

TERMS AND CONDITIONS OF SALE

1. Agreement: The purpose of this Terms and Conditions of Sales constitute the entire agreement between Gerpa Elektrik Teksil Sanayi ve Ticaret Anonim Sirketi (shall be named GERPAAS hereafter) and the Buyer.

This agreement repases and supersedes all additional contracts and agreements with the buyer or representatives. No modification or addition to this agreement shall be binding upon GERPAAS unless specifically set forth in a writing signed by GERPAAS.

2. Quotations: All quotations given by GERPAAS are in writing on GERPAAS letterhead and all are binding and valid until the written expiration dates. GERPAAS shall have no responsibility or liability for any oral quotations. All quotations include basic terms and conditions for each Project or customer requirement and are issued with GERPAAS reference number separately including the revisions.

3. Prices: The sales prices valid on the date of delivery apply to all concluded business.

4. Typing mistakes: Unless otherwise stated on quotations or other GERPAAS documents all prices are given in USD currency and GERPAAS reserve the right without prior notice to change the prices. Such price changes, in case of typing mistakes shall be corrected and notified to the buyer / customer shortly.

5. Minimum order fee: GERPAAS shall require a minimum order fee of 250 USD for all export purchase orders below 9000 USD.

6. Acceptance of purchase orders: Buyers shall send the purchase orders in writing on their company letterhead sealed and signed with company's legally responsible executives. Also buyer shall seal and sign the proform invoice issued by GERPAAS. All purchase orders are accepted only with the receipt of the initial payment (advance payment receipt or L/C).

7. Delay of delivery: The contractually agreed delivery periods apply. Buyer acknowledges that the offered delivery dates are estimated dates only and it is permissible for these deadlines to be slightly exceeded or shortened. If these requirements are not fulfilled, the deadline shall be extended as appropriate. GERPAAS is responsible for making the ordered products ready for shipment on the preagreed date. In case of major delays buyer has the right to claim liquidated damages at a rate to be agreed with the buyer in writing. Liquidated damages shall not be exceeding the 10% of the total value of the purchase order. GERPAAS cannot be held responsible for additional charges the buyer is liable of due to any delivery delay; for example; rental costs of the buyer's Crane, car rental, site charges etc. The delivery deadline shall be extended if unforeseeable events occur that are beyond the seller's control, irrespective of whether such problems arise within the seller's company itself or with a subcontractor. Such problems are or be similar to force majeure, official measures and also war, rebellion, strikes, lock-outs, epidemics, operational problems and delays in the delivery of products provided that such problems can be proven to have a significant influence on production or on the delivery of the order.

8. Warehousing charges: GERPAAS has the right to ask to buyers for warehousing charges for any uncollected materials for 3 weeks after readiness of the goods for shipment. The cost will be informed to the buyer by GERPAAS in writing.

9. Cancellation of purchase orders: Buyers can cancel a purchase order due to any reason within 3 days after the issuance date of the purchase order. In case of cancelation of a purchase order the buyer is liable for the payment of the purchased raw materials or materials, and completed laborship and any services that GERPAAS has started or completed.

10. Shipments: GERPAAS offers in all quotations a certain type of delivery term as per incoterms. After each shipment GERPAAS issues a shipment report for each shipment and sends this document to buyer upon request. Unless otherwise agreed all GERPAAS shipments are loaded in registered addresses. Buyer is responsible to consult this information for each purchase order.

11. Shipping documents: GERPAAS prepares the shipping documents after each shipment as per the contractual agreement for each buyer. Unless otherwise agreed with the buyer, GERPAAS produces standard exporter shipping documents and sends to buyer by email for confirmation; upon confirmation of the buyer GERPAAS dispatches the original documents by Cargo or sends the softcopies by email.

12. Liabilities, warranty and claims: Buyer is responsible to choose the right material prior to releasing a purchase order to GERPAAS. GERPAAS shall be liable as follows for problems, including the fault or absence of assured properties problem that existed prior to the transfer of risks especially due to faulty design, poor material, defective labor or incorrect configuration shall be repaired or replaced free of charge at our discretion. If such defects are found, the buyer must inform GERPAAS no later than on the 7th day. The ordering party must observe his contractual obligations, particularly the agreed payment conditions. If a defect compliant is reported, the buyer's payments may be withheld to the extent that is appropriate in relation to the defect in question.

The ordering party must grant GERPAAS the appropriate necessary time and opportunity to remedy the defect. If the buyer refuses to do this, GERPAAS shall be freed of this liability for the defect. If we allow a period of grace granted to us to pass

without remedying the defect, the purchaser shall be entitled to demand cancellation of the contract (repudiation) or a reduction in the payment. If damage claims are lodged, these shall be limited to a maximum of the value of the supplied components. Liability for defects does not apply to natural wear or to damages arising following the transfer of risk as a result of incorrect or negligent handling, excessive stress, unsuitable equipment, faulty construction work, unsuitable building ground and such chemical, electrochemical or electrical influences that are not prerequisites according to the contract. Any incorrect modifications and repair work performed by the ordering party or by third parties shall relieve the liability of GERPAAS for the resulting damage. The warranty period is 3 months for remedying defects, replacement deliveries or replacement services. It shall run at least until the original warranty period for the delivery objects expires. The period for remedying defects shall be extended by the duration of the operational interruption arising because remedies, replacement deliveries or replacement services become necessary for those parts that cannot be used for their intended purpose due to the interruption. The above warranty periods do not apply if legislation stipulates longer periods. There shall be no possibility of further claims by the ordering party against us and our vicarious agents, particularly regarding the making-good of damages that have not arisen as a result of the delivered objects. This shall not apply in cases of liability arising from intent, gross negligence or the absence of guaranteed properties. GERPAAS products are warranted to be free from defects in material and free from poor workmanship. Claims for faults, shortages, defects or any nonconformities ascertainable upon inspection must be made in writing within 7 days after delivery of the shipment to the destination along with supporting pictures. Products claimed to be nonconforming or defective must be returned to GERPAAS for inspection upon GERPAAS' written approval.

13. Special fabrication and custom products: There shall be no possibility of exchanging specially produced items or articles not kept in stock. GERPAAS has the right to demand extra costs for design, equipment, and / or machinery and tools for production of custom products and / or semi-products at the quotation stage from the buyer. Custom products cannot be returned after the receipt of the purchase order unless otherwise agreed with the buyer in writing.

14. Payments: Payment shall be made by the buyer as per the contractual conditions, net and without any reduction unless otherwise agreed mutually by the buyer and GERPAAS in writing. In addition to the return of the goods, we can also demand damages due to non-fulfilment. If part-deliveries of components or subassemblies are made that cannot be used due to a delivery stoppage arising from non-payment of due bills, substitute deliveries or substitute services on these part-deliveries may not be made by the ordering party or by third parties with items or services not obtained from us without our express approval. Unless otherwise stated by GERPAAS, all samples in few quantities will be made ready to the customer free of charge however as a general procedure customer will bear the cost of the Cargo charges.

15. Tolerances: Unless otherwise agreed in writing, all product dimensions are approximate.

16. Modified or discontinued products: GERPAAS shall have no responsibility to keep stock or provide production or supply availability for the modified or discontinued products.

17. Reservation of ownership: All products shall remain as our property until payment of all accounts receivables, irrespective of the legal basis and even if the purchase price has been paid for specially designated goods. In the case of an outstanding bill, the reserved ownership is the security for our outstanding balance.

18. Confidentiality: GERPAAS and the buyer are responsible for keeping all the correspondence confidential and both parties shall keep all data and information circulated between the 2 parties only unless otherwise agreed with written permission. Further information available on our Non-Disclosure Agreement.

19. Place of fulfilment and place of jurisdiction: Unless otherwise agreed in writing Istanbul courts shall be responsible for any arbitration or legal issues.

END OF DOCUMENT.