

Products

§ 1

Subject matter of the agreement

These General Terms and Conditions apply to all products of Pilz GmbH & Co. KG (hereinafter referred to as Pilz) that are not covered by any separate General Terms and Conditions of Pilz. Separate General Terms and Conditions apply to the following Pilz products:

- Standard software products: These are covered by the General Terms and Conditions for the sale of software products, except for PAS4000.
- PAS4000 products: These are covered by the General Terms and Conditions for PAS4000 products.

In addition, Pilz applies separate General Terms and Conditions

- to the performance of services (General Terms and Conditions for services) or the performance of work (General Terms and Conditions for the performance of work).

§ 2

General/Scope

(1) These General Terms and Conditions shall apply to all current and, by way of a blanket agreement, also to all future business relationships between Pilz and the customer, without Pilz needing to refer to the General Terms and Conditions in each specific case, unless other General Terms and Conditions of Pilz have been incorporated into the future contracts.

(2) The quotations and declarations of acceptance, as well as all services and goods, are provided exclusively on the basis of the General Terms and Conditions stated below, in each case in their latest version. These General Terms and Conditions are freely accessible at any time on the Internet at <https://www.pilz.com/en-INT/termsandconditions> and may be saved and printed out by the customer in a reproducible form.

(3) Terms of purchasing of the customer are hereby expressly rejected. Where the customer has his own different, conflicting or additional General Terms and Conditions, these shall not form part of the contract, regardless of Pilz's knowledge of such conditions, unless expressly agreed in writing by Pilz at the time the contract is concluded. This confirmation requirement shall still apply if Pilz supplies goods to the customer without reservation, in full knowledge of the customer's General Terms and Conditions, which conflict with or differ from the present terms. The written consent given at the time the contract is concluded shall in each case apply only to the individual instance regulated therein.

(4) The General Terms and Conditions of Pilz shall only apply if the customer is an entrepreneur (Section 14 of the German Civil Code [BGB]), a corporate body under public law or a public fund.

§ 3

Formation of contract

(1) Quotations by Pilz are not binding. The quotations made by Pilz in the E-Shop constitute a non-binding invitation to the customer to order goods from Pilz. Offline orders may be placed with

Pilz in the e-shop at <http://www.pilz.com/en-INT/eshop>.

(2) If the customer's order placed offline qualifies as a quotation pursuant to Section 145 of the German Civil Code, Pilz may accept this order within 4 weeks unless otherwise indicated in the customer's order. By placing an order in the Pilz e-shop, i.e. clicking on the "Order" button, the customer submits a binding offer to conclude the purchase contract. Pilz shall confirm receipt of this order without delay. However, this shall not yet constitute the formation of a contract. Pilz may accept this binding offer by the customer, unless otherwise agreed with the customer, up to 7 days after its receipt by Pilz by means of transmitting an order confirmation. The text of the contract is not saved by Pilz. Unless the customer indicates individual specifications of the article of sale in his order placed online or offline, in accordance with the individual form of use envisaged and taking account of all technically relevant factors, or provides them only in incomplete form, the general product details of Pilz shall apply additionally.

(3) Acceptance may be declared either in writing through confirmation of the order (including by telefax and e-mail) or by shipping of the goods to the customer. In this case, too, the customer shall receive a written order confirmation. In the absence of any other written agreements, the written order confirmation of Pilz shall set out the contractually due performance.

(4) There are no verbal ancillary agreements at the time of conclusion of the contract. Individual agreements (including ancillary agreements, supplements and amendments to these General Terms and Conditions) expressly reached between the customer and Pilz on an ad hoc basis shall always take precedence over these General Terms and Conditions, to the extent that they have been reached after the conclusion of the contract. A written contract or – in its absence – written confirmation to the customer by Pilz shall be decisive with regard to the content of such individual agreements.

(5) We reserve the right to make technical changes as well as changes to form, colour and/or weight of the delivery items within the scope of what is reasonable for the customer.

(6) A warranty shall only be granted if it has been expressly designated as such and has been declared in writing by the Pilz management. The properties of the goods to be delivered shall be as indicated in the Pilz product description at the time of conclusion of the respective contract. Other information such as technical data, descriptions, illustrations and drawings, specified measurements and weights are subject to constant change, even where these refer to standards. Pilz shall only be bound by such information where it has been confirmed in advance by Pilz as binding.

(7) Pilz reserves intellectual property rights and copyright on illustrations, drawings, drafts, models, samples, calculations, estimates and any other documents and objects; they shall not be made available to third parties. Such information shall not be disclosed to third parties without express prior written agreement from Pilz.

§ 4

Delivery

(1) Part shipments shall be permissible to the extent that is reasonable for the customer.

(2) Unless otherwise indicated in the contract between Pilz and the customer, delivery "ex works" in accordance with Incoterms 2010 is agreed. This place of delivery is the place of performance for the delivery and for any remedial action.

(3) The customer is responsible for conducting all processes in respect of export and import of the delivery items and shall bear all costs incurred for these processes. Pilz shall assist the customer with these processes. The delivery items may be subject to (re-)export restrictions, e.g. of the United States of America or the European Union. The customer shall observe such stipulations if the items are resold or otherwise exported.

(4) Delivery dates and delivery deadlines shall always only be approximate and shall not be binding for Pilz, unless a delivery date was expressly agreed in writing as binding upon conclusion of the contract. The delivery deadline or delivery date has been met if the delivery items have left the Pilz plant within these, or the customer has been notified by Pilz that the goods to be delivered are ready for shipping within the delivery deadline. At the beginning of the delivery period specified by Pilz it shall be assumed that all technical queries have been clarified and the customer's obligations have been met in a timely and proper manner. In particular this shall include any documents to be obtained or produced by the customer, such as drawings, descriptions, any permits or approvals to be submitted by the customer and any agreed prepayments credited to Pilz's account as agreed with Pilz. If any of these conditions is not met or if there are matters for which the customer is responsible that await clarification, the delivery period quoted by Pilz shall be postponed until the impediment is remedied or removed by the customer, and the deadline shall consequently be extended by the period of the delay.

(5) If the customer demands amendments or supplements to the contract after its conclusion, e.g. customer-specific amendments to the delivery items that render it impossible to meet the delivery deadline or delivery period, the delivery date shall be delayed or the delivery deadline extended in accordance with the amendments and supplements demanded.

(6) The performance shall be subject to correct and punctual delivery by the suppliers, with the consequence that Pilz shall be released from the delivery obligation if, through no fault of its own, Pilz does not receive supplies from its own suppliers even though Pilz has previously concluded a corresponding supply agreement with the supplier. Pilz shall notify the customer without delay that the supplier has failed to supply Pilz, that Pilz therefore withdraws from the contract and that the consideration – where already paid by the customer – will be refunded without delay.

(7) The customer shall be obliged to accept a delivery item that exhibits only negligible differences compared to the agreed properties or negligible impairment of use.

Products

(8) The costs of shipping shall be met by the customer, with the choice of shipment route and method at the discretion of Pilz. Transport insurance shall only be concluded at the express wish and for the account of the customer.

(9) During the delivery period, Pilz reserves the right to amend the design or form based on technical improvements and/or statutory requirements, provided these do not significantly change the delivery item or the agreed delivery and the amendments are acceptable to the customer.

§ 5 **Call-off orders**

Delivery of call-off orders shall be taken within the agreed time scales or on the agreed dates. If the goods have not been called off within the specified periods and the customer is therefore in default of acceptance with regard to fulfilling his call-off obligation pursuant to Sections 293 ff of the German Civil Code, the risk of accidental loss and accidental deterioration of the delivery item shall pass to the customer. From the time of expiry of the deadline, the customer shall moreover meet the costs incurred for storage of the goods at Pilz, but at least 0.5% of the invoice total per month. Pilz shall furthermore enjoy the rights pursuant to Section 375 of the German Commercial Code.

§ 6 **Price and terms of payment**

(1) In the absence of any specific agreement, prices shall apply „ex works“ in accordance with Incoterms 2020; prices include loading inside the factory but exclude packaging, transport and transport insurance, plus the statutory rate of VAT. Prices shall apply exclusively to delivery and performance within the Federal Republic of Germany.

(2) Unless agreed otherwise, prices for all goods to be supplied shall be the list prices valid at Pilz on the date of order confirmation.

(3) Pilz may issue part invoices for part shipments. Payment terms shall run separately for each part invoice.

(4) Discount shall only be offered by specific written agreement.

(5) Unless stated otherwise in the order confirmation/quotation, the net sales price (before deductions) shall be payable within 30 days of the invoice date. If the customer defaults on payment, Pilz shall be entitled to charge interest on the money owed at a rate of 8 % p.a. above the base interest rate of the European Central Bank. Pilz reserves the right to provide evidence of and claim for greater losses resulting from default. For his part the customer shall have the right to prove a lower level of loss.

(6) Should there be a significant deterioration in the customer's financial situation after the contract is concluded, or should Pilz become aware of an earlier deterioration of the financial situation after the contract is concluded, and this gives rise to serious doubts concerning the customer's credit-worthiness, Pilz shall be entitled to request either

payment in advance or a payment bond, at its own choosing. Pilz shall be entitled to withdraw from the contract if the customer fails to comply with this request.

§ 7 **Right of retention/offsetting**

(1) The right to retain payments on the grounds of any claims of the customer against Pilz is excluded, unless the right of retention rests on undisputed or final and absolute claims of the customer.

(2) Offsetting of the customer's own receivables against receivables of Pilz shall not be permitted, unless the right of retention rests on claims of the customer from the same contractual relationship with Pilz.

§ 8 **Force majeure**

(1) The delivery date shall be postponed and the delivery period extended appropriately in the event of force majeure or other unforeseeable events (operational disruptions of all kinds, difficulties in procuring materials or energy, transport delays, strikes, legal lockouts, shortages of labour, energy or raw materials, difficulties in procuring necessary official permits, official measures of the failure of suppliers to supply Pilz correctly or on time) for which Pilz is not responsible.

(2) Pilz shall not be held responsible for the above circumstances, even if they occur during an existing delay. Pilz shall inform the customer of the start and end of such obstacles within a reasonable period.

(3) If such events make delivery significantly more difficult or impossible for Pilz and the hindrance is not just temporary, Pilz shall be entitled to withdraw from the contract. In the event of temporary hindrances, delivery periods shall be extended or delivery dates postponed by the duration of the hindrance plus a reasonable start-up period. If the customer cannot reasonably be expected to accept the delivery as a result of the delay, he shall be entitled to withdraw from the contract by means of an immediate written declaration to Pilz.

§ 9 **Passage of risk**

(1) The risk of accidental loss or accidental deterioration of the delivery items shall pass to the customer as soon as the delivery items have left the premises of Pilz or Pilz has given notice of readiness to ship.

(2) If the customer is in default of acceptance of delivery, this is equivalent to delivery of the items.

(3) If shipment of the subject matter of the contract is delayed as a result of circumstances that are the responsibility of the customer, the risk passes to the customer from the day that notification of readiness to ship is issued.

(4) To the extent that Pilz has contractually agreed

to assume the shipping, delivery or installation costs of delivery items, this shall not affect the above clauses regarding the passage of risk.

(5) The above clauses shall also apply where part shipments are agreed.

§ 10 **Default and impossibility**

(1) If Pilz should default on its obligation to deliver through simple negligence, the customer may for each week or part of week of default demand compensation amounting to 0.5 % of the price of the portion of the deliveries that cannot be commissioned due to default, but to no more than 5 % in total. The customer shall have the option of demonstrating higher losses due to default; Pilz may demonstrate lower losses.

(2) Notwithstanding a right of withdrawal of the customer in the event of defects (see Item 13 Guarantee and Item 15 Defects of Title in these General Terms and Conditions), the customer may only withdraw from the contract due to the impossibility of performance by Pilz or due to default if Pilz is responsible for dereliction of duty.

(3) In the event of default, withdrawal or compensation in place of performance shall moreover require the customer to have first given Pilz in writing a suitable deadline of at least 2 weeks to fulfil the contractually due performance, stating expressly that he withdraws from the contract and/or claims compensation if that deadline is not met (setting of deadline with warning of rejection of performance). After this deadline has passed, the customer is obliged to declare, at the request of Pilz, whether he still insists on performance or claims compensation pursuant to Section 281 (4) of the German Civil Code or withdraws from the contract. If the customer does not make any such declaration within a suitable period set by Pilz, the customer shall no longer be entitled to decline performance or withdraw, nor may he claim compensation in lieu of performance; he may merely accept performance.

(4) Setting of a deadline with warning of rejection of performance may only be dispensed with if Pilz seriously and definitively refuses the contractually due performance or in the event of special circumstances that justify immediate withdrawal, after weighing up the interests of both parties.

(5) The customer may not withdraw before the due date of performance, nor in the event of merely immaterial dereliction of duty by Pilz. Finally, withdrawal is excluded if the customer is solely or overwhelmingly responsible for the circumstances that would entitle him to withdraw, or if circumstances for which Pilz is not responsible arise during the customer's default of acceptance.

(6) The entitlement to compensation or reimbursement of expenses from default or impossibility shall be subject to Item 16 of these General Terms and Conditions.

Products

§ 11

Default of acceptance/ Delayed acceptance

(1) If the customer should default on acceptance or breach any other co-operation obligation, Pilz shall be entitled to claim for any loss incurred, including any additional expenses. In this case, the risk of accidental loss or accidental deterioration of the delivery item shall pass to the customer at the point at which acceptance was delayed.

(2) If delivery or dispatch of the delivery item is delayed at the request of the customer, the customer shall be charged for the resulting storage costs, from the beginning of the month after the date on which the item was notified as ready for delivery or dispatch and for each subsequent month or part of month, at a rate of at least 0.5 % of the invoice total. The customer reserves the right to prove a lower level of loss, and Pilz a higher level.

(3) After an appropriate period of time, as notified to the customer, Pilz shall also be entitled to withdraw from the contract or to supply the delivery item elsewhere and to supply the customer in keeping with the contract, after an appropriately extended deadline.

§ 12

Notice of defect

(1) The customer shall inspect the delivery items within 10 working days of delivery. Notice of defects of title or of material defects, the absence of a property possibly guaranteed by Pilz in the delivery items as well as delivery of excess amounts, short amounts or wrong deliveries (defects) shall

– to the extent that they are obvious – be given by the customer without delay in writing, but no later than a further 5 working days of the end of the inspection period stated in sentence 1.

(2) Notice of defects not identifiable in a customary receiving inspection pursuant to Item 12.1 of these General Terms and Conditions shall equally be given without delay by the customer, but no later than 14 days after detection.

(3) Notice of defect by the customer must contain a detailed description of the specific defect with the specifics of the individual case.

(4) If notice of defects is not given within the periods set forth above in Items 12.1 and 12.2 of these General Terms and Conditions, all warranty claims against Pilz shall be excluded.

§ 13

Warranty against material defects

(1) In the event of a defect – except for defects of title, which are covered by Item 15 – Defects of Title – of these General Terms and Conditions – the warranty provided by Pilz for defects notified within the proper periods pursuant to Item 12 of these General Terms and Conditions shall be limited initially to remedial action through elimination of the defect (rectification) or replacement, at the discretion of Pilz, provided the customer proves that the defect was already present upon the passage of risk.

(2) The customer shall, in consultation with Pilz, grant the latter the necessary time and opportunity to rectify or replace the delivery items. Bearing in mind the complexity of the delivery items, Pilz shall be granted up to three attempts at rectification. The place of performance for remedial action is the place of delivery. This shall not apply if Pilz chooses rectification as remedial action and the delivery item to be rectified cannot be transported to Pilz. If Pilz is to take remedial action at a site other than the place of delivery and no repair/service agreement is in place, the customer shall reimburse Pilz the increased transport, travel and accommodation costs that result from performance of the remedial action at the actual place of use of the delivery items, plus any other increased costs arising from remedial action, unless transfer to another place reflects the intended use of the delivery items.

(3) Pilz shall moreover not be obliged to rectify or replace delivery items if this is only possible at undue cost. Pilz may refuse any form of remedial action if the anticipated costs of the rectification or replacement delivery exceed the purchase price of the contractually due delivery item by 100%.

(4) Any parts replaced under warranty shall become the property of Pilz.

(5) In the event that remedial action fails – i.e. if Pilz allows an appropriate deadline issued to Pilz for remedial action to pass, has attempted rectification twice or made one replacement delivery and the notified defect is nevertheless not remedied, if Pilz unjustifiably refuses or unduly delays necessary remedial action or replacement delivery or if rectification is deemed unreasonable for the customer for other reasons, and also if the conditions of Sections 281 (2) or 323 (2) of the German Civil Code are met or Pilz justifiably refuses remedial action as undue – the customer may invoke the statutory legal redress of withdrawal and price reduction in lieu of rectification or replacement delivery, as well as compensation or the entitlement to reimbursement of expenses, the latter within the framework of Item 16 of these General Terms and Conditions.

(6) Where the breach of contract is slight, particularly in the case of minor defects, the customer shall have no right of withdrawal.

(7) In the event of merely a minor defect, the compensation pursuant to Section 281 of the German Civil Code – compensation in lieu of performance – shall be calculated based on the difference between the purchase price and the value of the defective delivery items.

(8) For third-party products, the guarantee provided by Pilz shall be limited to the assignment of the entitlements which Pilz has in respect of the manufacturer of the third-party products. In the event that the customer is unable to assert his guarantee rights against the manufacturer of the third-party products, Pilz shall furnish the guarantee within the framework of these terms and conditions. Any warranties furnished by manufacturers of third-party products shall not be affected.

(9) If notice of defect was issued unjustifiably, Pilz shall be entitled to demand reimbursement of

expenses incurred by Pilz from the customer if the customer has culpably misjudged circumstances lying within the scope of responsibility of the customer as having caused the supposed defect.

(10) Should the customer receive defective installation instructions, Pilz's sole obligation shall be to supply fault-free installation instructions, and in that case only if the fault in the installation instructions can lead to improper installation.

(11) The liability of Pilz is generally excluded where components other than those manufactured or specified by Pilz have been built into the article of sale, at the customer's request. The customer shall be responsible for proving that such a modification did not cause the defect on the delivery item.

(12) Pilz shall not be liable for any installation work carried out by the customer himself. The burden of proof that the installation is free from defects shall lie with the customer.

§ 14

Warranty for material defects in used products

(1) In the case of delivery of used products, the customer has, in deviation from the legal provisions, neither a claim for rectification or replacement nor can he exercise the legal remedies of withdrawal and reduction.

(2) Notwithstanding the above, the customer shall be entitled to claims for rectification or replacement and may exercise the legal remedies of withdrawal and reduction if Pilz has fraudulently concealed the defectiveness of the used products or has given a guarantee for the quality of the used products. In this case the customer's rights shall be governed by Item 13 of these General Terms and Conditions.

§ 15

Guarantee against defects of title

(1) Pilz guarantees that the contractually agreed use of the delivery items by the customer in the country of the place of delivery does not conflict with third-party rights. In the event of defects of title, i.e. if third parties make justified claims against the customer on the grounds of a breach of protective rights by items delivered by Pilz and used in the contractually agreed manner, if notice of defect is given pursuant to Item 12 of these General Terms and Conditions Pilz provides a guarantee that Pilz shall, at its own discretion, obtain a lawful way to use the delivery items for the customer or modify or exchange the delivery items in such a way that the protective right is not breached. Pilz may exchange the relevant delivery items for equivalent delivery items that meet the contractual provisions, provided this is reasonable for the customer. If Pilz is unable to do so on appropriate terms, the customer shall have the statutory rights of withdrawal or reduction, as well as entitlements to compensation or reimbursement of expenses. The obligation of Pilz to pay compensation or reimburse expenses shall be in accordance with Item 16 – Compensation – of these General

Products

Terms and Conditions.

(2) The customer shall notify Pilz without delay in writing if third parties assert protective rights (e.g. copyrights or patent rights) over the delivery items. The customer shall authorise Pilz to conduct the dispute with the third party on its own. Pilz shall contest or satisfy the claims at its discretion and in consultation with the customer. Provided Pilz exercises this authorisation, the customer may not of his own accord recognise the claims of the third party without the consent of Pilz; Pilz shall contest the claims of the third party at its own expense and release the customer from all costs associated with contesting these claims, provided these do not arise as a result of behaviour of the customer in breach of his duty (e.g. contractually non-compliant use of the delivery items). If the customer should cease to use the delivery items in order to mitigate the damage or for other good reasons, he is obliged to inform the third party that no acknowledgement of a breach of protective rights is associated with the cessation of use.

(3) Claims of the customer are excluded if and insofar as he is responsible for the breach of protective rights. They are furthermore excluded insofar as the breach of protective rights is caused by special stipulations of the customer, by use in a manner not foreseeable by Pilz or caused, for example, by the delivery items being modified by the customer or used in conjunction with products not supplied by Pilz.

(4) All further claims based on a defect of title are excluded.

§ 16 Compensation

(1) Unless otherwise agreed in these provisions, all compensation claims of the customer for losses of any kind, including for reimbursement of expenses and indirect losses, such as loss of profit, shall be excluded. This applies in particular to claims for all breaches of obligations resulting from the contractual relationship or from tort. The exclusion of liability shall also apply if Pilz has used subcontractors or vicarious agents.

(2) In a departure from Item 16.1 of these General Terms and Conditions, Pilz shall be liable, whatever the legal basis, only – including if Pilz has used senior employees or subcontractors and vicarious agents – if:

- (a) there is gross negligence or intent on the part of Pilz,
- (b) Pilz has fraudulently concealed a defect or has assumed a warranty for the property of the delivery items,
- (c) injury to life, limb or health has been culpably caused by Pilz, and
- (d) Pilz is in breach of material contractual obligations, i.e.
- (e)(aa) in the event of material dereliction of duty that jeopardises the achievement of the purpose of the contract, or
- (f) (bb) in the event of breaches of obligations the fulfilment of which makes the proper fulfilment of the contract possible in the first place, and on the compliance with which the customer regularly relies or is entitled to rely (material contractual obligations).

(3) In the event of Item 16.2 (d) of these General Terms and Conditions – Breach of Material Contractual Obligations – in the case of merely simple negligence the liability of Pilz shall however be limited in its amount to reimbursement of the foreseeable, typically incurred loss.

(4) The exclusion of liability shall not be applicable in respect of claims under product liability law. The aforementioned provisions do not entail a change in the burden of proof to the disadvantage of the customer.

§ 17 Statutory limitation of claims due to material defects and defects of title

(1) The limitation period for all claims of defects under Section 438 (1) No. 3 BGB, Section 445b (1) BGB or Section 634a (1) No. 1 BGB shall be twelve months from handover of the delivery item or – if acceptance was agreed – from acceptance of the delivery item, unless alternative agreements were reached in the individual case. The suspension of expiration under Section 445b (2) BGB shall end after three years.

(2) In derogation of the above, even within the scope of application of Section 438 (1) No. 3 BGB, Section 445b (1) and (2) BGB and Section 634a (1) No. 1 BGB the statutory limitation periods shall apply

- for claims for injury to life, limb or health caused by a defect for which Pilz is responsible;
- if the defect arises from an intentional or grossly negligent dereliction of duty by Pilz;
- for the fraudulent concealment of a defect;
- for warranties (Sections 444 and 639 BGB); and
- if the last contract in the supply chain pursuant to Section 445a BGB is a consumer contract (Section 474 BGB).

(3) Claims under product liability law and statutory provisions on suspension of expiration, suspension and recommencement of the time limits shall not be affected. However, warranty is excluded in the case that used goods are delivered.

(4) In case of delivery of used products, only Item 17 paragraph 2 and 3 shall apply.

§ 18 Cancellation costs

Should the customer withdraw from an order he has placed without the customer having a contractual or statutory right of withdrawal, Pilz may – once the customer has been given an appropriate period to remedy the situation – claim 10 % of the sales price for the costs incurred in processing the order and for loss of profit, without prejudice to any subsequent claim for greater actual loss. The customer shall reserve the right to prove a lower level of loss.

§ 19 Retention of title

(1) All deliveries shall remain the property of Pilz until the payment in full of all receivables of Pilz

existing at the time of conclusion of the contract, whatever the legal basis. If Pilz has accepted cheques or bills of exchange on account of performance in the interests of the customer, all deliveries shall remain the property of Pilz until such liabilities are fully discharged. The same shall apply if payments have been made for specially designated receivables. The addition of individual receivables to an open account as well as the striking and acceptance of such a balance shall not affect retention of title.

(2) The customer shall be entitled to work and process the delivery items within the course of his normal business activities. The customer shall perform the working and processing of the delivery items on behalf of Pilz without obligations on the part of Pilz arising. Where the delivery items are processed, combined, mixed or blended with other goods not supplied by Pilz, Pilz shall have a co-ownership share of the new article in proportion to the invoice value of the delivery items compared with the other processed goods at the time of processing, combining, mixing or blending. To the extent that the customer acquires sole ownership of the new article by operation of law, he shall as of now grant Pilz co-ownership of the new article in the proportion described above and undertakes to keep this article free of charge on behalf of Pilz.

(3) If the customer disposes of the delivery item or the article under co-ownership pursuant to Item 19.2 of these General Terms and Conditions on his own or together with goods not belonging to Pilz, the customer shall as of now assign to Pilz the receivables arising from the resale up to the value of the delivery items, along with all ancillary rights. Pilz shall accept assignment. If the disposed article is co-owned by Pilz, assignment of the receivable shall extend to the amount that corresponds to the Pilz portion of co-ownership. Reserving the right of revocation, Pilz authorises the customer to collect the receivables assigned to Pilz. If the customer falls in arrears with his obligations towards Pilz, the customer shall name all debtors of the assigned receivables to Pilz. The customer must furthermore notify the debtors of assignment. In this case Pilz, too, shall itself be entitled to disclose the assignment to the debtors in question and to exercise Pilz's authority to collect payment.

(4) If the customer does not behave in accordance with the contract, and if he falls in arrears particularly with his payment obligations, Pilz shall be entitled to take back the delivered goods after issuing a reminder and setting a period of grace. In this case the customer shall be obliged to surrender them. Neither the assertion of retention of title nor the pledging of the software by Pilz as such constitutes withdrawal from the contract. The customer declares his consent as of now to allow the persons appointed by Pilz to enter and drive onto the premises on which the delivered goods are situated for that purpose.

(5) The customer shall be entitled and authorised to resell the delivery item only within the ordinary course of business and only subject to the proviso that the receivables assigned to Pilz under the aforementioned Item 19.3 of these General Terms and Conditions genuinely pass to Pilz. The customer shall not be entitled to dispose otherwise of the delivery items. In particular, he may not pledge the delivery item or transfer it by

Products

way of security.

(6) The customer shall notify Pilz without delay of enforcement measures by third parties for goods subject to retention of title, handing over the necessary documents for contending such action.

(7) All goods subject to retention of title shall be insured by the customer at his own expense, in particular against fire and theft. All claims by the customer against the respective insurers shall be assigned to Pilz as of now with regard to the goods that are subject to retention of title. Pilz hereby accepts this assignment.

(8) Pilz is obliged and prepared to return or release to the customer the security granted to Pilz to the extent that it exceeds the agreed cover limit if the value of the overall security granted to Pilz exceeds the receivables of Pilz by more than 20%.

(9) If not located in Germany, the customer shall take any action required in law or otherwise to make retention of title (including its forms of enhancement and extension) by Pilz, as envisaged in these terms and conditions of sale and delivery, effective in the country to which delivery is made.

§ 20

Cost regulation for the return of packaging in accordance with section 15 of the German Packaging Act

Notwithstanding section 15 paragraph 1 sentence 1 VerpackG (German Packaging Act), the customer shall bear the costs of returning the packaging to Pilz.

§ 21

Confidentiality

(1) The customer shall protect confidential information, i.e. all data and information of which he receives knowledge in connection with the contractual relationship with Pilz (hereinafter: "Confidential Information"), such as illustrations, drawings, drafts, models, samples, calculations, cost estimates and other documents or items. The customer undertakes to use Confidential Information only for the purposes of the contract concluded with Pilz and not to circulate it among or otherwise disclose it to third parties without the prior express written consent of Pilz. The customer shall refrain from any reverse engineering outside the scope of Section 69e UrhG, i.e. reverse analysis through monitoring, examination, decompilation or testing of the delivery items for the purposes of acquiring the operating and business secrets embodied in these items.

(2) The customer is obliged to protect Confidential Information against access by third parties. The customer shall exercise the same care in this respect that he would take in handling his own confidential information, but at least due care. The customer is obliged to secure from his employees the same obligations to protect Confidential Information. The customer shall notify Pilz without delay in writing if he acquires knowledge of an impending or existing breach of the confidentiality agreement or has suspicions to that effect.

(3) The obligation to protect Confidential Information shall cease to apply if the customer can prove that

– this Confidential Information was already known to him prior to the disclosure of this information by Pilz;

– he has legitimately received this Confidential Information from third parties without imposition of a confidentiality obligation and without him having any evidence that the third parties are in breach of confidentiality obligations imposed on these third parties;

– the Confidential Information is generally known or has become generally known without breaching this confidentiality obligation;

– this Confidential Information was or is developed by the customer independently of its disclosure by Pilz.

(4) Pilz reserves all rights to the Confidential Information (including copyrights, the right to register industrial property rights and patents, utility models, topography rights, designs, brands) and rights of ownership to the items made available and containing the Confidential Information (papers, disks etc.). In no case shall rights of ownership, licence, reproduction, use or other rights be granted to the customer for Confidential Information of Pilz, regardless of whether such information is covered by protective rights or not. In the case of items or documents on which Pilz has protective rights and/or which are protected as commercial/company secrets, the customer shall only be permitted to use the item in accordance with Pilz's express conditions, unless specific usage methods are permitted to a third party.

(5) At the request of Pilz, the customer shall without delay return all Confidential Information received from Pilz. Confidential information shall be returned unprompted to Pilz free of charge once it is no longer needed. The customer shall have no right of retention to these documents or items. An exception merely applies for copies that must be archived in fulfilment of binding statutory requirements. All Confidential Information present on computers shall be deleted upon request.

(6) The customer shall be liable for loss and damage where he is responsible for these.

(7) The confidentiality agreement shall apply for three years after the end of the contract.

§ 22

Concluding provisions

(1) The customer is hereby informed that Pilz will collect, store and process its data to the extent that is necessary to complete the contract and on the basis of data protection regulations, and that this data will be passed to third parties where required for that purpose.

(2) Pilz shall be entitled to amend the contents of these General Terms and Conditions with the customer's consent, provided the changes, while taking Pilz's interests into account, are reasonable for the customer. Agreement to the contractual change shall be deemed to be given if the customer has not objected to the change within four weeks of receipt of the change notice. Pilz

shall be obliged to inform the customer via the change notice of the consequences of a failure to object.

(3) Pilz may transfer its rights from this contract to one or more third parties.

(4) The law of the Federal Republic of Germany shall apply, to the exclusion of the United Nations Convention on Contracts for the International Sale of Goods dated April 11, 1980 (CISG).

(5) The place of performance for the obligations under this contractual relationship is the domicile of Pilz in Ostfildern.

(6) If the customer is a businessman, a public body or a public fund, Pilz's place of business shall be the exclusive court of jurisdiction for all disputes arising from this contract. This shall also apply if the customer has no general court of jurisdiction in Germany, or if a permanent/habitual place of residence is unknown at the time the claim is raised. The plaintiff shall furthermore be entitled to lodge a claim at the domicile of the defendant.

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July 1, 2022