

KOENIG & BAUER

General Conditions of Sale for Machines, Equipment, Spare Parts and other Supplies

The following conditions apply for the sale by Koenig & Bauer Banknote Solutions of machines, equipment, spare parts and supplies unless otherwise mentioned in quotations and contracts.

A. Validity

Quotations are valid 3 (three) months from the date of issue. After this period, prices, delivery and other conditions may be subject to adjustment.

B. Prices

Base prices are FCA or FOB (Incoterms 2020) delivered at nearest place, airport or seaport to the country of manufacture, and include export packing. Any expenses for factory inspection, consular fees, legalisation fees, if applicable, shall be invoiced separately to the purchaser.

C. Project Management fees

Project management fees are included in our prices. The scope of the project management service depends on the size and the complexity of the project. Nevertheless, Koenig & Bauer Banknote Solutions reserves the right to charge additional costs in case of above average project management efforts.

D. Assembly, commissioning, test run and training on purchaser's premises

The above costs are quoted as a fixed amount and shall be invoiced according to our General Service Conditions. Please refer to them.

The purchaser shall provide translators, if necessary.

E. Initial training of purchaser's personnel in Koenig & Bauer Banknote Solutions' training centres or manufacturers' plants

This service will be provided free of charge for the purchase of new printing and finishing machines except for all salaries, travelling expenses, accommodation and boarding, daily allowances and the insurance costs of the purchaser's trainees, which will be borne by the purchaser.

For all other equipment, this service will be charged according to the terms set forth in our General Service Conditions.

The purchaser shall provide translators, if necessary.

F. Transport costs

The cost of transport from the FCA or FOB point (Incoterms 2020) is not included.

The estimated cost can be given, but the actual charges will be invoiced at the time of delivery.

G. Transport insurance

The cost of transport insurance is not included.

The estimated charges can be given, with the actual charges invoiced on delivery.

H. Miscellaneous charges

Miscellaneous charges such as customs duty, VAT, other taxes or charges levied in the purchaser's country will be payable by the purchaser.

I. Delivery time

The delivery time (ex-works manufacturer's plant) given in quotations is approximate. It will be confirmed at the time of firm order and after clarification of all the technical and commercial details.

Unforeseen events beyond the control of Koenig & Bauer Banknote Solutions, such as breakdowns, defects requiring new parts, strikes, lock-outs, or any other force majeure events will result in longer delivery times.

J. Currency and terms of payment

The applicable currency is specified in the relevant quotation.

Unless otherwise agreed between the parties or mentioned in the quotation, payment is due 30 (thirty) days after the date of the invoice.

Koenig & Bauer Banknote Solutions shall be entitled to invoice Services (in particular assembly, commissioning and training) regardless of whether an Acceptance certificate has been signed or not. Payments shall always be made from an account where the Purchaser is the account holder.

K. Reservation of ownership and transfer of risks

The goods supplied remain the property of Koenig & Bauer Banknote Solutions until paid for in full. Transfer of risks to the purchaser will become effective in compliance with Incoterms.

L. Inspection of goods upon receipt

Immediately upon receipt of the goods, the purchaser shall carry out an inspection thereof. Should the goods appear to have suffered damages or losses, the purchaser shall inform Koenig & Bauer Banknote Solutions

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within 2 (two) weeks from the date of receipt, with a detailed description of the problem and photographs. The purchaser will then await and fully comply with Koenig & Bauer Banknote Solutions' instructions.

M. Warranty

Koenig & Bauer Banknote Solutions undertake to replace free of charge all mechanical, electrical and electronic parts if they are found to be defective as a result of faulty manufacture and/or poor quality of the raw materials employed in their manufacture.

The warranty period is 12 (twelve) months from the date of dispatch if no assembly work by Koenig & Bauer Banknote Solutions is required, or from the date of commissioning and signature of the acceptance certificates of the machines and equipment if assembly is carried out by Koenig & Bauer Banknote Solutions' personnel. Warranty will start at final acceptance, but not later than start of production.

Such replacement parts will be delivered on the basis of CIP/CIF (Incoterms 2020) airport or seaport in the country of destination, and all expenses for further transport to the final destination including import duty shall be defrayed by the purchaser. If requested to do so, the purchaser should return the defective part at Koenig & Bauer Banknote Solutions' expense.

The above guarantee is for normal machine operation conditions and provided the maintenance is performed according to Koenig & Bauer Banknote Solutions' maintenance schedule, maintenance manuals or in accordance with the state of the art maintenance practice. In case of non-conforming to the normal use and standard maintenance of the equipment, the guarantee period may be reviewed.

Should the dispatch, commissioning or acceptance be delayed for reasons beyond the control of Koenig & Bauer Banknote Solutions, the warranty period shall expire at the latest 18 (eighteen) months from Koenig & Bauer Banknote Solutions' notice of the machines and/or equipment being ready for dispatch, or from the actual date of dispatch, as the case may be.

The guarantee applies only if assembly work (if applicable) is carried out by the personnel stipulated by Koenig & Bauer Banknote Solutions. The replacement of parts necessary as a consequence of normal wear, inadequate consumables or incorrect use is excluded from this warranty.

Without prejudice to clause L, any claims under this clause M shall be made in writing as soon as the purchaser has identified any defects in the equipment or in the materials delivered, but at the latest 4 (four) weeks after the purchaser has, or should have, identified any such defects.

N. Electrical supply

The standard electrical specifications of the machines and equipment are:

Three phase AC: 230/400 V - 50 Hz

Single phase AC: 230 V - 50 Hz

Max. fluctuation for voltage & frequency: $\pm 5\%$

Other voltage and frequencies may generate extra charges which will be invoiced to the purchaser.

O. Technical standards and Acceptance

The technical standards of the equipment detailed in quotations are in accordance with the technical and safety standards prevailing in the country of manufacture. These standards are normally fully acceptable in other countries. Should any modification be required, a price increase may be necessary. The Acceptance tests and corresponding issuance of Certificates of Acceptance will be made according to the product descriptions and operational standards specified in the documents of the offer and the Acceptance checklist provided by the personnel of Koenig & Bauer Banknote Solutions.

P. Liability limit

(except statutory product liability)

The liability of Koenig & Bauer Banknote Solutions arising from the manufacture, sale, delivery or use of the goods, whether based on warranty, contracts, purchase orders or otherwise, shall be limited to damages caused by wilful misconduct or gross negligence of Koenig & Bauer Banknote Solutions' personnel and/or its sub-suppliers and shall not exceed the cost of repairing any defects of the goods or the purchase price thereof, whichever is lower.

In no event shall Koenig & Bauer Banknote Solutions be liable for indirect, incidental, special or consequential damages including, but not limited to, the loss of profit or goodwill.

Q. Compliance

The purchaser undertakes to respect all applicable anti-corruption and antitrust legislation. The validity and effectiveness of any offer/quotation shall be subject to the entire satisfaction of Koenig & Bauer Banknote Solutions' due diligence procedures and all applicable export control regulations and sanctions at the time of delivery of goods.

R. Miscellaneous

Not included in the price of quotations (where applicable):

- foundation, construction work and masonry
- engineering cost for design of buildings and foundations
- cable connections between the mains supply and the terminal boxes of the machines and equipment
- piping for warm and cold water supply
- piping for effluent discharge
- exhaust ducts for noxious fumes and hot air
- electrical connection and piping between the various machines and equipment

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- supply of high pressure compressed air
- air conditioning and ventilation system
- consumable products for the operation of machines and equipment
- industrial furniture
- unloading and introduction of equipment into the printing hall
- lifting and transport equipment for assembling and operating the machines and equipment
- additional noise and vibration absorbers

All illustrations, drawings, weights, dimensions, floor space, power, performance ratings and other data are to be taken as approximate, unless stated otherwise.

The designations and/or descriptions of the machines and equipment quoted are subject to change or adjustment due to technical progress.

Koenig & Bauer Banknote Solutions and its suppliers reserve all the property and intellectual rights of all estimates, drawings, manuals and other documents forwarded. Such documents are not to be given to third parties. Nothing herein shall give the purchaser any right or title to any of Koenig & Bauer Banknote Solutions' intellectual property rights or Know-How or those of its suppliers.

Koenig & Bauer Banknote Solutions reserves the right to substitute obsolete goods by suitable replacement goods without previous notice.

These General Conditions of Sale are governed by Swiss law, excluding the United Nations Convention on Contracts for the International Sale of Goods.

Any dispute hereunder shall be submitted to the jurisdiction of the ordinary courts of Lausanne, Switzerland.

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