2. Content of the contract, area of application, suppliers code of conduct, offer, etc.

3. Pre-worded terms and conditions of contract ("General Terms and Conditions of Business" as defined in article 305 of BGB [Bürgerliches Gesetzbuch, German Civil Code]) are a part of the contract which the contractor shall not become part of the contract, even if KRONES AG does not expressly object to them. If KRONES AG accepts the supply or service without making express objections, this cannot be interpreted as an acceptance of the Contractor’s terms and conditions of contract by KRONES AG. The General Terms and Conditions of Purchase of KRONES AG shall apply exclusively. The present terms and conditions shall also apply to all future business transactions between KRONES AG and the Contractor.

4. The present terms and conditions shall apply to all services and/or deliveries rendered to KRONES AG (in the following referred to as “supplied item”), irrespective of the nature of the contract agreed on for the rendering of such services and/or deliveries.

5. All agreements made between KRONES AG and the Contractor regarding the execution of the contract shall be made in writing to be valid. Modifications of and amendments to the present Terms and Conditions are subject to the prior written approval of KRONES AG.

6. KRONES AG expects that the conduct of their Contractors complies with the ethical standards of examples of KRONES AG. For this reason, the contractor is obliged to comply with the suppliers code of conduct of KRONES AG, which is available online at https://www.krones.com/media/downloads/krones-suppliers-code-conduct/.

7. The Contractor is bound to offers pursuant to article 145 of BGB for three months as of the receipt of the offer. If the Contractor fails to accept an order within two weeks upon receipt, KRONES AG shall be entitled to rescind such order. Calls-offs are binding unless the Contractor objects within five days.

8. Documentation, documents, modifications, maintenance

9. With respect to the supplied item, the Contractor shall provide KRONES AG with a separate complete technical documentation free of charge consisting of the documents indicated in annex II A or B of the EC machinery directive (2006/42/EC) as an ultimate requirement. The Contractor is obliged to provide KRONES AG free of charge with the instructions and documents required for the use, assembly, cleaning and repair of the supplied item, in particular including lists and sourcing references. The place of destination/safety, regarding safety, health, environment, human rights, employee standards, as well as anti-corruption requirements. The compliance with the KRONES AG suppliers code of conduct is checked by the quality management of KRONES AG, which is the basis of audits at the Contractor’s premises.

10. The Contractor must decide on the framework of the existing agreements. If fixed prices are exceeded due to modifications, the Contractor shall notify KRONES AG immediately of the expected penalty and/or other claims that are raised by KRONES AG, in written form. In the event of a postponement of dates. Otherwise it shall be assumed that the changes desired by KRONES AG lie within the framework of the existing agreements. In this case, the Contractor is entitled to demand modifications (expansions/reductions) to the contract.

11. The present terms and conditions shall also apply to all future business transactions and agreements created by the Contractor for the purpose of the fulfilment of the contract. The purpose of KRONES AG. KRONES AG shall remain the sole owner and have sole rights of disposal to all the intellectual property rights associated with the supplied item. Such rights are to be returned to KRONES AG upon the termination of the contract without making copies of any kind whatsoever.

12. The items and rights which are the property of KRONES AG shall not be used or otherwise exploited by the Contractor or third parties and may not be disclosed to third parties. They must not be reproduced in total nor in part by way of copying, microfilming, electronic storage or any other process.

13. Insofar as this is reasonable for the Contractor, KRONES AG may subsequently demand modifications (expansions/reductions) to the creation and implementation of the supplied items. If this affects major contract agreements (prices and terms of payment), the Contractor is entitled to demand modifications (expansions/reductions) to the contract. The Contractor is entitled to demand modifications (expansions/reductions) to the contract. The Contractor is entitled to demand modifications (expansions/reductions) to the contract. The Contractor is entitled to demand modifications (expansions/reductions) to the contract.
5. Supply chain security, foreign trade, country of origin, preferential right
5.1. In order to ensure security in the supply chain in accordance with the require-
mments of the international security initiatives based on the WCO SAFE Frame-
work of Standards, such as the AEO, C-TPAT and the aviation security initiatives
of the ICAO and the BSI [Bundesministerium für Verkehr und digitale Infrastruktur, German
federal ministry for traffic and digital infrastructure], the Contractor and KRONES AG
have agreed on electronic data communication, the document mentioned in
the paragraph above may be replaced with a respective notice in electronic data
transmission.

6. Price and payment
6.1. The agreement is binding unless expressly agreed upon otherwise by the
parties, for which proof is to be provided by the Contractor.

6.2. The agreed payment term starts with the receipt of all contractually owed
supplied items at the place of destination indicated by KRONES AG or with their
acceptance, if the acceptance has been contractually prescribed. No payment
requirement. However, if the invoice of the Contractor is delivered to the place
of destination indicated by KRONES AG after all contractually owed supplied
items, have been approved or accepted, the agreed payment term does not start before
the day on which the invoice is received.

6.3. KRONES AG shall effect payment within the agreed payment term. Payment
as defined above is made by sending or electronically entering a bank transfer
order or sending a crossed cheque.

6.4. If KRONES AG pays an invoice of the Contractor without raising any objections,
this shall not be interpreted as a confirmation of the invoice. KRONES AG reserves the
right to either give notice of termination of the contract or to withdraw from this contract.

7. Place of fulfilment, handover, transfer of risks, force majeure
7.1. The place of fulfilment shall be the place of destination indicated by KRONES AG.

7.2. Insofar as the services of the Contractor refer to the creation or adaptation of
software, then the risk shall be affected on a state-of-the-art data carrier in machine-
readable form together with the source code.

7.3. If the law does not prescribe an acceptance, and if no acceptance is prescribed
by the contract, the risks of accidental loss and accidental deterioration shall
be transferred from the Contractor to KRONES AG with the handover of the
supplied goods at the place of destination, otherwise the legally stipulated
risks shall be transferred in accordance with paragraph 7.1. of the contract.

7.4. Strikes as well as cases of force majeure shall entitle KRONES AG to demand
a reasonable adaptation of the contract or an exemption from the acceptance
obligation from the Contractor.

8. Duty to inspect and notify defects
8.1. If the supplied items have defects and no acceptance is made, KRONES AG may,
within the area of application of article 377 of HGB [Hinderungsersetzungs-
recht], notify of obvious defects within a period of 14 days after the supplied items have been unpacked completely at the place
of intended use and acting within such period, or within a period of
14 days from their detection. For the compliance with the stipulated periods,
the date of despatch of the notification of defects is decisive.

9. Acceptance
9.1. If the acceptance of the supplied items is contractually agreed and/or pro-
vided for by law, KRONES AG shall perform the acceptance inspection within
fifteen days of receiving both Contractor’s declaration of readiness for the
acceptance and all documents belonging to the object of the delivery.

9.2. If the Contractor’s supplied items consist of creating or adapting software,
the created and adapted programmes shall be handed over in testable form.
After the acceptance, the Contractor shall perform the acceptance
inspection in accordance with § 377 HGB. If the Contractor fails to provide a
clear confirmation of the operational readiness is issued. Here, it is only stipulated
that the trial operation under conditions, which are similar to the production
conditions, shall be performed at the request of KRONES AG. The Contractor shall
district of the functional test and the trial operation depends on the contractual agree-
ments. If major defects arise during the trial operation, the trial operation shall
be restarted after the defects have been rectified.

9.3. The acceptance procedure shall only be carried out when all performances and
criteria set out in the work description have been fulfilled and when the
supplied items are free from defects.

9.4. A written acceptance agreement generated by KRONES AG shall be created. The
formal acceptance shall not be effected, however, until the Contractor has elimi-
nated all the defects which have been discovered. Defects must be eliminated
immediately, no later than within the period of time set by KRONES AG.

10. Warranty claims, liability of the Contractor
10.1. The Contractor shall assure KRONES AG that the supplied items are free
of defects in quality, as well as of defects in title from the point of time of the
place of passage of risk until the time when warranty claims become statute-barred.

10.2. If the supplied items exhibit defects despite the above commitment, the rights
of KRONES AG shall be governed by these Terms and Conditions and, addi-
tionally, by the statutory warranty claims.

10.3. KRONES AG may initiate measures for rectifying the defect at the Contractor’s
expense by third parties or procure supplemental items themselves provided
that the Contractor fails to act upon the written demand to rectify the defect
within a reasonable period to be stipulated by KRONES AG or if insolvency
proceedings have been initiated regarding the assets of the Contractor. In
urgent cases, the Contractor may even without agreement upon or a stipulated
period of time, by the statutory warranty claims or a request for damages
as defined above.

10.4. KRONES AG shall be entitled to have minor defects rectified or eliminated
at the Contractor’s expense. Measures for rectifying defects may be imple-
mented or initiated without stipulating a period and at the Contractor’s
risk and obligation. KRONES AG has an interest in the immediate rectification of the defect
in order to avoid getting into delay themselves.

10.5. In the cases indicated in paragraph 10.3 and 10.4, the Contractor shall be
notified immediately. KRONES AG shall forward to the Contractor a report
concerning the type and the scope of the defects and the work carried out.

10.6. The entire costs of supplementary work shall be borne by the Contractor.

10.7. The Contractor warrants that the Supply is free from third-party rights, in
particular third-party property rights, that prevent or impede its use by
KRONES AG, that the Contractor is authorized to grant such rights of use
and that no filed property rights that are published in the European Economic
Area, the US and Japan are infringed. If claims are raised towards KRONES AG by a third
party on such grounds, the Contractor shall be obliged to indemnify
KRONES AG from such claims at first written request. The exemption obliga-
tion of the Contractor refers to all expenses incurred by KRONES AG as a
result of or in connection with claims made by a third party. This does not apply
if the infringement is caused by, or arises out of the joint use of the property
rights of others, including software, models or equivalent other descriptions provided by KRONES AG.

10.8. If the Contractor fails to ensure the contractual use of the supplied items in
a suitable manner, KRONES AG may demand compensation and withdraw from the contract.
10.9. KRONES AG can demand from the Contractor indemnification from all claims of third parties, as well as from any damage or loss to third parties incurred by the Contractor, if the Contractor has by his delivery failed to observe the product characteristics and specifications, requirement profiles, functional properties, intellectual property rights, and similar rights in law as well as to confirm the insuring party regarding the conclusion of the general product recall insurance which includes coverage of even if as a consequence of damages directed at KRONES AG outside of the scope of liability of product liability law, this shall only apply if and only as the Contractor has been responsible for the grounds.

10.10. The Contractor is obliged to fulfil any control and supervision duties carefully, in particular to ensure compliance with the technical quality standards and the contractually agreed properties by way of thorough quality control and according documentation. The Contractor is obliged to organise their area of control and organisation in terms of contents and staff in a way that any risks in relation to the Contractor’s services/supplied items and their utilization by KRONES AG and their customers are eliminated.

10.11. If preconditions for claims of KRONES AG against the Contractor are the sole risk and responsibility of the Contractor, the Contractor shall be obliged to provide evidence for the non-existence of such preconditions for claims.

10.12. Public exclamations of the Contractor, i.e. in printed media or on the internet, expand the target quality of the suitability for ordinary use by such characteristics which do not belong to this type of quality, printed and public exclamation is designed in a way that it has the potential to create a respective expectation of KRONES AG.

11. Liability of the manufacturer and compulsory insurance of the Contractor

11.1. The Contractor indemnifies KRONES AG from their manufacturer’s liability, if any, in the extent the grounds for claims of third parties due to injury and material damage are damaged or the risks and responsibilities of the Contractor and the Contractor is responsible for the cause of the grounds for liability. This also applies to claims asserted against KRONES AG in respect to their manufacturer’s liability under any other country.

11.2. In this framework, the Contractor is also obliged to repay any expenses in accordance with §§ 683, 670 BGB [Bürgerliches Gesetzbuch, German Civil Code] resulting from or in connection with a recall action conducted by KRONES AG. KRONES AG shall inform the Contractor of the subject and scope of the recall campaign to be implemented, insofar as possible and reasonable, and give the Contractor the opportunity to take position in a statement.

11.3. The Contractor declares that they shall independently responsible for claims for damages of third parties based on material defects within the legal framework, provided that the material defects are already present in their supplied or transferred items and shall be liable for such items at the point of the transfer of risks.

11.4. The contractor is obliged to maintain a business and product liability insurance with a coverage amount of a minimum of 2 million Euro as lump sum per occurrence of physical injury and material damage. The coverage shall also include damages incurred abroad, deviating from § 4, section 1, paragraph 3, AHV [Allgemeine Versicherungsbedingungen für die Haftpflichtversicherung, General insurance conditions for liability insurance]. The Contractor shall inform KRONES AG about any exclusion of the US/Canada from the coverage. The scope of this insurance shall include the forms of coverage of the expanded product liability insurance (ProDI) in accordance with the respective applicable model stipulated by the GDV [Verband deutscher Versicherungswirtschaft e.V, German insurance association], including the insurance of personal injury and material damage due to missing agreed characteristics of the supplied items in accordance with paragraph 4.1 Product, connection, mixing and processing of the supplied items according to paragraph 4.2 ProdLI, further processing according to paragraph 4.3 ProdLI, mounting and dismounting costs according to paragraph 4.4 ProdLI, production of reject parts by means of remanufacturing according to paragraph 4.5 ProdLI, production of alleged defects of title (paragraph 10.7) is 48 months as of the Last Order.

11.5. The Contractor shall provide KRONES AG with evidence for the conclusion of a liability insurance according to paragraph 11.4. as stipulated above, and shall provide KRONES AG with a respective certificate of insurance upon request. In particular, this certificate shall provide information on the following points:

(a) indication of the insured party including complete address, (b) name of the liability insurance indicating the complete paragraph of the insurance policy, (c) name and complete address of the insuring party, (d) information on the type of covered property (including the term as well as co-insured property losses), in particular in the area of the manufacturer’s and environmental liability, as well as for the coverage of activity damages. The scope of the product liability insurance shall include the possible range of coverage of the expanded product liability insurance model (ProdLI model) including the insurance of personal injury and material damages due to missing agreed characteristics of the supplied items according to paragraph 4.1 of the ProdLI model, connection, mixing and processing of the supplied items according to paragraph 4.2 ProdLI model; further processing according paragraph 4.3 ProdLI model; dismounting and mounting costs according to paragraph 4.4 ProdLI model, production of reject parts by means of remanufacturing according to paragraph 4.5 ProdLI model as well as a testing and sorting costs clause according to paragraph 4.6 ProdLI model, (e) indication of the coverage sums; (f) indication of existing sublimits; (g) indication on existing excesses; (h) indication of exceptions; (i) start and end date of the policy and whether the insurance is not expanded automatically; (j) geographic area of coverage; (k) conclusion of a general product recall insurance which includes coverage of a recall by third parties, as well as (l) confirmation of the insuring party regarding premium payments effected.

12. Usage rights

12.1. KRONES AG acquires copyrights, industrial property rights and similar rights in law regarding the agreed Supply and all other written, machine-readable and otherwise created work results obtained in connection with the contract shall become the property of KRONES AG upon their creation without any further conditions and without any additional remuneration.

12.2. These rights shall be the exclusive property of KRONES AG without restriction of time, space and content, and may be extended, transferred, revised, adapted, amended, duplicated or published by KRONES AG without the Contractor’s consent.

12.3. KRONES AG may use the supplied items free of charge. KRONES AG is entitled to sell or transfer the items for potential results of development.

12.4. The Contractor is not prevented from using the know-how obtained in the course of performance of the contract for own purposes unless this constitutes an infringement of the property rights in accordance with paragraph 12.1. However, when providing services for third parties, the Contractor may not use the work results exclusively obtained for KRONES AG in relation with the performance of the contract.

13. Limitation periods

13.1. The statutory limitation periods apply subject to the exceptions below.

13.2. Where the statutory limitation period would be two years, it is extended to 36 months as of the transfer of risks.

13.3. The limitation period for defects of title (paragraph 10.7) is 48 months as of the transfer of risks again upon the completion of the work results obtained in connection with the contract shall be extended by the period of the interruption of operation due to defects.

14. Assignment, set-off, retention

14.1. The Contractor is not entitled to assign any claims against KRONES AG.

14.2. The Contractor shall not be entitled to refuse any defect rectification measure owed by them until the purchasing price/remuneration has been paid in full.

14.3. KRONES AG shall be entitled to the statutory rights of set-off and retention. KRONES AG shall not apply for set-off or retention in case of claims accruing to a company in which KRONES AG owns a minimum 50% holding.

15. Duty to inform, confidentiality and protection of data privacy

15.1. In case of a long-term supplier relationship, the Contractor has a duty to inform with regard to all circumstances that might be relevant for KRONES AG, these particularly include information about quality issues that could not be remedied, foreseeable supply difficulties and all changes in product properties that might affect the use by KRONES AG, even if they do not cause the supplied items to be rendered defective.

15.2. If the Contractor of spare part orders aims at wholly or partially abolishing their production (“discontinuation”), they shall be obliged to inform KRONES AG at least six months in advance, indicating the material parameter of KRONES AG, as well as possible alternatives (incl. the respective data sheets). With a period of notice of eight weeks upon the written notification of discontinuation, the Contractor shall grant KRONES AG the possibility of a “Last Order”, which offers KRONES AG the option to order a minimum quantity of 25% of the complete quantity of the past ten years at their own discretion, at the average delivery time valid at the discontinuation and in accordance with the previously agreed commercial conditions.

15.3. The Contractor is obliged to treat all non-obvious commercial and technical details that become known to him in relation to the business relationship as trade secrets. The Contractor is in particular obliged to keep any calculations, illustrations, plans, contract specifications, requirement profiles, functional specifications, drawings, and other documents, as well as any data media, models and other aids, strictly confidential. These data may be disclosed to third parties and/or used for the Contractor’s own purposes beyond the subject of this contract only if KRONES AG have granted their express permission. This confidentiality obligation also applies after the contract has been processed; it ceases to apply once the knowledge, experiences and information contained in these documents have become common knowledge. KRONES AG shall remain the sole owner and have sole rights of disposal to all the intellectual property rights associated with the aforementioned items. The contractor may only disclose the contractual relationship with KRONES AG to third parties upon the written consent of KRONES AG.

15.4. The Contractor is responsible for ensuring that all persons entrusted by the Contractor with the handling of the supplied products or the processing of the contract comply with the statutory provisions on the protection of data privacy. The commitment to observe data secrecy as required under data privacy law must be declared prior to the ProdLI model of the activities at the latest, and evidence of such commitment must be provided to KRONES AG upon request. The Contractor agrees to the personal data disclosed to KRONES AG in the framework of the business relationship being stored and automatically processed in the EDP systems of KRONES AG.
16. **Specific stipulations for dealers**

If the Contractor is a dealer, the following applies additionally:

16.1. The Contractor is obliged to indicate the manufacturer and their address when concluding the contract with KRONES AG.

16.2. By means of the conclusion of the contract between the Contractor and KRONES AG, the Contractor transfers their defect compensation claims (e.g. for a reduction of the purchasing price as well as claims for damages, for instance due to a necessary replacement or recall activity) to KRONES AG, which accepts such transfer in advance.

17. **Place of jurisdiction, governing law**

17.1. The exclusive place of jurisdiction for all disputes arising from and in relation with the contract is Regensburg, Federal Republic of Germany, if the Contractor is a German entrepreneur, a German legal entity under public law or a German special fund under public law. The exclusive place of jurisdiction for actions against KRONES AG filed by contractors that have no general place of jurisdiction in the Federal Republic of Germany also is Regensburg, Federal Republic of Germany. Regensburg, Federal Republic of Germany, is furthermore an additional place of jurisdiction for actions filed by KRONES AG against contractors that have no general place of jurisdiction in the Federal Republic of Germany apart from the statutory places of jurisdiction. Any arbitration agreements made between the parties take precedence.

17.2. Only the laws of the Federal Republic of Germany apply with respect to the inclusion of these Terms and Conditions of KRONES AG and all legal relationships arising from the contract and any possible secondary and/or consequential business involving the parties to the contract and their legal successors. Also this choice of law and the foregoing provisions on the place of jurisdiction are subject to the law of the Federal Republic of Germany.