

AGREEMENT

**on cooperation between the Machine-tool manufacturer TORNOS S.A,
(Switzerland) and the Samara State Technical University (Russia)
concerning educational production and exhibition center**

"SamGTU - TORNOS»

29 May 2013

Machine-tool manufacturer TORNOS S.A., hereinafter referred to as "Party 1", represented by the Sales Manager Mr. Bernard Caspard, acting on the basis of the Charter, on the one hand, and the Federal State Educational Institution of Higher Professional Education "Samara State Technical University", hereinafter referred to as hereinafter "Party 2", represented by the Rector Professor Dmitry E. Bykov acting on the basis of the Charter, on the other hand, jointly referred to hereinafter as the "Parties" and each individually a "Party", have entered into this agreement as follows:

1. SUBJECT OF THE AGREEMENT

1.1. The Parties undertake by joining forces to organize training and production and exhibition center "SamGTU – TORNOS " (hereinafter - the "Center") in order to:

- Introduce to the students the latest technology in metal and metal-to-date equipment;
- Training students and training industry professionals in specialties related to the operation of advanced metal-working machinery;
- Conducting scientific and practical workshops, seminars, exhibitions and presentations on the subject of modern advances in metal.
- Promoting of technology and equipment TORNOS S.A. to the Russian market to enhance the innovation component of the Russian Precision Engineering
- Joint development of technology and engineering to meet the production needs of the Russian and Swiss companies

1.2. The agreement is a priority for the parties in the machine tool industry, and the parties are strategic partners

2. LIABILITIES OF THE PARTIES

2.1. Party 1 undertakes:

2.1.1. To place for demonstrations in rented space center cutting equipment and devices of the group TORNOS S. A. To ensure as far as possible and agreed by the parties annual change of exposure.

2.1.2. To equip the Center with training stands for technological learning programming, industrial electronics, maintenance of equipment, as well as information materials and visual aids. Cutting equipment, devices, educational displays and visual aids are placed in the center as a demonstration of exhibits and may be used exclusively for the training of students and the training of specialists, providing mining manufacturing processes of the experimental work and parts. All equipment, devices, educational displays and visual aids provided by TORNOS S.A. (or its representative) is the property of the originator.

2.1.3. To arrange by mutual agreement internships of employees of Party 2 (including internships in Switzerland) for the purposes specified in paragraph 1.1. of this agreement.

2.1.4. To give the Party 2 an opportunity to attract free experts of Party 1 to participate in the training of students and the university.

2.1.5. To solve other problems arising from this and other agreements between the Parties.

2.1.6. To provide all necessary supplies (raw materials, oil, special fluids, etc.) for carrying out promotional work and demonstrations for the commissioning of the equipment.

2.1.7. To cover maintenance of machinery and supply of consumables for advertising and demonstration purposes, and the documentation.

2.1.8. To provide training on the equipment to the three Party 2 employees, and they will carry out operation and maintenance of machines and train students to work with the machinery.

2.2. Party 2 undertakes:

2.2.1. To highlight the organization of the Center for non-residential premises with the provision of the necessary energy and utility software. To allocate the space for equipment and devices for Party 1,

2.2.2. To assist in the on-campus joint scientific workshops and presentations for professionals TORNOS S. A. development of industrial enterprises.

Provision of facilities, energy and other services is performed on the basis of individual agreements (contracts) entered into between the parties.

2.2.3. To include in training sessions at the departments of the faculty "Machinery and vehicles" technology issues associated with the use of teaching materials, equipment and devices of TORNOS S. A.

2.2.4. To organize engaging students, educators and university to conduct research and experimental work using the equipment and devices TORNOS S. A.

2.2.5. To solve other problems arising from this and other agreements between the Parties.

2.2.6. To take over the costs for utilities. Type of room and its size will be determined by the supplemental contract to this Agreement.

2.2.7. To take over the costs for current maintenance and cleaning of the rooms. Security is provided by the Party 2 premises.

2.2.8. To provide furniture for the Centre.

2.2.9. To provide safety and maintenance of the equipment in good working condition.

2.3. The parties to this Agreement undertake:

2.3.1. Do not disclose to third parties any information received by the parties in the execution of this Agreement, and the approved list of confidential information, including the content of patents, copyrights, licenses and know-how.

2.3.2. Assign the entire period of cooperation by one person in charge of each party to resolve the problems encountered during the implementation of the obligations under this agreement.

2.3.3. The parties have the right to publish and use of educational materials developed in the course of cooperation under this agreement.

2.3.4. For providing of the training on the equipment to the three Party 2 employees Party 2 subsidizes travel expenses and subsistence, while Party 1 provides housing and training. Training of students is performed by

three Party 2 staff members who have received internship at Party 1. Thus, Party 1 experts' participation in the training process is not excluded.

2.3.5. A detailed annual budget is set by additional contracts to this Agreement.

2.3.6. Technologies and software created by the operation of the Party 1 equipment developed by the Party 2 staff are intellectual property of the Party 2. The Party 2 is ready to implement its own developments to the industrial production in conjunction and with permission of Party 1.

2.3.7. Teaching materials are developed by the Party 2 for training of the students, professional development of teachers, and professionals. As a part of this agreement, its content will be coordinated with Party 1.

3. RESPONSIBILITIES OF THE PARTIES

3.1. In the case of non-performance or improper performance of its obligations under this Agreement shall be liable in accordance with the current legislation of the Samara region of Russian Federation.

3.2. Responsibility for ensuring the access mode to the premises of the Center rests with the Party 2.

3.3. The responsibility for the overall safety and the risk of accidents lies with the Party 2 on behalf of the Head of the Centre.

4. AGREEMENT IN FORCE

4.1. This Agreement enters into force upon signature by both Parties and is valid until the parties come to the decision to terminate the joint activity.

4.2. The agreement may be terminated in the following cases:

4.2.1. At the initiative of one of the Parties of this Agreement, in case of default by the other party the terms of this agreement;

4.2.2. In other cases specified by law.

5. FORCE MAJEURE

5.1. Party is exempt from liability for the partial or total non-performance of obligations under this Agreement, unless he proves that the proper performance has not been possible due to force majeure, i.e. extraordinary and unavoidable circumstances in the present circumstances.

5.2. In the circumstances specified in clause 5.1 of this Agreement, each Party shall promptly notify them in writing to the other Party. The notice must include information on the nature of the circumstances, as well as official documents proving the existence of such circumstances and, if possible, give an assessment of their impact on the feasibility of the Parties of their obligations under this agreement.

5.3. If a Party fails to send or not timely send the notice referred to in clause 5.2 of this Agreement, it shall compensate the other Party for damages incurred by such party.

5.4. In the event of circumstances specified in clause 5.1 of this Agreement, the term of the Party's obligations under this agreement will be extended in proportion of time during which these circumstances and their consequences.

5.5. If the circumstances listed in paragraph 5.1 of this agreement and its consequences continue for more than two months, the Parties shall hold further talks to find acceptable alternative ways to execute this agreement.

6. DISPUTE RESOLUTION

6.1. All disputes that may arise between the Parties on matters not covered in the text of its resolution of this Agreement shall be settled through negotiations on the basis of the current legislation of the Russian Federation and business practices.

6.2. If the disputes during negotiations are unsettled, disputes are resolved by the Arbitration Court of Samara Region.

7. CONCLUDING REGULATIONS

7.1. Any changes or additions, supplemental agreements to this Agreement shall apply, provided if they are made in writing and signed by duly authorized representatives of the Parties.

7.2. All notices and messages should be sent in writing. Notifications and messages will be executed properly if they are sent by registered mail, by telegraph, telex, fax, e-mailed or delivered in person to the legal postal address of the Parties to obtain a receipt for the appropriate officials.

7.3. This Agreement is made in two copies having equal legal force, one copy for each party.

8. POSTAL ADDRESS DETAILS AND SIGNATURES

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(Signature)

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2013

