

General conditions governing technical assistance and erection, commissioning and servicing operations



DEN HOLLANDER ENGINEERING B.V.

Supply of Dairy and total food processing systems

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Preamble

Unless stated specifically otherwise in the provisions below, these operations are subject to our General Terms of Delivery and Payment.

1. Definitions

1.1

Erection operations are all operations performed outside our factories (including all preparatory work and inspections on the erection site) in connection with the assembly of a machine and/or installation on the site agreed between principal and supplier, up to the point where the machine and/or installation is ready for the mechanical test run.

1.2

Commissioning operations are all operations performed from the commencement of the mechanical test run up to transfer of the machine and/or installation to the principal.

1.3

Servicing operations are all operations performed outside our factories and not coming under Articles 1.1. or 1.2. above, such as repair work or work carried out under terms of guarantee.

1.4

Technical assistance includes all operations relating exclusively to directions and advice given in connection with operations as defined in Articles 1.1. through 1.3. above.

2. Price

2.1

If the operations have been accepted at a specified price, this price shall not include the expenses mentioned in Article 2.3. below.

2.2

Except in the case mentioned in Article 2.1. above, the following costs shall be charged for operations as defined in Article 1:

2.2.1

Costs in accordance with the rates specified in the latest quotation.

2.2.2

Travelling expenses in the broadest sense of the term, including visa and insurance charges associated with these travelling expenses.

2.2.3

The cost of materials to be used and to be processes, as far as these materials are not parts of machines and/or installations already ordered separately for the principal's account and at his risk.

2.2.4

Charges associated with relevant telephone calls made on the site of the operations, and with telefax messages, telex messages or postage, as far as these facilities are not made available by the principal free of charge.

2.3

In the event of a delay arising in the operations through circumstances beyond our control and/or circumstances for which we cannot be held accountable, any expenses, such as expenses associated with waiting periods or additional travelling and accommodation expenses, ensuing from such circumstances shall be payable by the principal.

3.0 Validity

3.1

The rates mentioned in Article 2.2.1 and appended to, or included in, quotations are liable to adjustment from time to time.

4.0 Facilities to be provided by the principal

4.1

The principal shall make available the following facilities in good time, in consultation with us and without any expenses being chargeable to us:

4.1.1

Suitable hotel accommodation situated as close as possible to the site of the operations, as well as transport to the site of the operations.

4.1.2

- a. The buildings in a state fully prepared for the operations, foundations, water, steam, power, condensate, compressed air and coolant lines on the site of the operations, and the presence in good condition of the machine and/or installation that is the subject of the operations;
- b. All electrician's and plumber's work, hoisting and demolition operations, excavations, bricklaying, carpentry, foundation and paintwork as far as such work is not integral with the machine and/or

installation supplied by us, as well as any other work not specifically mentioned in our acceptance of order;

c. Such auxiliary materials as are deemed necessary by us for proper execution of the operations, such as hoisting gear, welding and grinding machines, oils and greases, cleaning and sealing materials, gas and oxygen, water and steam, electricity and compressed air; also adequate heating and lighting, insulation, ready-for-use scaffolding, means of transport, suitable access roads etc.;

d. A dry, lockable space for the storage of machine components, materials, tools etc. in the direct vicinity of the site, as well as timely transport of such components, materials etc. to this site;

e. A suitable room for our employees, including adequate theft protection, heating, lighting and washing facilities. Also canteen facilities, first aid and any provisions needed to protect persons and objects on the site of the operations;

f. All the safety precautions required by law, as far as such precautions are relevant to the operations, and the supply of full information respecting the applicable safety regulations are infringed, the principal shall notify us of such infringement.

g. The necessary permits, such as a work permit and the permit that may be required for overtime work, if our employees have to work outside the working hours normally observed on the site of the operations, and the presence on this site of a person representing the principal during periods of overtime work;

h. The best medical care available if illness or accident should befall any of our employees during the performance of operations outside the Netherlands, and the cost ensuing from replacement of any disabled employee, as far as this cost is not covered otherwise. Also care and repatriation if one or more of our employees should die during the period in which the operations are carried out.

All our services and deliveries are in accordance with our **General terms of delivery-, payment for the Netherlands and for export, and General conditions governing technical assistance and erection**, commissioning and servicing operations.

Den Hollander Engineering B.V. is registered at the Chamber of Commerce at Tiel, Holland. **Reg. no: 23068979**

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4.2

If the principal makes available any (auxiliary) labour to assist in erection or commissioning operations performed by the supplier, this must have been agreed in the formal order. The supplier is entitled to test such (auxiliary) labour for professional skill, and to disqualify such labour if he deems fit. In that case the principal shall appoint suitably qualified substitutes. Personnel of the principal which performs commissioning operations or which assists the supplier in performing commissioning operations, shall be personnel trained by the supplier, if such training forms part of the supplier's obligations.

4.3

In the event of the principal failing to make available the facilities specified in Article 4.1 and/or Article 4.2 in good time, the supplier may hold him liable for any ensuing costs, damages and interests.

5. Operations

5.1

The operations shall not be complete until we have notified the principal of their completion.

5.2

The trial run and commissioning of a machine and/or installation shall not be complete until we have notified the principal of such completion. The principal shall provide the base materials, auxiliary materials and products of a good, uniform quality and in an adequate quantity required for the trial run without any expense to the supplier.

5.3

If desired, we shall instruct the principal and his personnel concerning the proper use of the machine and/or installation, against payment of a compensation.

6. Payment

6.1

The principal shall sign periodically the time validation sheets filled out by our employees. These sheets form the basis for the invoice. If no time validation sheets are presented to him for signature, the principal shall notify us to that effect the principal has the right to provide time validation sheets with comments. Time validation sheets which

have been presented to the principal and which have remained unsigned without the principal giving any motivation in writing, shall be regarded as signed.

6.2

If the operations performed by us cover a period in excess of one month, we shall be entitled to submit an invoice every month for the operations carried out in that month and for other costs to be settled.

6.3

Payment of all invoices shall be made in Dutch currency within 30 days of the date of invoice into an account indicated by us, without the principal being entitled to any deduction or compensation.

6.4

If the principal fails to make payment at the appointed dates, the amounts due shall be increased by the European Central Bank Inter Banking rate effective at the time of default, plus 2%. The increase shall be charged over the period during which the principal remains in default. We reserve the right to suspend operations if payments are overdue.

7.0 Operations by third parties

7.1

We shall be entitled to have operations carried out by subcontractors.

8. Special operations

8.1

If operations have to be performed on equipment other than that supplied by us, such operations shall be specified in a separate, written agreement.

9. Disclaimer

9.1

We disclaim any liability for:

- a. indirect and/or consequential damage including, but not restricted to, trading loss, loss of profits, devaluation of or damage to items of prosperity, loss of goodwill and reputation, suffered by the principal and/or by third parties as a result of non-delivery, improper delivery or late delivery of the agreed services and goods;
- b. damage to other property of the principal;
- c. damage or physical injury resulting from erection, commissioning, maintenance or plant management operations

performed by the principal contrary to our directions. The principal shall indemnify us fully against any claims made with regard to such damage or physical injury;

- d. actions or negligence on the part of personnel made available to us by or on behalf of the principal, even though such personnel is bound to act in compliance with our instructions.

9.2

The principal shall be liable for any damage to, or loss of, material, equipment and tools brought by us to the site of the operations, unless such damage or loss is imputable to operations or actions performed under our responsibility.

9.3

In the event of our providing technical assistance, we shall not be liable for the correct and/or timely execution of operations by the principal.

10. Guarantee

We guarantee the proper and expert execution of the operations ordered. This guarantee is also applicable to operations performed under our supervision and by skilled personnel made available to us by the principal, but only if and as far as such personnel meets the requirements imposed by us with regard to competence and behaviour, and acts in full compliance with our instructions, and only as far as any errors committed by this personnel could in fairness have been prevented by us. This guarantee comprises, and is limited to, gratuitous repetition if necessary of the operations ordered.

11. Disputes

11.1

Any disputes shall be adjudged exclusively by the competent court in Rotterdam or Amsterdam.

12. Law

12.1 The present conditions are subject to the Law of the Netherlands.

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