

Inspection - Terms and Conditions

These Terms and Conditions for Inspection ("T&C") govern the special promises of FANUC for products (the "Products") provided by FANUC to its customer (the "Customer"), hereinafter collectively referred to as the "Parties" and individually as a "Party". These do not affect the Customers statutory rights or the obligations of FANUC under the contract.

1. Definitions

- 1.1. In these Conditions, unless the context requires otherwise the following expressions shall have the following meanings:
 - 1.1.1. "Customer"- the Party named as the Customer in the Order Confirmation.
 - 1.1.2. "FANUC" – refers to **FANUC Automation Israel Ltd**
 - 1.1.3. "Product" – refers to **CNC** by FANUC.
 - 1.1.4. "Spare Parts"- the sale of FANUC hardware and PC software (excluding Product Sales).
 - 1.1.5. "Software"- the sale of FANUC application and system software.

2. Scope of Application

- 2.1 These T&C apply exclusively to all Inspection agreements between FANUC and its Customer concerning the inspection and servicing of CNCs.
- 2.2 These T&C do not apply to any third-party equipment or software unless explicitly agreed in writing.
- 2.3 These T&C are applicable in the countries specified in the individual contract.

3. Subject Matter

- 3.1 FANUC agrees to provide inspections for the CNCs specified in the contract or separate orders.
- 3.2 The service measures aim to ensure operational readiness but do not guarantee uninterrupted functionality.
- 3.3 The Customer shall propose a maintenance or inspection schedule to FANUC by September 30th of each year for the following year. FANUC will then confirm the schedule in writing.

4. Conclusion of Contract for inspection

- 4.1 A binding contract is concluded upon the earlier of: (a) written confirmation of a Customer order by FANUC; (b) the signing of an individual service contract; or (c) written acceptance of a service proposal by the Customer.
- 4.2 The Customer's general terms and conditions shall not apply unless expressly agreed to in writing by FANUC. FANUC's offers are non-binding unless explicitly stated otherwise in writing.

5. Scope of Services

- 5.1 FANUC will provide inspections as specified in the Annex 1 "Inspection Content - CNCs". FANUC has the right to carry out the maintenance services itself or through third parties commissioned by FANUC.
- 5.2 In both cases the service date will be agreed upon by FANUC and the Customer at least four weeks in advance and confirmed in writing by FANUC.
- 5.3 Any additional repair work included in an individual contract will be performed upon mutual written agreement. Repair services not covered by the contract require a separate written order and will be invoiced according to FANUC's applicable hourly rates and material costs, which will be provided to the Customer for approval prior to commencement of the repair work.

6. Customer Obligations

The Customer shall:

- Adhere to FANUC's operating and maintenance instructions.
- Provide FANUC personnel with free and unobstructed access to the CNCs during agreed-upon service times.
- Provide necessary resources, including a safe and suitable workspace, and a stable temperature environment (minimum 15°C – max. 30°C).
- Designate an authorized contact person for FANUC personnel on-site.
- Maintain up-to-date backups of CNC programs and data, with a recommended backup interval of no more than three months.
- Ensure that the CNCs are clean and free from any process materials or contaminants before servicing.
- Be responsible for the proper disposal of waste generated during maintenance, including but not limited to batteries, oils, and cleaning materials, in accordance with applicable environmental regulations.

7. Warranty

FANUC warrants that inspections and repair services will be performed in a professional and workmanlike manner. Any warranty claims for service defects must be reported to FANUC in writing within 14 days of the completion of the service. This warranty does not cover damage caused by external factors, misuse, improper handling, unauthorized modifications, or maintenance performed by unauthorized third parties. The warranty period for services is twelve (12) months from the date of service completion.

8. Retention of Title

FANUC retains ownership of any service materials and spare parts supplied until full payment has been received. The Customer may not resell, pledge, or otherwise encumber any materials or spare parts that are subject to FANUC's retention of title.

9. Waiver

- 9.1 A waiver of any right or remedy is only effective if given in writing and shall not be deemed a waiver of any subsequent right or remedy.

- 9.2 A delay or failure to exercise, or the single or partial exercise of, any right or remedy shall not waive that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy.

10. Intellectual Property and Confidentiality

- 10.1 All intellectual property rights in reports, documentation, methodologies, assessment criteria, and related materials used or produced by FANUC remain the exclusive property of FANUC. No rights are transferred to the Customer except the limited right to use the report for internal purposes.
- 10.2 The Customer may use any results solely for internal operational planning and decision-making regarding the Product. Any commercial use, publication, or external distribution is prohibited without FANUC's prior written consent.
- 10.3 Both parties agree to maintain strict confidentiality regarding all business and technical information exchanged during the term of the contract. This obligation shall survive the termination of the contract. Each party shall ensure that its employees, agents, and subcontractors are bound by similar confidentiality obligations.

11. Data Protection

FANUC will process and store personal data in accordance with applicable data protection laws and regulations. The Customer consents to FANUC processing data necessary for the performance of the contract. FANUC will only transfer data to third parties if required for the fulfilment of the contract or if required by law. Further details regarding data processing are described in FANUC's privacy policy, which is available upon request.

12. Force Majeure

- 12.1 The expression "force majeure" shall mean any event of circumstances beyond the control of either party, including without prejudice to the generality of the foregoing, strikes, lock outs, trade disputes, accident to plant or machinery, shortage of any material, failure in whole or part of any power or energy supply, delays in or cancellations of deliveries or provision of services by third parties, riots, civil commotion, war national or international, emergency, destruction or damage due to natural forces, fire, flood, explosion, pandemic, epidemic and compliance with orders or requests of any national or local authority.
- 12.2 Except in relation to payment terms, neither party will be liable for breach of Contract if and to the extent that fulfilment of a term of these Conditions has been prevented, hindered or delayed by force majeure as defined in these Conditions, and in such event the time for fulfilment of such a term shall be extended for such a period as is reasonable in all the circumstances. It is understood between the parties that the contract may be terminated by either party if a force majeure event will last for six months or more, without such party being liable for damages to the other party by reason of such termination.

13. Remuneration

- 13.1 Remuneration for services shall be governed by the Service Agreement or the applicable price list referenced therein.
- 13.2 Unless otherwise agreed, billing shall be based on the actual time spent by FANUC personnel. Chargeable time includes preparation, connection time, analysis, troubleshooting, consultation, and documentation.
- 13.3 Any defined maximum duration per service or incident does not constitute a flat rate fee but solely specifies the maximum permissible service time before escalation to an alternative service delivery (e.g., on-site service) may become necessary.
- 13.4 All prices are exclusive of statutory value added tax.

14. Governing Law and Jurisdiction

- 14.1 These Terms shall be governed by and construed in accordance with the laws of the jurisdiction in which the relevant FANUC contracting entity is registered, excluding conflict-of-law principles and the United Nations Convention on Contracts for the International Sale of Goods. This choice of law ensures consistency with FANUC's corporate legal framework.
- 14.2 If any provision, or part of a provision, of these Conditions is found to be void or unenforceable, that provision, or part, shall be deemed to be deleted from this agreement. The remaining provisions of these Conditions shall continue in full force and effect, and the parties shall use their respective reasonable endeavours to procure that any such provision is replaced by a provision which is valid and enforceable, and which gives effect to the spirit and intent of these Conditions.
- 14.3 If any provision or part-provision of these Conditions is invalid, illegal or unenforceable, the parties shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended commercial result of the original provision.

15. Miscellaneous

- 15.1 Any dispute arising out of or in connection with this contract shall be resolved by alternative dispute resolution methods such as mediation or arbitration before resorting to litigation.
- 15.2 Any amendments to these Terms and Conditions must be made in writing. FANUC reserves the right to modify these Terms and Conditions at any time. This will not affect Orders confirmed prior to any such modifications, with respect to which, however, FANUC has no obligation to provide prior notice to the Customer.

Inspection – Annex 1

Inspection Content - CNCs

- Record machine data (datasheet, assemblies, needed batteries)
- Backup
- Visual inspection of CNC system and servo assemblies
- Functional check that everything is running properly
- Measure input voltages
- Check DC output voltages
- Check electric grounding (visual check)
- Check cable connections (visual check)
- Check screw terminals (on drives / amplifiers)
- Check conditions of filters (machine side)
- Check fans
- Replace buffer batteries
- Status report / inspection report in line with latest DIN EN ISO 9001 norm
- Final discussion / consultation