

## GENERAL TERMS AND CONDITIONS

As at 12/2021

In these General Terms and Conditions, the terms “we”, “our”, “us” and “Balluff” shall all refer to and mean Balluff Korea Pte Ltd.

### 1. General - Oral Additional Agreements - Offers

- 1.1 Any of our deliveries of products and services (hereinafter referred to as “Service(s)”) are subject to the following General Terms and Conditions (hereinafter referred to as “Terms and Conditions”) exclusively. We do not accept conflicting, differing and/or terms and conditions not contained in these Terms and Conditions unless expressly agreed upon their application in writing. This also applies in cases where we unreservedly perform deliveries of products and services with knowledge of conflicting or differing conditions, or conditions not contained in our Terms and Conditions or if you unilaterally refer in your request, your order or in any other context to the application of other terms and conditions.
- 1.2 Our Terms and Conditions apply to the acts of merchants and commercial transactions as defined under the Commercial Code of Korea, but not to contracts between us and general consumers.
- 1.3 Our sales personnel are not authorized to amend any portion of these Terms and Conditions or make any additional agreements, oral, written, or otherwise.
- 1.4 Unless otherwise expressly agreed upon, our offers for price and performance are not binding. An order does not become binding for us until we confirm it in writing or tacitly accept it by performance or issuance of an invoice.
- 1.5 All contracts concluded with you are under the condition precedent that: (a) the necessary export licenses will be granted; (b) there are no conflicting obstacles due to our position as exporter; and (c) there are no conflicting export regulations which must be observed by our suppliers.
- 1.6 Unless otherwise expressly agreed upon, illustrations, drawings, calculations and other product, application or project-related documents which contain valuable know-how or valuable information remain our sole property and are subject to our copyright even if handed over to you; they may not be reproduced or made available to third parties without our prior written consent.

### 2. Delivery - Date of Delivery - Extension of the Delivery Period - Part Performance

- 2.1 Unless otherwise expressly agreed upon, the agreed dates for deliveries and services are not fixed deadlines.
- 2.2 The delivery and service period respectively does not commence until all details are clarified and both parties have agreed on all the terms and conditions of the contract. The prerequisites for adherence to delivery periods or to periods for service are:
  - All documents which are to be provided by you have reached us on time;
  - All approvals and releases which are to be provided by you have been issued on time; and
  - Your contractual obligations, particularly your payment obligations, have been met in full and on time.
- 2.3 Unless otherwise expressly agreed upon, the delivery period is considered to have been met if the goods have left our plant within the agreed delivery period.
- 2.4 The delivery is only made to locations in South Korea.
- 2.5 The delivery and service period shall be reasonably extended if:
  - the failure to comply with the delivery and service period is due to force majeure (as defined hereunder), and shall also apply if force majeure occurs during an undue delay in delivery (without prejudice to our liability for the delay already accrued up to the point of occurrence of the force majeure event);
  - the delay in performance of the contract is attributable in whole or in part to any cause beyond our supplier's control, including unpredictable failure and/or delay in delivery by our supplier due to force majeure;
  - necessary approvals or documentation from third parties which are to be provided by you are not presented in time;
  - the necessary specifications are not made known by you in time; or
  - you have not fulfilled your contractual obligations, particularly the payment obligations, in full.
- 2.6 Insofar as this is reasonable for you, we are entitled to partial deliveries and services, which we can invoice separately in each case.
- 2.7 In case the delivery is delayed at your request or due to circumstances for which you are responsible, we shall, upon demonstration of readiness to ship, arrange for storage of the relevant goods at your risk and expense, and we shall be entitled to charge you the costs resulting from such storage but not less than 0.5% of the invoice amount for each week of storage, but a maximum of 10% of the invoice amount. If not otherwise agreed regarding the costs for storage, both parties may prove that greater, lower, or no storage costs have resulted. The statutory rights to withdraw from the contract and to claim damages remain unaffected thereby.

### 3. Force Majeure - Cancellation - Failure of Supplier

- 3.1 If by any reason of any event of force majeure, any of the parties to these Terms and Conditions is delayed in or prevented from or hampered in performing any of its obligations under the contract, then such delay or non-performance shall not be deemed to be a breach of the contract. In such an event, neither party shall be liable for any failure or delay in performing their obligations arising from such force majeure event.
- 3.2 For avoidance of doubt, a force majeure event shall mean any cause beyond a party's reasonable control, including, but not limited to, acts of God, acts or omissions of any government, acts or omissions of transportation/ logistics companies, material shortages, and/or delays in transportation, and/or delays of its suppliers, manufacturers and/or subcontractors for like cause, and/or where the goods are seized by the local customs authorities causing a delay to load, regulations or orders of any governmental authority or any officer, department, or agency thereof, fires, storms, floods, earthquakes, accidents, acts of war, epidemics, pandemics, rebellions, insurrections, riots, invasions, strikes, industrial disputes or lockouts, or anything regarded as being beyond the reasonable control of the party in question.

- 3.3 If we are unable to provide the delivery within an appropriate period owing to force majeure, both parties have the right to withdraw from the contract, wholly or partly. The same shall also apply in the case of subsequent impossibility of contract performance, for which we are not responsible. Claims for damages on account of such a withdrawal are barred. If a party intends to withdraw from the contract for the reasons above, then they must immediately inform the other party in writing thereof.
- 3.4 We shall be exempt from our delivery obligation if the correct goods ordered for performing the contract have not been delivered from third parties to us in due time.

#### **4. Retention of Title**

- 4.1 We reserve title to all the purchased goods until complete payment of your outstanding accounts payable to us which result from the current business connection. This also applies in case a partial payment for certain goods indicated by you has been made.
- 4.2 If you act in breach of contract, in particular if you fail to pay the purchase price due, we shall be entitled to withdraw from the contract in accordance with the relevant statutory provisions and to demand the return of the goods on the basis of the retention of title. The demand for return also serves as notice of withdrawal. If you do not pay the due purchase price, we may only assert these rights if we have previously set you a reasonable deadline for payment without success or if such setting of a deadline is dispensable under the relevant statutory provisions.
- 4.3 Linkage, blending or processing of the goods shall take place on behalf of us as the manufacturer, but without any obligation for us. If (joint) title is terminated due to linkage, blending or processing, it is already now agreed that we shall acquire joint title to the new item in proportion to the value of the item supplied by us compared with the other goods at the time of linkage, blending or processing. You shall store the items in which we have (joint) title for us at no charge to ourselves.
- 4.4 Resellers are permitted resale of the goods in the course of ordinary business unless revoked. We may revoke this right of resale if (a) you stop payment, (b) you are in delay of payment, or (c) there are indications of deterioration in financial standing or other facts after conclusion of the contract are given that corroborate the belief that our claim is endangered due to your lack of performance. For goods in which we have (joint) title, you hereby assign to us by way of security all claims arising from resale of the goods delivered to third parties or from any other cause in law at the sum of the invoice value of the corresponding goods. On demand you are obliged to provide us with written declarations of assignment. You are revocably authorized to collect the assigned claims against third parties in the course of ordinary business in your name. This collection authorization may be revoked by the same reasons as the right of resale.
- 4.5 Pledging or collateral assignments are not permitted. You must inform us without delay in the event of an application for the opening of bankruptcy proceedings, rehabilitation proceedings, individual rehabilitation proceedings, special liquidation proceedings or any other proceedings related to the settlement of debts, as well as of any seizure, confiscation, or other disposals or interventions by third parties.
- 4.6 We undertake at our discretion to release the collateral that we hold upon your request insofar as the value thereof exceeds the claim to be secured by more than 10%.

#### **5. Passing of Risk - Incoterms**

- 5.1 Unless otherwise expressly agreed upon, the delivery shall be conducted under DDP terms (Incoterms 2020) at the buyer's designated delivery address.
- 5.2 Unless otherwise expressly agreed upon, the risk of accidental destruction or accidental deterioration of the products passes on to the buyer as soon as the products have arrived at the destination address.
- 5.3 If internationally customary transportation and risk bearing clauses are used in the contract, these clauses shall be interpreted according to the International Rules for Interpretation of Trade Terms (Incoterms 2020).

#### **6. Warranty Claims - Complaint Obligations**

- 6.1 Unless expressly agreed otherwise, the quality and the suitability of the goods are regulated exclusively and definitively in the datasheet or the operating instructions for the respective product.
- 6.2 We agree that in a case of a claim for supplementary performance (rework or replacement), the cheaper variant shall be chosen, provided that you do not suffer any unreasonable disadvantage thereby.
- 6.3 Any subsequent performance on our part shall generally only be carried out as a gesture of goodwill and without recognition of an obligation to perform, unless we have agreed otherwise with you or we have expressly recognised a claim for subsequent performance from you before or in connection with the subsequent performance.
- 6.4 We shall bear - insofar as the complaint proves to be justified - the expenses necessary for the purpose of subsequent performance, provided that this does not result in a disproportionate burden for us.
- 6.5 Insofar as the expenses required for the purpose of subsequent performance are increased by the fact that you have taken the goods to a place other than the place of performance after delivery, any additional costs incurred as a result shall be borne by you.
- 6.6 Complaints about incomplete or incorrect delivery (including delivery of defective goods) must be notified to us in writing immediately, at the latest within 1 week after delivery (patent defects) or after discovery of the defects (latent defects); provided, however, that in the case of latent defects which were not reasonably discoverable immediately upon delivery, such notice may be given to us in writing within 6 months after delivery upon the discovery thereof in accordance with Article 69(1) of the Commercial Code of Korea. Otherwise, the assertion of claims for defects shall be barred.
- 6.7 We do not accept any restriction to your obligations to inspect and notify us of defects (particularly of those arising from Art. 38, 39 CISG and Article 69(1) of the Commercial Code of Korea).
- 6.8 Claims for defects become time-barred 24 months after the transfer of risk. If delivery was delayed for reasons beyond our control, claims for defects are subject to a limitation period of 24 months following transfer of risk. The aforementioned provisions shall not apply in cases of a liability for damage from injury to life, body or health as well as in cases of a liability for damage arising from an intentional or grossly negligent breach of duty.

- 6.9 If a certain number of actuations or switching cycles is agreed for a product, Clause 6.8 applies until the limitation periods listed in Clause 6.8 above have lapsed. If the agreed number of actuations or switching cycles for a product is reached before the expiry of the limitation periods listed in Clause 6.8 above, all claims resulting from such an agreement end therewith. Apart from that, the agreement of a certain number of actuations or switching cycles only takes effect if the product is used in the ambient conditions described in the respective datasheet or operating instructions.
- 6.10 Claims for defects are barred in the following cases:
- untimely and improper inspection and notification of defects, in breach of Clauses 6.6 and 6.7;
  - subsequent unauthorized modification of the goods, unless it is proven that the defect did not arise from these changes; or
  - defects arising from natural wear and tear, unintended use, improper storage, or any other reason attributable to you.
- 6.11 You may only demand compensation according to Clause 8.
- 7. Industrial Property Rights and Copyrights - Defects of Title**
- 7.1 Unless expressly agreed otherwise, we are obligated to make the deliveries free of third-party industrial property rights (hereinafter referred to as "Industrial Property Rights") only in the country of the place of manufacture and delivery. "Industrial Property Rights" to this effect are patents, designs, brands, including their respective registrations, as well as copyrights. If a third party lodges claims on the grounds of a violation of Industrial Property Rights related to the products supplied by us, we shall be liable to you as follows within the period defined in Clause 6.8:
- 7.2 At our discretion and expense, we shall either obtain a right of use for the respective product, modify the product so that the Industrial Property Right is not violated, or exchange the respective product another similar product (in function and quality) which does not infringe the Industrial Property Right. If we are unable to do this under reasonable conditions, you may withdraw from the contract, or we may agree to reduce the contract price. Our obligation to provide damages is based on Clause 8.
- 7.3 The aforementioned obligations shall only exist to the extent that you immediately inform us in writing of the claims asserted by the third party, have not acknowledged a violation, and leave any protective measures and settlement negotiations to our discretion.
- 7.4 Your claims are excluded if you are solely responsible for the violation of the Industrial Property Rights.
- 7.5 Your claims are also excluded if the violation of the Industrial Property Rights is caused by an application or approval that was not foreseeable by us or caused by the fact that the product is subsequently modified by you without authorization.
- 7.6 Further claims or claims other than those stipulated in this Clause 7 against us or our vicarious agents owing to a defect of title are excluded.
- 7.7 In the case that in connection with the fulfilment of the contractual obligations a result will be generated that will constitute an Industrial Property Right, all Industrial Property Rights regarding this result will belong solely to us unless you were significantly involved in the creation of the result. In such a case or in all other cases in which a result capable of being protected by Industrial Property Rights was jointly created, you agree that we are entitled to at least a royalty-free, non-exclusive, right to use the result, unrestricted in terms of time, location and content.
- 8. Liability**
- 8.1 We shall be liable for damages (hereinafter referred to as "damages") for defects with the delivery or due to the infringement of other contractual or non-contractual obligations, including but not limited to illicit acts, only in the case of intent or gross negligence. The above liability limitation does not apply to: injury to life, limb or health; or liability under the Korean Product Liability Act.
- 8.2 Damages for material breach of contract are limited to compensation for ordinary direct losses or any special or indirect damages that we knew or should have known as a possible consequence upon entering into the contract due to circumstances known to us, except in cases of intent or gross negligence or injury to life, limb or health, or liability under the Korean Product Liability Act.
- 8.3 Damages within the meaning of Clause 8.2 are further limited as follows:
- a) per loss event: losses totaling no more than the net purchase price of the contract in question.
  - b) per calendar year: losses totaling no more than the net sales amount at which you acquired products from us in the previous calendar year. In the first contract year, losses totaling no more than the net sales amount at which you acquired products from us prior to the loss event.
- 8.4 When determining an amount, which we have to pay you as damages, our economic circumstances, the nature, scale and duration of the business relationship, any Article 396 of the Civil Code of Korea and a particularly unfavorable installation position of the product may be taken into appropriate consideration in our favor. Any compensatory damages, costs, or expenses to be borne by us must be proportional to the value of the product.
- 8.5 All liability limitations shall also apply to breaches of duty by persons whose fault we are responsible for according to statutory provisions.
- 8.6 A change to the burden of proof to your disadvantage does not affect the aforementioned provisions.
- 8.7 You further agree that the failure or omission of either party at any time to exercise any of the rights or remedies available under the contract or these Terms and Conditions, or any waiver of any breach of any of their provisions shall not be construed as a waiver of any continuing or succeeding rights or remedies or waiver of any continuing or succeeding breach of such provision.
- 9. Prices - Price Increases**
- 9.1 Our prices are net prices. Packing, shipping and insurance shall be billed separately unless otherwise expressly agreed.
- 9.2 A standard transport surcharge of KRW 5,500 is chargeable by Balluff for every order with a net value below KRW 80,000.
- 9.3 All quotations are valid for 30 days only or may be extended to any date acceptable to you, and we have the right to alter the quotation after the expiration of the period or date without giving prior notice to you.

## 10. Payment Terms - Late Interest

- 10.1 Unless otherwise expressly agreed in writing, payment terms are cash in advance and in any case prior to the delivery of any Service(s).
- 10.2 When making payment to us, you agree to make full payment in the respective currency and amount quoted.
- 10.3 Any payments made on the invoices, including deposit and late interest, are non-refundable and any Service(s) provided or to be provided are non-exchangeable to the maximum extent permissible under applicable law.
- 10.4 If payment is made via bank transfer, you shall bear all international and domestic bank charges and any administrative charges imposed by the banks.
- 10.5 If the costs to us of performing our obligations under any contract with you shall be varied by reason of the creation or amendment after the date of order acceptance of any law or of any order regulation or by-law having the force of law or any applicable standard, the amount of such increase or decrease shall, as applicable, be added to or deducted from the contract price. This includes but is not limited to varying costs of customs and excise duties, levies, charges, imposts and the like. For the purpose of Clause 10 of these Terms and Conditions, the expression "cost" is deemed to include overhead and interest paid or payable by us.
- 10.6 Exchange rate variation payable shall be calculated at the rate of exchange actually paid by us against the exchange rate in the quotation. If prices are expressed in different currencies and you seek or require payment in any different currency, you shall bear any foreign exchange risk arising from such payment.
- 10.7 Payment shall not be deemed to have been made before we have received the payment. Should you make default in respect of any payment due to us then we shall have the right, in addition to all other rights to which we are entitled at law, to: (a) charge interest on the overdue amount at three percent (3%) above the rate charged to us by our major banker for overdraft accommodation and calculated from the due date of payment to the actual date of full and final payment, with any payment subsequently made by you to us being credited first against any interest so accrued; (b) suspend all deliveries or works with any contract period being extended by the period of the suspension; and/or (c) terminate the contract.

## 11. Offsetting – Securities – Assignment

- 11.1 Subject to the Civil Code of Korea, offsetting your claims against ours is only permitted if (i) we have recognized your claims, or your claims are undisputed or legally established, and (ii) your claims are closely related to our claim (synallagmatic contract). The same shall also apply to rights of retention and rights to withhold performance. You are authorized to exercise a right of retention insofar as your counterclaim results from the same contractual relationship.
- 11.2 If there are actual indications of material deterioration of your financial standing after conclusion of the contract, or if there are other facts that become known after conclusion of the contract that justify the assumption that our claim for consideration may be jeopardized by a lack of funds, we are entitled to demand appropriate security for our Service(s) as well as for other receivables and/or revoke any payment terms granted in connection with same. If you do not provide the appropriate collateral that is requested by us within a reasonable period, we may withdraw from the contract. Existing claims from Service(s) already provided or on account of delay, as well as our rights under Article 536(2) of the Civil Code of Korea remain unaffected thereby.
- 11.3 Any assignment or transfer of any contractual relationships and/or any claims from this contractual relationship is only permitted following our prior written consent. No such entitlement to the granting of such consent arises.

## 12. Obligations in the Case of Resale

- 12.1 In the case of resale of the delivery item, you are obligated to adhere to the provisions of the Foreign Trade Act of Korea, the German Law on Foreign Trade and Payments (AWG), German foreign trade regulations (AWV), the EU Dual Use Regulation (Regulation (EU) No. 428/2009), and the US Export Administration Regulations (EAR) – in their respective valid versions – and to pass this contractual obligation on to your customers accordingly.
- 12.2 You shall reimburse us for all losses and costs arising from the culpable non-compliance of the duties stipulated in this Clause 12 and indemnify us from any third-party claims lodged against us in this connection.

## 13. Return of Electrical Equipment - Return of Packaging

- 13.1 You are obliged to dispose of delivered products after the end of their use at your own expense. To the extent permitted by applicable law, you release Balluff GmbH and/or Balluff from our take-back obligations as a manufacturer, if any, and from any related third-party claims. You shall contractually oblige commercial third parties to whom you pass on the delivered products to ensure that these third parties properly dispose of the products at the end of their use and at their own expense in accordance with the statutory provisions, and to impose a corresponding further obligation in the event that the products are passed on again. If you violate your obligation to pass on the obligations to your customers, you are obliged to take back the delivered products at your own expense after the end of their use and to dispose of them.
- 13.2 Notwithstanding the provisions of the preceding paragraph, provided that Balluff GmbH or Balluff are obligated to do so in accordance with statutory provisions, we will have returned the transport packaging in accordance with such applicable laws. You shall bear the costs for the return of the transport packaging.

## 14. Data Privacy

- 14.1 In entering into the contract, it is deemed that you agree that we may collect, store and use personal information in relation to you or your company's directors and officers, for the purposes of considering any credit application from you or any other purpose related and incidental to the business relationship between you and Balluff.
- 14.2 When we disclose your personal information to our affiliates, business partners, and other parties, this will mean that your personal information may be transferred to countries outside South Korea, which have no comparable level of data protection so that an appropriate protection level is not guaranteed. If this is the case, we ensure that data protection is sufficiently guaranteed. This is possible through binding company rules, standard contractual terms on the protection of personal information, certificates, or recognized codes of conduct. Please contact our Data Protection Officer if you would like more information on this topic. Please note that particularly in the case of transmission to the USA there is a risk that your personal information may be processed by US authorities for control and monitoring purposes and you may not be entitled to any legal remedies. We will not disclose any of your personal information to any third party except where we have obtained your prior consent,

to enforce these Terms and Conditions, or to comply with laws, regulations and authorities, and only to the extent permitted by law.

14.3 Please see our [privacy statement](#) for further information.

**15. Place of Fulfilment - Place of Jurisdiction - Applicable Law**

15.1 The place of performance for all obligations arising from the contractual relationship is Balluff, located at 1210, Gwanggyo Business Center 156, Gwanggyo-ro, Yeongtong-gu, Suwon-si, Gyeonggi-do 16506.

15.2 The Suwon District Court shall have exclusive jurisdiction in the first instance to resolve any disputes arising from or relating to these Terms and Conditions. At our discretion we are also entitled to take legal action at the court having jurisdiction over your registered office.

15.3 The law of Korea applies exclusively to the exclusion of the conflict of laws.

15.4 The English and Korean versions of these Terms and Conditions shall be equally authentic. In case of any discrepancy or conflict between the 2 versions and such discrepancy or conflict shall not be settled by applicable statutory interpretation, the English version shall prevail.

## Supplementary Software Conditions

For the use of separately purchased software (i.e., 'Software as a Product'), our Terms and Conditions for the licensing of standard software for a fee or our Terms and Conditions for the free licensing of standard software or our Terms and Conditions for the adaption of standard software (customizing) in return for a fee shall apply with priority. Insofar as software is included in the scope of any delivered products and this is made available for use, whether for payment or free of charge, the following provisions shall apply in addition, whereby in the event of contradictions between the above and the following provisions with regard to such software, the following provisions shall take precedence:

### 16. Rights of use

- 16.1 We grant you the non-exclusive right to use the software for its intended purpose. The scope of intended use can be found in the respective software datasheet or the operating instructions for the software. The right of use is limited to the agreed period, and in the absence of such an agreement the right of use is for an indefinite period.
- 16.2 You may only use the software with the hardware stated in the datasheet or the operating instructions, and in the absence of such reference only with the product delivered together with the software. The use of the software with another device requires our prior written consent; in the case of culpable breach of this obligation, we are entitled to demand an appropriate additional remuneration. Further claims remain unaffected thereby.
- 16.3 If several devices are mentioned in the datasheet or operating instructions, you may only use the software on one of these devices at the same time (single license), unless a multiple license (cf. Clause 16.11) has been agreed. If there are several workstations for 1 device where the software can be used independently, then the single license only covers 1 workstation.
- 16.4 The licensing of the software is effected solely in machine-readable format (object code).
- 16.5 You may only make 1 copy of the software which can be used for backup purposes only (backup copy). Apart from that, you may only copy the software if a multiple license has been agreed as an exception.
- 16.6 Except in the cases of decompilation, you are not entitled to change, reverse engineer, or translate the software, or remove parts thereof. You may not remove alphanumeric and other identifications from the data carriers. They are to be transferred unmodified to every backup copy.
- 16.7 If there is good cause, we grant you the revocable right to transfer the right of use to the software to third parties. A transfer to a third party may only be effected together with the product that you purchased in connection with the software. In the case of a transfer of the right of use to third parties, you shall ensure that no further rights of use to the software are granted to the third party other than those you are entitled to according to these Terms and Conditions and those in the respective datasheet or the operating instructions, and that the third party shall be obliged to comply with at least the same obligations as are imposed herein with regard to the software. In the case of a transfer, you may not retain any copies of the software.
- 16.8 You are not entitled to grant sublicenses.
- 16.9 If you transfer the software to a third party, then you are responsible for compliance with any export requirements, and shall indemnify us against any and all such cases of a culpable breach of duty.
- 16.10 Provided that we license you software, for which we only have a derived right of use (third-party software), the terms of use agreed between us and the licensor shall apply in addition to the provisions of these supplementary software conditions and also take precedence. If and to the extent that we license you open source software, the terms of use governing the open source software shall apply in addition to the provisions of these supplementary software conditions and also take precedence. We shall make reference to the existence and terms of use of licensed third-party and open source software in the datasheet or the operating instructions, as well as give you access to the terms of use upon request. In the case of a breach of these terms of use, as well as ourselves, our licensor is also entitled to assert any and all claims and rights in their own name.
- 16.11 You require a right of use to be agreed separately for using the software on several devices or simultaneously at several workstations. The same shall apply to the use of the software in networks, even if the software is not copied. In the aforementioned cases (hereinafter referred to as "multiple license"), the following provisions a) and b) apply in addition to the provisions according to Clauses 16.1 to 16.11 and also take precedence:
  - a) A prerequisite for a multiple license is express written confirmation from us about the number of permissible copies which you may create of the software, and about the number of devices or workstations on which the software may be used. For multiple licenses Clause 16.7 applies, however, on condition that the multiple licenses may only be transferred by you to third parties if they are transferred together and with all devices on which the software may be used.
  - b) You shall observe the instructions on copying provided by us together with the multiple license. You shall keep logs of the locations of all copies and present these to us on request.

### 17. Transfer of risk

- 17.1 When software is licensed using electronic communication media, for example via the Internet, the danger of accidental loss and accidental deterioration of the software shall pass to you when the software leaves our sphere of influence (e.g., at the time of download).

### 18. Obligations to cooperate and liability

- 18.1 You shall take all necessary and reasonable measures to prevent or restrict damage to the software. In particular, you shall ensure the regular backup of programs and data.  
If you are in culpable violation of this obligation, we shall not be liable for the consequences, particularly not for the replacement of lost or damaged data or programs. A change to the burden of proof to your disadvantage does not affect the aforementioned provision.

### 19. Material defects

- 19.1 The parties agree that software generally cannot be created without errors; this also applies to the software covered by these Terms and Conditions.

- 19.2 Material defect claims related to the software become time-barred within 6 months of the transfer of risk; provided, however, that such material defect claims may not be raised unless the software in question has been inspected and the discovery of a material defect related thereto has been notified in accordance with Article 69(1) of the Commercial Code of Korea. The aforementioned provisions shall not apply in cases of a liability for damage from injury to life, body or health as well as in cases of a liability for damage arising from an intentional or grossly negligent breach of duty.
- 19.3 Software is considered to have a material defect only if you can prove that there are reproducible deviations from the specification in the datasheet or the operating instructions. A material defect does not exist if it does not appear in the version of the software last transferred to you and its use is deemed reasonable for the buyer.
- 19.4 Material defect claims do not exist:
- for damage arising as a result of incorrect or negligent use of the software
  - for damage arising from special external factors that are not preconditions in accordance with the contract;
  - for damage caused by modifications made by you or third parties and the consequences;
  - for damage caused by software expanded by you or a third party beyond an interface envisaged by us for this purpose; or
  - in a situation where the software is not compatible with the data processing environment used by you.
- 19.5 The claim for supplementary performance may be fulfilled by providing you with a new edition (Update) or a new version (Upgrade) of the software, provided that we have such or it can be procured by us at a reasonable cost.
- 20. Industrial Property Rights and copyrights – Defects of title**  
If a third party lodges claims on the grounds of a violation of Industrial Property Rights in relation to the software, we shall be liable according to Clause 8 within the period defined in Clause 19.2.

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