

**1. Validity**

- 1.1. All goods and services shall be governed exclusively by our Terms of Supply. Customer's General Terms and Conditions shall not apply even if we do not expressly reject them again.
- 1.2. These terms and conditions apply for merchants if the contract falls within their trade operations, legal persons under public law and special funds under public law.

**2. Offers and conclusion of contracts**

- 2.1. Our offers are non-binding.
- 2.2. Orders are only deemed accepted if we have confirmed them in writing.
- 2.3. The scope of the performance shall be determined by our written order confirmation. Side agreements and changes shall require our written confirmation.
- 2.4. We reserve unrestricted title and copyright exploitation rights to cost estimates, drawings and other documents; they may not be made to accessible to third parties. Drawings and other documents forming parts of offers shall be returned without delay upon request if the order is not placed with us.

**3. Prices and payment**

- 3.1. Unless specifically agreed otherwise, prices are quoted ex works, exclusive of packaging. Prices are net of value-added tax to the statutory applicable amount.
- 3.2. All payments shall be rendered net free stated point of payment within 30 days from the invoice date. We grant 2% cash discount on payments within 10 days of the invoice date. Invoices cannot be settled by cheque or bill of exchange.
- 3.3. The retention of payments or set-off against any of Customer's counterclaims that we dispute and not declared final and binding by a court of law shall not be permitted.
- 3.4. If Customer is in default of payment, we shall be entitled to charge default interest of 8% above the base rate valid at the time. If Customer does to respond to the first reminder for payment, we shall be entitled to declare all other open invoices immediately payable.

**4. Delivery period, default with delivery, call orders and purchase commitment**

- 4.1. Compliance with an agreed delivery period is subject to the timely provision of all documents, licenses, approvals to be furnished or obtained by Customer and compliance with Customer's other obligations. If this is not the case, the period shall be prolonged appropriately unless Supplier is answerable for the delay.
- 4.2. The delivery period shall be deemed met if the item has left Supplier's works or readiness for dispatch has been notified before its expiration.
- 4.3. If the failure to meet the delivery period is due to force majeure, labour disputes or other circumstances outside Supplier's scope of influence, the period shall be prolonged appropriately. Supplier shall provide notice of the start and expected end of such hindrances as promptly as possible.
- 4.4. If Supplier is in default and this causes a loss for Customer, Customer shall be entitled to demand liquidated default compensation. This shall be for each complete week of default 0.5%, subject to a maximum of 5% of the value of that part of the performance which cannot be used punctually or as contractually agreed as a consequence of the default.
- 4.5. If Supplier is in default, Customer can only rescind the contract if Supplier is answerable for the delay and Supplier has failed to meet a reasonable grace period set.
- 4.6. Customer undertakes to state within a reasonable period upon Supplier's request whether Customer wishes to rescind the contract and/or demand damages in lieu of performance because of the delayed delivery or insists on performance.
- 4.7. Further claims under default shall be governed exclusively by Clause 8.
- 4.8. If it is agreed with Customer that a defined quantity is to be supplied within a defined period (contract term) and Customer has the right to determine the various dates of delivery, said deliveries shall be ordered eight weeks before the desired delivery date at the latest. After the contract term expires, HIWIN GmbH shall be entitled to supply and invoice any quantity not yet called down.
- 4.9. If it is agreed with Customer that a defined or undefined quantity is to be supplied within a defined or undefined period and Customer has the right to determine the various dates of delivery, increases or reductions of the delivery quantity per period shall be notified twelve weeks before the desired delivery date at the latest. If the delivery quantity per period is reduced by more than 35% or discontinued, HIWIN GmbH shall be entitled to supply and invoice all goods completed or in progress.
- 4.10. If HIWIN GmbH maintains a consignment store at Customer's premises, Customer undertakes to take title of goods held in the said consignment store for more than six months and to pay for the same under the agreed terms of payment. HIWIN GmbH shall be entitled to bring about and invoice this transfer of title itself through suitable stock monitoring. Customer undertakes to store consignment goods separately from other goods.

**5. Transfer of risk and shipping**

- 5.1. Risk shall pass to Customer at the latest with dispatch of the supplied parts, even if part shipments are rendered or we have undertaken other performances such as shipping charges or direct delivery.
- 5.2. If shipping is delayed due to circumstances for which Customer is answerable, the risk shall pass to Customer from when the goods are ready for dispatch.
- 5.3. At Customer's request, we shall insure the consignment as instructed by and at Customer's expense.
- 5.4. Part shipments shall be permissible in so far as this is reasonable with due regard to Customer's interests.
- 5.5. Packaging will not be taken back.

**6. Rights in the event of faults**

- 6.1. Customer shall examine the goods and services for faults without delay after receipt. If any faults are found, these shall be reported in writing without delay, at the latest 10 days from transfer of risk. Hidden faults shall be reported in writing without delay, at the latest 10 days after they have been identified.
- 6.2. Supplier can opt to correct faulty deliveries and services or to render new deliveries or performances.

- 6.3. Customer shall give Supplier reasonable time and opportunity to carry out all improvements and replacement deliveries Supplier considers necessary. Otherwise Supplier shall be released from the liability for the resulting consequences. Only in urgent cases involving danger to operational safety and in order to mitigate any disproportionately large damage or losses, whereby Supplier must be informed immediately, Customer shall be entitled to eliminate the defect itself or to have it eliminated by third parties and to demand reimbursement of the necessary costs by Supplier.

- 6.4. If rectification of the fault or replacement delivery fails or if Supplier lets a reasonable grace period for rectification or replacement delivery lapse with no effect, Customer shall have the right to reduce the contract price or to rescind the contract under the statutory provisions without prejudice to all and any claims for damages under Clause 7. In the case of minor faults, Customer shall only have the right to reduce the contract price.

- 6.5. Unsuitable or incorrect usage, incorrect assembly and/or commissioning by Customer or a third party, normal wear and tear, incorrect or careless handling, incorrect maintenance, unsuitable operating supplies, chemical, electro-chemical or electrical influences and non reproducible software faults shall not give rise to any warranty claims, unless Supplier is answerable therefore. If Customer or third parties carry out improper changes or repair work, these and the resulting consequences shall not give rise to any warranty claims, either. The exclusion of liability shall also apply if the fault is due to a material supplied by Customer.

- 6.6. Replaced parts shall become Supplier's property.

- 6.7. Warranty claims shall be time barred after 12 months. The statutory time bars shall apply in the case of fatalities, injuries, impairment of health, intentional or grossly negligent breach of Supplier's duty and wilful non-disclosure of a fault. The statutory time bars shall also apply for recourse claims (Section 479 Subs. 1 Civil Code), for faults in a building or for subject matter which in accordance with its normal purpose was used for a building and caused defects in the same (Sections 438 Subs. 1 No. 2 and 634a Subs. 1 No. 2 Civil Code).

**7. Reservation of title**

- 7.1. We reserve title to the subject matter supplied until receipt of all payments under all supply contracts with Customer. In the event of breach of contract by Customer in particular default of payment, we shall be entitled to reclaim the supplied items after sending a reminder and Customer shall be under an obligation to surrender the said items.

- 7.2. Customer shall be entitled to resell the supplied items in the normal course of business. However, Customer assigns to us as of now all receivables accruing to Customer from the resale against the purchaser or third party regardless of whether the subject matter was processed or not before being resold. Customer shall also be authorized to collect these receivables after they have been assigned. This shall be without prejudice to our right to collect the receivables ourselves; however, we undertake not to collect the receivables as long as Customer properly meets payment obligations. We shall be entitled to require Customer to reveal the assigned receivables and their debtors, to provide the information necessary for their collection, to surrender the pertinent documents and notify the debtors as to the assignment. If the supplied items are resold with other items not owned by us, Customer's claim against the purchaser shall be deemed assigned to the amount of the supply price agreed between us and Customer.

- 7.3. The processing or working of the reserved goods by Customer is always carried out for us. If the reserved goods are combined with other items not owned by us, we shall acquire co-ownership of the new item in the ratio of the value of the reserved goods to the other items to be processed at the time they were so processed. Otherwise, the same provisions shall apply for the new item produced as for the items supplied under reservation of title.

- 7.4. Customer undertakes to insure the supplied items against theft, breakage, fire and water damage and also other insurable risks during the reservation of title and to notify us to that effect. If Customer does not render such notice, we shall be entitled to conclude the insurance policies at Customer's expense.

- 7.5. The reservation of title and the securities to which we are entitled shall apply until complete release from contingent liabilities we have assumed in Customer's interest.

- 7.6. We undertake to release securities to which we are entitled upon Customer's request if their value exceeds the value of our claims to be secured, in so far as they have not been settled, by more than 20%.

**8. Liability**

- 8.1. Liability, regardless of the legal grounds, is hereby excluded for losses and damage not arising in or to the supplied goods themselves.

- 8.2. The exclusion of liability shall not apply, however, for intention or gross negligence, culpable fatalities, personal injury or impairment of health, wilful non-disclosure of a fault, assumption of a guarantee or a procurement risk, breach of cardinal contractual obligations or faults in the subject matter in so far as there is liability under the Product Liability Act for personal injury or damage to privately used items.

- 8.3. In the case of culpable breach of cardinal contractual obligations, the claims to damages under minor negligence shall be limited to typical losses that are reasonably foreseeable under such contracts.

- 8.4. In the case of breach of contractual subsidiary obligations, such as information and advisory duties, Clauses 6 and 8 shall apply mutatis mutandis.

- 8.5. In so far as Customer has any claims under Clause 8, these shall be time barred pursuant to Clause 6 No. 7.

**9. Legal forum, applicable law and miscellaneous**

- 9.1. The legal forum is Offenburg. We shall also be entitled to sue before the court of law with jurisdiction over Customer's registered offices.

- 9.2. The contractual relationship shall be governed by the laws of the Federal Republic of Germany

- 9.3. Place of fulfilment shall be the place from which we render performance.

- 9.4. Should any provision be or become invalid, this shall have no effect on the validity of the remaining provisions.