

General Terms and Conditions of Business for Repairs to Machines and Systems

I. Conclusion of contract, General

1. These General Terms and Conditions of Business of TIPPER TIE, Inc. (TIPPER TIE) apply exclusively. Any contradictory terms of the customer or terms of the customer which differ from these General Terms and Conditions of Business will not be recognised unless TIPPER TIE has given its written consent to the application of such terms. These General Terms and Conditions of Business shall also apply if TIPPER TIE renders performance for the customer without reservation despite knowledge of contradictory terms of the customer or terms of the customer which differ from these General Terms and Conditions of Business.

2. These General Terms and Conditions of Business only apply for legal bodies under public law, special funds under public law and enterprises as defined in Section 310 paragraph 1 of the German Civil Code [BGB].

3. If written confirmation of an order has been issued and it has not been protested, it shall constitute the criterion for the content of the contract and the scope of the repair. These General Terms and Conditions of Business also apply to any additions and amendments to the contract and any subsidiary agreements, without any express reference to said Terms and Conditions being required. The contracting parties will confirm any verbal agreements immediately in writing.

II. If repair is not possible

1. The services rendered for preparation of a cost estimate and any further expenses incurred of which evidence can be provided (fault-finding time equals working time) will be charged to the customer if the repair cannot be performed for reasons for which TIPPER TIE is not responsible, in particular

- the relevant fault did not occur at the inspection,
- replacement parts cannot be obtained,
- the customer culpably failed to keep the agreed appointment,
- notice of termination of the contract was given during performance.

2. If repair is not possible, the respective item need only be restored to its original condition before the start of repair subject to reimbursement of costs and if expressly requested by the customer, unless the repair work done was not necessary.

3. If repair is not possible, XI. No. 3 applies accordingly to the liability of TIPPER TIE.

III. Cost data, Cost estimate

1. As far as possible, the customer will be notified of the anticipated cost of repair when the contract is made; if this is not done, the customer can set cost limits.

2. If the repair cannot be carried out at the quoted cost or if the performance of additional work or use of additional parts proves necessary during repair, the cost estimate can be exceeded by up to 20% without further consultation with the customer.

3. If a cost estimate with binding cost data is required before the repair is carried out, the customer must make an express request to this effect. Such a cost estimate is only binding if made in writing and stated to be binding.

IV. Price and payment

1. The price becomes due upon acceptance of the completed repair work but no later than upon receipt of the invoice.

2. The invoice must be paid within 14 days. If the customer fails to make payment within this time, said customer is deemed in default on payment and TIPPER TIE has the right to charge default interest at a rate of 8 percentage points above the basic interest rate and to claim default damages. If the customer fails to make payment when it is due without being in default on payment, TIPPER TIE has the right to interest for reason of payment after the due date, this being at a rate of 2 percentage points above the basic interest rate but no less than 5% for the year (Sections 352, 353 of the German Commercial Code [HGB]). TIPPER TIE reserves the right to claim higher damages.

3. TIPPER TIE is entitled to require a reasonable advance payment.

4. In the invoice for the repair, there is to be separate entry of the prices for parts used, materials and special services and the prices for working hours and the travel

and transport costs. If a repair is performed on the basis of a binding cost estimate, reference to this estimate is adequate, with only any deviations from the scope of services being listed separately.

5. The invoiced amount must be paid without any deductions, Value-added tax at the rate applicable at the time will be charged to the customer in addition.

6. Any objections to an invoice must be made in writing within 14 days.

7. The customer can only exercise offsetting or retention rights in relation to claims which are undisputed or have been finally established by a court of law.

V. Co-operation and technical support of the customer for repairs outside TIPPER TIE's works

1. If repair work is done outside TIPPER TIE's works, the customer must support the repair team at its expense.

2. For performance of the repair work, TIPPER TIE will name a repair manager who will act as the contact for the customer.

3. The customer must take the necessary special measures for protection of people and property at the repair location. Said customer must also inform the repair manager of any existing special safety regulations insofar as they are significant for the repair team. Said customer will inform TIPPER TIE of any infringements of such safety regulations by the repair team.

4. The customer has an obligation to provide technical support at its own expense, in particular as follows:

a. provision of the necessary number of suitable support workers for the necessary time as required for the repair; these support workers must obey the instructions of the repair manager. TIPPER TIE assumes no liability for the support workers. If a defect or damage is caused by the support workers on the basis of instructions given by the repair manager, the rulings in Sections X. and XI. will apply accordingly;

b. provision of the necessary equipment and heavy tools and the necessary requisites and commodities;

c. provision of heating, lighting, operating power, water, including the necessary connections;

d. provision of the necessary dry and lockable rooms for storage of the repair team's tools;

e. protection of the repair location and materials from harmful influences of all kinds; cleaning of the repair location;

f. provision of suitable burglar-proof recreation and work rooms (with heating, lighting, washing and sanitary facilities) and first aid for the repair team;

g. provision of materials and performance of all other measures required for adjustment of the item under repair and for running of contractually agreed trial.

5. The customer must ensure that repair work can begin immediately after the arrival of the repair team. The Customer will pay the costs incurred by any delays for which it is responsible.

6. If the customer fails to meet its obligation under Section V. and the law, TIPPER TIE has the right but no obligation to – after allowing a period of grace – meet these obligations in the customer's stead and at its expense. The other statutory rights and claims of TIPPER TIE are not prejudiced.

VI. Transportation and insurance for repairs at TIPPER TIE's works

1. If nothing is agreed in writing to the contrary, the delivery and return of the repair item at the request of the customer, including any packaging and loading, will be carried out at said customer's expense; otherwise the repair item will be delivered to TIPPER TIE by the customer at its own expense and collected again by the customer after completion of repair work by TIPPER TIE.

2. The customer bears the transportation risk.

3. At the request of the customer, the delivery and, if applicable, return of the item will be insured at said customer's expense against the insurable transportation risks, e.g. theft, breakage, fire.

4. There is no insurance coverage during the time of repair at TIPPER TIE's works. The customer must ensure that the existing insurance coverage for the repair item is maintained, e.g. insurance for fire, tap water, tempest and machinery breakage. Insurance coverage for these risks can only be provided at the express request and expense of the customer.

5. If the customer defaults on take-over of the item, TIPPER TIE can charge fees for storage at its works. At TIPPER TIE's discretion, the repair item can also be kept elsewhere. The costs and risk of storage are the responsibility of the customer.

VII. Repair period

1. Information on repair periods is based on estimates and thus not binding.
2. A binding repair period, which must be designated as such in writing, cannot be agreed until the exact scope of work is known. This repair period is deemed to have been observed if the repair item is ready for take-over by the customer when said period expires or, in the event of a contractually agreed trial, is ready for this trial.
3. The agreed repair period will be extended accordingly if additional and extending orders are placed at a later date or if additional repair work becomes necessary.
4. In the event of operational hindrances which were not foreseeable, e.g. work shutdowns, stoppages due to illness of skilled personnel, difficulties with procurement of replacement parts, delay in supply or services by sub-suppliers and action by public authorities or in the event of the impact of force majeure or labour disputes, completion dates will be extended accordingly, even if agreed in a binding form.
5. Any damages which the customer can prove to have resulted from the delay by TIPPER TIE will be compensated, but, in the event of slight negligence, compensation will only be up to a maximum of 5% of the net repair price for the part of the item scheduled to be repaired by TIPPER TIE which cannot be used in due time as a result of the delay.
6. If the customer grants TIPPER TIE a reasonable period of grace for performance when the latter is in default, with due consideration of the statutory exceptions, and if this period expires without result, said customer has the right to rescind the contract in accordance with legal rulings. No further claims exist, without prejudice to XI. No. 3.

VIII. Acceptance

1. TIPPER TIE will notify the customer of completion of a repair. The forwarding of the invoice is also deemed to be notification. Acceptance must be performed within 2 weeks of gaining knowledge of completion.

2. If no complaints are made about repair by the customer during the acceptance process or if acceptance is not completed in due time, the contractual item will be deemed duly accepted.

IX. Retention of title, Extended lien, Old parts

1. Insofar as legally possible, TIPPER TIE reserves the title to the accessory and replacement parts and to replacement systems until full payment has been made.

2. In view of its claim resulting from the repair contract, TIPPER TIE holds a right of lien to the customer's repair item which has passed into its possession on the basis of the contract. The right of lien can also be exercised in relation to claims resulting from earlier work, replacement part supply and other services, provided they are in connection with the repair item. The right of lien shall only apply to other claims resulting from the business relationship if such claims are undisputed or have been finally established by a court of law.

3. By way of precaution in the event that the customer is not the owner of the repaired appliance or machine, said customer assigns to TIPPER TIE its claim and expectancy of title conveyance or return conveyance after full settlement of existing claims of third parties and hereby irrevocably authorises TIPPER TIE to render performance for the customer. However, TIPPER TIE has no obligation to render performance in the customer's stead.

4. The customer is responsible for disposal of old parts and other items which can no longer be used.

X. Claims for defects

1. TIPPER TIE is liable to the customer for any defects in repair work in that TIPPER TIE has an obligation to remedy the defects by – at its discretion – either rectification at its works or at the location of the repaired item. Without prejudice to No. 3 und XI., any further claims are ruled out.

2. Claims for defects are subject to a time limitation of 12 months after acceptance of the repair. When such defects are discovered, they must be reported to TIPPER TIE in writing immediately. If the customer has itself performed repair work improperly without TIPPER TIE's consent or has had such work performed by third parties, the contractor's liability shall no longer apply. The same applies if the

replacement of parts is necessary but the customer has requested that it not be performed.

3. TIPPER TIE shall not be liable if the defect is of no significance for the interests of the customer or is due to a circumstance attributable to the customer. This applies in particular to parts supplied by the customer.

4. In relation to the costs directly incurred for subsequent performance, TIPPER TIE will pay – If a complaint is deemed justified – the costs of the replacement item including shipment and the reasonable costs of removal and installation. In addition, it will pay the costs of any necessary assignment of its fitters and support workers, if this can be reasonably required in view of the case in hand.

5. If TIPPER TIE fails to remedy defects within a reasonable period allowed for such work – with due consideration of the exceptions permitted by law -, the customer shall hold a statutory right of reduction of payment. The customer also holds such a right of reduction in other cases of failure to remedy defects. Only if repair can be shown to be of no interest to the customer despite reduction of payment can the customer rescind the contract pursuant to statutory provisions.

XI. Liability, Exclusion of liability

1. If parts of the item scheduled for repair are damaged through the fault of TIPPER TIE, the latter must either, at its discretion, repair them or replace them at its expense. The obligation to render compensation is restricted in its amount to the contractual repair price. In addition, XI. No. 3 applies accordingly.

2. If, due to the fault of TIPPER TIE, the repair item cannot be used for its contractual purpose by the customer as a result of either failure to implement or faulty implementation of recommendations and advice given before or after conclusion of the contract and other subsidiary contractual obligations – in particular instructions for operation and servicing of the repair item -, the rulings in Sections X. and XI. Nos. 1 and 3 shall apply accordingly, with exclusion of any further claims by the customer.

3. The customer cannot claim damages. This includes neither damages claims by the customer resulting from injury to life, body or health or from a breach of major contractual obligations (cardinal obligations) nor liability for other damages which are due to an intentional or grossly negligent breach of obligations by TIPPER TIE,

its legal representatives or vicarious agents. Major contractual obligations are those which must be fulfilled to achieve the target of the contract.

If major contractual obligations are breached, TIPPER TIE will only be liable for the foreseeable damage typical of the contract caused by simple negligence, unless such damages claims by the customer are based on injury to life, body or health.

These limitations also apply to TIPPER TIE's legal representatives or vicarious agents if claims are made against them directly.

XII. Compensation by the customer

If, when repair work is performed outside TIPPER TIE's works, the equipment or tools provided by TIPPER TIE are damaged at the repair location through no fault of TIPPER TIE or if they are lost through no fault of the latter, the customer shall have an obligation to compensate such damage. Damage due to normal wear and tear is not included.

XIII. Applicable law, Legal venue

1. Contracts between TIPPER TIE and the customer are governed by the law of the Federal Republic of Germany with exclusion of UN sales law.

2. If the customer is an entrepreneur, legal body under public law or special fund under public law, the legal venue for all disputes resulting from contractual relations between the customer and TIPPER TIE shall be the seat of business of TIPPER TIE.

3. If any items in the contract prove to be legally ineffective, the rest of the contract will not be prejudiced thereby.

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