

General Service Conditions (valid from January 1st, 2019)

HEIDENHAIN N.V. (hereinafter HEIDENHAIN) shall perform any SERVICES for its products and, subject to agreement, for other products from the HEIDENHAIN Corporate Group, solely on the basis of these General Service Conditions. SERVICES comprise all product-related repair and maintenance measures in general, for example repairs, shipments of REPLACEMENT COMPONENTS (e.g. SPARE PARTS, REPLACEMENT UNITS and EXCHANGE UNITS, which may also include software), and SERVICING according to no. 4 (SERVICING at a Customer's site, as well as services in the areas of kinematics and software development, consulting and support for HEIDENHAIN products, as well as services by remote access / remote maintenance for the integration of HEIDENHAIN software solutions and HEIDENHAIN products with data interfaces).

- SPARE PARTS are parts of SERIES DEVICES, SERVICE UNITS, and EXCHANGE UNITS.
- REPLACEMENT UNITS can be both SERIES DEVICES and SERVICE UNITS.
- SERIES DEVICES are HEIDENHAIN products that are available in the current product program.
- SERVICE UNITS are HEIDENHAIN products that are not or no longer available in the current product program.
- EXCHANGE UNITS are functional, completely overhauled REPLACEMENT UNITS or SPARE PARTS (i.e. not necessarily new devices or new parts).
- NON-SERIAL DEVICES are products that were not manufactured in series production or that were not tested as defined for a SERIES DEVICE (prototypes or pre-series products in accordance with Clause 6 of the General Conditions of Sale).

In the event that any claims arise on the part of the Customer relating to the original supply contract for the new goods from HEIDENHAIN, in particular warranty claims, such claims shall not, however, be dealt with under the present Conditions, but shall be subject solely to the General Conditions of Sale of HEIDENHAIN N.V. The General Service Conditions shall govern exclusively. Differing, conflicting, or supplementary General Terms and Conditions of the Customer shall only and insofar become part of the contract as HEIDENHAIN expressly agrees to their validity. This approval requirement shall apply in any case, even if, in cognizance of the Supplier's General Terms and Conditions, HEIDENHAIN provides SERVICES without reservations. Individual agreements reached with the Customer in exceptional cases (including secondary agreements, amendments and modifications) shall have priority over the General Service Conditions in any case. Written contracts or written confirmation from HEIDENHAIN shall be definitive for the content of such agreements.

1 Deliveries of REPLACEMENT COMPONENTS

HEIDENHAIN Service shall deliver SPARE PARTS and SERVICE UNITS according to its own, published conditions. If required, these can gladly be provided again. In the event of machine downtimes, current SERIES DEVICES will additionally be delivered, subject to a 20% surcharge on the negotiated price, within shortened delivery times. Replacement deliveries for non-serial devices are excluded. Transport charges will be billed in addition and include packaging.

2 Repairs at HEIDENHAIN or HEIDENHAIN branch offices

Repairs at HEIDENHAIN will be charged on the basis of repair packages, which settle the working hours as well as the required REPLACEMENT COMPONENTS as a lump sum. Cost estimates for repair actions can be provided upon request. The Customer's REPLACEMENT COMPONENTS that are exchanged during the repair become the property of HEIDENHAIN upon completion of the repair. Product completion within the scope of repair actions, i.e. restoring the original state of the product with accessories and documentation, can be performed only upon the customer's request and subject to a surcharge. Non-serial devices cannot be repaired for technical reasons due to the individual special versions. Transport costs and packaging will be billed in addition to the repair packages.

3 HEIDENHAIN Service Exchange

Many HEIDENHAIN products are available within the scope of exchange actions. These are the so-called EXCHANGE UNITS. After receiving the EXCHANGE UNIT, the Customer has to return his defective unit to HEIDENHAIN within 4 weeks, an error description is to be included. Upon receipt, the returned defective unit becomes the property of HEIDENHAIN. The EXCHANGE UNIT delivered by HEIDENHAIN remains at the Customer's location and becomes the Customer's property after the repair invoice has been fully paid.

- HEIDENHAIN reserves the right to invoice the repair work required to make the defective unit fit for future exchange purposes. This includes repairs of malfunctions, software updates and removal of traces of use.
- In the following cases, HEIDENHAIN will charge the price of the EXCHANGE UNIT minus 20% discount:
 - The defective unit was not returned within the 4-week return period.
 - The returned device is a technical total loss.
 - The returned device does not correspond to the supplied EXCHANGE UNIT (ID number).
- Devices received by HEIDENHAIN after the above-mentioned period as well as devices that are not the same as the EXCHANGE UNIT provided can no longer be accepted as credit to the exchange order. In this case, a cost estimate for the repair will be sent to the Customer.

4 SERVICING

- SERVICING at a Customer's site
- As well as services in the areas of kinematics and software development, consulting and support for HEIDENHAIN products

Unless otherwise agreed hereinafter, SERVICING shall be invoiced on the basis of service work performed by HEIDENHAIN (plus time spent waiting at Customers site and reimbursement of costs and travelling expenses), in addition to any

REPLACEMENT COMPONENTS and material used by HEIDENHAIN (other, parts needed for repairs, etc.).

4.1 Hourly Rates and flat rates for SERVICING

a) Working hours (Monday through Friday) including waiting hours at Customers site. The hourly rate depends on the experience of the employee involved. HEIDENHAIN reserves the right to assign a specific employee to a service task depending on availability and complexity of the task. Normal working hours are 7 hours per day and 35 hours per week.

4.2 Travel expenses

A lump sum will be charged for all travels by a HEIDENHAIN service employee related to services performed outside the HEIDENHAIN facilities. This lump sum depends on the country of destination only and are charged per day.

4.3 Allowance

a) Only additional charge for dinner and/or overnight stay in case of overtime, all against receipt.

4.4 Work certificates for SERVICING

The Customer shall certify the working and waiting time required by the HEIDENHAIN service employee as basis for the invoice. In case of doubt the records of the HEIDENHAIN service employee shall also serve as basis for the invoice. Upon completion, the Customer or his representative shall confirm each performed SERVICING in the presence of the HEIDENHAIN service employee.

4.5 Replacement of components for SERVICING

Should it be necessary to replace a defective product or any part thereof in the course of SERVICING, HEIDENHAIN shall exchange the old defective part for a new or fully operational and completely-overhauled REPLACEMENT COMPONENT at extra charge according to the provisions regarding pricing and property stated above under numbers 1 and 2. For defective products or parts up to a net value of up to € 1000 (plus turnover tax) in each case, special approval of the Customer shall not be required for replacement in the course of SERVICING commissioned by the Customer.

4.6 Invoicing and payment

The SERVICING rendered shall be invoiced after its completion. Payment can be claimed upon completion of the SERVICING, and is independent of any success thereof. Service invoices shall be due and payable net upon receipt to the payments office of HEIDENHAIN free of all charges. The Customer may only offset undisputed or non-appealable claims. The Customer may only exercise a right of retention if his claims are undisputed or have been established by final court decision. All prices are understood not to include the statutory turnover tax. In the case of SERVICING requiring more than one week to perform, HEIDENHAIN shall be entitled to request payment from time to time on account up to the amount of services rendered. If the customer has no credit limit at HEIDENHAIN a lump sum prepayment may be asked before any actions are undertaken.

4.7 SERVICING by remote access / remote maintenance HEIDENHAIN can also offer SERVICING that is provided via a secure communication platform (e.g. by telephone or remote access) (in the following referred to as "remote maintenance"). The term "remote maintenance" also covers the so-called "commissioning services". HEIDENHAIN shall inform the Customer about the safety concept required for remote maintenance that is to be implemented by the Customer. The Customer is obligated to check this safety concept for compatibility with his own technical conditions and regarding the safety requirements and other regulations of the Customer. The Customer remains responsible for the safety of his facility, as well for personal and machine safety. The Customer is to grant HEIDENHAIN the remote access required for providing the remote maintenance services.

5 Liability / Warranty

Insofar as SERVICES constitute performance under a contract relating to a specific assignment or under the law of sale or exchange, the warranty period for such services performed by HEIDENHAIN shall amount to one year from the date of delivery or acceptance. This does not apply if longer periods are legally prescribed, as well as in cases of personal injury, intent, fraudulent concealment of a defect, non-compliance with a guarantee of quality, or gross negligence on the part of HEIDENHAIN. The Customer shall notify HEIDENHAIN without delay in writing of any deficiencies in such SERVICES performed; if no deficiency is established, the Customer shall bear any expenses incurred by HEIDENHAIN. If HEIDENHAIN is held liable by a third party for damage for which the Customer is responsible, HEIDENHAIN can demand that the Customer releases HEIDENHAIN from all liability to the third party. HEIDENHAIN may not accept or satisfy this claim by the third party without first giving the Customer the opportunity to express his views.

6 Software

Insofar as HEIDENHAIN provides the Customer with support in developing or adapting customers-specific software, HEIDENHAIN shall act in accordance with the latter's due instructions and shall not be responsible for the success of the programming work. The Customer shall bear sole responsibility for updating and maintenance as well as for ongoing servicing and for the results obtained, in particular vis-à-vis third parties. In the event that a Customer's end user claims for damages against HEIDENHAIN on the grounds of defective functioning of the software, particularly for reasons of product liability, the Customer shall indemnify HEIDENHAIN against any and all claims of this kind. HEIDENHAIN may not accept or satisfy this claim by the end user without first giving the Customer the opportunity to express his views. If in individual cases HEIDENHAIN takes over the entire production of the software, the parties shall conclude a separate software production agreement; in the absence of such agreement, the provisions of HEIDENHAIN's General Conditions of Sale shall apply accordingly. To the extent that HEIDENHAIN transfers to electronic storage components, in particular to hard disks and EPROMs, the content of datacarriers prepared and forwarded by the Customer himself, the

Customer shall bear sole responsibility for ensuring that such contents are correct, complete and free from flaws; in such case, performance on the part of HEIDENHAIN shall be subject to the provisions for SERVICES as set out under the present General Service Conditions.

7. Acceptance by the machine tool builder / notes on using the operating software
If REPLACEMENT COMPONENTS supplied by HEIDENHAIN for SERVICE purposes include software, or if software is otherwise required to integrate such components, the software—due to differences in machines—must be released by the respective machine tool builder; the Customer shall not begin to operate a machine without acceptance by the machine tool builder, and shall himself obtain such release/acceptance. The Customer shall take special note of the fact that machine-related functions and programs may require adjustment (PLC, machine parameters etc.) and that improper adjustment may result in serious problems, including the machine crashing, material damage or personal injury, and shall likewise note that HEIDENHAIN is unable to provide technical support for such adjustment and the Customer himself must contact his machine tool builder or an authorized retrofitter. Furthermore, the Customer shall take note of the fact that control software for NC machines is subject to export restrictions; it is hereby pointed out that special export versions are available incorporating a different version of the software.

8 Miscellaneous

HEIDENHAIN shall reserve its rights of ownership and copyright to any and all drawings and documents; these may not be made accessible to third parties without the prior written consent of HEIDENHAIN. All information issued in written form shall be returned to HEIDENHAIN upon request if no order is placed with HEIDENHAIN or such information is not to be surrendered on a permanent basis within the scope of the object of agreement. The Customer grants HEIDENHAIN and its affiliated companies the worldwide unrestricted and perpetual right to save, copy, modify, analyze, make available, or otherwise process and use any data (including data contained in reports) obtained in connection with or during the provision of SERVICES or SERVICING WORK or provided by the customer, and the customer also grants HEIDENHAIN the right to have said actions performed by third parties, for the purpose of providing SERVICES or SERVICING WORK, to improve or extend other general services provided by HEIDENHAIN, and for the purpose of preparing individual quotations for the Customer. However, this right of use does not cover any registered proprietary rights held by the Customer. With the exception of their Clause 1 and subject to the proviso that HEIDENHAIN is the "Contractor" and the "Customer" is the "Purchaser," the General Conditions of Sale of HEIDENHAIN N.V. (version from January 1st, 2019) shall also apply accordingly. These General Terms and Conditions can be viewed at www.heidenhain.be and can gladly be made available to the Customer in other form upon request. In the event that special safety regulations are to be observed at the place of service, the Customer shall expressly make HEIDENHAIN service personnel aware of the same. This shall also apply to use of telephones for business purposes, the provision of any skilled or unskilled labor which may be required, the creation of reasonable working conditions, the provision of access to the machine or the machine parts concerned, preparation of the machine or machine parts in such a way that work due may be carried out without delay, as well as to making material available for any test runs which may be necessary. In the event of supplying spare parts outside Belgium or Luxemburg, the Customer shall be solely responsible for compliance with customs regulations, proper handling and preparation of import and export documentation, and for adherence to all applicable legal provisions relating to imports and exports, in particular the observance of legislation relating to arms control, embargo regulations, etc.

9 Place of performance and place of jurisdiction

Place of performance shall be Roosdaal (Belgium). In the case of all disputes arising out of contractual relations, legal proceedings shall be instituted solely with the local court having jurisdiction at HEIDENHAIN's place of business in Belgium. Nevertheless, HEIDENHAIN shall also be entitled to institute legal proceedings at the place of business of the Customer. These Conditions shall be subject solely to Belgian law with the exclusion of the United Nations Convention on Contracts for the International Sale of Goods (CISG), also in the event that the Customer has its registered office outside Belgium.

10 Product support

HEIDENHAIN strives to provide SPARE PARTS and know-how required for SERVICES as well as reliable SERVICE for a period of 10 years upon delivery of the relevant SERIES PRODUCTS.

11 Forwarding the service order

In the interest of the Customer, HEIDENHAIN reserves the right to forward the service order to an appropriately qualified local service partner who is part of the worldwide HEIDENHAIN service network. In such a case, HEIDENHAIN will forward the service order to the service partner. The Customer agrees to this forwarding in advance. The service partner will then implement the agreement and issue the invoices.

12 Utilization of services from third parties (subcontractors)

HEIDENHAIN reserves the right to have the service contract fulfilled through the help of third parties.

End of General Service Conditions