

I. General - Scope - Verbal Collateral Agreements

1. All services which Balluff Limited („We/Us/Our“) perform on the delivered products („Services“) for any person or firm („Client“) are subject to the following Service Terms and Conditions. We do not accept conflicting or differing terms and conditions, whether express or implied, that are not contained in these Service Terms and Conditions, unless expressly agreed upon by Us in writing. The provisions of this clause shall apply where We perform Services with knowledge of conflicting or differing terms and conditions or conditions that are not contained in these Service Terms and Conditions.

2. Our service personnel and Our service technicians are not authorised to make verbal collateral agreements.

II. Conclusion of Contract

1. Unless otherwise agreed upon Our service quotations are non-binding. The order given by the Client does not become binding for Us until We have confirmed it in writing or have implicitly accepted it through performance or issuance of an invoice.

2. Any quotation given by Us shall not constitute a service offer, and is only valid for a period of 20 Business Days (being a day (other than a Saturday, Sunday or public holiday) when banks in London are open for business) from its date of issue.

3. Any samples, drawings, descriptive matter or advertising issued by Us, and any descriptions or illustrations contained in Our catalogues or brochures, are issued or published for the sole purpose of giving an approximate idea of the Services described in them. They shall not form part of the contract between the Client and Us („Contract“) or have any contractual force.

III. Costs - Cost Calculation - Surcharges - Payment Terms

1. All costs and expenses arising in connection with Our services shall be borne by the Client regardless of whether he may pass these costs and expenses to a third party for payment. We do not accept issuing of invoices to third parties who are not our clients without prior agreement and the Client shall remain liable for payment of the invoice in any event.

2. We calculate the total time for Our service technicians (travel and service time) during normal working hours (Mondays to Fridays from 6 a.m. to 8 p.m.) and the accrued travel costs according to the most current Price List, which may be amended from time to time in accordance with clause 3.6.

The following surcharges apply to Services performed outside normal working hours, in addition to the above rates

- Mondays to Fridays between 8 p.m. and 9 a.m. 50% surcharge
- Saturdays 50% surcharge
- Sundays 100% surcharge
- Holidays (not falling on a Sunday) 150% surcharge

3. Travel time and travel expenses for the journey to the service location will be calculated from the plant which the respective technician is associated with and from there back to the respective plant.

4. All reasonably incurred lodging and board expenses for technicians shall be payable by the Client in addition to the cost of Services and any surcharges.

5. The above rates do not include value added tax (VAT). Where any VAT is applicable on Services provided by Us to the Client, the Client shall, on receipt of a valid VAT invoice from Us, pay to Us such additional amounts in respect of VAT as are chargeable on the supply of the Services in accordance with the payment terms detailed in clause 3.7.

6. We reserve the right to increase Our Price List from time to time without providing notice of such changes to the Client.

7. We shall invoice the Client on completion of the Services and the Client shall pay such invoices within 30 days of the date of each invoice in full and cleared funds to a bank account nominated in writing by Us.

8. Without limiting any other right or remedy benefiting Us, if the Client fails to make any payment due to Us by the due date for payment („Due Date“), We shall have the right to charge interest on the overdue amount at the rate of 4% above the current base rate of Barclays Bank plc. Such interest shall accrue on a daily basis from the Due Date until the date of payment.

9. If replacement parts are installed, used or otherwise needed in connection with a Service We may invoice the Client for these replacement parts. The prices for the replacement parts will be invoiced according to the Price List effective at the time the agreement was concluded.

10. The Client shall pay all amounts due to Us for the Services provided, in full without any deduction or withholding except as required by law and the Client shall not be entitled to assert any credit, set-off or counterclaim against Us in order to justify withholding payment of any such amount in whole or in part.

11. We may, without limiting Our other rights or remedies, set-off any amount owing to Us by the Client against any amount payable by Us to the Client.

IV. Time, Content and Scope of Services - Force Majeure

1. The Services shall be performed in accordance with the agreement made with the Client or as soon as We are able in terms of time and personnel.

2. Unless otherwise explicitly agreed upon, the agreed times for the Services are not fixed deadlines and time shall not be of the essence in performing the Services.

3. The Services in principle shall be performed within normal working hours in accordance with clause 3.2. If possible in terms of time and personnel We will also perform Services, if explicitly requested by the Client outside of normal working hours but subject to the surcharges detailed in clause 3.2.

4. The Services shall be performed according to the agreements made with the Client and otherwise depending on actual necessity on the Client's premises, at the location of the objects on which the Service shall be executed (hereinafter referred to as „Service Objects“) or at one of Our plants. If the necessary services are to be performed in one of Our plants the Client must send the Service Objects or parts of them to the plant specified by Us. The Client shall bear the costs for shipment to and from the plant. The Client also shall bear the risk for any accidental deterioration or loss of the Service Objects during shipment in either direction.

If the return of the Service Objects is delayed due to a circumstance for which the Client is responsible We are entitled to charge the Client, following notice of readiness to

dispatch, the costs associated with storage.

5. We are entitled to make any changes to the Services which are necessary to comply with any applicable law or safety requirement, or which do not materially affect the nature or quality of the Services (in both cases) without notice to the Client.

6. Events falling under force majeure, i.e. unforeseen events on which We have no influence and We are not responsible for (e.g. official actions and orders (irrespective if they are valid or invalid), fires, floods, storms, explosions or other natural disasters, disturbances of operation, labor disputes, strikes, lockouts, legal changes) shall extend the time for performance of Services accordingly, even when they occur during an undue delay or at one of Our suppliers. If as a result of such instances it is not possible to perform the Service within a reasonable time, the Client or Us may withdraw from the agreement or from the unfinished part of it. Damage claims arising from such a withdrawal are not permitted.

7. If necessary and at our discretion We will leave the Client with the required operating manuals or other technical information for the Service Objects or the performed Services following completion of the Services.

V. Cooperation Obligations of the Client

1. The Client must ensure that the terms of any order given by the Client are complete and accurate and that Services may be commenced and performed to their completion without delay by Our service personnel at the place or location. The Client must co-operate with Us in all matters relating to the Services and must obtain all necessary licences and consents before We begin providing the Services to the Client. Access to the Service Objects must be ensured at all times. The working conditions must be such that work performed shall satisfy all regulations, especially those pertaining to accident prevention.

2. The Client shall keep functional all technical equipment necessary to perform the Service and shall make it available to the service personnel. The Client shall furthermore make available all ancillary equipment and fluids necessary for the operation of the Service Objects.

3. The Client shall make available any technical personnel necessary for the proper operation of the technical equipment.

4. If required an interpreter shall also be provided by the Client.

5. All cooperation obligations described in this Section 5 must be provided by the Client at no charge to us. If the Client does not meet his obligations in due time We are entitled but not obligated to perform the obligations of the Client in his place and at his expense.

6. If Our performance of any of Our obligations under these Service Terms and Conditions is prevented or delayed by an act or omission by the Client of failure by the Client to perform his obligations described in this Section 5, We shall without limiting Our other rights or remedies have the right to suspend Our performance of the Services until the Client remedies his default, and rely on the Client's default to relieve Us from the performance of any of Our obligations to the extent the Client's default prevents or delays Our performance of any of Our obligations.

7. If the Client is in default in meeting his cooperation obligations or violates them culpably, the Client agrees to indemnify Us and keep Us indemnified against any losses, costs or resulting damages incurred by Us including any additional expenses as a result of the Client's default. The enforcement of additional claims remains unaffected.

VI. Interruption of the Services - Cancelled Services

1. In principle the Services shall be performed without interruption in one operation. If this is not possible due to reasons We or Our service personnel are not responsible for the Client shall bear all resulting additional costs, especially for additional travel by service personnel in both directions. This applies even if replacement parts must be procured the need for which only became evident as part of the Services and which are not immediately available. In all such cases We shall make all effort to complete the Service as soon as possible, however only against reimbursement of additional expenses.

2. We are entitled to interrupt an ongoing Service briefly if the deployed service personnel are urgently needed elsewhere (e.g. due to acute, urgent production interruptions at another customer) and an immediate performance of the Service at the Client is not necessary.

If the Services cannot be completed partially or in full for reasons the Client is responsible for we are entitled to withdraw from the contract if, in spite of a reasonable grace period, the Service cannot be continued.

4. If We cannot perform a Service because

- (a) the fault cannot be identified in spite of adherence to all the generally recognized rules of technology; or
- (b) a (replacement) part cannot be procured, the Client shall reimburse Our costs unless We are responsible for the fact that performance of the Service is impossible.

VII. Intellectual Property

1. All patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database right, topography rights, moral rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world („Intellectual Property Rights“) in or arising out of or in connection with the Services shall be owned by Us.

2. The Client acknowledges that, in respect of any third party Intellectual Property Rights, the Client's use of any such Intellectual Property Rights is conditional on Us obtaining a written licence from the relevant licensor on such terms as will entitle Us to license such rights to the Client and all Our materials used in providing the Services to the Client are the exclusive property of Us.

VIII. Confidentiality

The Client shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Client by Us, Our employees, agents or subcontractors, and any other confidential information concerning Our business or Our products or Our services which the Client may obtain. The Client shall restrict disclosure of such confidential information to such of its employees, agents or subcontractors as need to know it for the purpose of discharging the Client's obligations under these Service Terms and Conditions, and shall ensure that such employees, agents or subcontractors are subject to obligations of confidentiality corresponding to those which bind the Client. This clause

8 shall survive termination of these Service Terms and Conditions.

IX. Claims for defects

1. Subject to the Unlimited Claims detailed under clause 10, all claims for defects in Our Services are subject to a limitation period of 12 months following acceptance of such Services.

2. We will only be liable for Unlimited Claims brought by the Client in accordance with clause 10 of these Service Terms and Conditions. All other claims brought by the Client will not be enforceable.

X. Liability

1. Nothing in these Conditions shall limit or exclude Our liability for:
(a) death or personal injury caused by Our negligence, or the negligence of Our employees, agents or subcontractors;
(b) fraud or fraudulent misrepresentation; or
(c) breach of the terms implied by section 2 of the Supply of Goods and Services Act 1982 (title and quiet possession).

2. Subject to clause 10.1 Our total liability to the Client in respect of all other losses arising under or in connection with these Service Terms and Conditions, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, shall in no circumstances exceed the amount paid to Us by the Client for the Services performed by Us in the last 12 months. We shall under no circumstances whatever be liable to the Client for any loss of profit, or any indirect or consequential loss arising under or in connection with these Service Terms and Conditions.

3. Except as set out in these Service Terms and Conditions, all warranties, conditions and other terms implied by statute or common law are, to the fullest extent permitted by law, excluded from the Contract and this clause 10 shall survive termination of these Service Terms and Conditions.

XI. Acceptance

Upon completion of the Services Our service personnel shall present to the Client the service notice which shall outline the travel expenses and number of hours worked by Our service personnel in providing the Services to the Client. The Client shall sign this service notice. By signing the service notice the Client recognises the performance of the Services in accordance with the service order. The time for the return trip shall be entered by Our service manager upon arrival of the service technician.

Acceptance of the Service shall be deemed to have taken effect at the time the service notice is signed but no later than restarting and resumption of use of the Service Object.

XII. Extended lien

When the Services are performed at Our plant We shall be entitled to assert a contractual lien arising from the respective contract for the objects which came into Our possession in connection with the respective contract to the extent that amounts owed to us remain unpaid. The contractual lien shall also apply to claims from Services performed at an earlier date in so far as they relate to the affected object.

XIII. Retention of title

1. We shall retain title of the replacement parts until payment in full of all obligations of the Client arising from the business relationship with Us are fulfilled.

2. The Client must store the items of which We have title for Us on a fiduciary basis and as Our bailee, separately from all other parts held by the Client so that they remain readily identifiable as Our property. The Client must maintain the parts in satisfactory condition and insure the parts against all risk, notify Us immediately if it becomes subject to any of the events listed in clause 14.1 and provide Us with such information relating to the parts as is required by Us from time to time, at no charge to Us.

3. For goods which may be deemed to have joint title, or in respect of which it is determined title has passed to the Client, the Client hereby assigns to Us by way of security all claims arising from resale of the items delivered to third parties or from any other cause in law in the sum of the invoice value of the replacement part until all amounts due to Us are paid. On demand the Client is obliged to provide Us with written declarations of assignment.

4. Pledges and transfers by way of security are not permitted. The Client must inform Us without delay of any attachment of property, distraint or any other disposals or interferences by third parties.

XIV. Termination

1. Without limiting its other rights or remedies, each party may terminate these Service Terms and Conditions with immediate effect by giving written notice to the other party if:
(a) the other party commits a breach of these Service Terms and Conditions and (if such a breach is remediable) fails to remedy that breach within 28 days of that party being notified in writing of the breach;

(b) the other party suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being an individual) is deemed either unable to pay its debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;

(c) the other party commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (where a company) for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;

(d) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of that other party (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of that other party with one or more other companies or the solvent reconstruction of that other party;

(e) the other party (being an individual) is the subject of a bankruptcy petition or order;
(f) a creditor or encumbrancer of the other party attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of its assets and such attachment or process is not discharged within 14 days;

(g) an application is made to court, or an order is made, for the appointment of an administrator or if a notice of intention to appoint an administrator is given or if an administrator is appointed over the other party (being a company);

(h) a floating charge holder over the assets of that other party (being a company) has become entitled to appoint or has appointed an administrative receiver;

(i) a person becomes entitled to appoint a receiver over the assets of the other party or a receiver is appointed over the assets of the other party;

(j) any event occurs or proceeding is taken with respect to the other party in any juris-

isdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in clause 14.1(b) to clause 14.1(i) (inclusive);

(i) the other party suspends or ceases, or threatens to suspend or cease, to carry on all or a substantial part of its business; or

(ii) the other party (being an individual) dies or, by reason of illness or incapacity (whether mental or physical), is incapable of managing his own affairs or becomes a patient under any mental health legislation.

2. Either party may, without limiting their other rights or remedies, terminate these Service Terms and Conditions with immediate effect by giving the other party 28 days written notice.

3. Without limiting Our other rights or remedies, We shall have the right to suspend provision of the Services if the Client becomes subject to any of the events listed in 14.1(b) to 14.1(i), or We reasonably believes that the Client is about to become subject to any of them, or if the Client fails to pay any amount due under these Service Terms and Conditions on the due date for payment.

XV. Consequences of Termination

1. On termination of these Service Terms and Conditions for any reason:

(a) the Client shall immediately pay to Us all of Our outstanding unpaid invoices and interest and, in respect of Services supplied but for which no invoice has been submitted, We shall submit an invoice, which shall be payable by the Client immediately on receipt;

(b) the accrued rights, remedies, obligations and liabilities of the parties as at expiry or termination shall not be affected, including the right to claim damages in respect of any breach of these Service Terms and Conditions which existed at or before the date of termination or expiry; and

(c) clauses which expressly or by implication have effect after termination shall continue in full force and effect.

XVI. Assignment and Subcontracting

1. We may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of Our rights under these Service Terms and Conditions and may subcontract or delegate in any manner any or all of Our obligations under these Service Terms and Conditions to any third party or agent.

2. The Client shall not, without Our prior written consent, assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under these Service Terms and Conditions.

XVII. Waiver

1. A waiver of any right under these Service Terms and Conditions is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under these Service Terms and Conditions or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

2. Unless specifically provided otherwise, rights arising under these Service Terms and Conditions are cumulative and do not exclude rights provided by law.

XVIII. Severance

1. If a court or any other competent authority finds that any provision of these Service Terms and Conditions (or part of any provision) is invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed deleted, and the validity and enforceability of the other provisions shall not be affected.

2. If any invalid, unenforceable or illegal provision of these Service Terms and Conditions would be valid, enforceable and legal if some part of it were deleted, the provision shall apply with the minimum modification necessary to make it legal, valid and enforceable.

XIX. No Partnership

Nothing in these Service Terms and Conditions is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose. No party shall have authority to act as agent for, or to bind, the other party in any way.

XX. Third Parties

A person who is not a party to these Service Terms and Conditions shall not have any rights under or in connection with it.

XXI. Variation

Except as set out in these Service Terms and Conditions, any variation, including the introduction of any additional terms and conditions, shall only be binding when agreed in writing and signed by Us.

XXII. Final provisions

This contract and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims), shall be governed by, and construed in accordance with, English law, and the parties irrevocably submit to the exclusive jurisdiction of the courts of England and Wales.

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