



2018 GENERAL TERMS AND CONDITIONS OF ASSEMBLY

(Effective: April 1, 2018)

GOVERNING PROVISIONS

This document along with any attached estimated quotations for services is an offer or counteroffer by Krones, Inc. ("KRONES") to provide the services described in it, in accordance with these General Terms for Technical Service (these "Terms and Conditions"), and is not an acceptance of any offer made by customer, and is expressly conditioned upon assent to these Terms and Conditions. No additional or different terms or conditions will be binding upon KRONES unless specifically agreed to in writing. KRONES hereby objects to any such additional or different terms or conditions contained in any RFQ, purchase order or other communication heretofore or hereafter received from customer. No accepted offer may be cancelled or altered by customer except upon terms and conditions accepted by KRONES in writing. This document and these Terms and Conditions, together with the applicable description of Services (as that term is defined below) and the applicable schedule for performance of Services in orders accepted by KRONES pursuant hereto, is herein referred to as the "Agreement".

PERFORMANCE OF TECHNICAL SERVICE

Subject to these Terms and Conditions, KRONES agrees to perform certain technical and other services for customer as described in this document, attachments, and/or in written purchase orders submitted by customer and accepted by KRONES hereunder ("Services"). KRONES will designate one or more of its service representatives to perform the Services (such service representatives hereinafter "Service Representatives").

A "hard copy" of the purchase order must be emailed or faxed to the Krones Inc. service department or the technician will NOT be dispatched to the job site.

CANCELLATION OF SERVICE

All cancellations must be made by written notice at least 72 hours' in advance of the scheduled travel start date. A cancellation fee equal to the rate of eight (8) straight time hours plus any non-refundable expenses will be imposed if the Service call is cancelled without such notice.

SERVICE TIME

All Services to be performed under this Agreement must be pursuant to a written purchase order submitted by customer hereunder and accepted by KRONES before a Service Representative will be dispatched to perform Services. The purchase order may be faxed directly to the KRONES Technical Service Department at 414-409-4190.

Normal working time for Service Representatives is 8 hours per day, Monday through Friday (excluding Holidays), during regular business hours (7am to 4pm). Service requested by customer to be performed during nighttime shifts should be arranged beforehand by contacting the KRONES [Technical] Service Department. Nighttime work (4pm to 7am) is billed at a higher rate (approximately 1-1/2 times the regular daily rate) as listed in the document "Terms and Conditions of Field Service". The term "Holidays" when used in these Terms and Conditions shall mean [New Year's Eve and New Year's Day, Easter (including Good Friday through Easter Sunday), Memorial Day, Independence Day, Labor Day, Thanksgiving day and the day after Thanksgiving, Christmas Eve and Christmas Day, and any and all other U.S. federal holidays on which KRONES' U.S. facilities are generally closed for business.]

NEW MACHINE COMMISSIONING

The purposes of a new machine commissioning call are as follows:

- Assist the customer in start-up of his new equipment.
- Instruct the operating personnel in the operation and maintenance of the equipment.
- Make any minor adjustments and/or minor modifications to the equipment to insure satisfactory performance.



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It is the customer's/contractor's responsibility to install the equipment in line and to complete all wiring, piping, leveling, conveyor connections, crossovers, etc., prior to the arrival of the Service Representative. The customer should also insure that an adequate quantity of packaging supplies (containers, caps, labels, adhesives, etc.) and product is available for production runs.

Please contact our Service Department at 414-409-4440 a minimum of four weeks in advance to confirm an installation start-up service date.

OTHER CONDITIONS

1. Upon arrival of equipment at the customer's facility, it is solely the customer's responsibility to protect the equipment from extreme weather and temperature conditions and any and all other damage that might occur during waiting time. Unless delay occurs solely due to the gross negligence or willful misconduct of KRONES, all costs and expenses resulting from the delay will be borne solely by the customer.
2. Unloading of equipment and moving to the job site are solely the responsibility of the customer at its own expense and risk. Relocation of equipment and removal or addition of assemblies that require rigging, cranes, forklift trucks, and/or specialized trades for disconnecting/connecting are solely the responsibility of the customer.
3. KRONES will not be obligated to provide immediate Service if installation has been delayed through no fault of KRONES.
4. Customer shall not request any Service Representative to perform work outside of the originally contracted scope of Services. If customer does request any such work and the Service Representative performs any portion thereof, KRONES assumes absolutely no responsibility or liability for such work and customer assumes sole risk for such work. Similarly, KRONES assumes absolutely no responsibility or liability for any work performed by a Service Representative on equipment other than equipment manufactured by KRONES or by Krones AG and customer assumes sole risk for such work. Further, KRONES assumes absolutely no responsibility or liability for any work performed by any Service Representative on KRONES equipment if such KRONES equipment has been modified by the customer or any contractor, service agent, machinery dealer, importer/exporter or any other third party, whether or not such third party used parts obtained from other suppliers or manufacturers, and customer assumes sole risk for such work.
5. The KRONES equipment that is the subject of the Services may be covered by a KRONES limited warranty. If customer believes any portion of the Services to constitute applicable warranty service, then customer shall so notify KRONES in writing as soon as reasonably possible prior to commencement of performance of the applicable Services. If customer fails to so notify KRONES, then customer shall be deemed to have waived its right to make a warranty claim in respect of the applicable Service. In all other respects, the applicable warranty (if any) shall continue pursuant to its terms. In any event, such warranty (if any) shall not be extended or renewed in any way because of the performance of Services hereunder.

COST OF SERVICE

1. For purpose of determining the amount of time that is to be allocated to a Service call, depending on availability and previous scheduling, service calls are figured either from the Service Representative's then-current location or KRONES National Technical Service Center in Franklin, Wisconsin, as determined by KRONES. Such factors as the urgency of the request for a Service call and availability of a Service Representative will be used by KRONES to determine whether charges will be billed locally, from the KRONES service center in Franklin, Wisconsin, or from any other place that the Service Representative may be located at that point in time.



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2. The customer is obligated to pay all expenses incurred by the Service Representative commencing when the Service Representative is dispatched by KRONES and continuing until the applicable Services are completed and Service Representative has returned to his/her home site. These expenses will be invoiced at a flat rate per day as indicated on the quotation and the document "Terms and Conditions of Field Service". This flat rate includes costs for meals, lodging, rental car, mileage and incidental expenses. Airfare will be invoiced at cost plus a 5% administration fee. There will be no receipts supplied as back up for this flat rate billing of these expenses.
3. In addition, the Service Representative is entitled at customer's sole expense to roundtrip fares to his/her home site for the following holidays: Easter, Thanksgiving, Christmas and New Year's Day. Also, when Service will extend beyond twelve (12) consecutive calendar days, the Service Representative is entitled to a two-day trip home plus travel time. The roundtrip fare and travel time for such two-day trip will be charged to the customer. Therefore, KRONES urges customer to plan the Service schedule accordingly.
4. Service time billing.
 - a. A emergency call surcharge will be added for "Emergency Service". This applies when travel is required within 24 hours of the service being requested. The surcharge is \$300.
 - b. Service Representatives are not "on-call" when they are off your premise. There is no On-call when they leave the facility and go back to their hotel or other residence. If you require 24 hour line coverage you will need to request 2 technicians. They will in turn each work a 12 hour shift and invoicing will be at the applicable rates listed in the document "Terms and Conditions of Field Service".
 - c. In the event that a field service representative is required to stay over all or part of a weekend but is not working in the customers' facility, a "Weekend Holdover" day (8 hours x the standard daytime rate) or a portion thereof will be charged to equal an 8 hour day.
 - d. Third party contractors or technicians from a third party supplier hired on a customer's behalf will be charged at cost plus a 5% administrative fee.
5. All cancellations must be made by written notice at least 72 hours' in advance of the scheduled travel start date. A cancellation fee equal to the rate of eight (8) straight time hours plus any non-refundable expenses will be imposed if the Service call is cancelled without such notice.

INVOICING

The Service Representative will prepare a Service report and if applicable, an acceptance form upon completion of applicable Services. The Service Representative will provide such Service report and acceptance form to customer for review. Unless customer objects in writing to such Service report within (14) calendar days after customer receives such report, customer will be deemed to have accepted it in its entirety. Failure of the customer to sign the Service report and corresponding acceptance form does not free it from the financial obligation to pay for the Services and expenses.

Payment hereunder is due net 30 days after date of invoice unless other terms have been mutually agreed to.. Interest at the rate of 1½% per month will be assessed on any invoice amount not paid when due.

WARRANTY

KRONES warrants that the Services will be performed in a professional and workmanlike manner. Such warranty shall survive for [sixty (60)] calendar days after performance of the Services. KRONES' sole obligation and customer's sole remedy for breach of the foregoing warranty shall be re-performance of the Services. Any claim hereunder for breach of warranty must be made by customer within sixty (60) days after the performance of the Services underlying the claim or shall be forever barred. THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, WRITTEN OR ORAL; KRONES DISCLAIMS AND EXCLUDES ANY AND ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS



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FOR ANY PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.

GENERAL STATEMENT

Krones' liability for Services rendered under this Agreement, whether such liability be based on this Agreement, or in tort or otherwise, shall strictly and exclusively be limited to the amount of damages claimed or the total amount to be paid to Krones for Services rendered for the particular job, whichever sum is less. IN NO EVENT SHALL KRONES BE LIABLE FOR SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS), WHETHER FOR BREACH OF WARRANTY OR OTHER CONTRACT BREACH, NEGLIGENCE OR OTHER TORT, STRICT LIABILITY OR ON ANY OTHER LEGAL THEORY.

KRONES is an independent contractor, not an employee or other agent of customer, and shall have neither the authority nor the responsibility to enter into or perform any contract, or incur any liability, on behalf or in the name of customer.

This Agreement shall constitute the complete and exclusive statement of the terms of the agreement between the parties on the subject matter hereof, superseding all prior or contemporaneous contracts, agreements, representations, warranties, purchase orders or quotations, whether written or oral, and any reference to a customer purchase order number, or the delivery of a purchase order to Krones, shall be solely for administrative purposes so as to permit the customer to process payment for the Services to be provided under these terms. There are no conditions affecting this Agreement that are not expressed herein. This Agreement may only be amended, altered or modified in a writing signed by both parties hereto.

Customer shall not assign this Agreement or customer's rights or obligations under this Agreement, in whole or in part, whether voluntarily or by operation of law, without KRONES' prior written consent thereto. Any attempted assignment by customer without such consent shall be void and without legal effect and shall constitute a material breach of this Agreement. If a court of competent jurisdiction determines any provision(s) of this Agreement to be illegal, excessively broad or otherwise unenforceable, this Agreement shall be construed so that the remaining provisions shall not be affected thereby but shall remain in full force and effect, and any such illegal, overbroad or unenforceable provision(s) shall be deemed, without further action by any person, to be modified and/or limited to the extent necessary to render the same valid and enforceable.

This Agreement shall be governed by and shall be construed according to the internal laws of the State of Wisconsin without reference to any principles pertaining to conflicts of laws. The state and federal courts located in Milwaukee County, Wisconsin shall be the exclusive venue for all disputes arising out of or relating to this Agreement.

All scheduled Service dates are approximate and subject to delays caused by any event beyond KRONES' reasonable control, including but not limited to any governmental act, regulation or request, civil insurrection, war, act of terrorism, fire, flood, strike or other labor disturbance, act of God, shortage of materials or failure of suppliers or subcontractors to satisfactorily meet scheduled deliveries, or any other factor or event beyond KRONES' reasonable control, none of which factors or events shall give rise to any liability on the part of KRONES but shall extend the Service performance date(s) for a period equivalent to the time lost by reason of all such factors or events. Acceptance of the Services by the customer shall constitute a waiver of any claim for delay.

These Terms and Conditions shall be deemed accepted by the customer unless specifically objected to in writing within five (5) calendar days after this document being sent.

Service Rates are Subject to change without notice

If any rates (e. g., hourly rates, allowances, etc.) change between the time an offer is made and the time the Services are started, or during extended periods of Service, the rates charged will be adjusted accordingly.