance instructions)
- Improper storage
- Exposure to corrosive materials
- Improperly performed repairs and maintenance work
- Neglect of maintenance or performance of necessary or recommended products
- Failure to promptly rectify minor damage or other defects
- Modification of the delivered item (including a change in its performance parameters) in a manner not approved by TRACTO
- Use of non-original spare parts
- Use of unsuitable materials

Furthermore, the dealer has no warranty claims for defects that the dealer did not report to TRACTO in a timely manner despite existing legal obligations (in particular § 377 HGB). This guideline does not apply to special constructions or prototypes.

2.4. Start of the warranty and warranty period

2.4.1. Machines and systems

Unless expressly agreed otherwise, the warranty period for new machines and systems in the relationship between TRACTO and the dealer is twelve months from the time of delivery to the end customer. However, the warranty period ends no later than 18 months after the time of delivery to the dealer, regardless of the time of delivery to the end customer.

2.4.2. Spare parts

The warranty period for spare parts installed by the dealer against payment by the customer is twelve months from the date of sale, but no later than 18 months after delivery to the dealer. For spare parts installed during a repair within the warranty period (i.e., to remedy defects), the original warranty period of the machine applies.

2.5. Certificate of acceptance

The date of delivery to the end customer determines the start of the warranty period. The acceptance certificate must be completed by the dealer on the day of delivery and signed by the end customer. The acceptance certificate must be sent to TRACTO within 30 calendar days. Warranty claims cannot be processed if this is not available to TRACTO.

2.6. Warranty claim

All reimbursement claims for rectification work on new machines that the dealer makes against TRACTO must be made using TRACTO's warranty application.

Submission channel: warranty@tracto.com

Claims will only be processed if all relevant information has been submitted. Claims will only be recognized if they are submitted within 30 calendar days after the repair has been completed by the dealer. If multiple defects have been rectified on the device, a separate warranty application must be submitted for each defect. The same applies if the same type of damage occurs on multiple machines. Warranty applications submitted after the 30th calendar day after the repair has been completed will not be considered and will therefore be rejected.

Wear parts are generally excluded from any warranty.

Warranty applications for used machines must be submitted to used@tracto.com.

2.7. Execution of warranty work

In the absence of technical information or recurring errors, the TRACTO service must be consulted before starting the repair (service@tracto.com).

Defects in a component not manufactured by TRACTO (e.g., diesel engine) can also be repaired directly by the manufacturer/customer service in consultation with TRACTO. Repair costs by third parties must be approved in writing by the TRACTO service in advance.

2.8. Technical modification/ recall

In the case of a technical modification prescribed by TRACTO on a series machine, the effort will be handled according to the cost breakdown for the affected technical modification. If a safety-related issue is identified at TRACTO, the respective contract partner will be informed in writing and required to implement the corrective measure immediately.

2.9. Attachments to the warranty claim

To enable TRACTO to verify the existence of a warranty claim, the work carried out by the dealer, and the approval of this work, the warranty claim must include the following information:

- Alle Pflichtfelder im Antragsformular
- Korrekte Arbeitsbezeichnung und Arbeitsdauer
- Seriennummer der defekten und neuverbauten Komponenten (wenn vorhanden)
- Referenzrechnung

Insufficiently documented claims will be rejected.

2.10. Handling of warranty old parts

The dealer must keep damaged parts related to the warranty claim for six months from the date of the warranty claim for inspection. The parts will only be returned upon request by TRACTO. If TRACTO requests parts (see section 2.9), they must be received by TRACTO within 30 calendar days. Otherwise, the warranty claim will be rejected, and the case will be closed.

2.11. Return of warranty old parts

If a return is requested by TRACTO, the return costs must be submitted promptly based on the warranty claim.

2.12. Retention of relevant documents

The dealer collects all relevant documents related to the warranty repair in a machine file and keeps them for at least two years from the date of the warranty claim for inspection by TRACTO.

3. Execution of warranty repairs

The dealer must carry out the repairs in strict compliance with the technical requirements by replacing or repairing the defective parts necessary to remedy the defect. If the defect is remedied by a repair, there is no technical or legal need for a replacement. Replaced

parts are the property of TRACTO. The repair must be carried out using original parts and materials according to TRACTO manufacturer specifications. All current repair specifications and instructions from TRACTO for troubleshooting must be observed. All work carried out must be documented with the corresponding time recording. The part that caused the damage must be identified. Damages caused by a defective part and all other damages that are no longer fully traceable or verifiable after the repair must be documented in detail before the repair and attached to the warranty claim.

4. Compensation for warranty claims

A prerequisite for the compensation of warranty claims is the proper billing of the justified repair costs using the forms and procedures provided by TRACTO. If tests are required for the parts causing the damage or if TRACTO requires additional tests for logical and technical reasons, the compensation for the damage will be made after the completion of these tests. Warranty claims are compensated by TRACTO once a month, usually in the form of a credit note.

4.1. Working hours

TRACTO compensates an hourly rate agreed with the dealer for warranty work. This can be renegotiated annually at the dealer's request. Overtime surcharges are not compensated. The working hours must correspond to the experience values for certain repairs.

4.2. Costs for parts

Only parts directly related to TRACTO are eligible for reimbursement. The actual invoice amount will be reimbursed, provided the reference invoice is attached to the warranty claim.

4.3. Transport and customs fees

Transport and customs fees for parts are not reimbursed. Exceptions are voluntary and negotiated with TRACTO on a case-by-case basis.

4.4. Travel expenses

For necessary trips by the dealer for the purpose of defect rectification, the resulting time expenditure will be compensated, e.g., working time, according to section 4.1. Further compensation (e.g., for fuel or other material costs) is not provided. Compensation according to the aforementioned provision is only made for trips within the dealer's territory agreed in the distribution contract. Trips outside this territory must be coordinated with TRACTO in advance; otherwise, distances or travel times will be correspondingly reduced. Travel or travel expenses for trips for the purpose of defect rectification on spare and accessory parts are not compensated. Overnight and meal costs are also not covered. If a travel allowance has been negotiated between TRACTO and the contract partner, these apply.

4.5. Reimbursement of third-party invoices

Third-party invoices for the execution of warranty work are only recognized after prior agreement with TRACTO. Furthermore, the reimbursement must not be higher than the costs that would have been reimbursed for internal labour. Third-party invoices must be settled by the respective contract partner. These can be claimed subsequently via the warranty claim.

5. Items that cannot be reimbursed separately

The reimbursement of dealer costs for warranty repairs carried out for the customer is limited to the billable items listed above in section 4. In particular, the following items are not reimbursable:

- Compensation claimed by the dealer from the customer (e.g., economic losses, lost profits, downtime, replacement of entire devices, rental for temporary replacement machines, phone calls, salaries, etc.)
- Oils, lubricants, and other fluids, unless their use is required due to a defect that justifies a warranty claim
- Consumables

6. Warranty extension

In exceptional cases, TRACTO may voluntarily extend the warranty period to support sales activities or for other considerations. Such agreements always require the express and written consent of TRACTO. They do not set a precedent and do not establish a claim that the same procedure will be applied in other cases.

7. Rectification of defects outside the warranty period (goodwill)

Reimbursements on a goodwill basis are made without acknowledgment of a legal obligation. Billing on a goodwill basis must be individually agreed upon between the contracting parties. If TRACTO provides a goodwill service in an individual case, the following provisions apply: TRACTO reimburses the dealer for the technically necessary repair costs as part of the goodwill percentage granted by TRACTO in the same way as in a warranty case. The dealer may not charge the customer for the costs incurred as part

of the goodwill service. The total goodwill service granted to the customer, consisting of the goodwill service provided by TRACTO—which may only constitute part of the total value—and any goodwill contribution from the dealer, must be clearly presented to the customer (in absolute numbers based on the customer price). This can be done, for example, by a note on the customer invoice or equivalent documents handed over to the customer. However, a detailed breakdown of the total goodwill service from TRACTO and the dealer by proportional contributions should not be made available to the customer. In principle, all guidelines that apply to the execution of a warranty repair also apply to the execution of goodwill repairs and their reimbursement by TRACTO. Therefore, the same application procedure must be followed.

8. Auditing

TRACTO has the right to check on-site at the dealer's premises whether the dealer has complied with TRACTO's requirements in handling the warranty during a warranty audit. This includes checking the repair approval application, the customer order, the timesheet, the machine history, etc., including the accounting documents. The audit covers at most the current and the two preceding calendar years, except in justified individual cases where TRACTO has identified particular irregularities. The dealer must allow warranty audits by TRACTO or its agents on its premises and grant the auditors access to all necessary documents. TRACTO or its agents are entitled to enter the dealer's office, work, and storage rooms and areas during regular business hours after prior notification to conduct warranty audits, as long as the rooms and areas are used for business activities under the distribution contract, and to allow copies and inspections of the documents to be kept by the dealer or copies and inspections of other auditable documents and systems, subject to data protection. If the dealer refuses to audit one or more warranty claims, TRACTO is entitled to cancel the corresponding claim and demand reimbursement of an already paid amount from the dealer.

9. Priority of the Terms and Conditions over these Guidelines

These guidelines serve to explain and complement our Terms and Conditions. In case of any contradictions, the Terms and Conditions shall take precedence. If you have any further questions, please contact your representative at your TRACTO branch.

10. Further documents related to the warranty guidelines

All documents mentioned below can be found at the following link:

<https://tracto.com/en/downloads>

10.1. Certificate of acceptance

10.3. Return delivery

10.4. Warranty claim/ goodwill claim

11. Procedure for warranty claims

1. Fill out the warranty application
2. Send to warranty@tracto.com
- ↓
- Approx. 5 working days
3. Confirmation of receipt by TRACTO with reference number
4. Internal processing
5. If accepted: credit note with reference number
If rejected: final report to the applicant

Approx. 8-10 weeks