

## General Conditions of Sale (version: January 2023)

### Article I: General Provisions, Formation of Contract

1. All deliveries made by HEIDENHAIN Optics & Electronics India Private Limited, hereinafter: H(IN), as well as any related services, shall be governed solely by these General Conditions of Sale.  
Any general terms and conditions of the customer will not apply.
2. Individualized agreements made with the customer on a case-by-case basis (including ancillary agreements, supplements and changes) always take precedence over these General Conditions of Sale.
3. Unless otherwise agreed, offers and cost estimates made by H(IN) are non-binding. When the customer orders a product within the validity period of the quotation, this is regarded as a binding contractual offer. If H(IN) accepts the customer's order (offer) through confirmation of the order (acceptance), then a contract is formed. This contract becomes binding for both contracting parties upon confirmation of the order by H(IN).
4. Any changes, ancillary agreements or supplements require the express approval of H(IN) in order to take effect.

### Article II: Prices, Payment,

1. All prices are DAP-Delivered at Place. GST shall be added at the then applicable rate.
2. Payment terms will be indicated in the quotation.

### Article III: Delivery Dates, Shipping and Delay

1. The punctuality of shipments shall be determined by the time of arrival at the agreed destination/place of delivery.
2. Delivery period is indicative and non-binding and intended solely for the purpose of orientation.
3. To adhere as close as possible to the indicative and non-binding delivery period, all business and technology-related questions of the contracting parties should have been clarified and the customer should have fulfilled all obligations and duties like advance payment as per H(IN)'s quotation. The indicative delivery period commences after the above commercial and technical points have been successfully concluded. If this is not the case, then the delivery period will be extended reasonably.
4. Force Majeure  
"Force majeure" refers to the occurrence of an event or circumstance that hinders one party from fulfilling one or more of its contractual obligations if and to the extent that the party affected by the hindrance demonstrates that (a) this hindrance is outside of the party's reasonable control and that (b) the hindrance was not reasonably foreseeable at the time the contract was concluded and that (c) the affected party could not have reasonably avoided or overcome the effects of the hindrance.  
Unless proven otherwise, force majeure is assumed for the following events: war (whether declared or not), hostilities, attacks, actions of foreign enemies, large-scale military mobilizations, civil war, civil unrest, rebellions, revolutions, military or other forms of takeover, uprisings, acts of terror, sabotage, currency or trade restrictions, embargoes, sanctions, pandemics, epidemics, natural disasters or extreme natural events, nuclear incidents, explosions, fire, and destruction of equipment, as well as the prolonged failure of means of transport, telecommunications, information systems or energy, and general labor unrest such as boycotts, strikes or lockouts.  
In cases of force majeure, the affected contracting party is exempted, starting at the time at which the hindrance renders its performance impossible, from its obligation to fulfill its contractual duties and from any liability for damages and from any other contractual remedy for breach of contract if prompt notice is provided. If prompt notice is not provided, then this exemption takes effect starting at the time at which notice reaches the other party. If the effect of the claimed hindrance or event is temporary, then the aforementioned effects apply only as long as the claimed hindrance hinders fulfillment of the contract by the affected party. If the duration of the claimed hindrance deprives the contracting parties to a considerable extent of that which they could have expected by virtue of the contract, then each party may terminate the contract by notifying the other party within a reasonable period. Unless otherwise agreed, the parties expressly agree that the contract can be terminated by the other party if the duration of the hindrance exceeds 120 days.
5. If H(IN), through no fault of its own, does not receive, receive on time or in due form, from its suppliers goods or services that are necessary for the processing or manufacture of the products to be delivered to the customer, then H(IN) must notify the customer and may, within a reasonable period after initial occurrence of these supply-chain difficulties, withdraw from the contract. In the event of withdrawing from the contract, H(IN) must promptly reimburse the customer for its consideration, especially for any advance payments.

#### Article IV: Retention of Title

Ownership of the supplied product (reserved goods) remains vested in H(IN) until all claims receivable from this contract have been paid in full. Until ownership has been transferred to the customer, the customer must treat the reserved goods with care and, at his own expense, sufficiently insure them at replacement value against damage from fire, water and theft.

The customer must not pledge the reserved goods to third parties or assign them by way of security. However, the customer may use the reserved goods and re-sell them in the ordinary course of business, but only if he is not in default with his payment obligations and only if the sale is made subject to the reservation that the title is not transferred to the third party until the third party has fulfilled its payment obligations.

Without further declaration on the part of the customer, the customer hereby assigns to H(IN) as a security all claims receivable arising from resale of the reserved goods to the customer's business partners. H(IN) accepts this assignment.

Until further notice, the customer is authorized to collect the assigned claims receivable. This shall not affect the right of H(IN) to collect the accounts receivable itself. H(IN) may withdraw the customer's authorization to collect accounts receivable if there is a good reason, including but not limited to default in payment, commencement of insolvency proceedings, bill of exchange protest or reasonable indications for over-indebtedness. In addition, H(IN) may, after issuing a warning and complying with a reasonable deadline, disclose the security assignment, utilize the assigned claims and require the customer to disclose the security assignment to his customers.

The processing, fashioning or transformation of the reserved goods by the customer shall always occur in the name of and on behalf of H(IN). If the reserved goods undergo a manufacturing process with other goods that are not under ownership of H(IN), then H(IN) obtains co-ownership in the new goods in proportion to the value of the reserved goods relative to the other manufactured goods at the time of processing. If the reserved goods are inseparably combined or mixed with other goods not under ownership of H(IN), then H(IN) obtains co-ownership in the new goods in proportion of the value of the reserved goods relative to the other combined or mixed goods at the time of the combining or mixing. If the combining or mixing occurs in such a manner that the customer's goods are to be seen as the main goods, then it is hereby agreed that the customer will transfer proportional ownership to H(IN). H(IN) accepts this assignment. The customer will keep safe for H(IN) any thereby arising sole ownership or co-ownership of the goods.

If the reserved goods are distrained or are subject to other attempted acquisition by third parties, then, as long as ownership has not been assigned to the customer, the customer must inform the third party about the ownership rights of H(IN) and promptly notify H(IN) in writing so that H(IN) can enforce its ownership rights.

#### Article V: Defects of Quality/Warranty

1. The product to be delivered is free from defects if it exhibits the agreed quality (subjective requirement). This agreed quality is based on all product descriptions, technical specifications and other information provided by the manufacturer that are subject matter of the individual contract or that were made public by H(IN) at the time the contract was concluded (particularly in catalogs or on our Internet home page).

2. Defects will be repaired, replaced or provided again free of charge at the sole discretion of H(IN).

3. Under no circumstances is H(IN) obligated to replace expenses for the removal, installation or attachment of the remedied or replaced item.

4. Unless otherwise agreed, claims for subsequent performance shall become time-barred 12 months after delivery.

5. The customer must provide prompt notice of defect. The customer must provide the most detailed description possible of the defect, the circumstances of its occurrence and its effects.

#### Article VI: Guarantee

1. Beyond the 12-month warranty period, H(IN) grants the customer a free guarantee (hereinafter: "H(IN) guarantee") for all defects with regard to functionality, if the product is used properly. This guarantee takes effect immediately after the 12-month warranty period, meaning that the guarantee is valid starting at the beginning of the second year following the date of invoice of initial delivery.

2. Within the scope of the H(IN) guarantee, H(IN) guarantees that the product will be free of defects with regard to functionality for a period of 24 months after expiration of the 12-months warranty period. The criterion for this is the product specification valid at the time of delivery and/or the quality agreement agreed to with the customer and arising from the order confirmation.

3. In the presence of a defect that falls under the H(IN) guarantee, H(IN) will remedy the defect (cure). In the event of cure, the defective product shall, at the sole discretion of H(IN), either be repaired by H(IN) or, if possible and reasonable for H(IN), replaced.

4. The customer must provide prompt notice of defect. The customer must provide the most detailed description possible of the defect, the circumstances of its occurrence and its effects.

5. Any claims against H(IN) beyond those of cure are excluded from the H(IN) guarantee. In particular, the H(IN) guarantee does not encompass any claims for compensatory damages, installation costs or removal costs, or for reimbursement of futile expenses. This also applies if a defect ultimately cannot be remedied by means of a cure.

6. Any claims against H(IN) arising from the H(IN) guarantee are also excluded if the defect arose from any of the following:

- The product was, without the express approval of H(IN), repaired, refurbished or underwent maintenance by the customer himself or by a third party.
- Rules regarding the operation or treatment of the product (e.g., operating instructions, accompanying documentation, etc.) were not complied with.
- Unauthorized alterations or other modifications were performed on the product.
- The product was damaged through human agency or external influences.
- The product is being used for a purpose other than the contractually agreed and defined purpose (particularly in the accompanying documentation and operating instructions).
- The customer did not promptly announce the defect.
- The customer did not promptly provide an opportunity for a cure despite being requested to do so.

7. The right to claim under a guarantee exists only if the relevant product is provided along with proof that the material defect or the defect in serviceability arose within the guarantee period.

## **Article VII: Defect of Title**

H(IN) assures, in accordance with this Article VII, that the delivered item is free from industrial property rights or third-party intellectual property rights in India.

## **Article VIII: Exclusion of Warranty**

1. Claims for defects are excluded in case of insignificant deviations from the agreed quality, for insignificant limitation of usability, for damage arising from incorrect or negligible action after the passing of risk, for natural wear or damage, or for damage arising from unusual external factors not covered by the contract.
2. Claims for defects due to deviations from objective requirements are excluded if the product is an individualized product or if the product fulfills the subjective requirements.
3. Claims for defects do not exist if damage occurred because the customer failed to follow the operating instructions or other instructions from H(IN), did not utilize qualified operating and/or monitoring personnel, did not perform regular maintenance and upkeep (which must be documented accordingly), did not perform the necessary software updates and/or did not comply with other instructions from H(IN). For all work regarding service and delivery, the customer must comply with all manuals and instructions from H(IN).
4. If changes are made to the products, especially removal of the serial number, ID label or similar marking, or if parts are changed or materials are used that do not correspond to the original specification, then all warranties become void unless the customer proves that the defect did not arise therefrom.
5. For products individually created for the customer (including software), claims for defects are excluded if the customer fails to first diligently test the product in a non-productive environment in accordance with generally accepted rules of technology or if the customer implements the product in a productive environment without prior successful testing and without first verifying the agreed specification.

## **Article IX: Liability**

1. Unless otherwise provided for in these General Conditions of Sale, the following applies:
2. The liability of H(IN) for damages, regardless of its legal basis, is excluded. Under no circumstance shall the customer have any right to compensation for losses not incurred by the deliverable itself, such as loss of production, loss of use, loss of orders, lost profits, or other direct or indirect losses.

## **Article X: Limitation of Liability in Time**

The customer's claims, regardless of their legal basis, expire in 12 months.

## **Article XI: Prototypes**

If the product ordered by the customer is a prototype or a pre-serial product (hereinafter: "non-serial product"), then it was neither manufactured in the usual process of series production nor inspected and tested as a serial product. The use of non-serial products is at the customer's own risk. The product is delivered in the form of a non-serial product at the customer's express wish. The customer must therefore take all required and reasonably expectable precautions in order to ensure that the non-serial product is not used in active production but only in sufficiently protected testing environments.

## **Article XII: Proviso of Performance**

Performance of the contract by H(IN) is subject to the proviso that performance is not prevented by any obstructions due to international foreign trade regulations, nor by any embargoes or other sanctions.

## **Article XIII: Special Provisions for Software**

If H(IN) products contain software that is provided for use as part of a related hardware product or in conjunction with the delivery of a related hardware product, then the customer has the non-exclusive right for an unlimited period of time to use the software solely on the respective delivery product (hardware) in accordance with the related documentation, if any. The software (including any software options) is assigned to the hardware either via the device-specific serial number or via other means of identification defined by H(IN) (e.g., a system identification key, dongle). Resale of the software is permissible only in combination with the assigned hardware. The issuance of sublicenses is not permitted.

## **Article XIV: Intellectual Property and Confidentiality**

1. Any intellectual property rights or industrial property rights for designs, templates, sketches, samples, negatives, digital data, etc. (hereinafter "work materials"), are under sole ownership of DR. JOHANNES HEIDENHAIN in Germany. The customer may not use these work materials without a prior explicit written agreement in which a suitable usage fee is established.
2. The customer is liable for ensuring that any goods supplied by H(IN) in accordance with the customer's work materials, other specifications or instructions do not breach the rights of third parties, particularly any intellectual or industrial property rights. The customer is hereby obligated, at first request, to release H(IN) from any claims asserted against H(IN) by third parties due to alleged or actual breach of intellectual property rights and/or industrial property rights if H(IN) supplied the product in accordance with the customer's work materials, other specifications or instructions.
3. If no separate confidentiality agreement was concluded between the parties, then both parties will keep confidential from third parties the knowledge, experience, documents, tasks, business processes and other information, as well as the concluding of the contract and its results, including after the duration of the contract, unless this information has become generally known through legally permissible means, or unless both parties have agreed in writing that the information may be shared.

#### **Article XV: Legal Venue and Applicable Law**

1. The sole legal venue for all conflicts arising directly or indirectly from this contractual relationship is the appropriate court in Chennai, India.

#### **HEIDENHAIN Optics & Electronics India Private Limited**

Citilights Corporate Centre  
No. 1, Vivekanandan Street,  
Off Mayor Ramanathan Road

**Chetpet Chennai – 600 031, India**

☎ +91 44 4023 4300

[FAX] +91 44 4023 4301

info@heidenhain.in

**www.heidenhain.in**