

Profit and Loss Transfer Agreement

by and between

1. **SAF-HOLLAND SE**, whose registered office is in Bessenbach, registered in the commercial register of the Aschaffenburg Local Court (*Amtsgericht Aschaffenburg*) under no. HRB 15646

– the “**Controlling Company**” –,

and

2. **SAF-HOLLAND GmbH**, whose registered office is in Bessenbach, registered in the commercial register of the Aschaffenburg Local Court (*Amtsgericht Aschaffenburg*) under no. HRB 9685

– the “**Controlled Company**” –

– the Controlling Company and Controlled Company also referred to collectively below as the “**Parties**” or individually as a “**Party**” –

Background

The Controlling Company is the sole shareholder of the Controlled Company.

The Parties intend that the Controlled Company will transfer its entire profits arising during the term of this Profit and Loss Transfer Agreement (the “**Agreement**”) to the Controlling Company and that the Controlling Company will compensate any net loss of the Controlled Company for the year arising during the term of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

Section 1 Transfer of profits

1. The Controlled Company hereby agrees to transfer its entire profits in accordance with the provisions of Section 301 of the German Stock Corporation Act (*Aktiengesetz, AktG*), as amended from time to time, to the Controlling Company. The profit transfer may not exceed the amount referred to in Section 301 of the German Stock Corporation Act, as amended from time to time. Should the wording of this Agreement conflict with the statutory provisions in the event of future amendments of Section 301 of the German Stock Corporation Act, the statutory provisions will apply, as amended from time to time.
2. The Controlled Company may place amounts from the net income for the year in retained earnings within the meaning of Section 272(3) of the German Commercial Code (*Handelsgesetzbuch, HGB*) with the approval of the Controlling Company to

Convenience Translation

the extent permitted under commercial law and economically justified based on reasonable commercial judgement. Other retained earnings within the meaning of Section 272(3) of the German Commercial Code that are established during the term of this Agreement are, to the extent legally admissible, to be released at the request of the Controlling Company and to be transferred as profits under the conditions set out in Section 301 of the German Stock Corporation Act, as amended from time to time.

3. Any amounts from the release of capital reserves, retained earnings established before this Agreement comes into force and/or any profits carried forward established before this Agreement comes into force may not be transferred as profits.
4. The obligation to transfer profits arises at the end of the financial year of the Controlled Company and becomes due on this date.

Section 2 Assumption of losses

The provisions of Section 302 of the German Stock Corporation Act, as amended from time to time, are to be applied by analogy to the assumption of losses.

Section 3 Advance payments

1. The Controlling Company may claim advance payments toward the profits expected to be transferred to it for the current financial year during the ongoing financial year provided that this is legally admissible and the Controlled Company's liquidity allows for such advance payments. The Controlled Company may claim advance payments toward the net loss expected to be compensated for the current financial year during the ongoing financial year provided that this is legally admissible and it requires such advance payments considering its liquidity.
2. Any profits to be remitted after the end of the relevant financial year or the net loss for the year to be compensated are to be set off against the advance payments made during the course of the year. Any overpayments by the Controlled Company will be treated as interest-bearing loans granted by the Controlled Company to the Controlling Company. Any overpayments by the Controlling Company will be treated as interest-bearing loans granted by the Controlling Company to the Controlled Company. This is without prejudice to all the other provisions of this Agreement.

Section 4 Effective date, term of the Agreement

1. This Agreement requires the approval of the Controlling Company's general meeting and the approval of the shareholders' meeting of the Controlled Company.
2. The Agreement will become effective upon being entered in the commercial register responsible for the Controlled Company and will then apply retroactively for the entire financial year in progress at the time of entry in the commercial register.

3. The Agreement is entered into for an indefinite period.
4. Either Party may terminate this Agreement observing a notice period of three (3) months to the end of a financial year of the Controlled Company, but no earlier than at the end of the financial year after the expiry of which the minimum tax term of a profit and loss transfer agreement prescribed in Section 14(1), first sentence, no. 3 in conjunction with Section 17 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz, KStG*) and Section 2(2), second sentence of the German Trade Tax Act (*Gewerbesteuer-gesetz, GewStG*), as amended from time to time, which is required for recognition of the corporate income and trade tax group, has been fulfilled (according to the current legal situation five (5) years (60 months), calculated from the start (midnight) of the financial year of the Controlling Company in which this Agreement became effective by being registered in the commercial register responsible for the Controlled Company (referred to below as the “**Minimum Term**”). If this Agreement is registered in the financial year of the Controlled Company commencing on January 1, 2024, the Minimum Term will expire at the close (midnight) of December 31, 2028 or, if no financial year of the Controlled Company ends on that date, at the end of the financial year in progress on that date.
5. This is without prejudice to the right to terminate for cause without observing a notice period. Cause exists in particular but not exclusively if (i) the Controlling Company no longer holds a majority of the voting rights in the Controlled Company, (ii) the Controlling Company sells or contributes the shares in the Controlled Company, (iii) the Controlling Company or Controlled Company is merged, split or liquidated, or (iv) an outside shareholder acquires an interest in the Controlled Company for the first time within the meaning of Section 307 of the German Stock Corporation Act.
6. Any notice of termination must be made in writing and signed.
7. If this Agreement ends, the Controlling Company will be required to provide the Controlled Company’s creditors with security in accordance with Section 303 of the German Stock Corporation Act.
8. If the implementation of this Agreement is not recognized for tax purposes or not recognized in full for a financial year, then the Parties agree that (in derogation of Section 4(4) of this Agreement) the new Minimum Term will only begin on the first day of the financial year of the Controlled Company for which this Agreement is implemented again for the first time.

Section 5 Amendments to the Agreement

Any amendments or additions to the provisions of this Agreement must be in writing and signed. This also applies to this clause regarding signed written form.

Section 6
Final provisions

1. The provisions of this Agreement are to be interpreted in such a way that the tax group for corporate income tax and trade tax purposes intended by the Parties becomes fully effective. If any provision of the Agreement is or becomes ineffective or void, the remainder of the provisions of the Agreement will remain in full force and effect. The contractual provision concerned is to be replaced with another provision that comes as close as possible to the intended purpose. The same applies in the event that any provisions of the Agreement are incomplete.
2. If the application of statutory provisions is intended in this Agreement, the latest version of the relevant statutory provisions is to be applied unless otherwise explicitly agreed in this Agreement.

Bessenbach, April 23, 2024

Alexander Geis

Member of the management board of
SAF-HOLLAND SE

Jörg Wahl

Holder of general commercial power of
attorney (*Prokurist*) of SAF-HOLLAND
SE

Frank Lorenz-Dietz

Managing director of SAF-HOLLAND
GmbH

Alf Hospes

Holder of general commercial power of
attorney (*Prokurist*) of SAF-HOLLAND
GmbH