

General Terms and Conditions

turbocut Jopp GmbH, Donsenhaug 4, 97616 Bad Neustadt (Edition 09/2009)

This text is a translation from the authoritative terms and conditions in the German language and for reference purposes only

I. Determining Conditions, Exclusion of Application of other Business terms

The legal relationship between supplier and purchaser shall be determined by the following conditions. Dissenting agreements have to be made in writing. If the purchaser is a mercantile, legal entity or a special asset of government any other business terms shall not be applicable, even if they were not rejected explicitly in any individual case.

II. Orders

1. For legal validity, acceptance of a contract requires a written acceptance of order by the supplier. Acceptance of order and written sales confirmation provide the contractual relationship.

III. Prices, Price Adjustments, Handling charge

1. Prices are ex works in Euro and, unless otherwise is agreed upon, exclusive turnover tax, packing, carriage, postage and insurance.
2. If any significant change occurs, in respect of wage, material or energy costs, in contracts with a term of more than four months between the conclusion and the first order changes of price remain reserved as far as the purchaser is mercantile.
3. For orders with an invoice value less than 50,-- € an additional handling charge of 10,-- € has to be paid for.

IV. Payment

1. Payment can be made with a discount of 2 %, if it is made within 8 days or without discount within 30 days. Punctual payment is determined by actual receipt of payment. Invoice values less than 50,-- € have to be paid without any discount in principle.
2. If deliveries go abroad payment has to be made by arrangement but always without discount.
3. If it becomes apparent after conclusion of the contract that the claim to payment is at risk owing to the purchaser's lack of adequate financial capacity, the supplier shall be able to refuse performance and to set a reasonable deadline within which the purchaser must make payment or provide security concurrently with delivery. If the purchaser refuses to do so or the deadline expires without result the supplier is entitled to withdraw from the contract and demand damages according to statutory provisions as far as the purchaser has to take the responsibility.
4. Cheques will only be accepted on account of performance and on condition that they may be discounted. Discount charges will be calculated from the due date for payment of the invoice amount.
5. The supplier is entitled to balance all claims and liabilities relating to the business relationship.
6. Where the supplier has indisputably supplied goods, which are partly defect, the purchaser is nevertheless obliged to pay for the non-defective part, unless partial delivery is of no use to him.
7. The purchaser may only set off payment against counter-claims which have been determined by final judgement or are not disputed.
8. If payment terms are not met the supplier shall be entitled to bill interest on arrears at the rate charged to the supplier by the bank for current account overdrafts, but a minimum of 8, 5 percentage points above the base interest rate of the European Central Bank at the time.

V. Packing and Dispatch

1. Choice of dispatch type and dispatch type sequence is borne by the supplier unless otherwise agreed.
2. Packing is calculated according to the net cost price. Redemption does not take place.

VI. Reservation of Title

1. Goods supplied remain property of the supplier until all claims under the business relationship with the partner are fulfilled.
2. Allocation of accounts receivable in a current invoice whereas striking a balance and acceptance of it will remain unaffected reservation of title. Conformance to requirement is considered to be made when the value has been received.
3. The purchaser is entitled to sell the goods in the regular course of business, pledge of the reserved goods or transfer of ownership is not

permitted to him. The purchaser is obliged to protect the supplier's rights which are subject to reservation of title in case of resold on credit.

4. With immediate effect, the purchaser assigns to the supplier as security all claims and rights deriving from the sale or a permitted hiring of goods over which he has rights of ownership. The supplier accepts the assignment. On demand of the supplier, the purchaser has to give all necessary data and inform all principals about assignment.

5. The purchaser has to inform the supplier immediately of enforcement measures being taken by third parties in respect of the reserved goods or beforehand assigned claims and rights by handing over documents required for any intervention. This also applies to infringements of any other kind.

6. Where the requirements of article IV. para. 3 are available the purchaser shall be obliged to surrender the goods after expiring the deadline.

VII. Delivery dates and Time limits, Excess and Short Deliveries

1. Specifications of delivery dates occur in all conscience but without engagement. Agreed time limits begin to run the day the supplier sends written confirmation of an order. They are considered to be met if the goods are at the agreed place of performance in the agreed time.
2. Partial deliveries are permitted within reason. They are invoiced separately.
3. Production-related long or short deliveries are permitted in case of special designs within a tolerance of 10 % of the total quantity order. The total price will be adjusted accordingly.

VIII. Delay, Impossibility

1. In case of delay the purchaser is entitled to withdraw from the contract only if the supplier is responsible for the delivery date not being met and the purchaser has allowed the supplier a reasonable period of grace without result.
2. In the event of delivery being delayed by one of the circumstances as set forth in article XV below or as a result of any action or omission on the part of the partner, an extension of delivery period will be granted appropriate to the circumstances.

IX. Drawings and Specifications

If one of the contractual partners makes available drawings or technical documents relating to the goods to be supplied to the other partner these remain property of the submitting partner.

X. Dispatch and Passing of the risk

1. Dispatch occurs at the account and risk of the purchaser, he bears passing of the risk, when the delivery leaves the factory unless otherwise agreed upon. This also applies for partial deliveries and in case the supplier bears shipping costs. For deliveries going abroad, international rules of the INCOTERMS 2000 are applicable.
2. Goods which are notified as being ready for dispatch on schedule are to be taken over by the purchaser immediately. Otherwise the supplier is entitled to dispatch or store them at his opinion at the cost and risk of the purchaser.
3. In absence of special shipping instructions by the purchaser the supplier disposes dispatch in his sole discretion.
4. On demand, an insurance of the goods occurs for dispatch for the account of the purchaser.

XI. Warranty

1. Quality of the goods is determined by the arrangements made between the partners. Unless no arrangements have been made, state of the art, which is determined by the actual DIN standards and terms of references, is part of these terms and conditions.
2. Any material defects in respect of any defect deriving from unsuitable or improper use, defective assembly or operation by the purchaser or third parties, normal wear and tear, defective or negligent handling, are also excluded as well as the consequences of unsuitable modifications or repairs undertaken by the purchaser or third parties without approval by the supplier. The same shall apply to defects which only reduce the

value of the goods or their fitness for their intended use to an insignificant extent.

3. Claims for material defects shall become statute-barred after 12 months as fast as the purchaser is a mercantilist and after 24 months as far as the purchaser is a consumer.

4. If the purchaser is mercantilist, the supplier mends in case of claim within the time limit according to statutory provisions at his choice the rejected goods or supplies a replacement free of defect. Claims for weight and quantity shall be reported within 14 days since receipt of goods.

5. In the event of the supplier failing to meet these obligations, or failing to do so within a reasonable time in accordance with the terms of the contract, the purchaser may set in writing a final deadline within which the supplier must fulfil his obligations. In the event of this period expiring without result, the purchaser may demand reduction of the price, withdraw from the contract or himself carry out, or have the necessary subsequent improvement carried out by a third party at the supplier's cost and risk. There shall be no reimbursement of costs if the expenses increase in an inappropriate way.

6. The partner has statutory rights of recourse against the supplier only in so far as the purchaser has not reached any agreements with his customer which go beyond the statutory claims.

7. The supplier complies with the legal regulations as applicable in the European Union and the Federal Republic of Germany, e.g. the REACH regulation (Regulation (EC) No 1907/2006), the law of the sale, return and environmentally sound disposal of electric and electronic equipment (Electrical and Electronic Equipment Act) as national implementation of the directive 2002/95/EC (ROHS) and the directive 2002/96/EC (WEEE) and the End-of-life Vehicle Act as national implementation of the EC directive 2000/52/EC.

8. The supplier shall immediately inform the purchaser about relevant changes in the product due to legal regulations, in particular the REACH regulation, its supply availability, use or quality and shall in individual cases agree with the purchaser on suitable measures to be taken.

XII. Exclusion of Liability

1. Unless otherwise specified below, any additional or more extensive claims by the purchaser against the supplier are excluded. This shall apply in particular to claims for damages for a breach of duties arising from the obligation or from unlawful acts. The supplier therefore is not liable for any damage not deriving from the delivered goods themselves. In particular, there is no liability of the supplier for any loss of profit or loss which might reasonably have been expected.

2. The limitations of liability indicated above do not apply in the case of specific intent, gross negligence on the part of the supplier's legal representatives or senior employees, and in the event of culpable violation of significant contractual obligations. In the event of culpable violation of significant contractual obligations, the supplier is liable – other than in cases of specific intent or gross negligence on the part of the supplier's legal representatives or legal employees – only for standard contractual loss or loss which might reasonably have been expected.

3. The limitation of liability is also not applicable for personal injury and damages to property where there is liability in accordance with product liability laws in the case of defects in goods supplied for private use. It is also not applicable in case of injury of life, body or health and in the absence of guaranteed characteristics, if and insofar as the object of the guarantee was to cover the partner against any losses not deriving from the goods supplied themselves.

4. Insofar as the supplier's liability is excluded or limited, this is also applicable to the personal liability of the employees, workers, personnel, legal representatives and vicarious agents.

5. The legal provisions relating to burden of proof are not affected by this.

6. In execution of contractually incurred quality controls, there is no acceptance for liability of premises at the same time by the supplier. The supplier assumes the purchaser to take all necessary quality inspections for performance of liability of premises.

XIII. Secrecy

1. The contracting parties commit themselves to deem as business secrets all commercial and technical details, which come to their knowledge during the course of their business relationship unless such details are public.

2. Documents, drawings, data, software, materials or other similar objects (samples, models etc.), provided by one of the contractual partners remain property of the providing partner and shall not be made available or otherwise be made accessible to unauthorized third parties. Reproduction of such objects is permitted only according to business requirements or in compliance with the laws on copyright.

3. Knowledge acquired of the in para. 1 stated data shall also not be used further on or be transferred to third parties if the purchase order is settled as long as the requirements of para. 1 are still available.

XIV. Protective Rights

The purchaser is obliged to check by himself if in placing the order, infringements of protective rights are possible and to inform the supplier if necessary that the ordered goods are protected effectively. He assumes liability for all claims which will be asserted against the supplier by a beneficiary on this account while executing the order.

XV. Force Majeure

In case of act of God, strike, civil commotion, government directives and other non-foreseeable, inescapable and serious events, which cause a partial or complete stoppage of work, the contracting parties shall be temporarily relieved from their obligations during the period of time such events continue and to the extent their liabilities are affected. The contracting parties are committed to give each other the necessary information (which may reasonably be expected without delay) and to adjust their obligations in good faith to the changed circumstances.

XVI. Illustrations and Specifications

Illustrations and Specifications are binding just insofar as modification of design model by new construction and improvements is not required.

XVII. Redemption of Goods

Redemption of goods free of defects is only possible with previous consultation and reconsignment exempt from charges for the supplier. Special designs are excluded from redemption. In case of redemption, a handling charge of 10 % of the value of goods is raised at any rate. For all reconsignments, bill of delivery and invoice shall be attached in copy at least.

XVIII. Place of Performance, Severability Clause, Place of Jurisdiction, Applicable Law

1. Unless otherwise is stated in the order confirmation, the place of performance is the supplier's principal place of business.

2. Should one of the provisos of these conditions or of any additional stipulations agreed upon be or become invalid the validity of the remaining part of this conditions shall not be affected thereby. The contracting parties are committed to replace the invalid provision by another equivalent term, in so far as this is possible, with respect to the commercial effect.

3. The court at the place where the plaintiff is domiciled, or any other competent court, shall have jurisdiction over these conditions as far as the purchaser is mercantilist.

4. If the parties have not agreed otherwise the laws of the Federal Republic of Germany shall be applied exclusively for all contractual and business relationship between the purchaser and the supplier. The application of the uniform law of sale contained in the Hague Convention on International Sale of Goods, dated 11th of April 1980, is hereby excluded.

5. All disputes in deliveries going abroad arising from or relating to the current contract are determined by one or more elected arbitrators according to the rules of arbitration of the International Chamber of Commerce ultimately.