

STANDARD TERMS AND CONDITIONS

As of 04/2020

BALLUFF

The following terms and conditions apply without exception to all sales by Balluff México. ("Balluff")



I. GENERAL ASPECTS

1. These General Terms and Conditions govern our deliveries and services. We do not recognize or accept the general conditions of the buyer, except when we have consented to their application through an express agreement documented in writing. The foregoing will apply when we perform the service without reservation, knowing that there are conditions that deviate or contradict our general conditions.
2. Our sales conditions will only be applied to businessmen and professionals who comply with the "Client/Buyer" conditions required by Balluff within the framework of their business or professional activity.
3. No Balluff de México employee is authorized to generate commercial agreements verbally.
4. Unless expressly agreed otherwise, our offers of services and prices are without obligation.
5. Orders can only be considered accepted by us by accepting and/or processing the Purchase Order or Invoice.

All contracts concluded with "The Seller," with the consent of "The Buyer," are governed by the Transfer of ownership of the good or service according to article 14 of the Federal Tax Code. It is worth mentioning that the seller certifies with all the acts and formalities related to the export of goods under the brand: Balluff.

6. Unless expressly agreed otherwise, illustrations, drawings, calculations, and other documents related to the product or project that contain valuable knowledge or information remain our exclusive property and are subject to our copyright, even if we deliver them to You; They cannot be reproduced or made available to third parties without our prior written consent.

II. DELIVERY - DELIVERY TIMES - EXTENSION OF DELIVERY TIMES - PARTIAL DELIVERIES

1. Unless there is a contrary agreement in writing, the indications of delivery times of our quotes/offers, will only have indicative value until confirmed, except after prior sale.

Once the Purchase Order is received and processed, the delivery period is informed with the confirmation issued by the system (unless the client requests it by other means) and begins when all the details are settled and both contracting parties agree about all the conditions of the operation.

2. The Requirements for meeting delivery times are:

- That all documentation required from You has been delivered to us complete and in a timely manner;
- That all the permits and authorizations that You should have obtained and granted have been managed in time; and
- That You fulfill your payment commitments on time and in full.

3. Unless expressly agreed in the contract, the delivery period is considered fulfilled when the shipment arranged for the material has been delivered to the warehouse or location defined in the purchase order and in the case of services, when the client accepts and signs the release of said services.
4. The delivery conditions of our products are governed by the conditions established in the Purchase Order. Balluff de México is not responsible for the failure to deliver if access authorizations are not available or delivery conditions change.
5. Regarding the above, in case of force majeure or fortuitous event (understood as a consequence of an unforeseeable situation over which we have no control and which in no way is attributable to our responsibility, among others: due to fires, floods, storms, explosions or other natural disasters, manufacturing/production incidents, labor conflicts, strikes, lockouts, acts of terrorism, etc.) Balluff de México will discuss with the affected client the impact caused.
6. As long as it is acceptable for You and possible for us, we will have the right to make partial deliveries of the service/products, which, in this case, can be invoiced separately.
7. If the delivery is delayed at your request or due to circumstances attributable to the Client, we have the right to charge you, from the moment of communication of delivery availability, the expenses incurred for storage, in a minimum amount of 0.5% of the total of the purchase order for each week of delay and up to a maximum of 10% of the total invoice. Periods of less than a week will be billed in proportion to the days that the product actually spent in the warehouse at the price here stipulated. Both parties will have the right to check whether storage expenses higher or lower than those herein established have been incurred.
8. The inspection and approval of the products at the time of delivery will be the responsibility of the Client when they verify the documentation, product, MRO, or invoice, obtaining the counter-receipt as proof of delivery. Balluff de México is not responsible for any discrepancy once proof of delivery has been obtained.

III. FORCE MAJEURE - CANCELLATION

1. If an event of force majeure prevents us from complying with the service within a reasonable and prudent period of time (see Section. II, subsection 5), both parties may dissolve the contract partially or fully. The same shall apply in case of subsequent impossibilities of fulfilling the contract

for unforeseen events that are not attributable to us. In such cases, the termination of the contract will not generate the right to claim damages between the parties. When a party intends to terminate the contract for the reasons set forth herein, it shall be obliged to notify the other party without delay.

2. In case of not receiving the correct merchandise contracted from our supplier on time for the fulfillment of the contract, we will be released from our obligation to perform the service and exempt from any liability, as long as the correct notification and notice is made.
3. Unless otherwise stated in the quote, the Buyer may, prior to shipment, cancel the transaction for any reason, completely or partially, with the exception of custom-made/configurable equipment (i.e. BTLs), by written communication to Balluff, in advance of the requested delivery date within a period not less than the standard product term. The Buyer will be responsible for covering an amount of 25% for MTS materials.

The cancellation and/or substitution of materials requested in a Purchase Order, in all cases, must be confirmed only by the executive in charge of Material Planning for Balluff de México, for this, the shipping and/or import status of the material in question must first be reviewed, for the definition of the amount to be covered for cancellation and/or replacement, the provisions of the Return of Materials section must be complied with; If the Materials Planning department has validated and confirmed in writing the acceptance of cancellation of the order, the cancellation and/or change of material will not proceed without first receiving the modified PO with the material elimination agreements of the PO in question and/or the list of modified materials also defined. The update of the Purchase Order must be sent to the Customer Service Executive and the Sales Advisor so that the corresponding update can be processed.

IV. PROPERTY RIGHTS

1. We reserve ownership and/or property rights of all products purchased until full payment of all claims resulting from the commercial connection. This also applies in case the payment of certain actions indicated by you has been made. If the retention of title and/or property is linked to special requirements or forms in your country, you must notify us accordingly and ensure compliance at your expense.
2. Any incorporation, integration or transformation of the supplied merchandise will always be carried out by us as a manufacturer, without any obligations arising from said changes towards us. At the moment that (co)ownership of the merchandise is extinguished due to the incorporation, integration or transformation, the rights of (co)ownership of the new article will be transmitted to us in relation to the value invoiced for the merchandise incorporated, integrated or transformed. You freely protect our (co)property.
3. Reselling in normal commercial traffic is permitted to the Authorized Distributor until further notice. We may revoke this right in the event that:
 - a) You stop paying,
 - b) Late payment, or
 - c) If there are rational indications of the decline of your patrimonial situation occurring after the signing of the contract, or other different events that occur after the signing of the contract, the relevance of which makes you rationally fear the fulfillment of your obligations. Regarding the goods on which we have a right of coownership, you must assign us your credit rights resulting from the resale or any other legal cause for the invoice amount corresponding to our delivery. At our request, you will be obliged to issue the documentation that certifies the credit assignment. In normal commercial traffic, you are revocably empowered to collect the assigned credit rights in your own name. In regular commercial traffic, direct debits can be revoked for the same cases as the right to resell.
4. The buyer may not assign or sell the goods, and must notify us immediately of any seizure by a third party, or any action that may disturb possession.
5. We may accept an offer from the buyer to provide a sufficient guarantee on the payment, provided that its value is at least 20% greater than the value of our outstanding credit right.

V. DELIVERY CONDITIONS - RISK TRANSMISSION - INCOTERMS - TRANSPORT INSURANCE

1. Unless expressly agreed otherwise, delivery will be made from warehouse (Balluff) to warehouse (Customer) and under the delivery conditions indicated in the customer's purchase order.
2. Unless expressly agreed otherwise, the risk of accidental destruction or accidental deterioration of the products passes to you as soon as the products have been delivered to the shipping personnel, as soon as the products leave our distribution center. This also applies if we have to handle delivery. If the shipment is delayed for reasons for which you are responsible, the risk of accidental destruction or accidental deterioration of the products will pass to you upon receiving the information that the products are ready for delivery.
3. We will provide transport insurance only upon agreement and at your expense.

VI. CLAIM RIGHTS FOR DEFECTIVE MERCHANDISE. CLAIM REQUIREMENTS

1. Unless expressly agreed otherwise, quality and functionality are regulated exclusively and exhaustively in the technical data sheet or in the instruction manual referring to the respective product.
2. We agree that in the event of a claim for additional performance (further improvement or additional delivery), the most cost-effective alternative will be chosen, provided that this alternative is not to your detriment.
3. Complaints of incomplete or incorrect deliveries must be made to us in writing immediately, no later than one week after delivery (apparent defects) or discovery of the defect. Otherwise, the assertion of warranty claims is excluded. In no case will you be released from your obligation to inspect the merchandise and report defects in a timely manner.
4. We do not agree to any restrictions on your legal requirements regarding the inspection and claim of receivables.

5. Warranty claims for Balluff products are subject to a limitation period of 24 months after the transfer of risk. This will not apply to warranty claims related to products subject to wear and tear (i.e. Photoelectric Sensors, Mechanical Sensors, Micro Pulse Transducers, Magnetically Encoded Position and Rotary Encoder Systems, Inductive Couplers and Accessories classified as Balluff Accessories (i.e. Cable, connectors, angle brackets, etc.)); These warranty claims are subject to a 12 month limitation period after the transfer of risk. The aforementioned provisions shall not apply in cases of liability for damages arising from an intentional or grossly negligent breach of duty. For warranty claims for terms of comprehensive services, they will be settled within the commercial proposal and specific conditions of each service.

6. As long as a certain number of actions or cycles of changes have been agreed for a product, this agreement will be in force until the prescription periods established in the preceding paragraph expire. If the agreed number of actions or cycles of changes is reached for a product prior to the prescription period set in section VI subsection 5, from that moment all the rights derived from that agreement will expire. Otherwise, the agreement of a certain number of actions or maneuver cycles only develops its effectiveness if the product is used according to the environmental conditions described in its technical data sheet or in its instruction manual.

7. Claims are excluded in the following cases:

- inspection and claim of the defect outside of the deadlines established in section VI subsection 3, section VI subsection 4 and section VI subsection 5;
- unauthorized modification of the shipment object, unless it can be proven that the defect was not caused by those modifications;
- defects that have been caused by natural wear, improper use or improper storage.

8. You may only demand compensation for damages based on the provisions of section VIII of these general terms and conditions.

VII. INDUSTRIAL PROPERTY LAW AND COPYRIGHT - LEGAL DEFECTS

1. Unless expressly agreed otherwise, we are obliged to fulfill the contractual provision free of claims of industrial property rights and copyrights by third parties (hereinafter "property rights") in the country of fulfillment of the contract. If a third party rightly files a claim against You for the infringement of their property rights as a result of contractual services carried out by us, we will respond to you within the period set in section VI subsection 5 as follows.

2. At our discretion and at our expense: (a) we will acquire the rights of use for the actions in question, (b) we will modify them in such a way that the Industrial Property Rights are not infringed, or (c) we will exchange them. If this is not possible for us under appropriate conditions, you have the right to terminate the contract or obtain a price reduction. Compensation for damages can only be required in accordance with Section VIII.

3. The aforementioned obligations will only apply when you have informed us without delay and in writing about this claim by a third party, no infringement is attributable to you, we can use all possible means of defense, and we are even in a position to negotiate a transactional agreement.

4. Your claims are excluded as soon as You turn out to be the only ones responsible for the violation of the property right.

5. Your claims are also excluded to the extent that the infringement of Industrial Property Rights is due to your special instructions or to any use that has not been foreseen by us or caused by the products that You have altered without authorization.

6. Claims against Us or our indirect agents are excluded due to deficiencies in title, in addition to others governed by this Section VII.

7. In case that an Intellectual Property right is generated, as a result of the fulfilling of any agreement obligations, all Intellectual Property rights with regards to that result will belong to us unless you have been significantly involved in the generation of the result. In such cases or in all other cases, a result will be conclusively generated as an Industrial Property Right. We agree that we will at least receive a non-exclusive, royalty-free right to use the result, with no restrictions in terms of time, location and content.

VIII. RESPONSIBILITY

1. We are only responsible for any claims for damages and reimbursement of unnecessary expenses, (hereinafter referred to as "damages") caused to you by defects in the services/products or by violation of other contractual or non-contractual obligations, in particular caused by grievance, due to willful damage or gross negligence.

2. Compensation for damages for breach of essential contractual obligations will be limited to compensation for those damages that we should have foreseen at the time of concluding the contract, based on circumstances that we consider to be rationally possible (typical contractual damages), except when intent or gross negligence occurs on our part or we must respond for damage or injury to life, physical integrity or health of persons, or for the assumption of a guarantee or a risk of supply.

3. Typical contractual damages according to section VIII subsection 2 are as follows:

- a) Per claim: damages with a maximum amount of the purchase price of the contract in question, and
- b) Per year: damages for a maximum amount of the annual billing for which you had purchased our products during the previous year. And, during the first year of the contract, for damages for a maximum amount of the amount of the invoicing for which you had purchased our products until the moment of the loss. In any case, damages that may be compensated by us will not be considered indirect damages (i.e. lost profits or damages derived from interruptions of production).

4. Regardless of section VIII subsection 3, when quantifying the amount of compensation to be paid by Us, the following circumstances should be assessed for moderation and specification: the existing economic situation; the type, volume and duration of the business relationship; Your own participation or responsibility in the production of the damage, as well as, where appropriate, that the damages are the consequence of an improper location or installation of the supplied product. In particular, the indemnifications, costs and expenses that we must assume must keep an adequate proportionality or consistency with the value of the product.

5. The limitation of liability established herein is directly applicable to our managers, executives, workers, collaborators, and, when applicable, to subcontracted third-party services.

6. Essential contractual obligations, according to section VIII subsections 1 and 2, are understood as those whose compliance make the correct execution of the contract possible and in whose observance You can normally trust.

IX. PRICES

The applicable Incoterm will be adjusted according to the Client (Incoterms 2020). The Incoterm determines the conditions of delivery of the material, limiting liability and obligations for buyer and seller. Prices for Balluff products will be fixed according to the standard price list valid at the time the purchase order is accepted or according to the price that is expressly authorized by Balluff de México in writing at the time the purchase order is placed. All prices are subject to adjustment due to changes in specifications, quantities, shipping arrangements, or other terms and conditions that are not part of the original quote or standard price. Balluff de México reserves the right to modify the prices of any order if the sales conditions are modified.

X. PAYMENT TERMS - COMPENSATION - RELEASE

1. Orders must be initiated by the buyer by issuing a purchase order or any other form of electronic submission accepted by Balluff. Orders must identify the products, unit quantities, part numbers, descriptions, applicable prices and requested delivery dates. All orders are subject to acceptance by Balluff. Typographical or administrative errors are subject to correction.

2. A Balluff quotation will be effective only if the Buyer submits an order within the period specified in the quotation, if not mentioned, the validity will be thirty (30) calendar days from the date of issuance of said quotation.

3. Unless otherwise agreed in writing by quote or purchase order, the invoice amount is payable in accordance with the payment and credit conditions established by Balluff de México.

4. A compensation of your credit accounts against our credits, will be only acceptable if, from our side, your credits against our credits, have been expressly recognized by us.

5. In the event that your economic situation worsens after the signing of the contract or a pre-existing bad financial situation comes to our attention, we may require you to provide adequate guarantees for our services and/or retract deferrals of payments granted in this contract or in others. If you do not provide us with the adequate guarantees required within a reasonable period of time, we may terminate the contract. The rights already acquired by benefits already produced or by delay will not be affected.

6. The transfer of rights derived from this contractual relationship is only lawful with our prior written consent.

7. The amounts applicable in the form of taxes will be added to the price and will be paid by the Buyer according to the geographical area. The Buyer can supply Balluff with a valid exemption certificate from the tax authority. Example: Payment in the north zone with 8% taxes instead of 16%.

XI. DISTRIBUTION OBLIGATIONS

In case of being an authorized distributor of Balluff de México, of the delivery items, you are obliged to comply with the regulations and conditions here mentioned and those specified within our Balluff Distribution Guide.

XII. RETURN OF ELECTRONIC DEVICES - RETURN OF SHIPMENTS

1. If we are obliged in accordance with the law, we will dispose of the electronic devices after the end of use and we will properly eliminate them. You must assume the cost of return and disposal.

2. If we are required in accordance with the law, we will provide you with boxes or packing material and make transportation possible. You must assume the cost of return transportation and shipping packaging.

3. Balluff de México will not accept the return of products without a return material authorization number ("RMA") that must be arranged with the Balluff sales consultant and/or quality consultant. Returned products must keep the original packaging without damage or modifications, the original shipping packaging with all its materials. All returned products will be shipped freight prepaid as specified in the RMA and will be subject to a 25% charge for high turnover and 40% for low turnover materials at a stock renewal rate. If the return of the product is due to a defect, a complete description of the nature of the defect must be included with the returned product. The return of manufactured and/or adjusted products according to specific Buyer requirements is not accepted. Products that do not allow returns will be returned to the Buyer through freight collect. With the appropriate invoice generated for freight expenses.

XIII. PLACE OF PERFORMANCE - JURISDICTION - APPLICABLE LAW

For everything related to the interpretation and compliance with the terms and conditions, the Parties submit to the legislation, jurisdiction and competence of the Courts of the city of Santiago de Querétaro, Querétaro, Mexico, expressly renouncing any other jurisdiction that may correspond to them, by reason of their present or future addresses or for any other reason.

XIV. ADDITIONAL CONDITIONS REGARDING SOFTWARE

When we provide you, as part of our deliveries and services, with software (hereinafter referred to as "Software") for your use, against payment or without charge, the following conditions apply. In the event that the above conditions and the following conditions regarding software are inconsistent, the following condition shall prevail.

1. We grant you the non-exclusive right to use the Software in accordance with the prescribed use. Conformity with the prescribed use results from the technical sheet corresponding to each Software or from the instructions for use corresponding to each Software. The exploitation right will be limited to the agreed period of time, and in the absence of such agreement establishing a term, it will be unlimited.

2. The Software may only be used with the Hardware specified in the technical data sheet or the instructions for use. In the absence of a specific indication, it can only be used in conjunction with the Hardware supplied with the Software. Use of the Software with another device will require our prior written consent. In the event that these obligations are violated, we may claim additional compensation. Any additional rights will not be affected.

3. If several devices are mentioned in the data sheet or the instructions for use, the Software can only be used simultaneously on one of the devices (single license), unless a multiple license has been exceptionally agreed (see section XII subsection 12). If the device is simultaneously accessible from multiple workstations where the Software can be used independently, the single license will only apply to one workstation.

4. The transfer of the Software will be exclusively in machine-readable form (object code).

5. You may only make a single copy of the Software, which must be used exclusively for security purposes (backup). Otherwise, you may only make other copies of the Software if, on an exceptional basis, a multiple license is agreed.

6. Except as permitted by law, you have no right to modify, translate, or fragment the Software. You will not be able to delete alphanumeric or other identifiers, which must be copied without modifications in the backup copies. When it is a custom software, you will only have the right to modify it as long as you have acquired the source code, which you would own and could exploit at your convenience once the purchase operation has been settled.

Any improvement or change subsequent to the signing of the purchase would have an additional cost according to the estimate of our staff, which would not imply any disagreement or guarantee, since it was not specified in the initial stage or the signing of the Software service contract. The purchase of a service or maintenance policy for the software purchased will be available from Balluff personnel upon request.

7. We grant you the right to transfer the exploitation rights to third parties, although it may be revoked by us for justified reasons. The transfer can only be made jointly with the device that you acquired with the Software. In case of transfer of the exploitation right to third parties, it must be ensured that this third party does not obtain more extensive exploitation rights than those that you have in accordance with these general conditions of sale and their corresponding technical data sheets or instructions for use. You must at least impose the obligations derived from these conditions of sale to the transferee. In the event that you exercise the right of transfer in favor of a third party, you may not retain any copy of the Software.

8. You will not have the right to sublicense.

9. In the event of transferring the Software to third parties, you will be responsible for ensuring compliance with the export requirements and if they fail to comply, we will be released from any responsibility for such breach.

10. If we transfer to you a Software for which we have only a derived exploitation right (third-party Software), the exploitation rights agreed between us and our licensor will apply additionally and preferentially to the provisions of No. XII. If we transfer to you Open Source Software, the exploitation rights that govern Open Source Software will be applied additionally and preferentially to the provisions of n° XII. We will indicate the existence and the rights of use of third party software and Open Source Software in the technical data sheet and the instructions for use; likewise, if you request it, we will give you access to exploitation rights. In case of violation of these exploitation rights, both we and our licensor may exercise the claiming actions, as well as any other kind of action that may be appropriate against the infringement.

11. Upon request, we will transfer the source code to you, if this was exceptionally agreed.

12. For the use of the Software in several devices or simultaneously in several workstations, you will need a special exploitation right that must be agreed on separately. The same shall apply to the use of the Software in networks, even if in this case the Software is not copied. In these cases (hereinafter "multiple license") the following provisions (a) and (b) will apply additionally and preferentially to provisions XII.1 through XII.11:

- a) For multiple licenses, it will be a mandatory requirement that you obtain express written permission from us regarding the number of admissible copies of the Software that you have permission to make, as well as the number of devices and workstations in which You may make use of them. The multiple licenses regulations according to n° XII.7 will be applicable, that is to say, you will only be able to transfer the multiple licenses to third parties, if they are transferred in full and with all the devices that have the permission to use the Software.
- b) You must observe the warnings regarding the reproduction that we supply with the multiple licenses. You will have to write down the whereabouts of each and every one of the copies, information that You must provide to us, if required.

XV. RISK TRANSMISSION

In the event of a transfer of the Software by electronic means of communication (i.e. the Internet), you will be at risk of a fortuitous fall or fortuitous deterioration of the Software, from the moment the Software leaves our area of property (i.e. in the Download process).

XVI. COLLABORATION OBLIGATION AND RESPONSIBILITY

1. You must take all necessary and appropriate measures to avoid or limit defects in the Software. In particular, You will be responsible for regularly protecting all data and programs.

2. If you violate that obligation negligently, we will not be held responsible for the consequences; In particular, we will not be responsible for the replacement of lost or defective data or programs. The above provision does not imply a modification of the burden of proof.

XVII. DEFECTS – WARRANTY CLAIMS

1. Any claim for material defects related to the Software will prescribe within 12 months after the transmission of risks.

2. Only deviations that you can demonstrate and reproduce, and that differ from the specification contained in the technical data sheet or the instructions for use, will be considered as material defects in the Software. It will not be considered a material defect if it does not appear in the latest version that we have assigned to You, nor if its use is considered suitable for You.

3. There will be no material defect in the following cases:

- Those caused by negligent or incorrect treatment of the Software,
- Those arising from special external influences not provided for in the contract,
- Those caused or arisen as a result of alterations or modifications made by You or by third parties in the event that the Software has been expanded by you or by third parties beyond an interface provided by us for it, and
- When the Software is fully compatible in the data processing environment used by You.

4. The right to rectify the defects of the Software afterwards will be carried out in the following way: we will supply an update (Update) as replacement or a new version (Upgrade) of the Software, if we have it or if we can obtain it at an acceptable cost.

XVIII. INDUSTRIAL PROPERTY RIGHTS AND COPYRIGHT - LEGAL DEFECTS

Whenever a third party justifiably claims his rights to the software as a consequence of the infringement of his property right, we will be responsible according to section VII within the term established in section XV.

XIX. REPAIR SERVICES

Balluff de México offers repair services both under and outside the warranty period, if necessary. The rates established for the repair of the product out of warranty will be indicated before the reception of the articles to facilitate the speed of the process. All returns must be accompanied by a Return Material Authorization (RMA) number that can be obtained from Balluff de México customer service. Have these details available when you call Balluff de México customer service:

- Balluff part number for the item needing repair,
- Balluff serial number (if applicable),
- Brief description of the problem, and
- Purchase order number.

You can contact Balluff de México customer service by calling (442) 212 48 82 if you need more information.

XX. SERVICE FEES

For comprehensive services or special developments, contact Balluff de México's Application Engineering Supervisor by calling (442) 212 48 82 ext. 165 if you need more information.

XXI. CONTACT

You can contact Balluff de México by calling (442) 212 48 82 if you need more information.

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