

## **Terms of Guarantee of the Schaeffler Engineering GmbH (hereafter referred to as SEN)**

**Version: 13/2002**

### **I. Guarantee**

1. All delivery items will be carefully checked by SEN before leaving the factory, and correspond to the current state of the art.
2. Should nevertheless, the service or delivery item be defective, the customer must give SEN the opportunity to have the defect remedied by the customer or by SEN, or allow a substitute delivery, at the choice of SEN. For repair or substitute delivery, the customer must, on demand, return the delivery item to SEN or make personnel available at his firm. When items are returned to SEN, the customer assumes the risk of loss or damage during transport.
3. Should the defect remedy not be successful after the second attempt, or the second substitute delivery be defective, or SEN does not remedy the defect or make a substitute delivery within a reasonable period of time, the customer can exercise his legal right to warranty claim.
4. The immediate costs of defect remedy or substitute delivery are to be borne by SEN, and - insofar as the claim proves to be justified - the cost of replacement parts including shipping costs. All other costs are to be borne by the customer.
5. The period of warranty for SEN depends on the legal regulation of law at the time of conclusion of the agreement, as long as no other contractual agreement has been made. All other claims expire after a maximum of one year, unless a shorter statutory period of limitations exists.
6. The guarantee period for replacement parts and defect amendments is equal to the actual legal regulation of law, or to the end of the original guarantee period on the delivery item, whichever is longer. The liability period for defects on the delivery item is to be lengthened by the length of operation time lost due to defect amendment work.
7. All parts or products replaced during repair or maintenance work return to the ownership of SEN.
8. When a defect becomes apparent, work with the delivery item, or processing of it, must stop immediately.
9. Liability of SEN is in all cases contingent on the customer meeting his legal responsibilities. This includes specifically the meeting of construction and safety regulations (UVV, VDE, TÜV, professional associations etc.).
10. Should SEN delivery items that are claimed defective undergo a technical examination that shows them to be fully functional, SEN will bill the technical examination at the hourly rate of an engineer.
11. For all calculations of time allowed, the delivery time of the goods at the place of destination, or the time of formal acceptance of delivery and the day of receipt of the written complaint at SEN are used. Receipt of written notification outside of the set time limit voids all claim to guarantee.

### **II. Exclusions from Liability**

1. SEN is not liable for errors due to incomplete or faulty orders.
2. Since the delivery item consists as a rule of a complex technical product, incompatibilities to similar assemblies or devices from other manufacturers, already in use, are not grounds for complaints.
3. Defects due to external causes, such as corrosion and wear, do not fall under the SEN guarantee.
4. Improper or careless handling of the delivery item, unauthorised repair, and installation of parts not supplied by SEN in the system by the customer or a third party is not allowed. Such action voids any and all claim to defect remedy for the complete delivery, and any resulting problems. The same is also true for non-compliance with SEN supplied operating or instruction manuals.
5. For material defects to be covered by guarantee they must have been recognised when the delivery item is put into use with normal handling care.
6. For outside manufactured products, the liability of SEN is reduced to the transfer of the claim SEN has on its supplier. Replacement, reduction of price and claims of damages are in this case ruled out.
7. Excluded are all other rights and claims irrespective of their legal grounds, for defects and errors in the delivery item and service from SEN or because of the absence of specifically promised features, or claims for direct or indirect damages (e.g., consequential damages, loss of production, lost profit). Also excluded are such claims for damages that are not due to the delivery item itself but through its use, its inapplicability or resulting damages to other equipment, goods or persons.
8. In addition, claims for damages due to breaches of supplementary contractual obligations (in particular, advisory service, clarification, instruction) are excluded, also assumption of debt on conclusion of contract and breach of after contract obligations. The same applies to damage claims resulting from wrongful use and active breach of contract.
9. The aforementioned exclusions from liability do not apply if SEN or their subcontractors are charged with gross negligence or intent thereof.
10. If negligence on the part of SEN breaches a contractual duty, the liability is limited by the extent of the SEN company liability insurance. On request, the customer may examine this insurance policy.