

Linz-Leonding, December 2020

<u>Information letter - Bike Bull range - 2021</u>

In this letter we would like to provide you with important information on the marketing of motorbike batteries in general and specifically on Banner Bike Bull batteries for the season 2021:

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Please do not hesitate to address your usual Banner contact any time if you have any questions regarding this content or if you require additional information on Banner Bike Bull products!

Your Banner Team

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EU-regulation (2019/1148)

The following paragraphs provide an overview of important points contained in the EU Regulation (2019/1148), which will come into force on February 1st 2021.

EU Regulation (2019/1148) regarding the marketing and use of explosives precursors – requirements and obligations for the battery industry and the downstream delivery chain.

General information

Certain substances or mixtures are precursors for explosives and can therefore be employed for the production of self-made devices that may be misused for terrorist purposes. Therefore, the EU Regulation 2019/1148 (subsequently referred to as the Regulation) forbids the sale of certain concentrations of some of these substances to **private persons**. The Regulation comes into effect on February 1st 2021 and replaces the EU 98/2013 regulation, which was valid to date. Affected are private persons and economic operators, who produce, import, market, provide or trade in explosives precursors.

The battery industry is affected owing to the reference to **sulphuric acid** in Annex I. **15 per cent w/w** is given as the concentration limit and beyond this level, it is **obligatory** that the Regulation be observed during transactions involving sulphuric acid.

Sulphuric acid that is contained in a product is unaffected by the Regulation. In concrete terms, for the battery industry this means that a battery filled with sulphuric acid is not subject to the stipulations of the Regulation, whereas these do apply to the **separate sulphuric acid packs used for dry, pre-charged batteries, e.g. motorcycle batteries**. However, normally these sulphuric acid packs have a concentration that is below the 15 per cent w/w limit.

Banner note. This means that with this EU - Regulation, the sale of separate sulphuric acid packs for dry, pre-charged batteries to members of the general public is forbidden with February 1st 2021!

As a consequence, the final economic operator in the supply chain (e.g. workshop, part retail, two-wheeler retail, hardware store, service station, ...) must ensure that separate sulphuric acid packs are not sold to members of the general public, but that these are to be filled into the battery prior to sale by the salesperson, i.e. no acid packs may be supplied in sales areas. If in addition the filled battery is to be dispatched this must take place in line with the standard hazardous goods regulations.

Information obligations

Article 7 of the Regulation lays down the information obligations for economic operators, i.e. manufacturers, importers and wholesalers with regard to their customers. Consequently, economic operators that provide another economic operator with sulphuric acid packs undertake to inform the latter that pursuant to Article 5, Paragraphs 1 and 2 of the Regulation, these packs may not be purchased by members of the general public. For example, this can be achieved by appropriate labelling of the packaging, or a note on the safety data sheet together with a reference on delivery notes/invoices.



Furthermore, Article 7 governs that every economic operator selling sulphuric acid packs to a professional user or a member of the general public must provide the authorities with a guarantee that its sales personnel have received instruction regarding which of the products involved contain regulated explosives precursors and what obligations are involved. For example, with respect to B2C transactions this means that the member of the sales personnel shall understand clearly that the sulphuric acid must be filled into the battery before this is given to the member of the general public. The provision of sulphuric acid packs or loose sulphuric acid to members of the general public is forbidden. Economic operators involved in B2B business are subject to additional monitoring and reporting obligations.

<u>Banner</u> note. Therefore, transactions with dry, pre-charged batteries with acid packs between commercial market participants (B2B) remain possible! Please inform your customers accordingly. Should you so require, we will be pleased to support you with individual customer communications, which we will prepare together with our Marketing Department.



Alternative types to dry pre-charged Bike Bull batteries

In the Banner Bike Bull range, the EU regulation (2019/1148) affects all Bike Bull Classic (item numbers 020xxxx) and Bike Bull AGM (item numbers 021xxxx) and Garden Bull (item numbers 026xxxx).

For the following dry pre-charged types, we can currently offer filled and charged replacement types from the Bike Bull GEL or Bike Bull AGM PRO ranges:

Banner designation	battery type	Banner item number	Bike Bull GEL	Bike Bull AGM PRO
Classic	51814	020 51814 0100	52101	
Classic	52816	020 52816 0100	53001 *with pol 5	53001 *with pol 10
AGM	50614	021 50614 0100	50621	
AGM	50615	021 50615 0100	50901 *with pol 11	50901 *with pol 10 and 11 mm higher
AGM	50812	021 50812 0100	50901 *with pol 11	50901 *with pol 10
AGM	51214	021 51214 0100	51221 *with pol 11	51401 *with pol 10
AGM	51422	021 51422 0100		51401 *with pol 10 and 16 mm lower
AGM	51821	021 51821 0100		52001 *with pol 10

^{*} Deviations can, in exceptional cases, lead to removal or installation problems.



<u>Argumentation support - dry pre-charged motorbike batteries</u>

Especially for wholesalers, retailers and commercial customers, trading in dry pre-charged batteries offers many efficiency and cost advantages, which we would like to remind you of below:

Advantages:

- Long storage life of the batteries, as no self-discharge with dry pre-charged batteries.
- No maintenance or recharging effort for stored batteries
- Stocking of larger quantities of batteries to compensate for seasonal peaks and fluctuating sales
- · Batteries are only filled and charged at the time of sale

Disadvantages:

Before sale to private person - filling of dry batteries by trained staff

<u>Argumentation support - filled and charged motorbike batteries</u>

Advantage:

No filling of the battery before sale to private person

Disadvantages:

- Maintenance effort for batteries in storage (e.g. voltage control, surface cleaning).
- Recharging costs (resources in the form of chargers; staff costs, electricity costs).
- With the stockpiling of larger quantities of batteries, the risk of batteries running out of stock increases.