



Supply and Business Terms

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1. Supply Terms

- 1.1 Delivery will be made solely in accordance with the terms and conditions below. General business terms of the customer will only apply if A+F has expressly consented to them in writing. These terms and conditions are supplemented and complemented by and shall be interpreted in accordance with the general Assembly Terms of A+F, general Terms and Conditions for the Supply of Machines for Domestic Business and the general Assembly Terms (as at June 2007) issued by the German Engineering Foundation (Verband Deutscher Maschinen- und Anlagenbau e.V., VDMA) (as at June 2007) and VDMA Export (as at 2002).
- 1.2 Delivery period:
 - 1.2.1 Adherence to the delivery period/delivery date presupposes that all technical and commercial issues between the parties hereto have been clarified and in particular that the customer has by the agreed date provided all the information required for the design and manufacture of the line. Should this not be the case, and if this is not the fault of A+F, the delivery period will be extended accordingly.
 - 1.2.2 The customer will be invoiced for all expenses incurred as a result of postponements that are not the fault of A+F. Delays that result in a postponement of the FAT/delivery/commissioning/SAT date, or in the necessary sequence of these events, will lead to the project being rescheduled at no cost to A+F.



2. Payment terms

- 2.1 Prices are always quoted ex works, excluding packaging and inclusive of loading in the factory. Prices are subject to value-added tax at the prevailing rate. The unloading and installation of the line elements at the place of use, disassembly and mechanical assembly will be charged according to cost on the basis of the applicable A+F cost rates for assembly enclosed with the quotation.
- 2.2 The individual sums are due and payable immediately upon receipt of the invoice.
- Payment will be considered late if it is not received within 10 days of receipt of the invoice, no reminder shall be required. The same will apply for other sums invoiced to the customer as additional costs.
- 2.3 Prices are valid for 3 months after the quotation date.
- 2.4 Any guarantees desired by and obtained on the direction of the customer will additionally be invoiced at 4.5% p.a. of the amount to be guaranteed for the duration of the guarantee.

3. Line configuration

- 3.1.1 The lines will be configured in accordance with the VDE, EN204-1 and CE guidelines and directives applicable at the time of delivery, and in respect of the mechanical protection devices/guards, with the accident prevention regulations of the employers' liability insurance association. Lines will otherwise be configured in accordance with the technical information (e.g. component lists) of A+F and the line description provided in this quotation.
- 3.1.2 The machine/line will be designed, modified and assembled on the basis of the A+F layouts, installation conditions, functional descriptions, software settings and other service and functional characteristics essential to execution of the order that are provided or approved by the customer. Amendments after the order has been placed will be invoiced to the customer according to cost.



The customer shall notify A+F immediately of changes in the initial/basic data and documents. A+F shall be free to define and charge additional supplementary services.

3.1 Exchange of signals with third-party makes

Terminals are provided in the A+F switch cabinet to enable the potential-free exchange of signals between A+F machines and third-party makes in accordance with the layout drawing.

3.2 The following are not included in the quotation/order

3.2.1 Feeding of the necessary compressed air lines to the compressed air regulator/maintenance units and of the power supply cables to the individual switch cabinets of the A+F systems. The compressed air must be free of water, oil and dust. The ingress of water or residues of compressor oil into the compressed air system of the machines will lead to the failure of valves and cylinders (also long-term damage).

3.2.2 The performance of services by craftspeople in the building of the customer that are necessary on the basis of the A+F layout drawing.

3.2.3 The consideration of a fire safety concept. All necessary fire safety measures pertaining to the scope of A+F's services such as the activation of a fire door or an emergency power supply must be agreed with A+F.

4. Acceptance (FAT - Factory Acceptance Test; SAT - Site Acceptance Test)

4.1 Acceptance protocol

The FAT and SAT will each be documented by a protocol with deadlines for the rectification of any defects and signed by both parties. The FAT and SAT and the payments relating to them may only be refused in the case of substantive defects

4.2 FAT

4.2.1 The FAT is intended to allow the customer to verify that the new machines/lines or modifications comply with the contractual requirements. The FAT takes place in the A+F plant or in the plant of a company authorized by A+F.



- 4.2.2 The customer shall make all packaging/test materials that are required and were defined at the time the contract was concluded available to A+F free domicile (DDP, CIP) at its own expense in good time for the FAT. If the customer fails to do so, he will be charged the additional costs unless A+F is responsible for the delay. In this case the delivery date will be extended accordingly.
- 4.2.3 The test/packaging materials used in the FAT must conform in their chemical and physical properties to those that, at the time the contract was concluded, were envisaged/intended for use in the machine/line on commissioning (original material). Should this not be the case and if design changes to the machine/line are required because the material intended for use in the machine/line deviates from the original specification, the additional costs will be charged to the customer. This will also apply in the case of deviations/changes in the material intended for use that occur in the period between the FAT and the SAT. If design changes result in delays, the delivery period will be extended accordingly unless A+F is responsible for the delay.
- 4.2.4 All ordered formats of the test/packaging material must be handled during the FAT. Should this not be the case for reasons outside the control of A+F, the outstanding functional tests will be performed on the customer's premises following delivery of the system and will be charged according to cost. If functional tests carried out with materials not provided at the time of the FAT in the A+F plant necessitate design changes, the costs incurred thereby will be invoiced separately to the customer as additional costs. If the customer does not make all formats available for the FAT, the FAT will still be deemed to have been completed.
- 4.2.4 The FAT does not necessarily establish the complete readiness of the machine for service. In the case of restrictions, e.g. lack of product conveying systems or dependence on the upstream machine in the case of directly flange-mounted machines etc., only the function of the system will be established.



4.3 SAT

- 4.3.1 The SAT will take place at the contractual place of installation on the customer's premises. The customer shall make all packaging/test materials that are necessary and contractually agreed and any line components/equipment (e.g. tools/supplies provided by the customer) available in proper working order in good time for the SAT. If the customer fails to do so, the downtime and the resulting additional costs (e.g. labour costs, travel costs, storage costs, costs for the hire of cranes and stackers) will be invoiced to the customer unless A+F is responsible for the delay.
- 4.3.2 The test/packaging materials used in the SAT must conform in their chemical and physical properties to those that, at the time the contract was concluded, were envisaged/intended for use in the machine/line on commissioning and/or were used in the FAT. Should this not be the case and if design changes to the machine/line are required because of deviations from the specification originally agreed and/or used in the FAT, the additional costs will be charged to the customer. If design changes result in delays, the costs incurred thereby will be invoiced to the customer.
- 4.3.3 The machine/line will be started up for the purposes of performance of the SAT by A+F staff or by A+F-trained personnel working in accordance with a startup plan defined by A+F. The customer shall make all contractual formats of material available within a line configuration or network of several systems (product lines) so that the SAT can take place over an integral period of time. Should it not be possible to perform the SAT in one continuous period and if this is not the fault of A+F, the costs incurred thereby, in particular for multiple travel and downtimes, will be invoiced to the customer.
- 4.3.4 If it has been agreed that the machine/line will be commissioned by the customer's personnel, the machine/line will be deemed accepted upon completion of assembly and notification of readiness for commissioning.
- 4.3.5 SAT is deemed completed and the machine / installation is deemed fully accepted at latest 6 weeks after delivery to the customer. This in particular is the case if not all the contractually agreed formats have been made available by the customer for the SAT target date. Likewise acceptance is considered effected if the customer does not enable A+F to perform the respective repair work considered necessary according to the acceptance protocol and the list of deficiencies within the planned reparation term.



4.3.6 The SAT will always be deemed to have been completed if the customer has begun production on the machine/line.

4.3.7 The SAT will be carried out in accordance with DIN 8741, 8782, 8783, 8784.

Time spent on e.g. setup, care and maintenance will be considered non-productive time. The acceptance test will begin with a flying start, i.e. the machine/line will be operated at the agreed performance level and time measurement will commence before the start of acceptance testing. In the event of unforeseeable disruptions, e.g. power failure, component failure or the failure of equipment including equipment not supplied by A+F, acceptance testing will be interrupted for the period required for rectification. The costs arising from an interruption will be invoiced to the customer unless A+F is responsible for the interruption. Interruptions will be considered non-productive time within the meaning of DIN 8741, 8782, 8783 and 8784 and will be made up at a later date if necessary. The duration of acceptance testing of the line is limited to demonstration of the availability warranted in the contract over a total test duration of max. 3 hours for all agreed products/formats. Formats subsequently taken into operation will be charged according to cost regardless of the contractual services performed and will constitute a new order.

4.3.8 Technical SAT conditions for acceptance testing pursuant to DIN 8743 for the stand-alone machine (only valid for new machines):

Setline:	96% availability
Tray and case erectors:	98% availability
Packers:	98% availability
Foil machines:	98% availability
Palletizers/robots:	
1 production line	99% availability
2 production lines	98% availability
3 production lines	97% availability
Elevators	99% availability



Line availabilities are set out in a separate agreement.

Third-party systems/components provided by the customer do not fall within the sphere of responsibility of A+F.

5. Warranty

- 5.1 The warranty period for the new machine/line supplied shall be 12 months commencing on the date of commissioning, but not longer than 15 months from notification of readiness for delivery, in each case in 1-shift operation.
- 5.2 In the event of modifications of existing machines/lines, A+F will warrant these for a period of 12 months commencing on the date of commissioning, but not longer than 14 months from notification of readiness for delivery, notification of completion or conclusion of the modification. This does not apply for all parts that have not been changed in any way by the modification. This shall also apply for parts that have been removed and reinstalled as a result of the modification. The line for which this modification is offered will be deemed to have been already placed on the market within the meaning of the European Machinery Directive 98/37/EC. As operator, the customer is therefore responsible for compliance with the corresponding safety directives pursuant to the Use of Work Equipment Directive (89/655/EEC).
- 5.3 The warranty period for the supplied spare parts shall be 6 months commencing on the date of delivery, but not longer than 7 months from notification of readiness for delivery, in each case in 1-shift operation.
- 5.4 Assumption of the warranty presupposes assembly, trial operation and commissioning of the machine/line by A+F specialist personnel. A+F does not assume any warranty in the case of unsuitable or inexpert use, deficient assembly or putting into operation by the customer or a third party, natural wear and tear, deficient construction work, faulty or negligent treatment, improper maintenance, in particular for defects arising as a result of maintenance work carried out by the customer or a third party during the warranty period and/or if A+F original spare parts are not used.



Warranty is excluded if the parts are handled or stored incorrectly.

- 5.5 The customer shall report immediately all material defects that occur. In the case of insubstantial material defects that can be rectified by specialist personnel of the customer at no great expense, A+F will, having due consideration for the total costs, decide whether improvement can be effected by the customer at the expense of A+F.
The customer shall by arrangement with A+F grant it the necessary time and opportunity on at least three occasions to carry out all improvements and deliveries of spare parts that A+F considers necessary, failing which A+F shall be released from its liability for the consequences.
- 5.6 If the machine/line is sold to a third party within the warranty period, all claims to services for this machine/line shall expire.
- 5.7 Wearing parts are subject to warranty only in relation to non-conformances not arising from the usual wear and tear associated with the type of part. The warranty period shall be 12 months from commissioning, but not longer than 15 months from notification of readiness for delivery. Wearing parts are considered to be all parts shown on the wearing parts list attached to the quotation.

6. Liability and compensation

- 6.1 If the customer is unable to use the delivered item as contractually agreed through the culpability of A+F as a result of the failure to perform or the deficient performance of proposals and advice given before or after conclusion of the contract or through a breach of other ancillary contractual duties — in particular instructions for the operation and maintenance of the delivery item — the regulations under Nos. 6 and 7.2 shall apply to the exclusion of further claims of the manufacturer.



- 6.2 For damage not occurring to the delivery item itself, A+F will only be liable —on whatever legal grounds —in the case of
- 6.2.1 intent;
 - 6.2.2 gross negligence of the proprietor/managing institutions or managerial staff,
 - 6.2.3 culpable loss of life, physical injury or damage to health,
 - 6.2.4 defects which A+F maliciously failed to disclose or whose absence A+F guaranteed,
 - 6.2.5 defects in the delivery item if liability is mandatory under the German Product Liability Act for personal injury or property damage in relation to privately used items.

In the case of a culpable breach of cardinal duties, A+F will also be liable for the gross negligence of non-managerial staff and for slight negligence, in the latter case limited to the damage that could reasonably be expected under a typical contract.

If this restriction of liability for claims under producers' liability pursuant to § 823 BGB [German Civil Code] does not pertain, the liability of A+F shall be limited to the compensation of the insurer. If the insurer is not liable or is not fully liable, we will be liable up to the amount of the sum insured.

Further claims are precluded.

- 6.3 If the liability of A+F is precluded or limited, this shall also apply for the personal liability of the staff, workers, employees, representatives and vicarious agents of A+F..

7. Documentation

The machine documentation will be produced in accordance with the applicable



European Machinery Directives (1 copy in the language of the EU member state + 1 copy on CD-ROM). The German, English, French and Spanish language versions will be supplied free of charge.

- 7.1 Spare parts lists in foreign-language documentation will always only be provided in German / English.
- 7.2 On delivery the customer will be given 1 copy of the electrical hardware documentation in German. The program of the machine control system will be supplied on CD-ROM. You will be given the final hardware documentation within 14 days of the close of commissioning. A paper printout of the machine program can also be supplied then on request.
- 7.3 The documentation for the purchase parts (motors, control, etc.) will be supplied in German / English on CD-ROM.

8. Sample material

- 8.1 The samples/packaging material required for design work in the event of an order must be made available to A+F free of charge and free domicile as soon as the machine/line or the modification is ordered, but not later than 4 weeks after receipt of the confirmation of order. Should this not be the case, A+F will consider itself released from the proposed timetable and the delivery period will be extended accordingly. If additional costs are incurred, e.g. through any delays that occur, these will be invoiced to the customer.
- 8.2 The test/packaging material required for performance of the FAT at A+F must be made available to A+F in all envisaged formats free of charge and free domicile as soon as the request is made, but not later than 4 weeks before the delivery date. Should this not be the case, A+F will consider itself released from the proposed timetable and the delivery period will be extended accordingly. If additional costs are incurred, e.g. through any delays that occur, or if A+F must provide or procure sample material itself, these will be invoiced to the customer.



8.3 All changes to the blanks and product formats or characteristics by the customer must be approved by A+F before use if the proper operation of the packaging line is to be guaranteed. This is in the interests of the operational reliability and efficiency of the machine/line, even if machines/lines/modifications have already been accepted.

9. Sample material

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9.2 The test/packaging material required for performance of the FAT at A+F must be made available to A+F in all envisaged formats free of charge and free domicile as soon as the request is made, but not later than 4 weeks before the delivery date. Should this not be the case, A+F will consider itself released from the proposed timetable and the delivery period will be extended accordingly. If additional costs are incurred, e.g. through any delays that occur, or if A+F must provide or procure sample material itself, these will be invoiced to the customer.

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