

# General Installation Conditions



## I. Contract Terms, Territory, Offer

- Contractual conditions formulated in advance for a wealth of contracts ("General Terms and Conditions" within the meaning of Art. 305 German Civil Code [BGB] which are used by the Customer do not become part of the contract even if they are not explicitly objected to by Milkron GmbH. These General Terms and Conditions of Purchase and Supply of Milkron GmbH shall apply exclusively.
- These installation conditions apply to all services of Milkron GmbH concerning and in connection with the installation, commissioning, acceptance (if stipulated by law or contract), maintenance, service, repair, installation and dismantling of machines and systems. These services are referred to in these installation conditions without distinction as installation or mounting performance(s).
- Individual agreements on the rights and obligations of the contracting parties shall have priority to these conditions.
- All agreements entered into between Milkron GmbH and the Purchaser for the purpose of performing this contract shall be made in writing.
- These installation conditions apply only to companies, legal entities of public law and public special funds (in accordance with § 310 German Civil Code (BGB)).
- These terms and conditions shall also apply to all future business transactions between Milkron GmbH and the Customer.
- If the order is to be classified as an offer according to § 145 BGB, Milkron GmbH can accept this within 4 weeks following the receipt of it.

## II. Documents, Business Secrets, Preparatory Work

- Milkron GmbH reserves all rights, especially property and copyright, for cost estimates, calculations, plans, illustrations, design work, preparatory work, drawings and other documents. They may only be made accessible to third parties with the written consent of Milkron GmbH. Milkron GmbH undertakes to only make documents of the Purchaser, which are marked as confidential, accessible to third parties with the written consent of the Purchaser. Documents submitted by Milkron GmbH may only be used for the preparation of the contract and thereafter may only be used for the execution of the contract. Any other exploitation is prohibited.
- The Purchaser undertakes not to communicate any business secrets of Milkron GmbH and affiliated companies of Milkron GmbH (within the meaning of § 15 German Stock Corporation Act), which were disclosed to the Purchaser to third parties. Milkron GmbH undertakes not to communicate any business secrets of the Purchaser and its affiliates (in the sense of § 15 German Stock Corporation Act), which were disclosed to Milkron GmbH to third parties.
- Both, Milkron GmbH and the Purchaser are obliged to ensure that their entities and employees also observe the above obligations in an appropriate manner.

## III. Execution Period

- The execution period begins with the submission date of the order confirmation and clarification of all technical questions, but not before the delivery of the plans, documents, approvals, releases, permits to be procured by the Purchaser and prior to the receipt of an agreed down payment.
- Defaults caused by Force Majeure do not entitle the Purchaser to any claims (in particular no claims for a contractual penalty or damages) against Milkron GmbH. Force Majeure includes all and any unforeseeable events or events which - even if foreseeable - are outside the influence of Milkron GmbH and the effects of which cannot be prevented by means of reasonable efforts by Milkron GmbH. These include, inter alia, delayed performances of subcontractors/suppliers, war (regardless if declared or not) war-like circumstances, riots, revolutions, rebellion, military or civil coups, revolt, uproar, riot, blockade, embargo, government act, sabotage, strike, go-slow, lock-out, epidemic disease, fire, flooding, storm floods, typhoons or other storms, general material shortage, shipwreck, lack of port and discharge capacity, transport-related delays, non-availability necessary ship space, proper change/exchange of freight forwarder and/or freight carrier and/or shipowner and/or other commercial transport companies, transport accidents, earthquakes, radioactive accidents, physical or artificial obstacles of any kind on the construction site/production site.
- In all cases of any impediment for which Milkron GmbH is not responsible and regardless of its nature, Milkron GmbH is entitled to demand an appropriate extension of the execution periods and additional remuneration for the compensation of additional services and/or costs.
- In the event that the Customer is in default of acceptance or if the Customer violates other cooperation obligations, the risk of an accidental loss or accidental deterioration of the machine or system installed by Milkron GmbH shall be transferred to the Customer in the moment of his default in acceptance at the latest.
- Additional rights of Milkron GmbH are not excluded by this agreement.
- Compliance with the execution period requires timely and proper fulfillment of the contractual obligations of the Customer.
- Partial deliveries from Milkron GmbH can only be rejected if they are not reasonable for the Customer.

## IV. Acceptance, Remuneration and Payment

- If an acceptance was contractually agreed or is required by law, the statutory provisions for the acceptance of a work contract shall apply.
- Milkron GmbH is entitled to advance payments on the remuneration. These installments are payable at intervals of two weeks. Milkron GmbH is free to

choose longer periods of time. Milkron GmbH will settle the remuneration and the advance payments according to the delivered installation performance or the interruption of the installation performance. In absence of any special agreement, the payment shall be made after receipt of the invoice without any deduction. Advance payments made by the Customer to service technicians must be communicated to Milkron GmbH without undue delay.

- The Customer bears all costs for necessary remedial measures which are necessary due to faulty or incomplete drawings or other documents or instructions of the Customer.
- Unless otherwise agreed, a circumstance of which the customer has to provide evidence, the remuneration for the installation work of the Milkron GmbH is calculated according to the number of working hours provided by the technicians of Milkron GmbH in each case. The remuneration is calculated per working hour under consideration of the qualification of the technician (see 4.1.), the time of the day or the weekdays on which the installation work is performed (see 4.2.) and the relevant specialist area (see 4.3.). In addition, Milkron GmbH is entitled to "allowances" (flat rates for boarding and accommodation expenses) and reimbursement of travel expenses.
- A distinction in the qualification of the service technicians is made between mechanics fitters, electrical engineers, construction managers, assembly managers, software engineers and project engineers.
- The normal daily working hours of the service technicians are 8 hours from Monday to Friday, working hours exceeding these hours are considered as overtime I or overtime II or night shifts or extra work on Sundays and public holidays. Working time between the 9th and 10th hour of a day is considered as "Overtime 1". "Overtime II" means working hours beyond such working hours and working hours on Saturdays. "Nightshift" means working hours between 8:00pm and 6:00am. "Sundays and public holidays" are the working hours on Sundays and the public holidays at the place of employment. All times refer to the local time of the place where the technicians are located.
- The specialist areas where the installation work is performed are divided into mechanics, electrical and electronics.
- The rates for installation work and allowances are set forth in the price list of the "Installation Conditions".
- To the extent that installation services, including travel to and from the place of employment require less than 6 hours, the settlement of such expenses will be calculated pro rata temporis.
- The following, however, must be paid separately by the Customer: Time required for preparation and formalities regarding travels to the operation site and back; return trips and other journeys to which technicians are entitled in the Federal Republic of Germany in accordance with applicable law, operating agreements or collective agreements (collective labor agreements); the daily round trip between the accommodation and the place of installation if the latter exceeds half an hour per single route and there is no adequate accommodation closer to the place of installation; bridging periods in which work is prevented due to circumstances beyond the control of Milkron GmbH. All of these items are subject to the rates for installation and allowances as amended in each case. Round trips in the sense mentioned above are trips from Neutraubling to the place of installation and back.
- The Customer must reimburse Milkron GmbH for the provision of equipment and, if applicable, must pay a separate remuneration for the use of heavy tools.
- Foreign taxes and duties which Milkron GmbH has to pay in the country where the installation is performed shall be borne by the Customer. To the extent as permitted by law, the Customer has to pay such amounts directly, otherwise they are to be reimbursed to Milkron GmbH on first demand.
- If the installation is delayed due to a breach of the Customer's duties of cooperation and other obligations (see clause VI) or for other reasons which the customer or a third company commissioned by the customer, but not Milkron GmbH, is responsible for, the Customer shall compensate Milkron GmbH for:
  - Waiting times and additional travel times, which are then to be remunerated according to the rates for installations and allowances;
  - Costs and additional working time due to the delay, including dismantling, securing and assembly of the installation equipment;
  - Additional costs, in particular costs incurred by Milkron GmbH if equipment is tied to the place of installation longer than foreseen;
  - Additional travel expenses of service technicians;
  - Additional financing and insurance costs;
  - Other documented costs incurred by Milkron GmbH.
- If several customers are visited on a installation tour, the allowances and travel costs will be calculated on a pro rata basis.
- Milkron GmbH shall not be obliged to reimburse any voluntary accomplishments of the Customer to the service technicians, which were not agreed with Milkron GmbH.
- The following travel-related costs shall be borne by the Customer and shall be calculated by Milkron GmbH as follows: The journey to a domestic destination is carried out with a company-owned vehicle according to the applicable mileage allowance. This results from the price list "Installation Conditions". The second class ticket is charged when arriving by train. Other costs, such as overnight train fees, costs for ferries, tolls and telephone costs will be charged at the actual rate. If arriving by plane, the costs of the flight, as well as for any excess baggage, parking fees, taxi, car, train, bus and telephone costs will be charged. Increased expenses for forwarding of baggage, parts and tools are charged separately.
- If the installation works take place inside the country and neighboring countries, the technicians are entitled to travel home after two weeks of their installation work and on Easter, Whitsun and Christmas. For installations in

other European countries, this regulation applies accordingly for an installation period of 3 weeks. For installations in other continents, this regulation applies accordingly for an installation period of 6 weeks. The following travel-related costs shall be borne by the Customer and shall be calculated by Milkron GmbH as follows:

15. If Milkron GmbH is required by the Packaging Ordinance to take back the packaging used for transport, the Customer bears the costs for the return transport of the used packaging and the reasonable costs of its recycling. If the returned packaging can not be reused, the Customer bears the costs incurred by Milkron GmbH for their material recycling. In addition, the customer shall, if applicable, pay the duties, customs clearance costs, taxes and charges resulting from the withdrawal of transport packaging.
16. Transport containers are not contractual objects and are not considered as packaging. They shall remain property of Milkron GmbH. They must be reimported and returned to Milkron GmbH by the Customer at its own expense (transport costs, duties, customs clearance costs, taxes and duties) and risk.
17. Tools, surplus material, welding gas bottles and other auxiliary materials are not contractual objects. They shall remain property of Milkron GmbH. They must be reimported and returned to Milkron GmbH by the Customer at its own expense (transport costs, duties, customs clearance costs, taxes and duties) and risk.
18. The agreed remuneration and expenses shall be paid in cash without any deduction.
19. Milkron GmbH is entitled to payment of maturity and default interest in accordance with statutory regulations. The possibility of asserting further damage and rights of Milkron GmbH remains unaffected thereby.
20. The Customer shall only have rights of set-off and retention if its counterclaims have been found justified by a binding and final decision of the competent court, are undisputed or recognized by Milkron GmbH and their assertion has been notified to Milkron GmbH at least one month before.
21. If Milkron GmbH becomes aware of circumstances that give rise to reasonable doubt about the creditworthiness of the Customer after the conclusion of the contract, Milkron GmbH may demand security through the provision of a simple (not payable on first demand, but) irrevocable bank guarantee or bank guarantee with an indefinite term in the amount of the agreed price concurrently with payment of the remuneration owed.
22. Milkron GmbH shall be entitled to increase the agreed remuneration appropriately if after the conclusion of the contract, costs increase, in particular as a result of wage agreements or price increases for raw materials, auxiliaries, operating materials or other materials. On request Milkron GmbH will prove the increased costs to the Customer.
23. Milkron GmbH shall be entitled to increase the agreed remuneration appropriately if, after conclusion of the contract, the Customer requests changes to the subject matter of the contract leading to additional costs. Upon request Milkron GmbH will prove the additional expenses to the customer.
24. The Customer must pay the agreed remuneration at his own risk and expense to one of the bank accounts specified by Milkron GmbH.

#### V. Transportation Risk And Retention Of Title

1. For transport damage and transport-related material defects, which are part of the installation service owed by Milkron GmbH, the following shall apply: Upon request of the Customer, Milkron GmbH transfers all claims against the transport insurance(s) and the carriers to the Customer under exclusion of liability for the existence of these claims concurrently against payment of the entire remuneration and all costs owed, expenses and amounts to be reimbursed. Any further claims against Milkron GmbH due to a transport damage or a transport-related material defect are excluded.
2. Limitation periods according to transport and maritime law, cut-off periods, exclusions of liability in favor of the (natural or legal) entities entrusted by Milkron GmbH with the transportation/ loading / unloading / storage of the machinery or equipment installed by Milkron GmbH and specified in the contractual relationship of such entities to Milkron GmbH in favor of Milkron GmbH shall equally apply in corresponding situation.
3. Until receipt of all payments owed by the Customer from the contract, Milkron GmbH remains the owner of all items which are part of the installation service owed by Milkron GmbH. In all other respects, the provisions of clause VI shall apply. "Retention of Title" of the General Conditions of Sale and Delivery of Milkron GmbH.

#### VI. Duty To Co-operate And Other Duties Of The Customer

1. To ensure the proper execution of the contract, the Customer shall provide the following prerequisites in a timely manner and at its own expense and risk.
  - 1.1. The Customer shall provide Milkron GmbH with the drawings and other documentation required for the execution of the contract.
  - 1.2. The service technicians of Milkron GmbH shall have the opportunity to start their work at the agreed time and during the normal daily working hours.
  - 1.3. The service technicians of Milkron GmbH may also perform their work outside of normal working hours as long as this seems necessary to Milkron GmbH and this is not immediately prohibited by the Customer.
  - 1.4. The Customer must complete the preparatory work on time. In particular, the Customer has to ensure that the foundations are adequately resilient.
  - 1.5. The service technicians of Milkron GmbH are properly and safely accommodated by the Customer and receive healthy meals near the place of installation. They have access to sanitary facilities and will receive medical care that meets international standards.

1.6. The access routes to the place of installation must be suitable for the required transport of the items, installation equipment, assembly tools, cranes and other lifting devices. In addition to this, they must be safe.

1.7. Items to be provided by the customer must be at the place of work at the beginning of work.

1.8. The Customer shall provide Milkron GmbH at the place of installation free of charge and in a timely manner with company-owned service workshops and all the required cranes, as well as lifting devices and means for transport within the place of installation, additional devices, machinery, materials and operating materials (including fuel, oils, grease and other materials, gas, water, electricity, steam, compressed air, heating, light, etc.) and measuring and testing equipment of the Customer. Provision must also be ensured beyond normal working hours.

1.9. For the duration of breaks, the technicians shall have access to an air-conditioned illuminated room with washing facilities and lockable lockers.

1.10. The installation area must be furnished in such a way that the installation and commissioning can be carried out properly and the technicians are protected against unhealthy and dangerous working conditions.

1.11. Electrical connections must always be carried out by an authorized electrician who gets paid by the customer.

1.12. For the commissioning of plants, the Customer shall provide all necessary raw material and required media in a timely manner to facilitate the leveling of systems with all the supplied fittings.

1.13. Upon completion of the installation, the operators must be ready for instructions in due time. The staff members responsible for later monitoring, operation and maintenance of the system must - where possible - be present during the installation.

1.14. Cleaning work shall be carried out by the Customer.

1.15. The Customer of Milkron GmbH shall provide the required storage facilities at the place of installation to protect the items, the installation equipment and the assembly tools, as well as the personal possessions of the technicians of Milkron GmbH against theft and deterioration.

2. The Customer must always confirm the working times as well as execution and termination of the work on travel reports, which are to be submitted later on.

3. The Customer must obtain at his own expense and risk all public permits/approvals/notifications, etc., which are required for the execution of the contract. The Customer undertakes to obtain, at his own expense and risk, all necessary approvals/permits/notifications/visas, etc. which are necessary for (a) the entry, stay, activity and departure of the service technicians; as well as for (b) the (temporary) import and export of the installation equipment and the assembly tools; and (c) for the import of items deemed to be necessary for the implementation of the installation. The Customer is responsible for all related duties, taxes and other charges, as well as fees, security payments, deposits, amounts to be deposited, etc. and the Customer must pay or reimburse Milkron GmbH directly on first demand.

4. The Customer is obliged to carefully instruct the operating staff at his own expense with regard to all safety regulations. Prior to the start of the installation, the Customer shall inform the service technicians of Milkron GmbH about all relevant safety regulations at the installation site. Installation will not be carried out in unhealthy or dangerous environments. All necessary safety and protective measures must be taken before installation and are to be maintained during the installation work.

5. The Customer guarantees to continuously comply with all legally prescribed threshold values and inspection controls at his own expense and risk. The Customer is obliged to document the type and extent of all test measures.

#### VII. Rights Of The Customer In Case Of Defects

1. Milkron GmbH shall be liable to Customer that the installation services rendered at the time when the risk is transferred to the Customer is free of material and legal defects. Insignificant deviations from the agreed quality do not constitute a defect.

2. Milkron GmbH, however, is not liable for defects or damages as results of the following reasons:

Defects which are attributable to constructions specified or determined by the Customer or materials specified, determined or provided by the Customer, including sample materials or other items determined by the Customer.

Deficiencies or damages caused after the transfer of risk by faulty or improper treatment, operation by unskilled personnel, excessive strain, inappropriate operating equipment, defective construction work, unsuitable foundation or caused by special external influences which are not stated in the contract, as well as non-reproducible software errors.

If the Customer or third parties implement improper modifications or repair work, Milkron GmbH shall not be liable for such actions and the resulting consequences.

3. Milkron GmbH is also not liable for wear parts (to be defined), which are part of the installation service. Wear is the progressive loss of material from the surface of a solid body caused by mechanical causes, for example, contact and relative movements of a solid, liquid or gaseous counterpart.

A wear part is a part used in places where wear is unavoidably caused by the operation and which in this way protects other units from wear and which is designed to be replaced from time to time.

4. In case of a defect in the installation and under consideration of the corresponding claims for defects by the Customer as set out in the provisions of clauses 1 to 3, the Customer initially only has the right to supplementary performance within a reasonable period of time. All necessary expenses of sup-

plementary performance shall be borne by Milkron GmbH. Replaced parts shall become property of Milkron GmbH.

- If the defect does not require repair at the place of installation, the Customer must send the defective parts for repair or replacement with a spare part to Milkron GmbH upon a corresponding request and at the expense of Milkron GmbH.

In such a case, Milkron GmbH's duty to provide supplementary performance shall be deemed to be fully satisfied with regard to the defective part if Milkron GmbH, at its own costs, either returns the properly repaired part to the Customer or sends a corresponding spare part.

Claims of the Customer for expenses necessary caused by the request for supplementary performance, in particular, transportation costs, route-related transport costs, labor costs and cost of materials are excluded to the extent that the expenses increase because the object of the installation has subsequently been moved to a different location than the original assembly site. This does not apply, however, if such a shipment is performed in accordance with its intended use.

- When the defective part of the installation is a product or service supplied by a third party, the liability of Milkron GmbH shall initially be limited to the assignment of the liability claims of Milkron GmbH to such a third party. Only after the Customer has filed legal actions against such a third party, Milkron GmbH's own liability is resurrected.
- The Customer is obligated to inspect the installation work performed by Milkron GmbH immediately upon receipt and to notify Milkron GmbH immediately of any obvious defects. This immediate obligation to communicate also exists when a defect later becomes apparent. If the Customer fails to submit such a notification, the installation is deemed to have been approved despite the defect.
- If Milkron GmbH does not accept the contractually agreed supplementary performance offered by Milkron GmbH, Milkron GmbH shall be released from the liability with regard to the defect, following the setting and unsuccessful expiry of a grace period.
- If the supplementary performance fails to be successful, the Customer shall be entitled to assert his other claims for defects under consideration of the contractually agreed conditions, including those resulting from the present installation conditions. A defect of the supplementary performance exists in particular if Milkron GmbH ignores a reasonable grace period to provide supplementary performance set by the Customer or Milkron GmbH unreasonably withholds or refuses such supplementary performance or if a reasonable number of attempts of subsequent performance turned out to be unsuccessful.
- Milkron GmbH may refuse to remedy the defect if the Customer fails to comply with the agreed payment obligations. In principle, the Customer may only withhold payments if there is absolutely no doubt as to the legitimacy of the notice of defects that has been lodged. The right of retention is limited to an amount four times the cost of remedying the defect. If the Customer asserts a claim for defects and subsequently, in particular after an appropriate investigation by MILKRON GMBH, it is found that the defect claimed by the Customer does not exist for actual or legal reasons,

Milkron GmbH shall be entitled to appropriate remuneration and reimbursement of all expenses for its services, in particular in connection with the investigation.

- The following restrictions, modifications and exclusions pursuant to clause VIII shall apply to claims for damages.

#### VIII. Limitation Or Exclusion Of Liability Of Milkron GmbH

- The Customer is obliged to carefully read the manual and operating instructions as well as the safety instructions of Milkron GmbH. In particular, the Purchaser shall follow the instructions of Milkron GmbH to determine how the object of the contract is to be used free of risk, which precautionary measures must be taken regularly and in individual cases, and which misuse shall be avoided. If the Purchaser violates this obligation, Milkron GmbH shall not be liable for the resulting damage.
- Limitation of liability of Milkron GmbH in case of defects and subsequent damages thereof:  
Milkron GmbH is not liable for defects (including damages resulting from loss of profit) and subsequent defects, for whatever legal reason. This exclusion of liability does not apply to claims of the Purchaser for compensation for damages based on gross negligence (willful intent/gross negligence).
- Limitation of liability of Milkron GmbH in case of simple/slight negligence:  
Any claims of the Customer for compensation of damages for whatever legal reason, which are not based on gross negligence (willful intent/gross negligence) of Milkron GmbH are excluded, unless the damage is caused by a defect or a breach of essential contractual obligations enabling due implementation of the contract in the first place (so-called "cardinal obligations").
- Limitation of liability of Milkron GmbH in case of not typical foreseeable damages:  
Any claims of the Customer for compensation of damages for whatever legal reason, which are not based on gross negligence (willful intent gross negligence) of Milkron GmbH and which are not already excluded by the limitation of liability of Milkron GmbH in the event of damage caused by defects or subsequent damages thereof (No. 2) and in case of simple slight negligence (No. 3), are limited to the amount of the loss which Milkron GmbH has known or should have known at the conclusion of the contract taking considering all circumstances which Milkron GmbH should have foreseen as consequence of any

breach of an obligation and/or any breach of contract (typical foreseeable damage).

- Limitation of liability of Milkron GmbH in case of a default:  
If the Customer asserts a claim for damages against Milkron GmbH for default in performance because of any breach of a contractual obligation or in lieu of the performance and if this is not based on gross negligence (willful intent/gross negligence) and not already excluded by the limitation of liability of Milkron GmbH in the event of damage caused by defects or subsequent damages thereof (No. 2) and in case of simple slight negligence (No. 3), the claim for damages is limited to the typical foreseeable damage (No. 4) to a maximum of 10% of the delivery price. A default in performance is deemed to have occurred if there are obstacles impeding the performance of the contractual relationship which make the fulfillment of contractual obligations difficult or impossible, or if the other party is infringed by the other party.
- Limitation of liability of Milkron GmbH for damages caused by delay:  
The above mentioned limitations on liability in favor of Milkron GmbH regarding damage caused by defects and subsequent damages thereof (No. 2), in case of simple slight negligence (No. 3), non-typical foreseeable damage (No. 4) and impairment of performance (No. 5) also apply to claims of the Purchaser against Milkron GmbH for compensation for any damage caused by delay, provided it is not based on gross negligence (willful intent/gross negligence). In addition, both claims for damages asserted by the Purchaser due to a delay in delivery as well as claims for damages in lieu of delivery - in all cases considered as delayed delivery and even after expiry of a deadline for delivery set by Milkron GmbH - are limited to 0.5% for each completed week of delay, however, to a maximum of 5% of the price of the part of the deliveries which could not be put into operation due to the delay.
- Limitation of liability of Milkron GmbH for its vicarious agents:  
Any liability of Milkron GmbH for its vicarious agents (§ 278 BGB), for whatever legal reason, is excluded, except in cases of gross negligence (willful intent/gross negligence) of the vicarious agent violating such contractual obligations that facilitate due implementation of the contract at all. In no event shall Milkron GmbH's liability for a vicarious agent exceed the liability of Milkron GmbH for its own negligence under consideration of the above mentioned limitations of liability. According to § 278 BGB a vicarious agent is a natural person or legal entity employed by the debtor in the performance of his or her obligations.
- The withdrawal of the Customer from the contract due to Milkron GmbH's failure to provide the agreed services or not to perform in conformity with the contract is excluded. This shall not apply if Milkron GmbH has not rendered its contractually agreed services intentionally or due to gross negligence.
- The above limitations on liability (clauses VIII.1 to VIII.8) shall not apply to claims pursuant to § 1 ff Product Liability Act, not to claims based on a maliciously concealed defect, not to claims based on the assumption of a guarantee for the condition or for claims due to infringement of life, body or health of the Customer, its entities and its employees, and not to claims arising out of an impediment to performance which Milkron GmbH knew or was not aware of at the time of conclusion of the contract such ignorance however, lies within the responsibility of Milkron GmbH. No change of burden of proof to the disadvantage of the Customer is connected with the preceding provisions.
- If the Customer determines the freight forwarder, Milkron GmbH shall not be liable for costs arising from additional safety tests or for time delays resulting from the requirements of the Air Safety Act and the provisions of EU Regulations (EC No. 300/2008, (EC) No. 185/2010, (EU) No.173/2012, (EC) No. 272/2009 and all other current national and international legal provisions. The Customer shall indemnify Milkron GmbH from all costs and damages on the first demand arising from related additional safety tests and subsequent delays.

#### IX. Limitation period

- If claims arising from a defect are subject to the statutory limitation period of 2 years (for example, § 634a Section 1 No. 1 BGB), such limitation period shall be reduced to one year. Excluded from this reduction of the statutory period of limitation are claims for defects by the Customer due to the assumption of a guarantee for the condition. Otherwise the statutory limitation periods shall apply.
- The limitation period starts with the completion of the installation.
- If the Customer is in default of acceptance, the limitation period starts on the day of the acceptance delay.

#### X. Software

- If Milkron GmbH provides software to the Customer, the following shall apply:
- Milkron GmbH grants the Customer a simple usage right (non-exclusive exploitation right) according to § 31 Section 2 of the German Copyright Act (UrhG). § 31 (2) of the Copyright Act states: "A non-exclusive exploitation right shall entitle the rightholder to use the work in the manner permitted to him, without excluding other persons." The Customer is only granted a right of use. Milkron GmbH remains the sole owner/holder of all intellectual property rights with regard to the software at any time.
  - The Customer may only use the software provided to him the system or machine installed by Milkron GmbH.
  - The Customer is not entitled to be provided with the source program/source code.
  - The Customer is entitled to use the provided software for an indefinite period during the entire economic life of the system or machine installed by Milkron GmbH.

5. The Customer is not entitled to transfer its right of use to third parties, in particular, the Customer has no right to sell, lease, sublicense or otherwise make the software and related documentation available to third parties. If the Customer transfers his company as a whole to a third party, the Customer is entitled to transfer the granted right of use to such a third party. If the Customer sells the deliverable in the ordinary course of business to a third party and such a third party is not a competitor of Milkron GmbH, Milkron GmbH is obligated to consent to transfer the granted right of use upon request, if Milkron GmbH does not provide a reasonable explanation that there is a risk that competitors of Milkron GmbH become aware of secret knowledge (business secrets) of Milkron GmbH.
6. The Customer's right of use is not exclusive. Milkron GmbH is entitled to grant usage rights of any kind with regard to the provided software to any number of other customers.
7. The Customer may not make the software available to third parties, neither on a temporary basis or without remuneration. This prohibition does not apply to the Customer's employees.
8. The Customer may not modify any identifications, copyright notes or proprietary information on the provided software.
9. The Customer may not copy the software provided, except for the creation of a backup copy by a person who is authorized to use the program if this is necessary to secure its future use. The backup copy may not be used at the same time as the original software.
10. The Customer may neither duplicate the documentation belonging to the software completely or partly by photocopying, microfilming, electronic storage or any other method.
11. Disassembly, reverse engineering or decompilation of the software is prohibited and the Customer undertakes not to initiate or permit such an action, unless the requirements of § 69e UrhG [German Copyright Act] are met. 12. All and any property rights, copyright and other industrial property rights to the software, including updates and documentation are exclusively reserved for Milkron GmbH. The same applies to changes and translations of the programs.
13. Milkron GmbH is entitled to carry out the necessary software modifications at its own expense at the location of the Customer in response to third-party property right claims. The Customer cannot derive any claims for damages herefrom.

**XI. Place Of Jurisdiction, Applicable Law, Place Of Performance**

1. For all disputes arising from and in connection with the contractual relationship, if the Customer is a domestic (German) merchant, a German legal entity under public law, or a domestic separate fund under public law, the place of the business seat of Milkron GmbH is the exclusive place of jurisdiction. The exclusive place of jurisdiction for legal action against Milkron GmbH filed by Customers who do not have a general court of jurisdiction in the Federal Republic of Germany the exclusive place of jurisdiction is also the place of business of Milkron GmbH. The exclusive place of jurisdiction for legal action by Milkron GmbH against Customers who do not have a general place of jurisdiction in the Federal Republic of Germany, additionally to statutory places of jurisdiction, the place of jurisdiction is also the place of business of Milkron GmbH. Any agreements to arbitrate between the parties shall have priority.
2. Concerning the inclusion of these Installation Conditions of Milkron GmbH, and for all legal relations resulting from this contract and any ancillary transactions and/or subsequent transactions for the parties and their legal successors, the laws of the Federal Republic of Germany shall apply exclusively. This choice of law and the above agreement on place of jurisdiction are also subject to the laws of the Federal Republic of Germany.  
The application of the United Nations Convention on Contracts for the International Sale of Goods of April 11/1980 (CISG) is not excluded by the above-mentioned choice of law.
3. The place of performance is the place of business of Milkron GmbH.

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Origin of goods (USP) O = third country goods 1 = EU origin 2 = EFTA origin