

**Terms and Conditions (Sales)
of Schaeffler Aerospace Germany**

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These Terms and Conditions (Sales) for the sale of goods and the provision of services (hereinafter "T&Cs") are divided into two parts: Part A, which contains general regulations for all types of contracts, and Part B, which contains regulations for specific types of contracts in addition to Part A.

A. GENERAL PROVISIONS

The following provisions in this Part A apply to all types of contracts with our Customers, subject to any special provisions in Part B.

I. DEFINITIONS, SCOPE

1. "We" are the company with which the Customer enters into the relevant contractual relationship. The "Customer" is our contractual partner. We and the Customer are individually a "Party" and jointly the "Parties".
2. These T&Cs apply to all our business relationships with our Customers. They apply in particular to purchase contracts ("*Kaufverträge*"), contracts for work and materials ("*Werklieferungsverträge*"), contracts for work ("*Werkverträge*"), service contracts ("*Dienstleistungsverträge*") and rental contracts ("*Mietverträge*"). However, they apply only if the Customer is a commercial entity, a legal entity under public law or a special fund under public law.
3. The T&Cs shall also apply to any future contracts with the Customer without us having to refer to them again in each individual case.
4. Our T&Cs shall apply exclusively, even if We accept orders without reservation with knowledge of the Customer's terms and conditions, provide services or make direct or indirect reference to letters or the like which contain the Customer's or third parties' terms and conditions. We recognise conflicting, deviating or supplementary terms and conditions of the Customer in each case only by expressly agreeing to the application of such in writing.
5. Any reference to the applicability of statutory provisions shall be for clarification purposes only. Even without such a reference, the statutory provisions of law shall apply unless such are directly modified or expressly excluded in these T&Cs.

II. FORM

1. Any individual agreements entered into in individual cases (including ancillary agreements, supplements and amendments) shall take precedence over these T&Cs. Subject to any proof to the contrary, a written contract or our written confirmation shall be authoritative for the content of such agreements. In case of doubt, commercial clauses shall be interpreted in accordance with the Incoterms® published by the International Chamber of Commerce in Paris (ICC) in the version current applicable at the time of conclusion of the contract.
2. Written form within the meaning of these T&Cs also includes electronic declarations signed by means of "Adobe Sign" or, by mutual agreement of the Parties, signed by any other means of electronic system complying with the state of the art.
3. Unless otherwise stipulated below, legally relevant declarations and notifications (e.g. setting of deadlines, demand notice, withdrawal, termination) must be made in writing to the other Party. Legal formal requirements and further proof, in particular in the event of doubts about the legitimacy of the declarant, shall remain unaffected.

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1. Our offers are subject to change without notice and are non-binding unless they are expressly marked as binding or contain a specific acceptance period. This shall apply also if We have provided the Customer with catalogues, technical documentation, other product descriptions or documents – including in electronic form.
2. An order by the Customer shall be deemed to be a legally binding offer to conclude a contract. We are entitled to accept this contractual offer within 21 calendar days of its receipt by us. Our acceptance shall be made by declaration in text form (e.g. by our order confirmation or our notification of readiness for dispatch/collection) or by delivery of the goods.
3. If We accept any order from the Customer with a deviating delivery period, deviating but valid adjustments to our prices or smaller quantities than those ordered, the contract, insofar as accepted by us, shall be deemed to have been concluded (in deviation from § 154 s.1 and § 150 s.2 German Civil Code (BGB)). In the event of any conflict, in case of doubt the wording of our order confirmation shall be decisive for determining the actual contract. This also applies to any ancillary obligations such as documentation obligations, life cycle assessments, reporting obligations and similar.
4. Any oral agreements made prior to the conclusion of the contract shall be legally non-binding and shall be superseded in full by the contract, unless it is expressly stated in each case that such shall continue to be binding.
5. Our information on the scope of any goods or services (e.g. weights, dimensions, utility values, load-bearing capacity and technical data) as well as our statements of the same (e.g. drawings and illustrations) are not binding in the sense of warranted properties, but serve merely as descriptions or identifications of the subject matter of the goods or services, unless they were expressly warranted as definite qualities in our offer or order confirmation or exact conformity is necessary to be able to use the subject matter of the performance for the agreed intended purpose. Deviations customary in the trade as well as any deviations based on legal regulations or representing technical improvements as well as the replacement of components by equivalent parts are permissible insofar as such do not impair the usability for the agreed intended purpose.
6. Unless otherwise stated in the respective commercial register or corresponding public registers, the Customer acknowledges that only two authorised representatives acting jointly in accordance with our authorisation regulations may make legally binding declarations on our behalf.

IV. PRICES / PROCESSING SURCHARGES / DELIVERY MODALITIES / INCOTERMS

1. "Free Carrier - FCA (Incoterms 2020)" shall apply to all our deliveries (with reference to the place from which We deliver in each case), unless otherwise agreed.
2. If a different Incoterm has been agreed and we therefore ship the goods to a destination specified by the Customer, the Customer shall bear all resulting additional costs.
3. Pallets, containers and other reusable packaging remain our property and are to be returned by the Customer to our delivery point without undue delay and free of charge. Non-returnable packaging will not be taken back.
4. In the case of deliveries to EU member states ("Intra-Community Deliveries of Goods"), the Customer shall immediately cooperate in a suitable manner in providing evidence of the Intra-Community Delivery of Goods. In particular, We may require a dated and signed confirmation of the Intra-Community Delivery of Goods with at least the following content: Name and address of the recipient of the goods, quantity and customary description of the goods as well as place and

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date of receipt of the goods. If the Customer does not comply with this duty to cooperate, it shall be liable for any resulting damage, in particular for any value added tax incurred by us.

5. If the Customer does not make use of its right of withdrawal from section A.VII.3., the price for our goods applicable at the time of delivery shall apply in deviation from our order confirmation.

V. RESERVATION OF RIGHTS / SECRECY / CONFIDENTIALITY

1. We do not grant any rights or licences to our intellectual property (including but not limited to patents, trademarks, copyrights, designs, business secrets, know-how and software). We reserve all property rights, copyright and industrial property rights to all documents, materials and other objects (e.g. offers, catalogues, price lists, cost estimates, plans, drawings, illustrations, calculations, product descriptions and specifications, samples, models and other physical and/or electronic documents, information and software) handed over by us to the Customer. In particular, the Customer shall not exploit, reproduce or modify any of the aforementioned.
2. The Customer and We will use the aforementioned items and the information (jointly "Protected Items") received from the other Party only in the course of initiating and executing the contract exclusively for the contractual purposes. The Parties undertake to treat all Protected Items obtained from the other Party as confidential and to disclose or make it accessible to third parties only in the following cases:
 - a) with the consent of the other Party to disclosure,
 - b) in the case of an obligation based on statutory provisions,
 - c) in the context of court or arbitration proceedings or in the case of an obligation by a legally binding court or unappealable official order,
 - d) for disclosure to independent auditors familiar with the audit of the financial statements of the respective Party, as well as to legal and tax advisors.
3. The Parties also undertake not to copy, deconstruct, disassemble, decompile, decode, modify, analyse features or chemical composition or structure, reverse engineer or attempt to reconstruct or create derivative works based on Protected Items, unless this is necessary to fulfil the contract.
4. The obligation to maintain secrecy shall continue after the termination of the business relationship.
5. The Protected Items need not be treated as confidential if they
 - a) has been developed independently of the other Party;
 - b) is or become publicly known without any breach of the mutual confidentiality obligations of the Parties;
 - c) are obtained from a third party, provided that such Protected Items have not become subject to a confidentiality agreement with the respective Party.
6. Each Party may pass on Protected Items to its affiliated companies (§ 15 et seq. Stock Corporation Act (*AktG*)) provided that the affiliated company is bound to a duty of confidentiality in a comparable manner. Passing on to affiliated companies that are competitors of the other Party is only permitted with regard to Protected Items that do not relate to competing business. Each Party shall be liable for its affiliated companies should they breach any confidentiality obligations.
7. Both Parties confirm to each other that the Protected Items provided to one Party are free from rights of third parties and that their transfer does not violate any contractual obligations to a

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third party. Insofar as third-party rights to the Protected Items exist, the Party that transfers them to the other Party confirms that it is entitled to do so and hereby grants the other Party, to the extent necessary, a non-exclusive, non-transferable license, only sublicensable to its affiliated companies, limited to the term of the relevant contractual relationship, to use the Protected Items exclusively for the contractual purposes.

8. Unless mandatory law provides otherwise, the Customer shall return any all items and information referred to in the above paragraphs to us upon our request and destroy any existing copies (including electronic copies). Upon our request, the Customer shall confirm to us the completeness of the return and destruction/deletion or, the state any items or information it is required to retain due to mandatory law.
9. The provisions under section A.XIII. shall also apply in addition hereto and with priority in relation to any software.

VI. EXPORT CONTROL

1. With respect to our products, technology, software, services, other goods, licenses, intellectual property rights, trade secrets and access or re-use rights to material and information ("Schaeffler Goods"), the Customer shall comply with the export control and sanctions regulations of the European Union ("EU"), the EU Member States, the United States of America ("U.S.") and, if applicable, other countries ("Export Control Regulations") to the extent permitted under applicable antiboycott laws.
2. We inform the Customer (i) that the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC) treats us as a U.S. person within the meaning of the Iran Sanctions Regulations (ITSR) and Cuba Sanctions Regulations (CACR) and (ii) that therefore Schaeffler Goods may not without the prior approval of the relevant U.S. authorities and in accordance with the applicable anti-boycott regulations (in particular those of the EU and its Member States) - neither directly or indirectly - be used, supplied, exported, re-exported, sold or otherwise transferred to any country or territory subject to restrictions or sanctions imposed by the U.S. Government or any person or entity on any sanctions list maintained by the U.S. Government.
3. As per the Export Control Regulations, We have to oblige the Customer for certain Schaeffler Goods in certain third countries (in particular Russia and Belarus) in particular not to export, sell, supply, transfer, re-export, otherwise transfer, re-export for use in these third countries, and to oblige customers to whom intellectual property rights or trade secrets to certain Schaeffler Goods have been granted or transferred, not to use such intellectual property rights or trade secrets or other product-specific information for goods for sale, supply, transfer or export to certain third countries (in particular Russia and Belarus) or to grant corresponding sublicenses. Furthermore, We are obliged to impose a corresponding obligation on the Customer to oblige certain third parties, in particular sublicensees. The Customer accepts these legal obligations.
4. The Customer shall inform us in advance and provide us with all information (including end-use) necessary for us to comply with Export Control Regulations, in particular if Schaeffler Goods are ordered for use in connection with
 - a) a country or territory, natural or legal person subject to restrictions or prohibitions imposed by Export Control Regulations, or
 - b) the design, development, production or use of military or nuclear goods, chemical or biological weapons, missiles, space or aircraft applications and delivery systems therefore.
5. In the event of conflicting Export Control Regulations or a breach by the Customer of its obligations under this section A.VI., We shall be entitled in particular to refuse or withhold

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performance of the contract without any liability to the Customer, to demand information, omission and damages and to terminate the relevant supply contract and the entire business relationship.

VII. DELIVERY DATES

1. Dates for the provision of goods and services undertaken by us (hereinafter referred to as "Delivery Periods") are always only approximate dates. This shall not apply if a fixed Delivery Period has been expressly promised or agreed as such. Promised or agreed Delivery Periods shall be calculated from the time of the order confirmation, in the case of delivery against advance payment from receipt of payment, but at the earliest from final agreement on the issues to be clarified with the Customer before the start of production.
2. If We are unable to perform any of our contractual obligations due to Force Majeure or other unforeseeable events beyond our control (hereinafter "Force Majeure"), We shall be released from the performance of such obligations for the duration of the Force Majeure and the related Delivery Periods shall be automatically extended by the period of the respective Force Majeure plus any necessary grace period. Force Majeure includes, but is not limited to, wars (including terrorist acts and acts similar to war, even if no formal state of war has been declared), insurrections, popular uprisings, rebellions, civil wars, sabotage, fires, floods, droughts, monsoons, hurricanes, tornadoes, typhoons, cyclones, lightning, thunderstorms, landslides, land erosion, earthquakes, volcanic activity, famines, explosions, scientifically unexplained events or other natural disasters, epidemics, pandemics, quarantine measures due to epidemics or pandemics, governmental actions or measures of any authority/state or prohibitions, changes in applicable laws (including the introduction of new laws and the repeal or amendment of existing laws) or judicial or regulatory interpretation or implementation of the aforementioned laws, made and/or published after the effective date of these T&Cs between the Parties (hereinafter referred to as a "change in law") to the extent that the performance of our obligations under any contract is affected by such change in law, disruption of operations of any kind, disruption of supply from normally reliable sources (e.g. electricity, water, fuel and the like), shortages of energy and raw materials, transport delays, defective or delayed deliveries from suppliers for which We have concluded a corresponding agreement with the respective supplier to cover requirements at the time of the conclusion of the contract and for which We are not responsible, or strikes, lockouts or labour shortages. In the event of Force Majeure, We shall notify the Customer as soon as possible, at the same time informing it of the expected new Delivery Period and making all reasonable efforts to limit the effects of the Force Majeure. However, the legal consequences of Force Majeure provided for in this section A.VII.2. shall remain unaffected by any failure to give such notice.
3. If We are still unable to deliver or perform as agreed three (3) months after the expiry of the Delivery Period for whatever reason, the Customer and We shall be entitled to withdraw from the contract in whole or in part to the extent of the performance affected by the delay or, to terminate the contract; in this respect We shall immediately refund any consideration already paid by the Customer.
4. Any delay in delivery on our part shall be determined in accordance with the provisions of statutory law. In any case, however, a notice of default from the Customer is required.
5. We shall not be in default if We are unable to provide any performance owed because the Customer was in default with acceptance of the performance, the Customer has not satisfied a duty to cooperate as required by law, the concluded contract or these T&Cs, does not fulfil it in time or does so incorrectly or if the performance owed cannot be provided by us for other reasons for which the Customer alone is responsible. In such cases, We are entitled to demand compensation for any resulting damage, including additional expenses (e.g. storage costs). Proof of

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higher damages and our statutory claims (in particular compensation for additional expenses, reasonable compensation, termination) remain unaffected.

6. Insofar as it has been agreed with the Customer that a specific quantity is to be delivered within a fixed period of time (hereinafter referred to as the "Closing Period") and the Customer is entitled to determine the delivery date in each case, such are to be called off from us at the latest twelve weeks before the desired delivery date. After expiry of the Closing Period, We may deliver and invoice the Customer for the quantity not yet called off.
7. If the Customer requests changes to performance deadlines or other dates, these shall only become legally binding with our consent in text form. The costs incurred by us due to such changes shall be reimbursed to us by the Customer.
8. We are entitled to render partial performance if (a) a partial performance is usable for the Customer within the scope of the contractual intended purpose, (b) the provision of the remaining performances is ensured, and (c) the Customer does not incur significant additional expenses or costs as a result of the partial performance, unless We agree to bear these costs.
9. The rights of the Customer according to section A.XI. of these T&Cs and our statutory rights, in particular in the event of any exclusion of the duty to perform (e.g. due to impossibility or unreasonableness of performance and/or subsequent performance), shall remain unaffected.

VIII. PAYMENTS

1. Unless otherwise agreed, payments shall be made cashless within the payment period stated on the invoice. The invoice shall be deemed to have been received within three (3) days of dispatch, unless the Customer proves otherwise. We are entitled at any time, also within the framework of an ongoing business relationship, to provide a delivery in whole or in part only against advance payment. We shall declare a corresponding reservation at the latest with the order confirmation.
2. Upon expiry of the aforementioned payment deadline, the Customer shall be in default, unless performance is not made due to a circumstance for which the Customer is not responsible. During the period of default, interest shall be charged on the payment owed at the statutory default interest rate applicable at the time. We reserve the right to assert further claims for damage caused by default. With respect to any merchant, our right to claim commercial arrears interest (§ 353 Commercial Code (HGB)) remains unaffected.
3. In the event of default in payment or if it becomes apparent that our claim to the purchase price is jeopardised by the Customer's lack of ability to pay, We shall be entitled (i) to unilaterally change the agreed method of payment to advance payment by giving appropriate notice in text form, (ii) to withhold the goods or services concerned, (iii) to demand security from a third party (e.g. bank guarantee from a major German bank) for the resumption of the goods or services or (iv) to withdraw from the delivery contract with immediate effect - if necessary after setting a deadline. The statutory regulations on the dispensability of setting a deadline when exercising the right of withdrawal remain unaffected.
4. Any setoff by way of a counterclaim of the Customer or retention of payment is permissible only insofar as the counterclaims are undisputed or have been legally established. This does not apply to claims in a reciprocal relationship which are characteristic of the exchange relationship between the main performance and the counter-performance of the contract. Any right of retention is limited to counterclaims arising from the same contractual relationship.

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IX. RETENTION OF TITLE

1. Goods paid for in advance are not subject to retention of title. In all other respects, We will retain our title to all goods delivered by us until payment has been made in full ("Goods Subject to Retention of Title"). The retention of title extends to any products resulting from the processing, mixing or combination of our goods at their full value, whereby We are deemed to be the manufacturer. If, in the event of processing, mixing or combining with goods of third parties, third party rights of ownership remain or if the value of the newly created products is greater than the value of the Goods Subject to Retention of Title, We shall acquire a co-ownership proportionate to the value of the Goods Subject to Retention of Title (gross invoice value) in relation to the value of the processed, mixed or combined goods. In the event that, for any reason, no such acquisition of ownership or co-ownership results, the Customer hereby assigns to us any ownership or (in the aforementioned proportion) co-ownership of the newly created products as security; We hereby accept this assignment. If the Customer's product is to be regarded as the main object as a result of the mixing, We and the Customer agree that the Customer shall transfer co-ownership of this product to us on a pro rata basis. We hereby accept the transfer. The Customer shall keep the title or co-ownership for us free of charge.
2. Until revoked, the Customer is entitled to use, process/convert, combine, mix and/or sell the Goods Subject to Retention of Title in the ordinary course of business. The Customer hereby assigns to us by way of security – in the event of co-ownership by us of the Goods Subject to Retention of Title on a pro rata basis in accordance with our co-ownership share – the Customer's claims for payment against its Customers from a resale of the Goods Subject to Retention of Title as well as those claims of the Customer in respect of the Goods Subject to Retention of Title which arise for any other legal reason against its customers or third parties (in particular claims in tort and claims for insurance), including all balance claims from the current accounts. We hereby accept these assignments.
3. We hereby revocably authorise the Customer to collect any claims assigned to us in its own name on our behalf. This shall not affect our right to collect these claims ourselves. However, We shall not collect such ourselves and shall not revoke this authorisation to collect as long as the Customer duly fulfils its payment obligations towards us (and in particular does not fall into arrears), as long as no application has been filed for the opening of insolvency proceedings against the Customer's assets and as long as there is no lack of capacity on the part of the Customer and We do not assert the retention of title by exercising a right in accordance with section A.IX.6. of these T&Cs. If one of the aforementioned cases occurs, We may demand that the Customer informs us of the assigned claims and the respective debtors, notifies the respective debtors of the assignment (which We may also undertake ourselves at our discretion) and hands over to us all documents and provides all information that We require to assert such claims.
4. If the Customer so requests, We shall release the Goods Subject to Retention of Title and any products substituting for such to the extent that their respective value exceeds the amount of the secured claims by more than 10%. The selection of the items to be released shall be at our discretion.
5. The Customer is not entitled to pledge the Goods Subject to Retention of Title or to assign such as security. In the event of any seizure of the Goods Subject to Retention of Title by third parties or any other access to such by third parties, the Customer must clearly indicate our ownership and notify us without undue delay so that We can pursue our ownership rights. Insofar as the third party is not able to reimburse the judicial or extrajudicial costs incurred by us in this connection, the Customer shall be liable to us in this regard.
6. In the event of conduct by the Customer in breach of contract, in particular in the event of non-payment of the purchase price due, We shall be entitled to withdraw from the contract in

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accordance with the statutory provisions of law and/or to demand surrender of the goods on the basis of the retention of title. Any demand for return will not simultaneously constitute a declaration of withdrawal; We are entitled to demand only the return of the goods and to reserve a right of withdrawal. If the buyer fails to pay the purchase price due, We may assert these rights only if We have previously set the Customer a reasonable deadline for payment and this has not been met or, if setting such a deadline is not required by the statutory provisions of law.

7. Insofar as mandatory legal provisions of the respective state do not allow for a reservation in accordance with these sections A.IX.1. to A.IX.5. of these T&Cs but allow for other comparable rights to secure the claims based on the invoices of the supplier, We reserve such rights. The Customer shall cooperate by supporting any permissible measures to protect our rights of title or any other rights replacing such in respect of the Goods Subject to Retention of Title.

X. LEGAL WARRANTY („Gewährleistung“)

1. The statutory provisions of law shall apply to the Customer's rights in the event of any defects and defects of title, unless otherwise provided for or supplemented in these T&Cs.
2. Unless expressly agreed otherwise, (a) our goods and services shall comply exclusively with the legal requirements applicable in the Federal Republic of Germany and (b) the Customer alone shall be responsible for the integration of the products into the technical, structural and organisational conditions existing at its premises (system integration responsibility of the Customer).
3. Our goods and services are not defective if
 - a) any defect is due to normal wear and tear, improper use, maintenance not carried out or incorrectly carried out, defective Customer instructions, parts, materials or aids provided by the Customer or installed by us at the Customer's request,
 - b) We supply technically comparable or superior items or those of other manufacturers,
 - c) such are based on drawings, techniques, modifications, specifications or other requirements of the Customer,
 - d) they are integrated by the Customer or a third party into other products, partial products or software or parts thereof, combined with such or modified and therefore become defective,
 - e) such are used for purposes other than those contractually agreed,
 - f) a defect in title to intellectual property is based on a country other than the Federal Republic of Germany,
 - g) the defect is based on a Directed Buy Part (*Setzteil*) (section A.XVIII), or
 - h) the defect results directly from compliance with an industry standard.
4. The provisions of section A.XIII.3. shall apply additionally to software supplied by us.
5. At our request, any object of the performance which is the subject of a complaint (purchased object, work performance, rented object) shall be returned to us without undue delay and, as far as possible, initially at the Customer's expense. In the event of a justified complaint, We shall reimburse the Customer for the costs of the most inexpensive shipping route; this shall not apply if the costs increase because the goods are located at a place other than the place of intended use.
6. We shall not be liable to bear the direct costs of any installation or removal if such are not incurred at the original place of use. Furthermore, there shall be no obligation to bear costs if the

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costs of installation or removal are disproportionate to the price of the defective object. In all other respects, the statutory provisions of law shall apply.

7. Insofar as the Customer has any claim against us due to a defect in our performance, We shall decide at our reasonable discretion, in which manner such defect is to be rectified. This applies in particular if the Customer has a claim to subsequent performance in the form of rectification (correction of defects) or subsequent delivery (delivery of a defect-free replacement). In case of claims due to infringement of intellectual property rights, We have the right, but not the obligation, to obtain a right of use for the affected deliveries or services and to modify them. If none of these options can be achieved at a commercially reasonable cost, the Customer cannot demand rectification or subsequent delivery but may withdraw from the contract. In such cases, We also have the right to withdraw from the contract.
8. If third parties assert claims against the Customer due to defects of title in our deliveries or services, the Customer shall inform us of this immediately, shall not make any acknowledgements without our consent and shall enable us to provide the Customer with comprehensive support in defending against this claim.
9. The rights of the Customer to claim damages and a reimbursement of wasted expenses due to a performance defect shall be determined in accordance with section A.XI. of these T&Cs.
10. Claims for defects shall become time-barred 24 months after the delivery or handover of the respective performance (e.g. purchased object, work performance, rented item), unless deviating provisions are made in these T&Cs. If acceptance of performance is required by law or by these T&Cs, the claims shall become time-barred 24 months after the date of acceptance of the performance or 24 months after the performance is deemed to have been accepted. If no deviating provisions on acceptance are made in these T&Cs, the statutory provisions of law shall apply. § 438 (1) No. 2 and § 634a (1) No. 2 German Civil Code (BGB) shall remain unaffected by this provision.
11. Quality and durability guarantees must be expressly made in writing and must be indicated as such.

XI. LIABILITY FOR DAMAGES

1. Our liability to provide damages, irrespective of the legal grounds, is limited in accordance with this section A.XI. The same applies to any reimbursement of wasted expenses due to any defect in our goods and services.
2. We shall be liable without limitation insofar as We have fraudulently concealed a defect or have assumed a commercial guarantee ("*Garantie*") for the quality of the goods, if any defect results in injury to life, limb or health or if liability arises under the Product Liability Act or any other mandatory statutory provisions of law. Such liability remains unaffected by the following provisions.
3. Unless expressly stipulated otherwise, the following provisions shall also not affect our liability for damage arising from intent or gross negligence.
4. In the event of simple negligence, We shall only be liable for damage, subject to statutory limitations of liability (e.g. care in own affairs, minor breaches of duty), insofar as a breach of material contractual duties is involved. Material contractual obligations are obligations the fulfilment of which makes the proper performance of the contract possible in the first place and the observance of which the Customer may normally rely. However, liability is limited to damage foreseen by us as a possible consequence of a breach of contract at the time of conclusion of the contract or which We should have foreseen with the of due care.
5. Insofar as We are generally obliged to pay damages, We shall be liable

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- a) for property damage and resulting financial losses limited to 2.5% of the annual net turnover of the previous calendar year with the Customer per event of damage, but only up to a maximum of 5% of the annual net turnover of the previous calendar year with the Customer per year. If no turnover was generated with the Customer in the previous calendar year, the turnover of the calendar year in which the event of damage occurred shall be taken as the reference value instead. A serial damage, i.e. all cases that are based on the same or a similar defect, is deemed to be one case of damage in this respect. This limitation of liability shall apply also in the event of a breach of material contractual obligations. The limitation of the scope of liability shall apply also, notwithstanding section A.XI.3. of these T&Cs, in the event of liability arising from gross negligence.
 - b) in case of indirect damage and damage resulting from defects in our goods or services, for such damage as is typically to be expected when the goods or services are used for the intended purpose. Any liability for loss of profits or income is excluded in such cases.
 - c) in the case of contractual penalties and liquidated damages owed by the Customer to third parties in connection with our goods or services, We shall be liable only for such if this has been expressly agreed with us in text form or if the Customer has expressly drawn our attention to this risk in text form before the conclusion of the contract.
6. Notwithstanding any responsibility to do so, We shall not be liable for technical information provided by us or act in an advisory role, insofar as this information or advice is not part of our contractually agreed scope of performance including ancillary obligations. In such cases, this shall take place as a courtesy only and to the exclusion of any liability.
7. The above exclusions and limitations of liability shall also apply if our bodies, legal representatives, employees and other vicarious agents, for whom We are liable according to the statutory provisions of law, act on our behalf. These provisions shall also apply in favour of these persons themselves.

XII. STATUTE OF LIMITATIONS

1. The limitation period for all claims of the Customer arising from and in connection with the contractual relationship between the Customer and us, which are not subject to section A.X.9. of these T&Cs, is 24 months. The commencement of the limitation period is determined in accordance with the statutory provisions.
2. The limitation period according to section A.XII.1. shall not apply if the application of the statutory limitation provisions, such as in particular § 548 (2) German Civil Code (BGB), leads to a shorter limitation period. In such cases, the shorter limitation period under the law shall apply.
3. Claims by the Customer under the German Product Liability Act and due to intentional breach of contract shall become time-barred exclusively in accordance with the statutory limitation periods.

XIII. SOFTWARE

1. Insofar as software is included in the scope of delivery, the Customer shall receive the non-exclusive, non-transferable right, limited in time in accordance with the provisions of the delivery contract and not sub-licensable without our written consent to use the software. exclusively in connection with the goods intended for the software. If We deliver the software in connection with a product, the Customer may only use it in connection with the product for which the software is intended. Unless otherwise expressly agreed, software is provided to the Customer in a compiled version.

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2. The Customer may duplicate, edit or decompile the software without our consent only if such is required by mandatory law. Any changes to the source code are not permitted. The Customer undertakes not to remove the manufacturer's details – in particular copyright notices – or to change such without our prior express written consent. We reserve all other rights to the software, including any copies thereof.
3. The warranty for software is governed by section A.X. and, if the provision of the software is based on a purchase contract or contract for work and materials, additionally and primarily by Section B.I.2. Furthermore, there is no material defect in connection with delivered software (including software that is included in a delivery item or other service) if
 - a) it is used in a hardware or software environment not agreed with us,
 - b) changes, modifications or extensions to the software are made by the Customer or a third party contracted by the Customer without being authorised to do so by law or by contractual agreement with us,
 - c) the configuration or installation of the software by the Customer deviates from our provisions, and
 - d) the software is used for purposes other than those contractually agreed upon.
4. Open-Source Software provided by us or one of our affiliated companies is not licensed under these terms of these T&Cs (Sales), but under the terms of the applicable Open-Source Software license. To the extent required by the license conditions, We will inform the Customer of this and, if necessary, provide it with the license conditions. The Customer is obliged to comply with and fulfill the Open-Source Software license conditions. "Open-Source Software" refers to any software that is subject to a license that
 - a) requires the licensee to pass on the source code,
 - b) makes the source code available for copying, modification and/or passing on the source code or a derivate,
 - c) either permits or requires a license fee or no license fee, or
 - d) corresponds to the open-source definition (as announced by the Open-Source Initiative) or the free-software definition (as announced by the Free Software Foundation) or to a substantially similar license, including but not limited to a license approved by the Open-Source Initiative and a Creative-Commons license.

XIV. OBLIGATION TO NOTIFY IN THE CASE OF PRODUCT SAFETY LAW MEASURES

1. If product safety measures are taken at the Customer's premises or against the Customer in connection with our products (e.g. official measures of market surveillance, such as the order of a withdrawal or a recall) or if the Customer intends to take such measures itself (e.g. notifications to market surveillance authorities), the Customer shall inform us without undue delay after becoming aware of such.

XV. COMPLIANCE

1. The Customer shall not commit any acts or omissions which, irrespective of the form of its involvement, may lead to a regulatory or criminal penalty, in particular for corruption or Infringements of anti-trust or competition law, by the Customer, by persons employed by the Customer or by third parties commissioned by the Customer (hereinafter referred to as "Infringement" or "Infringements"). The Customer shall be responsible for taking the appropriate measures to avoid Infringements. To this end, the Customer shall in particular oblige the persons employed

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by it and third parties commissioned by it accordingly and train them comprehensively with regard to the avoidance of Infringements.

2. The Customer undertakes to provide information about the aforementioned measures at our request, in particular about their content and implementation status. For this purpose, the Customer shall, upon request, fully and truthfully answer a questionnaire provided by us for the purpose of self-disclosure and provide us with related documents.
3. The Customer shall inform us without undue delay of any initiation of official investigation proceedings due to an Infringement. Furthermore, in the event of indications of an Infringement by the Customer, We shall be entitled to demand information concerning the Infringement and the measures taken to remedy it and prevent it in the future.
4. In the event of an Infringement, We shall be entitled to demand that the Customer immediately cease and desist and indemnify us against all third-party claims and reimburse us for all damage incurred by us as a result of the Infringement. Without prejudice to any other legal or contractual rights, in such a case We shall furthermore have an extraordinary right of withdrawal or termination of all existing legal transactions with the Customer.
5. In addition, the Customer acknowledges the Schaeffler Group's Code of Conduct in the version in force at the time of conclusion of a legal transaction; the Code of Conduct can be accessed at www.schaeffler.de (and can be found using the search function) or will be sent to the Customer upon request. The Customer warrants that it has introduced and implemented the principles of responsible business conduct set out therein in its company. The Customer shall commit any third parties used within the framework of the contractual performance in a similar manner.

XVI. COOPERATION OBLIGATIONS OF CUSTOMER

1. If We are obliged by law, by these T&Cs or by contract to provide goods or services within the scope of the performance of the contract, the Customer shall support us in doing so. Unless mandatory legal provisions provide otherwise, the Customer shall in particular carry out the following measures:
 - a) The Customer shall transport the necessary items within its business premises to the place of performance.
 - b) The Customer shall prepare the place of performance in such a way (e.g. clean, cordon off, remove harmful influences) that it is possible and reasonable for us to duly provide full and proper service and shall grant us access to such place.
 - c) The Customer shall ensure the availability of necessary basic supplies and utilities (e.g. electricity, water, heating, lighting, compressed air).
 - d) The Customer shall provide the equipment, tools (e.g. crane, means of transport, compressors) and supplies (e.g. chocks, lubricants, sealing materials) necessary for the due provision of the performance.
 - e) The Customer shall make available to us rooms or containers in which We can store our tools. These rooms or containers must be lockable, clean and dry.
 - f) The Customer shall make available a properly temperature-controlled recreation room for our employees.
 - g) The Customer shall provide – if necessary at short notice or if such is unforeseen – suitable auxiliary workers or skilled workers, in particular suitable personnel to operate its devices and tools. Such personnel shall act on behalf of and on the instructions of the Customer.

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- h) The Customer shall provide technical assistance, in particular it shall provide us with the necessary drawings, drafts, plans, models, calculations and other information, documents and data. The Customer is responsible for the correctness and completeness as well as for ensuring that such are not encumbered by any third-party rights that prevent us from duly carrying out or completing the performance.
 - i) The Customer shall fulfil its duties to cooperate in such a way that We can commence our services without undue delay after arrival at the place of performance and shall carry out duties without delay up to the time of acceptance by the Customer. Should there be any delays on the part of the Customer, it shall inform us of such without undue delay and pay for any standby waiting times of our personnel at the same hourly rates as for the performance of the contract itself. Insofar as no hourly rates have been agreed, the customary hourly rates shall apply.
 - j) The Customer shall take the necessary measures to protect persons and property at the place of performance. If necessary, it shall provide special protective clothing free of charge. The Customer shall inform our employees of existing safety regulations insofar as these are relevant to our employees and the performance to be provided by us. In the event of any violations of such safety regulations by our employees, the Customer shall notify us without undue delay. If any performance cannot be undertaken without risk to the life and health of the employees due to non-compliance with work safety regulations, either sufficient protective countermeasures shall be put in place or the work shall be suspended until such time as work safety is guaranteed. If the guarantee of occupational health and safety falls within the Customer's area of responsibility, the corresponding delays shall have the effect of extending any deadline.
 - k) The Customer shall confirm to us with a signature the actual periods of the working time of the personnel deployed by us by no later than the end of the assignment, but at least on a weekly basis.
2. Insofar as our employees require residence and/or work permits in order to provide the performance, the Customer shall, subject to agreement in each individual case, provide free of charge the necessary degree of support to us vis-à-vis the local authorities in applying for, extending or amending the permits required for the contract performance.
 3. The Customer shall fulfil its obligations to cooperate arising at law, under these T&Cs or the contract itself in a timely and complete manner and shall support us in the provision of the contract performance.
 4. If the Customer does not comply with an obligation to cooperate or only does so incorrectly, We may set a reasonable deadline for the Customer to provide the necessary support. If the Customer fails to perform the required support within the deadline so set, We shall be entitled to undertake the respective work ourselves or have it performed by a third party. We are also entitled to terminate the contract in the event of failure to perform any cooperation within the set period. The Customer shall be informed of these possible consequences at the time of the setting and notification of the deadline. If the Customer fails to perform any duty to cooperate, fails to perform it on time or performs it incorrectly, the Customer shall also be obliged to bear the costs incurred by us as a result (e.g. delays, additional expenses). Further rights according to contract or at law remain unaffected hereby.

XVII. TERMINATION

1. Insofar as the right to ordinary or extraordinary termination of the contract arises at law or these T&Cs, such termination must be in writing.

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2. Insofar as the law provides for the possibility of extraordinary termination of the contract for good cause, good cause entitling us to terminate the contract shall exist in particular if
 - a) the provisions of section A.VIII.3. are fulfilled,
 - b) a significant change occurs in the Customer's ownership or management, or
 - c) the Customer breaches a material term of the contract, including but not limited to a breach of the obligations under section A.V.

XVIII. DIRECTED BUY PARTS (*Setzteile*)

1. A raw material, component or software to be used or procured by us or a service to be provided by a supplier or sub-supplier for which the Customer has in particular named, proposed, selected or instructed the supplier or agreed on the development, design responsibility, specification, quality or price with the supplier, is a "Directed Buy Part".
2. Concerning a Directed Buy Part, the Customer has to ensure that
 - a) the Directed Buy Part fulfills all legal and regulatory requirements of the respective sales market,
 - b) all technical and safety requirements are fulfilled,
 - c) the Directed Buy Part prices to be paid and any modifications are always up to date and that We are notified of any changes in writing without delay,
 - d) all costs in relation to us are borne or reimbursed by the Customer,
 - e) the production and tool capacity and the tool of the supplier of the Directed Buy Part meet the requirements of the Customer,
 - f) a PCN ("Product Change Notification") is issued in good time in the event of modifications,
 - g) manufacturing and material approvals are available,
 - h) the Directed Buy Part is approved before the start of the series production, and
 - i) the tool for the Directed Buy Part is designed to meet the specifications and for the intended use as well as for the required service life.
3. It is not our contractual obligation to ensure that the Directed Buy Part is free of defects; this is the Customer's responsibility. In this regard, the Customer is liable to us as a seller. This also applies to any non-compliance with warranty, delivery or other contractual obligations by a supplier of Directed Buy Parts.
4. We pass on price changes of the Directed Buy Part to the Customer.
5. The Customer shall bear all expenses in case of a necessary change of the supplier of Directed Buy Parts.
6. We are not obliged to check or monitor compliance with the specifications and other regulations agreed between the Customer and the supplier of the Directed Buy Parts. Our obligation is limited to the installation according to the specifications as well as to the inspection after delivery for externally recognizable defects, transport damage, quantities and the identity of the Directed Buy Parts.

XIX. DATA PROTECTION

The Customer shall comply with the applicable data protection regulations, in particular the provisions of the General Data Protection Regulation and the relevant national data protection laws.

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It will process personal data exclusively for the purpose of performing the contractual relationship and ensure an appropriate level of protection of this data in accordance with Art. 32 GDPR. It will inform its employees about the applicable data protection regulations, obligate them to maintain confidentiality and protect data, and grant them access to personal data only to the extent absolutely necessary. If the Customer is to process personal data on our behalf, the Parties will conclude a separate agreement for this purpose.

XX. MISCELLANEOUS

1. The exclusive – also international – place of jurisdiction for all disputes arising from or in connection with the business relationship between us and the Customer is Nuremberg, Germany. However, We are also entitled to sue the Customer at its registered office or at the place of performance. Mandatory statutory provisions on exclusive places of jurisdiction remain unaffected hereby.
2. The contractual relationship shall be governed by the laws of the Federal Republic of Germany to the exclusion of the rules of the conflict of laws. Any application of the UN Convention on Contracts for the International Sale of Goods (CISG) is excluded.
3. Any failure or delay in enforcing any right under these T&Cs, in whole or in part, shall not constitute a waiver of such right or any other right.
4. Should any provisions of these T&Cs be or become void or ineffective in whole or in part, this shall not affect the validity of the remaining provisions. Insofar as provisions have not become part of the contract or are invalid, they shall be replaced by valid provisions which come as close as possible to the commercial intention. The same shall apply to any omission.
5. In the case of any contract combining several types of agreements regulated separately below (so-called mixed-type contracts), all elements of these T&Cs shall apply in general. Which provisions of these T&Cs applies to the contractual relationship in detail is determined by the type of contract to which the affected part of the contract is assigned and not its area of focus.

B. SPECIAL PROVISIONS FOR INDIVIDUAL TYPES OF CONTRACTS

The following provisions shall supplement the General Provisions from Part A in each case for the respective type of contract. In the event of any conflict between the General Provisions from Part A and the Special Provisions for a contract type from Part B, the Special Provisions shall prevail.

I. PURCHASE CONTRACT AND CONTRACT FOR WORK AND MATERIALS**1. Duty to give notice of defects in the case of defective goods**

The Customer is obliged to inspect the type, quantity and quality of the delivered products immediately after receipt of the goods. Obvious defects must be reported without undue delay in writing, and at the latest within a period of five calendar days. If a defect later becomes apparent which was not recognizable upon the receipt of the goods (hidden defect), the Customer shall give written notice of the hidden defect within seven calendar days of becoming aware of it. In all cases, the date of receipt of the notice of defect by us shall be decisive. Products in relation to which no notice of defect is provided in time shall be deemed to have been accepted unless We have fraudulently concealed a defect.

2. Legal warranty

- a) Whether or not a defect exists in fact shall be determined primarily by the specific agreement between the Parties on the quality and use of the products. If the Parties have not

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reached an agreement, the statutory provisions shall determine whether or not a defect exists (§ 434 (3) German Civil Code (*BGB*)).

- b) The agreement on the quality and use includes in particular all product descriptions/specifications as well as any manufacturer's specifications agreed in the respective individual supply contract or which were publicly announced by us in our catalogue or on our homepage at the time of the conclusion of the respective individual supply contract.
- c) In the event of an assessment in accordance with § 434 (3) German Civil Code (*BGB*), public statements made by the manufacturer or on its behalf, in particular in advertising or on the label of the goods, shall take precedence over statements made by other third parties. We are not bound by public statements of third parties which are not authorised by us or of which We have no knowledge and could not have had any knowledge.
- d) Any use of the products supposed by the Customer shall only become an agreement as to quality if We have expressly consented thereto. Such consent must be given in writing.
- e) Unless expressly agreed otherwise, the Customer alone shall be responsible for the integration of the products into the technical, structural and organisational conditions existing on its premises (system integration responsibility of the Customer). This applies to both software and hardware and also includes any interfaces.
- f) We are in agreement with the Customer that signs of wear and tear and damage to the products typical for the use and age of such do not constitute material defects.
- g) In the case of a product with digital content, We shall have a performance liability to provide and update the digital content only insofar as this expressly results from a quality agreement within the meaning of b) above. In this respect, We have no liability for public statements made by the manufacturer and other third parties.

II. CONTRACT FOR WORK

1. Deadlines and delay

- a) Contractually agreed Delivery Periods shall be deemed to have been met if the performance is ready for acceptance by the Customer within the respective period. The same shall apply in the case of a contractually provided trial if such can be carried out.
- b) Insofar as the Customer has not fulfilled its contractual or statutory duties to cooperate, deadlines and dates for (partial) acceptance shall be extended accordingly. This shall also apply if the Customer's order description or other information, data or documents provided by the Customer for the execution of the order are insufficient, incorrect or incomplete or were not provided to us in time.
- c) Notwithstanding section A.VII.3., the deadline is six (6) months.

2. Acceptance

- a) As soon as the work has been completed and We have notified the Customer of this, the Customer shall accept the work produced. We will request the Customer to do so in writing, setting a reasonable deadline. Upon our request, the Customer shall confirm acceptance in an acceptance report. This shall also apply if any performance date has been agreed and has not yet been reached or before the expiry of an agreed performance period (hereinafter: "early acceptance"). Any objection of unreasonableness in relation to early acceptance must be presented and proven by the Customer.
- b) The Customer shall ensure that a person authorised to issue a declaration of acceptance is available in good time for acceptance at the agreed place of acceptance or at the place

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of assembly after completion of our performance. The person provided by the Customer for this purpose shall be deemed to be authorised by the Customer to make the declaration to us.

- c) The Customer or its representative must indicate during the acceptance procedure any damage which, in the Customer's opinion, has been caused by our performance and such must be recorded in an acceptance report.
- d) The acceptance report must be at least in text form. Any subsequent objects or complaints by the Customer not recorded in the acceptance report are excluded.
- e) Acceptance may not be refused due to minor defects. If the Customer refuses acceptance due to material defects, it must inform us in writing of the material defects together with the declaration of refusal.
- f) Insofar as acceptance is to take place, the performance shall be deemed to have been accepted in particular ("Deemed Acceptance") if
 - the assembly is completed or the work is finished,
 - We have notified the Customer of this and requested it, setting a reasonable deadline, to accept the work and
 - the Customer has not refused acceptance within the set period identifying at least one material defect.
- g) However, the Deemed Acceptance shall in no case apply in cases where defects make the contractual use of the work impossible or substantially more difficult.

3. Additional/special performance

- a) Any additional or special performance not listed in the contract for work and services shall be invoiced separately. Unless otherwise agreed, invoicing shall be based on time and material expenditure in accordance with our currently applicable hourly rates plus material costs (the current hourly rates shall be communicated without undue delay on request). Travel time shall be invoiced as working time. Unless otherwise agreed, travel costs shall be invoiced according to the respective current maximum commuter flat rate, flights on an economy class basis, additional catering expenses according to the flat rates under tax law and accommodation costs on the basis of medium category hotels. The Customer may request appropriate evidence of such.
- b) Additional or special performance shall be deemed to exist in particular if the expenses and/or performance are caused the fact that:
 - the Customer subsequently changes or subsequently submits drawings, drafts, plans, models, calculations, other information, documents, data or other specifications or
 - the Customer requests post-contractual changes to the work performance.
- c) We will inform the Customer about any additional or special performance that have become necessary.
- d) If the additional and special performance which has become necessary and is attributable to the Customer has an impact on compliance with contractually agreed Delivery Periods, such shall be extended to a reasonable extent. The Customer shall bear the costs caused by any extension of the Delivery Periods caused in this way.

4. Payments

Unless otherwise agreed, payment shall be due and invoiced as follows:

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- a) when an acceptance test is to take place:
 - 40% of the total price upon conclusion of the contract;
 - 50% of the total price after completion of the work or service;
 - 10% of the total price upon acceptance of the work or service.
- b) if no acceptance is to take place:
 - 40% of the total price upon conclusion of the contract;
 - 60% of the total price after delivery of the work or completion of the service.

5. Transferability

We are entitled to transfer to a subcontractor any part of the performance for which We are responsible.

6. Legal warranty

Only in urgent cases of danger to operational safety or to prevent disproportionately large damage or if We are in default with any rectification, does the Customer have the right to carry out the rectification itself or have it carried out by a third party and demand reimbursement of the necessary costs from us. In such a case, We must be notified immediately.

III. SERVICE CONTRACT**1. Prices**

If services are rendered, the Customer shall bear all additional ancillary costs, in particular travel costs and other expenses caused by the service contract, in addition to the agreed remuneration. Unless otherwise agreed, invoicing shall be based on time and material expenditure in accordance with our currently applicable hourly rates plus material costs (the current hourly rates shall be communicated immediately upon request). Travel time shall be invoiced as working time. Unless otherwise agreed, travel costs shall be invoiced according to the respective current maximum commuter flat rate, flights on the basis of economy class, additional catering expenses according to the flat rates under tax law and accommodation costs on the basis of medium category hotels.

2. Term and termination of the contract

- a) If the term of the contract is not contractually agreed and cannot be inferred from the nature or purpose of the services owed, it may be terminated by either Party with one month's notice to the end of a calendar month, but no earlier than the end of a contractually agreed minimum term. A notice period deviating from this may be agreed in the contract.
- b) Any right to terminate without a notice period for good cause remains unaffected.
- c) In the event of termination without a notice period for good cause due to the conduct of one of the Parties, termination is only permissible after the unsuccessful expiry of a deadline set for remedial action or after an unsuccessful warning notice, unless the setting of a deadline is dispensable pursuant to § 314 (2) with § 323 (2) German Civil Code (*BGB*).
- d) In the event of termination for good cause, We shall be entitled to remuneration for the services rendered under the contract until the termination takes effect if the circumstance leading to the termination is based on the conduct of the Customer.

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- e) If the termination is caused by the other Party's conduct in breach of the contract, the other Party shall be obliged to compensate the damage resulting from the termination of the contractual relationship.

3. Transferability

We are entitled to transfer to a third party any part of the performance for which We are responsible.

IV. RENTAL AGREEMENT**1. Rental period**

- a) The rental period shall be agreed individually between the Parties. This also applies to the start of the rental period. Unless expressly agreed, the rental relationship shall commence on the day of delivery of the rental object. If collection of the rental object by the Customer has been agreed, the rental relationship shall commence upon collection from the warehouse; if the rental object is to be shipped by us to the Customer at the Customer's request, the rental relationship shall commence upon shipment from the warehouse. Unless otherwise agreed between the Parties, the rental relationship shall end at the latest on the day of the return delivery of the rented object to us. This shall also apply in the event of dispatch of the rented object back to us. If collection of the rental object by us has been agreed, the rental relationship shall end at the latest upon collection of the rental object from the Customer.

- b) The rental agreement may in any case be terminated in writing with 14 days' notice. The right of extraordinary termination is reserved.

2. Shipping

- a) Upon termination of the rental relationship, the Customer shall return the rented object to us at its own risk, unless otherwise agreed.
- b) The return shipment of the rental object shall be DDP (Incoterms 2020) to the place named in the order confirmation.
- c) The return of the rental object by us is always subject to a reservation of rights, as damage or soiling can be determined only after exact inspection. In particular, the mere receipt of the rental object does not constitute an acknowledgement of the return of the rental object as being in accordance with the rental agreement.
- d) We shall inspect the rented object for any defects after the Customer has returned it.

3. Transfer of use to third parties

- a) The Customer may not establish any rights of third parties to the rental object or assign any rights under this contract.
- b) The Customer is prohibited from making the rental object available to third parties – both for payment or free of charge. The Customer is permitted to further rent out the object only with our prior consent in text form. If We give our consent to such further rental, this shall always be subject to the Customer disclosing these T&Cs to the party so taking possession on a rental basis and the Customer contractually imposing on that party the same obligations as were imposed on the Customer by these T&Cs.
- c) In the event of a transfer of use to third parties in breach of the contract, We are entitled to exercise an extraordinary termination of the rental contract and immediate repossession of the rental object.

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- d) In the event that the rented object is made available to a third party, the Customer shall always be responsible for any fault on the part of the third party in the use of the rented object, i.e. even if We have granted permission in advance. In the event of unauthorised transfer of use to third parties, the Customer shall be liable for all damages arising therefrom, insofar as he is only responsible for the unauthorised transfer of use.
- e) The Customer hereby assigns its claims against third parties arising from a permissible or impermissible transfer of use to us on account of performance. We accept this assignment.

4. Ownership and alterations to the rented object

- a) The rental object remains our property for the duration of the rental agreement. If the rental object is connected to any real estate or land or installed into a building or any structure, this is to be done only for a temporary purpose within the meaning of § 95 German Civil Code (*BGB*) with an intention of separation upon termination of the rental relationship.
- b) Any alterations to the rental object, in particular additions and installations, as well as any connection with other objects may be undertaken only by way of a separate agreement. After the expiry of the rental period, We may demand that the original condition of the rental object be restored at the Customer's expense.

5. Rights of inspection

Upon request, the Customer shall grant us or our representatives access to the installation site of the rented object at any time during normal business hours, subject to prior agreement. We shall bear the costs of any such inspection.

6. Special obligations of the Customer

- a) The Customer shall inspect the rental object immediately upon receipt. The rented object shall be deemed to have been accepted in perfect condition unless an express written notice of defects is given after receipt. All costs of repairs that become necessary during the rental period for recognisable defects not expressly notified at the time of takeover shall be borne by the Customer.
- b) The Customer shall always use the rental object in such a way that there is no danger to the health and life of persons, as well as any damage to the rental object or to the property of third parties. In particular, the Customer is obliged after delivery of the rental object,
 - to protect the rented object from overuse in every way,
 - ensure proper use, in particular by trained specialist personnel,
 - to maintain the rented object in a professional manner or arrange for such to be done at its own expense, and
 - to follow care or use instructions, to observe and comply with all legal and administrative regulations connected with the possession, use or maintenance of the rented object.
- c) We may charge the Customer for damage that We repair due to improper use by the Customer.
- d) The Customer is obliged to notify us without undue delay in writing, stating the time, cause and extent of any damage, if a defect in the rented object becomes apparent during the rental period, if the rented object is damaged or lost or if measures become necessary to protect the rented object against an unforeseen danger. The same applies if a third party claims a right to the object (in particular by seizure, attachment) or if the external

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or internal operating conditions change. If the Customer fails to duly provide any such notification as set out herein, it shall compensate us for any resulting damage.

- e) The Customer is obliged to provide us with information about the location of the rental object in text form.

7. Defects of rented object

- a) If the tenant accepts the rented object with knowledge of a defect or damage, it can only complain about this defect if the defect or damage is recorded in writing in the handover/acceptance record or delivery note.
- b) If We are obliged to repair any damage or defect in relation to the rental object, We are also entitled to provide the Customer with a replacement of equal value. If the Customer is not provided with a replacement during the period We are repairing the rental object, the Customer's payment obligation shall be postponed for the period of the necessary repair time.
- c) If only one individual part of the rented object is to be replaced, We may require the Customer itself to replace this individual part to be provided by us, in circumstances where the costs of sending our specialist personnel would be disproportionately high and insofar as such is reasonable for the Customer.
- d) Any reduction in rent is excluded if the use of the rental object is impaired by circumstances for which We are not responsible. Any existing claims of the Customer under the law of enrichment shall remain unaffected hereby.

8. Liability of Customer

In the event of loss or damage to the rented object for which the Customer is responsible, the Customer shall bear the replacement or repair costs; in the event of irreparable damage, the Customer shall also bear the replacement costs. For the duration of the repair or replacement, the Customer shall be liable for the agreed rent in the event that it is responsible.