

VII. WARRANTY AND LIABILITY FOR DEFECTS

1. Hatz undertake to provide warranty for defects of the item to be delivered which exist at the time of transfer of risk, subject to the following provisions. There shall be no claims for damages due to only marginal deviations from the agreed quality or only marginal impairment of serviceability.
2. The Purchaser shall be obligated to inspect on receipt the items delivered for damage occurred in transport and - if applicable - to notify Hatz thereof immediately. In all other respects, Hatz shall also be notified in writing about defects in the items delivered immediately after their having been noticed. This also applies in case the Purchaser installs the item delivered, and/or resells it to a final customer, as soon as the Purchaser has been informed by the final customer about such defects.
3. HATZ shall remedy defects at choice either by themselves, via their subsidiaries or via service stations (repair) or provide replacement for the faulty item to be delivered. This also applies to cases in which the customer resells the item to be delivered to a final customer directly or after installation. In these cases, Hatz shall be entitled to take over the Customer's warranty versus the final customer (= using the item to be delivered) and shall thus be exempted from its own obligations towards the Customer upon elimination of the defect. This applies accordingly if the Purchaser's final customer contacts Hatz or a service station directly with a claim for damages based on defect. The Purchaser shall surrender replaced parts to Hatz, or cause them to be surrendered. The parties agree at this time that the ownership in the replaced parts is to pass to Hatz.
4. Claims based on defects do not cover natural wear and tear and damage due to improper use of the item to be delivered, especially improper maintenance, or to external influences. This also includes excessive strain, incorrect installation conditions and inappropriate consumables, faulty assembly and / or commissioning, chemical, electrochemical, electrical, electromagnetic, electronic and corrosive effects. Hatz cannot be held liable for damage which is due to the use of parts which are not original Hatz parts.
5. To the extent that HATZ performs repair work on the item to be delivered and the Purchaser's request for elimination of defects proves to have been unjustified as there was no warranty case, the Purchaser shall bear the costs of the repair. The request for elimination of defects is unjustified if the Purchaser has recognized or has failed to recognize negligently that there is no fault, but that the reason for the symptom which suggests the defect is within his own scope of responsibilities.
6. The Purchaser shall grant Hatz the required time and opportunity to perform all repairs and deliveries of spare parts considered to be necessary to remedy the damage. If the period of time is too short, this shall be extended as is appropriate.
7. If interventions or modifications - also in terms of elimination of defects - are taken or caused to be taken by the Purchaser (self-action) without the approval of Hatz, all claims based on defects on the Purchaser's part shall become void. This shall not apply if the intervention of the Purchaser or of third parties only serves to determine the defect or if the defect has not been caused or aggravated thereby, and if the determination of the cause of defect and remedy by Hatz has not been aggravated substantially by this.
8. Claims for damages based on defects for Hatz products (new engines, reconditioned engines (= replacement engines), spare parts, components, assemblies, connecting rods) shall be time-barred after a period of 12 months after delivery. or - in the case of engines - after max. 2,000 operating hours, depending on which condition is met first, unless the Parties have agreed on different stipulations in writing in specific cases. In the case of spare part deliveries, only replacement deliveries can be claimed if defects occur on the spare part.
9. In case of defects on parts Hatz have received from third-party subcontractors, Hatz shall assign their warranty claims against the subcontractor to the Purchaser who can assert them against the subcontractor with priority. If the subcontractor does not acknowledge the claim as justified, Hatz shall be

held subsidiarily liable.

10. If repair or replacement delivery fails altogether, the Purchaser is entitled, after setting an appropriate period of grace, to demand at his/her choice a reduction of the remuneration or to rescind the contract.

11. Further claims on the part of the Purchaser against Hatz in conjunction with defects are ruled out on principle, unless agreed explicitly in these Conditions of Sale and Purchase or in other individual agreements.