

# KANNEGIESSER ETECH TERMS AND CONDITIONS OF SALE

The following are **INCLUDED** in Kannegiesser ETECH's pricing unless specifically excluded in the proposal (does not apply to service contracts, subscriptions or parts orders):

## Installation Items

- Standard monorail support steel to span between existing building steel members (up to 8 foot spans).
- Powered scissors lifts for monorail installation only.
- Forklifts for monorail installation only.
- Air piping between monorail system control panels and field-mounted devices
- Low voltage wiring between monorail system control panels and field installed devices; and low voltage wiring between Kannegiesser equipment .
- Regular working hours for the installation are from Monday to Saturday between 7:00 a.m. and 6:30 p.m. We reserve the right to charge any additional expenses arising separately, such as overtime, night hours and additional night shift teams.
- If the installation and/or commissioning is delayed by the Customer, he shall compensate Kannegiesser ETECH for the idle time of the installation staff and all additional expenses

arising from or in connection with this delay to include additional travel expenses incurred for the installation staff. If the delay exceeds three (3) days or more Kannegiesser ETECH may recall the installation staff and offer a new installation date to the Customer. The resulting costs will be additionally charged to the Customer.

- Two (2) sets of drawings showing electrical, mechanical, and venting requirements for all equipment included in the proposal.
- Installation of new machines at operating site, Start-up of new machines, check out, and operator training of equipment included in the proposal directly after start-up. The training to include safety procedures, maintenance, programming, and production techniques, normal preventative maintenance procedures, and orientation to equipment manuals and terminology.

The following are **EXCLUDED** from Kannegiesser ETECH's pricing unless specifically included in the proposal:

## Installation Items

- Labor, materials, equipment, and specialty tools required to receive, offload, rig in, assemble, level and utility connections to the equipment included in the proposal.
- Labor, materials, equipment, and specialty tools required for equipment to be replaced, removed, or relocated.
- Union labor.
- Blow down of the existing building structure to eliminate lint fire hazard.
- Clear access of laundry carts or other contractor's construction materials etc. must be moved by others to gain clear access before each installation shift.
- Safe access. Safety hazards such as bio-hazardous materials or fluids must be removed/sanitized from work areas for safe access before each installation shift.
- Site manager or customer appointed contact must provide information to the Kannegiesser ETECH installation team regarding site-specific hazards and the existing occupational safety measures, escape routes, rescue points, first-aid stations, and emergency procedures.

- Sufficiently paved, load-bearing roads; free access and exit to/from laundry as well as storage space for machines, transport truck, cranes, forklift, dumpsters, etc.
- Covering plates to protect the floor surfaces in the hall during installation.
- Unless specified elsewhere, our scope of delivery does not include consideration of potential seismic risks. If seismic risks is to be considered changes in our scope of delivery may be necessary, which may result in additional costs. Please inform us at an early stage if the planned location requires consideration of seismic risks.

## Equipment handling

- Unloading of equipment at job site.
- Intermediate storage of equipment if the job site is not ready when equipment arrives.
- Storage facilities and transportation for removed equipment.
- Dumpsters and removal of trash/construction materials.

## Utilities

- Utilities and utility connections to and from transformers (primary and secondary) and to all equipment panels.
- Interconnections to equipment other than Kannegiesser ETECH manufactured equipment.
- Labor required to disconnect (valve off) all utilities on any existing equipment scheduled to be replaced, removed, or relocated.
- Field wiring required for belt conveyors. This includes high voltage wiring and low voltage control wiring from the motor starter panel(s) to motor(s) and conveyor control components.
- Permits
- Routing of cable ducts and all control and communication wiring to the systems.
- Conduit for monorail control wiring.
- Preventative measures against possible interference signals caused by frequency inverters.

## Building Items

- Ingress and egress to the equipment locations.
- Modifications or relocation of existing utilities, piping, ducting, fire suppression systems, alarms, smoke detectors, security systems, etc. to accommodate the equipment.
- Structural analysis of the building.
- Permits.
- Structural stamps or certifications.
- American Institute of Steel Construction (AISC) certifications.
- Additional support steel to span distances longer than (8 foot) between existing steel members.
- Independent floor support to support the monorail system(s).
- Building modifications (including relocation of existing utilities) required to accommodate the material handling equipment.

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- Compressed air, water, steam, drain, gas, exhaust and electrical power drops including disconnects as required by local code. Kannegiesser ETECH will provide an air, water, steam, drain, gas, exhaust and electrical power requirements drawing which will indicate the number, size and location of drops to be provided by others.
- Electrical power and lighting for installation equipment and personnel.
- Internet service required for remote support.
- Network installation (completion upon start up).
- Termination of communication wires in panels provided by other equipment vendors. Knowledgeable maintenance staff or equipment vendor support is required (but not included) to complete any necessary cable terminations.

Rigging Services are **EXCLUDED** from Kannegiesser ETECH's pricing unless specifically included in the proposal:

### Required Scope of Work Rigging Contractor on Project

- If the rigging contractor is NOT part of Kannegiesser ETECH's contract it is extremely important the rigging contractor selected is a professional rigging contractor experienced in precise rigging of very large equipment and they must adhere to the following conditions at a minimum.
- Rigging contractor is to be liable for any and all damages to Kannegiesser ETECH equipment, and proof of insurance is required upon request.
- Rigging contractor to Provide manpower, skilled labor, materials, specialty rigging equipment, and expertise in the disassembly, removal, rig out and transport of equipment to be replaced and related items. Rigging contractor to Provide manpower, skilled labor, materials, specialty rigging equipment, and expertise in the offloading of Kannegiesser ETECH equipment.
- Rigging contractor to uncrate all items, assemble, layout equipment positions per provided drawings, set in position, level, anchor and grout (as required) under the direction of Kannegiesser ETECH personnel onsite
- Rigging contractor to Provide necessary assistance to Kannegiesser ETECH and related contractors in the location of equipment to facilitate the connection of utilities as required.

The following are standard terms and conditions that apply to all proposals, quotes and sales orders, except where it is otherwise expressly agreed in writing signed by an authorized officer of Kannegiesser ETECH.

### PAYMENT TERMS

- A. Pricing for all equipment in the proposal is guaranteed for 30 days from date of the proposal. This pricing supersedes all previous quotations. In the event the manufacturer or installation of equipment is delayed as a result of circumstances beyond Kannegiesser ETECH's control, including but not limited to customer delays, Kannegiesser ETECH reserves the right to increase the pricing to reflect increased labor and material costs resulting from the delay. Kannegiesser ETECH will provide customer with written notice of any increased costs resulting from delay.
- B. Unless otherwise agreed by Kannegiesser ETECH in writing, all amounts payable to Kannegiesser ETECH, including the down payment, invoices for equipment, invoices for installation, and invoices for freight, shall be due as set forth in Sections C, D, and E below, time being of the essence. There are no verbal collateral agreements to this order. Any amendments or additions shall only be effective if agreed in writing. Late payments shall bear interest at a rate of 18% per annum (or 1.5% per month) or the highest rate permitted by law, whichever is less. The specific timing and amount of the payments is set forth in Kannegiesser ETECH's written proposal. All prices shown are net, and, in addition to the price of goods, Customer shall pay all expenses including taxes and fees, insurance, freight, carriage and warehousing.
- C. Payment terms for sales of NON-STOCKED or custom systems in the USA or Canada will be as follows: 25% due upon order; 35% due upon first shipment; 35% due upon arrival of final shipment or beginning of installation (whichever comes first); 5% due 90 days following date of final invoice.
- D. Payment terms for sales of STOCKED systems, parts orders over \$50,000, or special orders in the USA or Canada will be as follows: 50% due upon order; 50% due upon arrival of shipment, prior to installation. Parts orders under \$50,000 in the USA or Canada will be due NET 30.
- E. Payment terms for sales outside of the USA or Canada will be as follows: 50% down payment at time of order; 50% due prior to shipment, or secured with an irrevocable letter of credit drawn on a USA based bank, denominated in US Dollars.
- F. Payment terms for service work in the USA or Canada will be invoiced and due NET 30. All other expenses including travel expenses (airfare, lodging, transportation, per diem and travel hours at \$75/hr), taxes and fees, insurance, freight, carriage and warehousing will be billed separately and due NET 30.
- G. Payment terms for service work outside of the USA or Canada will be invoiced and due prior to the service. All other expenses including travel expenses (airfare, lodging, transportation, per diem and travel hours at \$75/hr), taxes and fees, insurance, freight, carriage and warehousing will be billed separately and due upon receipt of invoice.
- H. Payment terms for service contracts in the USA, Canada or Mexico will be based on a yearly rate divided into 12 equal payments to be paid monthly: 1<sup>st</sup> month's payment will be due upon order and prior to scheduling any service visits. The remaining payments will be billed monthly thereafter. All other expenses including travel expenses (airfare, lodging, transportation, per diem and travel hours at \$75/hr), taxes and fees, insurance, freight, carriage and warehousing will be billed separately and due upon receipt of invoice.

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- I. All payments to be made by wire transfer to Wells Fargo, 420 Montgomery St., San Francisco, CA 94104, Kannegiesser ETECH Inc, account #5195863658, routing # 121000248, BIC Swift WFBIUS6S.
- J. Budgetary Prices are estimates only and are not an offer to sell or provide goods or services. Other payment and financing options are available, including leasing packages for complete systems. Please ask your Sales Engineer for more information.

## TAXES and FEES

- A. **Sales and Use Taxes** – The customer will be responsible for the payment of state sales tax or goods and services tax when applicable in various jurisdictions in the US and Canada.
- B. **Local Fees and Permits** – The customer will be responsible for all applicable fees and permits as required by local state or federal jurisdictions.
- C. **Import Taxes** – Kannegiesser ETECH is responsible for all U.S. or Canadian customs, duty and import fees.
- D. **Any Export or Other Overseas Taxes & Duty** are not included in our proposals. Kannegiesser ETECH is not responsible for the collection or reporting of any form of sales, use or other taxes or fees including, but not limited to, duty, port fees, import or export fees.
- E. **Certification and Inspection Fees** are not included in our proposals. If your facility, corporation, or locale requires equipment certification or inspection, these fees (and resulting costs for changes to standard designs) are the responsibility of the purchaser unless specifically included in Kannegiesser ETECH's written proposal. Kannegiesser ETECH's electrical installation can be field certified for additional fee.

## SHIPPING, TITLE, RISK OF LOSS, INSURANCE

- A. For shipments delivering to the US or Canada - Pricing is based on all equipment being shipped in the following manner: Delivered Freight and Duties Paid (DDP), seller insures shipment until title transfer, customer unloads, customer specified destination, shipping conditions: Incoterms 2020 Freight costs listed are only estimated values. After delivery, invoicing will be based on the actual costs incurred. If the actual incurred freight charges are \$1,500 or higher than calculated, the difference will be invoiced.
- B. For shipments delivering outside the US or Canada - Pricing is based on all equipment being shipped in the following manner: Cost Insurance Freight (CIF), port of import to be agreed to by seller and buyer, shipping conditions: Incoterms 2020 Freight costs listed are only estimated values. After delivery, invoicing will be based on the actual costs incurred. If the actual incurred freight charges are \$1,500 or higher than calculated, the difference will be invoiced.
- C. Shipping will be coordinated by the Kannegiesser ETECH Project Manager to leave the company's respective factories

at a pre-determined date. Subsequent shipping is not under the control of Kannegiesser ETECH, but every effort will be made to arrive on site within a pre-arranged time frame. Kannegiesser ETECH is not responsible for shipping delays that occur due to acts of nature, pandemic, work stoppages, container shortages, steam ship changes or customs clearance matters. Any deviation from previously agreed shipping departures and arrivals will be communicated through the Kannegiesser ETECH Project Manager.

- D. If the customer job site is not able to receive the shipment during this pre-arranged time, additional storage, rigging and transport charges may apply.
- E. Risk of loss and Transfer of Title: The risk of loss shall pass to the Buyer based on shipping conditions (Incoterms 2020) specified.

## WARRANTY

Kannegiesser ETECH offers a warranty for the equipment we provide that varies according to the type of equipment. Please see the table below for all warranties provided by Kannegiesser ETECH.

Kannegiesser ETECH reserves the right to rescind the warranties set forth in the below table, if Kannegiesser ETECH has cause to believe that conditions of a warranty are not being met. Any warranty provided herein is valid and enforceable only in the event the equipment or parts sold by Kannegiesser ETECH are installed, operated, and maintained in strict accordance with the specifications of the manufacturer of said equipment or parts. All warranties provided herein shall be void as to all equipment or parts that have been damaged as a result of misuse, abuse, accident, negligence, fire, flood, vandalism, act of nature or other causes beyond the control of Kannegiesser ETECH, such as, but not limited to, the failure to follow maintenance procedures. All warranties provided herein shall also be void on equipment or parts that have been altered or repaired with parts other than those recommended by Kannegiesser ETECH or in any way that affects the reliability or changes the performance of said equipment or parts. Moreover, all warranties provided herein shall exclude normal wear and tear items, such as, but not limited to, belts, chains, gaskets, seals, hoses, membranes, relays, wheels, support rollers, contactors, timers, valves and other similar consumable items.

Kannegiesser ETECH reserves the right to inspect any part to determine cause of failure prior to repair or replacement. No equipment or part may be returned to Kannegiesser ETECH for repair or replacement without prior written authorization from Kannegiesser ETECH. Charges for unauthorized repairs will not be accepted or paid by Kannegiesser ETECH.

Kannegiesser ETECH shall have no liability for any bodily injury, property damage, personal injury, loss, claims, damages, costs, fines, penalties, or expense of any nature whatsoever, directly or indirectly caused by, arising out of, resulting from, or occurring concurrently or in any sequence with, or in connection with: Any actual, alleged, or threat of infectious or communicable disease resulting from any virus, bacterium, parasite, fungus, or other

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microorganism (whether living or not) that induces or is capable of inducing physical distress, illness or disease, including but not limited to diseases arising out of coronavirus (COVID-19), severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2), and any mutations arising from or relating to infectious or communicable disease, and Customer agrees to hold Kannegiesser ETECH harmless, and to defend, and indemnify Kannegiesser ETECH, from all such liability.

KANNEGIESSER ETECH DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THERE ARE NO REPRESENTATIONS OR WARRANTIES EXCEPT AS PROVIDED IN THESE TERMS AND CONDITIONS. KANNEGIESSER ETECH NEITHER ASSUMES, NOR AUTHORIZES ANY PERSON TO ASSUME FOR IT ANY OTHER WARRANTY OR LIABILITY IN CONNECTION WITH THE EQUIPMENT OR PARTS SOLD BY KANNEGIESSER ETECH.

## WARRANTIES

\*Freight and labor not included

**New Laundry Equipment** will be free from defects in material and workmanship for a period of twelve (12) months from the date of shipment or 2,080 operating hours (whichever comes first) to an original purchaser.

**E-RAIL** track, track switches (excluding cylinders), and lifts (excluding cables and cylinder seals) are warranted for **5 years or 10,400 operating hours**.

**TC-TRAK** track, track switches (excluding cylinders), and lifts (excluding cables and cylinder seals) are warranted for **3 years or 6,240 operating hours**.

**Controls Components** are warranted for **1 year or 2080 operating hours**, including no charge modem support during this period. PC hardware is warranted by the manufacturer for up to 3 years.

**Other Components**, equipment, parts, and individual purchased rail sections are warranted for **1 year or 2080 operating hours**.

**Authorized Warranty Replacements** are warranted for the remainder of the original warranty period under which they were replaced.

**New Laundry Equipment or parts sold but not manufactured by Kannegiesser ETECH** are warranted to the extent provided by the manufacturer of the equipment or parts. Kannegiesser ETECH does not assume responsibility for the warranty of any such manufacturer of equipment or parts and does not warrant that such manufacturer will comply with the terms of its warranty.

**Reused or reconditioned equipment** is not warranted except when provided as an authorized warranty replacement part or component in which case it is warranted for the remainder of the original warranty period of the component or part it is replacing.

In order to enhance safety and equipment life, it is essential that correct operational and maintenance procedures are followed. It is also imperative that equipment is not modified in any way

without the prior authorization of Kannegiesser ETECH Engineers. Failure to correctly use and properly maintain Kannegiesser ETECH equipment or the use of non-OEM parts voids any warranty coverage hereunder, and can result in potentially dangerous conditions for your operators or other personnel. A risk of serious injury or death may occur if equipment is improperly used, used while in a state of disrepair, improperly maintained, is modified, or if non-OEM parts are used. If you suspect that any Kannegiesser ETECH equipment is in an unsafe condition do not use that equipment. Contact authorized maintenance personnel or Kannegiesser ETECH immediately.

## REMEDY

Kannegiesser ETECH's sole responsibility and liability and customers exclusive remedy under this Agreement shall be limited to the repair or replacement of goods (F.O.B. Kannegiesser ETECH shipping point), or, at Kannegiesser ETECH's option, return of the goods and refund of monies paid thereon without interest provided customer is not in default hereunder. Further, in no event shall Kannegiesser ETECH be liable for any injury to persons or property, or for any general, special, incidental, consequential, or exemplary damages, however caused, or attorney's fees.

**Kannegiesser ETECH reserves the right to repair instead of replacing failed equipment. Any warranty provided herein does not include freight, including freight for the return of failed parts, and does not include any obligation to provide or pay for any labor required to service, remove, install equipment or parts or to diagnose trouble related to such items. Both freight and labor are the responsibility of the purchaser.**

Customer agrees to hold Kannegiesser ETECH harmless, and to defend, and indemnify Kannegiesser ETECH, from all claims arising from or relating to customer's modification or inadequate maintenance of the equipment, negligent or unreasonable operation of the equipment, operation of the equipment not in accordance with the operator's manual, or the use of non-OEM parts, and Kannegiesser ETECH shall have no liability of any type whatsoever arising or relating to such circumstances.

## DELAY OR NONPERFORMANCE

Kannegiesser ETECH shall not be liable for failure or delay in performance hereunder due in whole or in part to strikes or lockouts, work stoppages, fires, acts of terrorism, accidents, wars, rebellions, civil commotion, public strife, pandemics, acts of any government, whether legal or otherwise, acts of public enemies, forces majeure, inability to secure or delay in securing transportation, inability to obtain or delays in obtaining goods, materials, or qualified labor, or any other causes beyond Kannegiesser ETECH's reasonable control; this specifically includes delays or inability to obtain product because of the actions of Kannegiesser ETECH's suppliers.

## DEFAULT

If Customer fails to make any payments when due, or if there is a breach of any covenant or agreement by Customer, or if Kannegiesser ETECH deems itself insecure, then Customer shall be deemed in default and Kannegiesser ETECH shall have, at its option, the right to take immediate possession of the goods, suspend performance, decline to ship or to stop any material in

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transit, revoke all discounts on parts and services, and/or declare all unpaid amounts immediately due and payable. Kannegiesser ETECH or any subsidiary or affiliated companies of Kannegiesser ETECH shall also be entitled to set off any amount owed to Customer or any of Customer's related entities against any amount payable to Kannegiesser ETECH in connection with any unpaid monies due to Kannegiesser ETECH. To secure prompt and timely payment of all unpaid amounts due from Customer to Kannegiesser ETECH, Customer hereby grants Kannegiesser ETECH a security interest in all equipment sold to Customer pursuant to the proposal together with (i) all accessories, attachments, parts, equipment, accessions and repairs now or hereafter attached or affixed to or used in connection with any such goods, (ii) all warehouse receipts, bills of lading and other documents of title now or hereafter covering such goods and equipment, (iii) all books and records of the Customer related to the equipment and (iv) proceeds (including insurance proceeds) of such equipment ("Collateral"). The forgoing security interest is intended to be a purchase money security agreement and Customer authorizes Kannegiesser ETECH the right to file any financing statements necessary or desirable to perfect such interest. By accepting and executing the Proposal, Customer agrees it has authenticated the grant of the foregoing security interest. If notice to Customer of any intended disposition of Collateral or any other intended action is required by law in a particular instance, such notice shall be deemed commercially reasonable if given at least ten (10) calendar days prior to the date of intended disposition or other action. Additionally, Kannegiesser ETECH shall have all the rights and remedies of a secured party under the Uniform Commercial Code in addition to all other rights as established herein or provided by Minnesota law, which rights and remedies shall be cumulative. Further, if Kannegiesser ETECH chooses to resell or scrap goods that are the subject of a default, Customer hereby acknowledges that Kannegiesser ETECH may resell or scrap such goods at a private sale without giving any further notification of its intention to do so to Customer. Waiver by Kannegiesser ETECH of any breach or default shall not constitute a waiver of any subsequent breach or default. In the event Kannegiesser ETECH refers any unpaid past due balance to an outside collection agency and/or attorney for collection, Customer agrees to pay Kannegiesser ETECH's reasonable attorneys' fees and all other costs of collection.

### CANCELLATION

A contract may be cancelled or modified only by written agreement between Kannegiesser ETECH and Customer. Customer's insistence upon cancelling or suspending fabrication or shipment, or Customer's failure to furnish specifications when required, may be treated by Kannegiesser ETECH as a breach of contract or default by Customer, and Kannegiesser ETECH may cancel any unshipped balance without prejudice to any other remedies Kannegiesser ETECH may have. Order cancellation is subject to 25% restocking fee.

### ACCEPTANCE

Order of equipment is not considered to be complete until all machine specifications, drawings and terms of sale have been agreed upon; down payment received, and a signed order/issued purchase order has been received by Kannegiesser ETECH.

These Terms and Conditions shall be deemed binding on Customer by its submission of a signed order/issued purchase order to Kannegiesser ETECH. These Terms and Conditions may only be modified if in writing and signed by an authorized officer of Kannegiesser ETECH; each of these terms and conditions shall remain in effect unless the provision(s) are explicitly contradicted by the aforesaid writing. If Customer submits a form with contrary terms or conditions, such order shall be considered as confirmation only and shall in no way amend, prevail over, supplement or supersede any provision herein. These TERMS AND CONDITIONS may be superseded or revised by Kannegiesser ETECH.

Kannegiesser ETECH has the opportunity to alter pricing of equipment and services if there are any changes or modifications to the package as quoted. Both the customer and Kannegiesser ETECH must mutually agree upon all changes to the equipment configurations and pricing in writing.

Customer will be deemed to have accepted the installation work and the commissioning on the earlier of the date on which Customer begins using the equipment for commercial production or 30 days from the date of the installation of the final piece of equipment. Repair or warranty work on equipment shall not be considered installation.

### GENERAL

Kannegiesser ETECH reserves the right to correct any obvious errors in a proposal, quote, sales order, or invoice. Kannegiesser ETECH may assign its rights and obligations under these Terms and Conditions of Sale. If Customer changes its corporate status, both Customer and its successors continue to be bound by these Terms and Conditions of Sale, but Kannegiesser ETECH reserves its rights under DEFAULT. No prior representation, affirmation or agreement shall be enforceable unless set forth herein.

### DISPUTE RESOLUTION/GOVERNING LAW

Any and all disputes between Kannegiesser ETECH and Customer shall be determined subject to Minnesota law and its state or federal courts shall have exclusive jurisdiction. The parties hereto agree to the personal jurisdiction of the Minnesota courts. Customer must institute any action against Kannegiesser ETECH within one year after Customer's claim arises, or such claim shall be barred notwithstanding any statutory limitations to the contrary.

### CONDITIONS FOR DATA INFORMATION SYSTEMS

General Terms and Conditions of Business of the Herbert Kannegiesser GmbH for the delivery of data information systems including, updates, databases and documentation. See complete General Terms and Conditions for Data Information Systems [here](#).