

General Trading Terms for Sales of Services

Notes concerning occupational health and safety

Pilz provides its services while observing occupational health and safety (OHS) regulations. Pilz may, based on a separately submitted and accepted order, undertake an assessment of the safety situation, inspect the compliance of implemented safety measures with suitable provisions and standards, and modernise the safety controls of a machine or production line in order to suggest additional safety-related solutions beyond the standards applicable at the Customer's site.

§ 1

General Provisions

(1)

These General Trading Terms for Sales of Services of Pilz Polska sp. z o.o. ("General Trading Terms for Sales of Services" or "GTSS") apply exclusively to the sales and deliveries of Services by Pilz Polska sp z o.o. ("Pilz").

(2)

These General Trading Terms for Sales of Services apply to all legal relationships of Pilz resulting from Service sale agreements entered into by Pilz. These General Trading Terms for Sales of Services apply also to all other agreements, if Pilz has named them as binding for such agreements.

(3)

If the purchaser of the Services ("Customer") uses its own different or additional contractual terms, general terms of contracts, arrangements etc., which contradict these terms, such terms do not bind the Parties with respect to the agreement concerning Services sold by Pilz, even if Pilz is fully aware of these terms, unless their use for the purpose of a particular agreement is confirmed by Pilz in writing on pain of invalidity.

(4)

In particular, the General Trading Terms for Sales of Services will continue to apply when Pilz delivers Services to a customer without reservations, being fully aware of contractual terms, general terms of contracts, regulations etc. used by the customer that contradict, supplement or differ from these terms.

(5)

In the meaning of the GTSS, a service is an action undertaken by Pilz to achieve a specific purpose on request of the customer as per the Pilz offer.

§ 2

Offers and offer documents

(1)

Pilz reserves the right to change the specifications and make justified changes while providing the Services. The compliance of Products with technical specifications or other information/details found in catalogues, printed materials, part lists or drawings/sketches is assumed confirmed only to the extent to which such specifications or other information are expressly mentioned in a description given in the Pilz offer. A general reference to documents or drawings is considered only as confirmation of particular function.

(2)

A Service sale agreement is considered concluded if Pilz accepts the order for processing within 4 weeks. Pilz accepts an order for processing electronically, including by assigning resources to a Service and notifying the Customer of this fact via electronic means, by providing the Service to the Customer, or alternately in writing.

(3)

If a manifest error or typographical mistake occurs in the Pilz offer or a written or electronic confirmation of accepting the order for processing by Pilz, then Pilz reserves the right, without prejudice to all other rights of Pilz, to withdraw from the agreement within 10 business days from the date on which Pilz learned about the manifest error or typographical mistake.

(4)

Pilz's performance of an agreement to sell the Services is contingent upon timely deliveries from Pilz subcontractors, in accordance with the terms of agreements with these subcontractors, as well as the Customer's submission of documentation in electronic form which is necessary to provide the service.

Should Pilz be unable to provide the Services, the purchaser will be promptly advised that the Service is unavailable, and any advances paid by the purchaser will be reimbursed immediately, that is within no more than 14 days.

(5)

Pilz retains the right of ownership of and copyright to all illustrations, sketches, models, samples, calculations, estimates, and other documents and materials, as well as data found in such documents and materials, and prohibits sharing them with third parties. This applies in particular to written documents marked as "confidential" and any data contained therein. Such documents, as well as other materials to which this point (5) applies, should be returned without reminder and without paying any fees on each request of Pilz. The Customer will be fully liable for the loss and damage

sustained by such documents or materials. The Customer has no right to retain such documents and materials, and moreover will ensure that they are stored securely and not copied without the prior consent of Pilz which must be expressed in writing on pain of invalidity.

The aforesaid documents and other materials, as well as intellectual property, should be stored by the Customer in a manner that preserves their secrecy, unless they are or have become public domain without the involvement of the Customer or entities for whose acts and omissions it is liable.

Materials and other documents, as well as their contents, which are trademarked or protected by Pilz as an enterprise/business secret, can be used by the Customer solely in accordance with conditions expressly specified by Pilz.

(7)

The offer drafted by Pilz will take into account the condition of the machine or product line described by the Customer to Pilz. In particular, when drafting an offer to modernise security controls, Pilz will be entitled to assume that no damage or faults are present other than those resulting from regular wear and tear or notified to Pilz by the Customer. Pilz will notify the Customer of any damage or faults discovered during disassembly and/or performance of the agreement in comparison with the condition described by the Customer. If Pilz deems it necessary, Pilz will draft and submit to the Customer an additional evaluation taking into account damage and/or faults not accounted for while drafting the offer. The scope and prices of additional services will be agreed between Pilz and the Customer separately, subject to additional evaluation. The costs of materials stated in the additional evaluation will apply only when the machine or production line is modernised by Pilz on a separate request of the Customer.

(8)

Except as stated otherwise in the General Trading Terms of Sales of Services, Pilz Services will be provided in compliance with generally applicable provisions of law and in the scope stated in the offer. Following an extra order of the Customer, Pilz may draft an additional offer that includes services separately agreed between the Parties.

(9)

Both Pilz and the Customer are obliged to demand, in writing, that amendments be made to the agreed scope of Service performed by Pilz, which should be submitted to the other Party before the planned Service completion date so as to allow the Service to be performed by the planned deadline. If either Party receives a request that the agreed scope of Service be amended, Pilz or the Customer, as the case may be, will immediately decide whether such amendment is feasible under a particular agreement. The other Party to the agreement will be immediately notified in writing whether the Party that received the request for amendments considered them feasible under the agreement and whether it accepts their cost. Should the performance of an agreement, taking into account any requested amendments, require Pilz to carry out additional works or deliveries, Pilz will be entitled to charge the Customer for any related costs. The scope of additional Pilz works, the extent of amendments to the previously agreed scope of the Service provided by Pilz, and the related extra Pilz costs will be confirmed by a separate annex to the agreement.

§ 3

Order Fulfilment

(1)

Pilz will fulfil the orders based on the current state of knowledge and technology available to Pilz.

(2)

Pilz is the sole entity authorised to instruct other persons and entities, including its employees and associates, which it employs to fulfil the order on behalf of the Customer.

(3)

Pilz is authorised to employ the services of third parties while fulfilling the orders and is liable for their acts and omissions as for its own acts and omissions.

§ 4

Customer's Obligation to Cooperate

(1)

The Customer is obliged to submit to Pilz, free of charge, at its own cost and by a suitable date, not shorter than 7 days before commencing the performance of an agreement, all information, materials, devices, documents, procedures etc. necessary to perform the agreement which are considered complete and true by Pilz. This applies in particular to current documentation, which should be submitted also in electronic form.

(2)

The Customer is obliged to ensure that Pilz, including persons and entities employed by Pilz to fulfil an order, is granted free access to premises, installations (software, hardware, networks etc.) and other work equipment necessary for the proper performance of the Service within normal business hours of the Customer. Whenever necessary to perform

the Customer should also ensure that Pilz, including persons and entities employed by Pilz to fulfil the order, is granted free of charge access to sanitary premises.

(3)

The Customer should also cooperate whenever necessary in other matters not specifically mentioned in the GTSS, in particular on a justified request of Pilz.

(4)

When the Customer fails to duly perform its obligations under points (1)-(3) of this section, in particular when such performance is not timely, which might result in the order fulfilled by Pilz being delayed or entail additional costs, the order fulfilment deadline will be postponed accordingly and/or the agreed Pilz remuneration will be increased as necessary.

§ 5

Prices / Terms of Payment

(1)

Except as otherwise agreed, the prices are ex-works prices according to Incoterms 2010 increased by the statutory goods and services tax rate according to applicable provisions.

(2)

If the Pilz offer does not specify separate methods of invoicing and payment, the remuneration for performed Services will be calculated at rates specified in the Pilz offer or on the basis of man-hours worked and materials consumed, upon performance of the Service by Pilz or its acceptance by the Customer. If remuneration for a performed service is calculated on the basis of man-hours worked and materials consumed, the work hours and travel times will be calculated at hourly rates used by Pilz when the Service was performed by Pilz or accepted by the Customer, and charges for materials will be calculated at rates applicable when the Service was performed. All other expenses incurred by Pilz, in particular travel, accommodation and overtime, will likewise be included in the remuneration due to Pilz for performing an order. Any price estimates found in the Pilz offer, which were determined using the estimated number of man-hours or value of materials, are not binding for Pilz.

(3)

The Service prices are used with the additional assumption that when Pilz commences work to modernise a machine or production line, the Customer should make the machine or production line available at its cost in an orderly condition and moreover provide at its cost support with respect to assembly requirements and, if necessary, ensure at its cost:

- suitable auxiliary personnel,
- any necessary tools and auxiliary materials,
- the needed power (with voltage not lower than required), compressed air, water, and other media,
- transport of assembly components to the assembly location determined by the Parties.

(4)

When the goods are delivered by Pilz then, except as otherwise agreed, the prices of all delivered goods are catalogue prices applicable at Pilz on the day of issuing the invoice (date of issuing the VAT invoice).

(5)

Rebates for Services will be offered only when expressly provided for in the offer drafted by Pilz.

(6)

Except as otherwise noted when accepting an order for processing, the term of payment of the entire remuneration for sale of the Service together with the goods and services tax due under applicable provisions of law is 30 calendar days from the date of issuing the VAT invoice. If the Customer defaults on timely payment, Pilz will be entitled to demand the payment of statutory interest on overdue amounts.

(7)

Pilz is entitled to issue partial VAT invoices for partial performance of Services. The payment deadlines will run separately for each partial VAT invoice.

(8)

Pilz is entitled to credit any payments made by the Customer towards due liabilities in reverse chronological order.

(9)

Should the Customer's financial condition deteriorate significantly after Pilz has accepted an order for processing or Pilz learns about a prior deterioration of the Customer's financial situation which in the belief of Pilz might prejudice the Customer's credit standing, Pilz will be entitled to demand that an advance payment or other form of collateral, at its own discretion, to secure the payment of remuneration for the Service be provided. In addition, it is a rule of Pilz to require an advance payment from all new Customers. Pilz is entitled to withdraw from a sale or delivery agreement should the Customer fail to comply with Pilz's request. Pilz should notify its withdrawal from the agreement to the Customer within 10 Business Days from the date on which

the deadline set by Pilz for the Customer to offer the required collateral has expired.

(10)

The prices are applicable only to services provided by Pilz on the territory of Poland.

(11)

Pilz does not cover the costs of machine downtime while performing works, nor the costs of energy and other media consumed while providing a service at the Customer's site.

§ 6

Open Orders

Open orders will be carried out in agreed time slots and/or on agreed dates based on a schedule agreed with Pilz in writing.

§ 7

Acceptance/Installation/Commissioning

(1)

The Service will be accepted by the Customer once it has been notified by Pilz that the Service is complete and the agreed contractual requirements have been fulfilled. The Customer is not entitled to refuse acceptance if the non-compliance of provided Service with the previously agreed scope is minor.

(2)

During acceptance, both Parties will draft and sign a report on compliance of the Service with the agreed scope.

(3)

Except as otherwise provided for in the agreement, the Services provided by Pilz do not include delivery and installation of spare parts.

(4)

If there are difficulties with installing spare parts that have been sold without installation services, the liability for avoiding damage due to the installation rests solely with the Customer.

(5)

If the start or any stage of disassembly/reassembly works and commission is delayed for reasons not attributable to Pilz, the Customer will be charged with all additional costs once Pilz has demonstrated incurring such costs or otherwise proved their existence. The agreed dates for performing the Service will, if necessary, be adjusted accordingly.

(7)

Remuneration for services provided according to points (4)-(6) above will be determined by Pilz at hourly rates for daytime work, taking into account downtime periods and other costs. The calculation details of the remuneration will be available to the Customer on request at the seat of Pilz

§ 8

Costs of Cancellation

If an order is cancelled by the Customer, Pilz will be entitled to demand the payment of a contractual penalty equal to 10% of the catalogue price (together with the due goods and services tax) to cover the costs of order processing and compensate for lost profits, which does not prejudice the right of Pilz to seek damages in excess of the reserved contractual penalty on general terms.

§ 9

Service Performance Date

(1)

If any of the conditions necessary for Pilz to sell the Services are not met and therefore some technical doubts remain, or Pilz does not receive all documents to be obtained or produced by the Customer, such as for example drawings, descriptions, any permits or approvals to be submitted by the Customer, or any agreed advance payments are not credited at Pilz's bank account, or if any doubts not resolved by the Customer remain, the delivery date set out by Pilz is postponed until the Customer removes any existing obstacles.

(2)

The Service performance date is assumed to be complied with if Pilz has notified the completion of the Service and the fulfilment of agreed contractual requirements concerning the Service. Deployment of works performed by Pilz or their components for production or operating purposes will be considered acceptance of such works, and thereby completion of Service, regardless of whether such completion was notified by Pilz as required above.

(3)

The Service performance date will be prolonged accordingly if circumstances over which Pilz has no control arise, insofar as such circumstances delay the performance date. The above applies in particular to events affecting any Pilz subcontractor. The provision of this point (3) applies in particular to events resulting from labour disputes, including strikes and lockouts, as well as events caused by force majeure. Pilz may not be held liable for any delay in Service performance that results from circumstances listed

in this point (3) also when such circumstances take place during an ongoing delay.

Pilz will notify the Customer as soon as possible about the onset and cessation of the events referred to in this point (3).

(4)

Should the performance of a Service be delayed, the Customer will not be entitled to seek any damages for delays referred to in this section, except in cases resulting exclusively from the wilful misconduct of Pilz.

§ 10

Failure/Delay to Collect the Goods

(1)

If the Customer does not accept the Service or breaches any other obligation resulting from the agreement to sell the Services, Pilz will be entitled to demand damages for all losses sustained, including all additional expenses and outlays. In such case, the risk of accidental damage, loss or destruction passes to the Customer by the date on which the purchaser was obliged to accept the Services.

(2)

When the deadline to perform a Service is postponed on request of the Customer or for reasons attributable to the Customer, the Customer will be charged with all resulting costs from the beginning of the month in which the Service was notified as ready for acceptance, the minimum amount of costs being 0.5% of the gross value of the agreement for each commenced month. Pilz is entitled to seek damages in excess of the amount due to Pilz according to the provisions of the preceding sentence.

(3)

Regardless of the rights provided for in this section, Pilz will be entitled to withdraw from the agreement once it has requested the Customer to accept the Service and granted a grace period for acceptance, within 10 business days from the deadline set by Pilz in the request.

§ 11

Passing of Risk

(1)

If Pilz undertakes to perform installation services at the Customer site, the risk passes at the Customer site and takes place once the Customer has signed the works acceptance report, and if signing the works acceptance report was refused, once the deadline set by Pilz for the Customer to sign the works acceptance report has expired.

(2)

The provisions of this section apply also when the Customer is in arrears with accepting the Service.

(3)

The provisions of this section apply also when partial performance of the Services has been agreed.

(4)

When Pilz consents to cover the costs of transport, delivery or installation of the Service upon accepting the order for processing, such consent will not affect the provision of the GTTSS concerning passing the risk of accidental loss, damage or destruction of the Service to the Customer.

(5)

If performance of a Service is delayed as a result of circumstances attributable to the Customer, the risk of accidental loss, damage or destruction passes to the Customer as of the date on which the Products were ready for shipping.

(6)

The Customer is not entitled to refuse accepting the Service, including a Service with non-essential defects, while retaining its rights under section 12 (Warranty).

(7)

Pilz is entitled to perform the Services in parts.

§ 12

Warranty

(1)

The warranty period is 12 months and starts on the date of completing the Service.

(2)

The warranty and liability of Pilz is limited to performing the agreement by properly providing the Service, and if the Service is not provided properly, the liability of Pilz is limited to having the Service repaired or replaced at the discretion of Pilz. If the Service is not provided properly and activities undertaken at least twice to provide the Service properly or repair the Service by a reasonable date, taking into account the actual circumstances of the sale or delivery, not shorter however than 60 calendar days, prove ineffective, the Customer will be entitled to withdraw from the agreement within no more than 10 calendar days from the date on which Pilz confirmed that proper performance of the agreement is not possible. The Customer is however not entitled to withdraw from the agreement if the breach of the agreement is not essential,

especially in case of minor damage. The Customer is in no case entitled to demand reduction of Pilz remuneration or any damages.

(3)

Subject to point (4), the Customer is not entitled to seek damages for losses caused by improper performance of the Service.

(4)

If the defect cannot be repaired and the Customer claims damages following termination of the agreement according to the GTTSS, the performed Services will be removed by Pilz solely when the Customer has demonstrated that it cannot use a performed Service in any respect. The damages will be limited to the difference between the purchase price of the Service and the actual value of the defective Service, and if the Service was repaired by a third party, the damages will be limited to the difference between the Service purchase price increased by the remuneration paid to the third party and the actual value of the defective Service less any expenditures and outlays spared by Pilz.

(5)

Service descriptions published by Pilz do not form any warranties. No public statements, promotions or advertisements of the Services may be considered to describe Service details or form any warranty.

(6)

Should the Customer receive incomplete installation instructions, Pilz will be obliged only to deliver complete instructions, and only when the incompleteness of the instructions could hinder the proper start-up of works included in a Service.

(7)

The warranty expires when the Customer fails to notify Pilz about obvious faults within two weeks from the date of accepting the Service and about latent faults within two weeks from the date of discovering the faults, not later however than the end of the warranty period. All faults, including legal defects, should be reported in writing on pain of invalidity.

(8)

It is the obligation of the Customer to prove that the faults are reported by the deadlines referred to in point (7) of this section. The Customer is also obliged to prove that it did not undertake any actions in order to repair the fault on its own.

(9)

It is the obligation of the Customer to document both the fault and the resulting loss, regardless of the preceding provisions, in a manner compliant with generally accepted technical standards.

(10)

Pilz does not grant to the Customer any additional legal warranties and is not liable under statutory warranty.

(11)

Pilz is entitled to correct at any time manifest errors such as typographical or calculation mistakes and formal defects found in reports, expert opinions and other statements by Pilz, including by persons and entities employed by Pilz when performing the agreement.

§ 13

Limitation of Liability

(1)

Pilz is not liable, including under warranty, in particular when the faults occurred after the risk of accidental loss, damage or destruction of the Product has passed to the Customer, when the Customer was aware of the defect upon the passing of risk, when the Customer failed to comply with the operating instructions, when the faults are minor or the breach of the provisions of the agreement is not essential, or when the Customer is at fault. The burden of proof that circumstances excluding the liability of Pilz did not take place rests with the Customer.

(2)

The liability of Pilz is in any case limited to the average level of direct loss which can be expected for a Service of that kind and the agreement typical for it.

(3)

Any other claims against Pilz that are not mentioned in the provisions of this section are excluded. Specifically, Pilz is not liable for damage not caused directly by a Service actually provided, in particular for lost profits or damage to any other assets belonging to the Customer or a third party, including products produced as a result of matching, combining, processing and/or further processing of works included in the Service.

(4)

The exclusion and limitation of liability listed in points (1) and (2) does not apply to losses caused by death or bodily injury or resulting from wilful misconduct or gross negligence of Pilz. In such cases, the liability will be limited to the

average level of direct loss which could be expected in a typical agreement of that kind.

(5)

If Pilz breaches essential provisions of an agreement, the liability of Pilz for paying damages in case of property loss will be limited to the amount of Pilz's third party liability, unless the breach is the result of wilful misconduct or gross negligence of Pilz.

If Pilz liability is excluded or limited, the exclusion or limitation also applies to the personal liability of hired personnel, employees, associates, agents and all other entities acting on the authority or in the name of Pilz.

(6)

The liability of Pilz is excluded in general if the article related to the Service, following a request of the Customer, contains components other than manufactured, delivered or named by Pilz. The Customer bears the burden of proof that such modification did not cause a fault.

(7)

Pilz is not liable for any installation works, works not included in a Service or any other works conducted by the Customer on its own. Proving that installation was performed correctly is an obligation of the Customer.

§ 14

Confidentiality

(1)

Except for the purpose resulting from an agreement, neither Party may use, share or disclose to third parties any business, technical, or other information or knowledge obtained from the other party while performing the agreement, or otherwise learned during the term of the agreement, without the prior consent of the Party disclosing the information, which must be granted in writing on pain of invalidity.

(2)

The obligations listed in point (1) of this section do not apply to information and knowledge which:

- a) was publicly known upon disclosure otherwise than by being disclosed by the Party receiving the information; or
- b) was lawfully obtained from a party authorised to share such information; or
- c) was known to the receiving Party before being received from the disclosing Party, which knowledge the receiving Party can demonstrate; and
- d) must be disclosed pursuant to generally applicable provisions of law or verdicts or acts of individual state or local government authorities, in particular pursuant to an administrative decision or court verdict; or
- e) must be disclosed while conducting a mandatory audit of financial statements, in particular must be disclosed to auditors; or
- f) must be disclosed to perform an agreement or exercise rights to which a Party is entitled in relation to an agreement.

(3)

The obligation resulting from point (1) of this section applies to both Parties to the agreement for an additional period of two years after the agreement is completed.

(4)

The Customer should not refuse to grant to Pilz the consent referred to in point (1), in particular when Pilz requests consent to draft and publish scientific publications and articles, without a justified cause.

§ 15

Data Protection

The Parties to the agreement should process or use personal data, if any, received from the other Party solely for the purposes agreed in the agreement and pursuant to the provisions of law.

§ 16

Inventions

(1)

Both Parties are jointly entitled to inventions made together by Pilz and the Customer while performing an agreement; the same applies to any trademark rights resulting from the invention.

(2)

Inventions produced by Pilz on its own while fulfilling an order, as well as all resulting trademark rights, belong to Pilz. Inventions produced by the Customer on its own while fulfilling an order, as well as any resulting trademark rights, belong to the Customer.

(3)

Granting licenses for the inventions referred to in points (1) and (2) of this section and for any resulting trademark rights

require a separate agreement which must be concluded in writing on pain of invalidity.

§ 17

Deliverables

(1)

Any transfer of rights, including economic copyright, or grant of licenses to deliverables of any kind produced while performing a Service and disclosed to the Customer, in particular to documents, reports, planning documents, evaluations, drawings, program materials etc. requires a separate agreement which must be concluded in writing on pain of invalidity. Pilz retains in each case a non-exclusive right to use the results of such works for research and educational purposes.

(2)

Pilz is not liable should technical documents provided by or according to instructions of the Customer infringe upon any existing copyright, trademark rights, or other rights of third parties. In such case, the Customer remains solely liable for any infringement of rights of third parties. On each request of Pilz, the Customer will indemnify Pilz against all claims of third parties resulting from such infringement and also take over all claims of third parties and hold Pilz harmless against any resulting losses.

§ 18

Publication of Documents and Materials, Right of Retention

(1)

Upon completion of the agreement, the Customer may demand that any documents and materials submitted to Pilz be returned or destroyed at the cost of the Customer. Pilz may refuse to return or destroy such documents or materials until all claims related to the agreement are satisfied.

(2)

Pilz may copy or otherwise record the documents or materials returned to the Customer.

§ 19

Special Right to Terminate the Agreement / EU Anti-terrorist Legislation

(1)

Insofar as the provisions of an agreement between Pilz and the Customer may violate existing domestic and international legislation (such as the EU anti-terrorist legislation), Pilz will be entitled to terminate the agreement with immediate effect.

(2)

In such special case the Customer will not be entitled to demand any compensation.

(3)

The Customer should be aware of all essential legislation that might prevent Pilz from performing the agreement.

§ 20

Final Provisions

(1)

Any additional agreements bind Pilz only if confirmed by Pilz in writing on pain of invalidity.

(2)

The GTTSS are governed by Polish law. In matters not regulated herein, the respective provisions of the Civil Code and other applicable provisions of law apply.

(3)

The Parties agree that all disputes between Pilz and the Customer related to the interpretation or performance of the sale or delivery agreement and the GTTSS will be resolved by mutual agreement. If achieving an agreement is not possible, the court competent to resolve the dispute will be the common court having jurisdiction according to the seat of Pilz.

(4)

For the avoidance of doubt, the Parties agree that if any of the provisions of the GTTSS becomes null and void or has another legal defect, this will not affect the other provisions of the GTTSS. As far as invalid or unenforceable provisions are concerned, the Parties will negotiate in good faith, insofar as possible, alternative provisions which are binding and enforceable and reflect the original intent of the Parties.