

VAT NOTE FOR SUPPLIERS OF TOOLS

When supplying tools to ZF Lifetec, please be sure to comply with the VAT provisions of the country in which the tool is located and secure ZF Lifetec's VAT refund accordingly.

If ownership (=economic power of disposition) of a tool is transferred to a ZF Lifetec entity, this constitutes a tooling supply from a VAT point of view, even if the tool physically remains at its location.

In your invoice to ZF Lifetec, please comply with the following:

- Specify tool's physical location at the time of ownership transfer (this should be the country where the tool is used).
- Specify date of supply (date when economic ownership is transferred).
- Comply with the formal invoicing provisions of the country where the tool is located at the time of ownership transfer. This includes among other points:
 - Please invoice national VAT or include a note on tax exemption or a note on a local reverse charge rule.
 - In countries outside the Eurozone: Please invoice the national currency (if invoicing currency is Euro, the amounts must also be stated in the national currency, including the daily exchange rate used).
 - If applicable, please issue the invoice in the respective national language.
 - If applicable, please use a consecutive number range for invoices from this country.
- Use your correct and valid VAT ID for the tooling country (if necessary).
- Specify our correct VAT ID for this case (you can find the VAT IDs of some ZF Lifetec entities in our provided list, otherwise please check with your ZF Lifetec contact which VAT ID has to be used in this case; please note: the VAT ID given in the PO might not be the one to be used).
- If requested: Please complete additionally to the invoice the form "**Supplier's information on tools**", where we ask for additional information on the tool which is relevant for VAT purposes.

As supplier of ZF Lifetec, please consult a tax advisor to clarify your tax obligations in the tooling location country beforehand and, if needed, register for VAT purposes.

If you are planning to move the tool physically after ownership has been transferred to ZF Lifetec, please consult your ZF Lifetec contacts **before** doing so. **Physical relocations**, in particular across borders, usually trigger VAT reporting obligations for the owner. If ZF Lifetec cannot comply with its reporting obligations because we were not informed (in time) of this relocation, we reserve the right to transfer the penalties to the supplier.

Services for tools (e.g., adaptations, modifications) are subject to different VAT provisions than sales of tools and usually follow the reverse charge principle.

In case of any questions concerning VAT on tooling

Contact us at: VAT@zf-lifetec.com

Please provide us with the following information:

- Which ZF Lifetec legal entity are you invoicing to
- Where is the tool located
- Are you invoicing a supply or a service
- Who is your usual ZF Lifetec contact (pre- and surname, e-mail address)