

Terms and conditions for development, testing and inspection services

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1. Nature and scope of the services

1.1 Dr. Tillwisch GmbH Werner Stehr undertakes to perform development, testing and inspection services in accordance with the contractual agreement, including documentation. The aforementioned activities shall be performed at the contractor's own financial and technical risk in compliance with the regulations applicable at the time of conclusion of the contract.

1.2 The contractor shall be entitled to determine the method or type of inspection or testing service at its own discretion, unless otherwise agreed in writing or unless mandatory regulations require a specific procedure.

1.3 The scope of services provided by Dr. Tillwisch GmbH Werner Stehr shall be specified in writing when the order is placed. If, during the proper execution of the order, there is a need to extend or otherwise change the originally agreed order, this must be set down in writing. The requirements relating to the subject matter of the contract can only be changed by mutual agreement.

1.4 All development, testing and inspection services in connection with the order and the associated documentation of the test results shall be carried out at the premises of Dr. Tillwisch GmbH Werner Stehr in accordance with specified conditions and only by qualified personnel and inspected external service providers.

1.5 The services of Dr. Tillwisch GmbH Werner Stehr are as follows:

- **Laboratory services:** Performance of standardised chemical, physical and tribological tests on lubricants and materials.
- **Tribological component testing:** Specific component tests in the area of friction and wear, with components manufactured or specified on behalf of the customer on the basis of the customer's own order.
- **Coating:** Components provided by the customer are coated to order and then subjected to a quality inspection.
- **Test equipment development:** Customer-specific development, manufacture, programming and testing of test equipment.

1.6 Dr. Tillwisch GmbH Werner Stehr is entitled to use inspected subcontractors for the execution of the order. No responsibility is assumed for the correctness of the safety programmes or safety regulations on which the tests are based, unless expressly agreed otherwise in writing.

1.7 A contract with the service provider is concluded by the transmission of the signed order or order quotation by post, fax or e-mail. The object of the contract and the precise description of the task is described separately in the service contract.

2. Cooperation obligation of the customer

2.1 In accordance with the conclusion of contract, the customer shall provide the contractor with all of the customer's own test components and necessary information free of charge and in good time for the duration of the development, testing and inspection activities.

2.2 If necessary, the contractor shall inform the customer when particular information or test components are required.

3. Remuneration and terms of payment

3.1 The remuneration and due date of the contractor's services are documented in the quotation or contract. The price of the services is based on the scope of the work activity to be performed. This has its legal basis in the provisions of Sections 611 et seq. (Contract for services) of the German Civil Code (BGB). Waiting times for which the customer is responsible of Dr. Tillwisch employees and externally commissioned companies shall be calculated as working hours.

3.2 Unless otherwise stated, the term of payment for full or partial invoices shall be from the date of invoicing or within 30 days net. The prices are net prices plus the applicable statutory value added tax. If the customer is in arrears with a payment in whole or in part, Dr. Tillwisch GmbH Werner Stehr is entitled to charge statutory interest of 8% p.a. above the base interest rate from the relevant point in time. Furthermore, the contractor shall be entitled to withhold its services and to perform outstanding services only against advance payment or the provision of security.

3.3 Any right of retention on the part of the customer is excluded, unless the counterclaim of the customer originates from the same contractual relationship and is undisputed, acknowledged in writing or legally established.

4. Shipment and transfer of risk for test equipment

4.1 Shipment is always at the risk of the customer and, unless otherwise agreed, at the expense of the customer. On delivery of the testing device to the shipping company, and at the latest on leaving our factory or warehouse – or, in the case of drop shipments, leaving the factory or warehouse of our sub-supplier – the risk shall pass to the customer; this also applies in the case of carriage paid, FOB or CIF transactions. The recipient is obliged to inspect the goods immediately after delivery for completeness and identifiable damage and to notify us of any loss or damage without undue delay.

5. Rights to development, test and inspection outputs

5.1 Once the development or test work has been completed, the presentation of the development outputs and the test outputs shall be agreed.

5.2 The customer shall be entitled to the transfer of the subject matter of the contract as well as a copy of all scientific and technical documents, development, test and investigation reports including drawings and plans prepared during execution of the order, as well as operating instructions insofar as these are necessary for the proper use and evaluation of the development outputs. The contractual services of Dr. Tillwisch GmbH Werner Stehr shall be deemed to have been rendered and completed upon handover to the customer.

5.3 The use of these documents for the contractor's own purposes and the archiving of the results in internal systems for the fulfilment of legal as well as QM storage obligations shall be deemed to have been agreed, whereby the passing on of such information to third parties shall be excluded.

5.4 The customer shall only be entitled to rights of set-off if its counterclaims have been legally established, are undisputed or have been acknowledged in writing by Dr. Tillwisch GmbH Werner Stehr.

6. Property rights

Development, testing and inspection services as well as goods delivered as a result of the development activity remain our property until the purchase price and all existing or future claims arising from the business relationship with the customer have been paid in full.

7. Liability, compensation and warranty

7.1 Dr. Tillwisch GmbH Werner Stehr is responsible for the application of scientific care as well as compliance with the generally accepted technological standards. However, the contractor is not liable for the actual and complete achievement of the service, research and development outputs.

7.2 Any claims for compensation on the part of the customer, which, irrespective of the legal basis, may arise directly or indirectly in connection with the order, delivery, performance or use of our goods, shall remain fundamentally excluded, provided that we, our assistants or agents have not caused the damage through gross negligence or wilful intent. Where loss or damage is caused by gross negligence, any claim for compensation of a customer who is a merchant shall be limited to compensation of the typically foreseeable loss or damage.

7.3 Any claim for compensation by a customer who is not a merchant resulting from delay or impossibility due to slight negligence shall be considered up to a maximum amount of one quarter of the purchase price. Each party shall be liable solely in respect of the contractual obligations entered into directly and shall only be liable in respect of its own fault, unless otherwise stipulated in this contract.

7.4 In the case of development services, the warranty claims shall consist of remedying the defect, including transport costs and ancillary costs. Warranty claims expire 6 months after acceptance of the development outputs. In the case of testing and inspection services, the warranty is limited to remedying the defect.

8 Confidentiality

8.1 Dr. Tillwisch GmbH Werner Stehr shall maintain confidentiality regarding the fact and content of development, testing and inspection work vis-à-vis third parties even after completion of the order and will also oblige its employees and subcontractors, i.e. external service providers, to maintain confidentiality.

9. Place of performance and jurisdiction

9.1 The business relationship between the parties shall be governed exclusively by German law.

9.2 The place of performance for our deliveries is the respective place of dispatch and, as far as legally permissible, Horb-Ahldorf for our other services. The place of jurisdiction for both parties is Horb a.N., Germany.

10. Severability clause

10.1 Changes must be made in writing. This also applies to this clause stipulating the written form and notice of termination. Other terms and conditions of business are excluded unless otherwise agreed in this contract.

10.2 The legal invalidity of individual provisions shall not affect the validity of the remainder of the contract. We would like to point out that we process the customer's data relating to business transactions with the customer in accordance with the German Federal Data Protection Act.