

GENERAL TERMS AND CONDITIONS (1C)

1. Generally

The following conditions apply to all sales, deliveries and work performed unless reciprocally waived or amended in writing.

2. Delivery

Delivery is made ex our factory. All risks pass to the customer as soon as the goods are ready for dispatch at our factory irrespective of an agreement for delivery with carriage paid.

3. Time for delivery

Our times for delivery are approximate and non-binding. Incidents of force majeure, such as mobilisation, wars, insurrections, epidemics and any consequences thereof, confiscations, export prohibitions, significant alterations in relationships existing at the conclusion of the contract, any and all operational interruptions, strikes and lock-outs, and other reasons including official decrees which have a disruptive effect on production and dispatch, entitle us reasonably to postpone delivery dates. Refusal to accept delivery, withdrawal from a contract as well as claims for damages are excluded if the delivery date is exceeded. The time for delivery commences on payment of the contractually agreed deposit and/or clarification of all technical details. The compliance with the time for delivery presupposes the fulfilment of the contractual duties by the customer. We reserve the right to charge additional costs for delayed collection.

The delivery periods shall be extended appropriately:

- a) if Kalt does not receive the information required by the Purchaser to fulfill the contract for work and services in good time;
- b) if obstacles arise which Kalt cannot avert despite exercising due care, irrespective of whether they arise at Kalt, at the Buyer or at a third party. Such obstacles are in particular epidemics, pandemics, war, riots, significant operational disruptions, accidents, labor disputes, delayed or defective delivery of required raw materials, semi-finished and finished products, natural events, official measures, delivery delays and delivery failures on the part of suppliers and subcontractors;
- c) if the Purchaser is in arrears with the work to be carried out by them or is in arrears with the performance of their contractual obligations.

4. Prices

All prices are quoted net and ex-works without packaging and transport. All incidental costs, such as carriage, insurance, export, transit, import and other licences as well as certifications, are to be borne by the customer. Likewise, the customer bears all forms of taxes, levies, fees, waste disposal, customs and excise duties and similar which are charged in connection with the contract or to be reimbursed to the supplier against corresponding proof, if the supplier has become liable to make payment for such items.

5. Reservation of ownership

All component parts of the machines and accessories as well as replacement parts remain in our ownership until full payment of the purchase price. They may not be sold or pledged.

6. Assembly

The customer bears costs of assembly and startup unless expressly agreed otherwise, including wages of assemblers in accordance with our factory rates, their travelling expenses and room and board, as well as expenditure for telephone, telegrams and transportation of assembly tools. Prior to assembly, the customer must complete all foundations and structural preparatory and installation work, specifically including electrical supply lines. The duties of our assemblers are restricted to assembly, startup and demonstration of the machines as well as instruction of the personnel of the customer. Support personnel and facilities necessary for assembly are to be provided by the customer without charge.

For assembly and startup of complete machine installations abroad, the customer must insure the complete installation against all damage beginning at the time delivery commences.

We disclaim all liability for damage, sickness and accident during assembly and startup. The point in time at which the complete installation is approved for production is to be decided by the head of the assembly team appointed by us if we are responsible for assembly and startup of machinery.

7. Guarantee

We accept liability for defects in the delivery as well as absence of promised characteristics, to the exclusion of further claims, as follows:

- a) Unless otherwise agreed, we will repair or replace machine parts free of charge if, in single shift operation within a guarantee period of 12 months following dispatch of the consignment from our works, verification can be provided that such parts have become unfit for use or have been substantially adversely affected in their usefulness on account of faulty design, defective workmanship or materials. The parts replaced are to be returned to us as our property. The guarantee period for customers using multiple shift operation shall be 6 months.
- b) The customer must notify us in writing of defects meeting the criteria of sub-section a) immediately after such defects are detected.

- c) Guarantee for damage due to the following causes is expressly excluded:

defective assembly or startup by the customer or a third party; improper use, incorrect operation, deficient maintenance or excessive use of the machine; use of unsuitable operating materials; natural wear and tear of machine parts such as springs, physical instruments, seals, collars, insulation, parts made of flexible or substitute materials or non-metal materials; parts which are subject to severe friction and high temperature; unsuitable or defective foundations; chemical, electrochemical or electrical influences which are not to be attributed to our design; application/use of any products containing chlorine media; force majeure.

- d) For deliveries of replacement parts and repairs, the customer must grant us access to the machine and allow us sufficient time for its repair. The customer shall be entitled to eliminate the defect on their own or to have it eliminated by a third party if we experience delays in eliminating defects after a reasonable extension of time has been set and passed without the desired result. However, we shall only be required to reimburse the customer for costs which would have arisen if we had performed this work.

- e) We accept the costs of replacement parts and repairs, including dismantling and fitting, both in Switzerland and abroad. Travelling time, lodging and travelling expenses (road, rail, air) will be charged in all cases. The costs of auxiliary personnel called in are to be borne by the customer. Transport costs, customs duties and taxes for deliveries of replacement parts will be charged.

- f) The guarantee period re-commences for the replacement parts supplied or machine parts repaired and lasts 6 months from replacement, completion of repairs or acceptance.

- g) Defects or absence of promised characteristics do not entitle the customer to delay or cease making contractual payments. We are entitled to refuse replacement deliveries and repairs for periods in which the customer fails to fulfil their obligations to make payment.

- h) Our guarantee for promised production of a complete machine installation is fulfilled when the installation achieves a production rate of 85%. The customer may not make us liable in any manner in a range of tolerance of 15% of the promised level of production.

It may be necessary to conduct cheese-making trials or other tests with equipment supplied by us during installation as well as during a phase-in period. The customer of the installation shall make the appropriate raw materials available for these tests. We disclaim all liability for any defective products during this test phase. Furthermore, the customer may not make any type of claim against us for the raw materials used during the test phase. At the beginning of the test phase, the complete installation must be operationally connected by the customer.

- i) The guarantee ceases if the customer makes improper modifications or repairs on their own, or allows a third party to make such modifications or repairs, without our written consent.

8. Cleaning

The customer is responsible for final cleaning of the building as well as the machines. All machines and pipework are to be cleaned in such a way that all deposits of dirt and dust are thoroughly removed.

9. Exclusion of further liability of Kalt Maschinenbau AG

All incidents of breach of contract and their legal consequences as well as all claims made by the customer regardless of the legal basis upon which they are made, are conclusively regulated in these Conditions. Specifically, all claims for damages, reduction in price, suspension of the contract or cancellation of the contract not expressly specified are excluded. In no event shall claims made by the customer be honoured for compensation for damage which is not caused to the subject matter of delivery itself, more specifically, loss of production, loss of usability, loss of orders or loss of profit, as well as from other direct or indirect losses. This exclusion of liability applies to all unlawful intention or gross negligence of the supplier, and also applies to unlawful intention or gross negligence on the part of independent contractors.

10. Place of jurisdiction and applicable law

The sole place of jurisdiction for disputes arising from this contract and all non-contractual disputes connected therewith is Lütisburg, Switzerland. The law of Switzerland is solely applicable.