

**General Terms and Conditions of Purchase
of Welte Group
Version: November 2014**

Valid for

Welte-Wenu GmbH

Welte Cardan-Service GmbH

Welte-Rohrbiegetechnik GmbH

Welte Holding GmbH & Co. KG

Art. 1 Validity

1. The following terms and conditions shall apply exclusively to all our orders for goods and services (hereinafter referred to as "delivery item"), as well as to any contracts for work concluded. These terms and conditions shall also apply to any future business relations between the Supplier and us. Any terms and conditions of business of the Supplier shall only be valid if we have explicitly agreed to their validity in writing in the individual case.
2. Our orders and any changes to orders will be placed in writing, which includes telefax and/or e-mail. Verbal orders or changes to orders, as well as any subsidiary agreements, shall only be binding if they have been acknowledged by us in writing. Written orders shall not require to be signed personally.
3. Any order or any change to an order is to be confirmed by the Supplier in writing. Should we have an ongoing business relationship with the Supplier, the agreement shall materialise upon acceptance of the order, or, if the Supplier fails to issue an acceptance, after two weeks have expired.

Art. 2 Product characteristics

1. The delivery item shall be in line with the classification laid down, and needs to be supplied true to the sample provided. Specified characteristics are guaranteed.
2. The delivery item needs to be in line with the respective applicable statutory provisions, in particular the accident prevention regulations, as well as the generally recognised safety-related and occupational health regulations, as applicable in the country in which the delivery item is handed over or accepted.
3. Any materials, components, tools, testing equipment, devices and documentation provided to the Supplier for manufacturing the delivery item shall remain our property. They may not be used or duplicated by the Supplier or made available to third parties. They are to be handed back to us upon request, along with any duplicates. No right of retention shall exist in this respect.
4. The Supplier guarantees that any hardware or software supplied does not contain any copy-protect devices, date or program blocks or similar restrictions on use and that it is free of rights of third parties. It grants us a transferable right of use and exploitation in the software supplied, not restricted either chronologically or in regard to location.
5. It shall be incumbent upon the Supplier to package the delivery item properly. The packaging is to be effected in such a way that any damage in transit occurring is largely excluded. In this respect, it shall observe the regulations on packaging, transport and marking applicable in the respective country to which the delivery item is being transported or to which the delivery item is contractually being delivered. The Supplier is to take back the packaging at its own expense upon request.

Art. 3 Prices

1. The prices specified by us are quoted exclusive of the respective applicable VAT, should the latter be due.
2. The costs of packaging, customs duties and border duties, as well as the costs of any insurance, transport and unloading, shall be included in the price, paid up to the place of performance. The place of performance shall be the delivery address specified in the order. Should delivery ex works or warehouse of the Supplier exceptionally have been agreed, it shall be incumbent upon the Supplier to ship the delivery item at its own expense.
3. Unless anything to the contrary has been agreed, the payment deadline shall be 30 days after receipt of the invoice, receipt of the goods and approval of the goods. If we pay within 14 days, we shall be entitled to deduct 3 % early payment discount.
4. The invoice is to be submitted separately once delivery has been effected, and not included with the consignment.

Art. 4 Terms and conditions of delivery and delivery date

1. The address for shipment and the order number, including the item and article numbers, are to be specified in any notifications of despatch, consignment notes, delivery notes and package addresses. Delivery notes need to include any product specifications required for identification purposes.
2. Agreed delivery dates absolutely need to be adhered to. Should no delivery date have been agreed, delivery is to be effected without delay after concluding the contract. Partial deliveries shall only be permissible after obtaining written approval.
3. Should delivery be effected earlier than agreed, the delivery will be stored at our premises at the Supplier's expense and risk. Any delivery made prematurely without our consent shall not affect the payment deadlines linked to the agreed delivery dates.
4. As soon as the Supplier has to assume that it cannot deliver on time, it is to inform us in writing without delay, giving details of the reasons and the anticipated duration of the delay.
5. Should the delivery period be culpably exceeded, the Supplier shall be required to pay a contractual penalty of 0.2% per business day, however not exceeding 5% of the net order value. We expressly reserve the right to assert further damages. It is not necessary for us to reserve the right to assert a contractual penalty upon handing over or acceptance of the delivery item in order to be able to assert it.

Art. 5 Examination for defects, claims for defects, intellectual property rights of third parties, product liability

1. Once the delivery item has been delivered, we shall carry out the following checks within 10 business days:
 - Identify the goods based on the label and the shipping documents;
 - check for any obvious defects and any externally recognisable transport damage;
 - estimate the quantity delivered.

We shall notify any defects to the delivery item discovered either in the process or subsequently without delay in writing. The Supplier shall otherwise refrain from conducting a further goods receipt inspection or asserting the associated inspection and reporting obligations.

2. Should the delivery item be delivered to a location at which no authorised representative of ours is present, the Supplier shall refrain from examining the delivery item. In such a case, we shall be obliged to notify any defects in writing without delay if we become aware of them.
3. Should the Supplier have the delivery item procured by a third party or have it delivered by a third party, the Supplier shall be liable for any fault on the part of the third party to the same extent as for any fault of its own.
4. The period of limitation for defects shall amount to 36 months, unless construction services are concerned. Notifying defects in good time shall suspend the period of limitation until such time as the Supplier declines the claims regarding a defect. Should the end customer be a consumer, warranty claims shall become statute-barred at the earliest two months after the date on which the warranty claim has been fulfilled vis-à-vis the customer, however no later than after five years.
5. The Supplier warrants that the delivery item is free of rights and claims of third parties and that no intellectual property rights or any other rights of third parties are infringed by the delivery item being sold on or processed. Should we be prosecuted by a third party due to the infringement of such rights, the Supplier shall be obliged to free and relieve us from such claims and measures taken by third parties.
6. In so far as the Supplier is responsible for product damage, it shall be obliged to indemnify us against any claims for compensation for damage asserted by third parties, upon first being requested to do so, should the cause of the damage be found to be within its sphere of control and/or organisation and should it itself be liable vis-à-vis any third parties. The Supplier shall also, in this connection, be obliged to reimburse us any additional expenses incurred under Secs. 683 or 670 German Civil Code (BGB) as a result of a recall campaign conducted by us. We shall - in so far as possible and reasonable - keep the Supplier informed on the nature and scope of the recall campaigns to be conducted, and give it an opportunity to respond.
7. In so far as staff are engaged to work for the Supplier, also at our facilities, it shall be required to ensure that the staff observe the applicable regulations on industrial safety and accident prevention. It shall be obliged to deploy, remunerate and insure the staff in accordance with the statutory provisions applicable to the site of the plant.

**General Terms and Conditions of Purchase
of Welte Group
Version: November 2014**

Art. 6 Reservation of ownership

1. If the Supplier reserves ownership in the delivery item until such time as the agreed price has been paid in full, such reservation of ownership shall be acknowledged by us, whereas the extended forms of the so-called open account and group reservation shall not apply.
2. A renewed or extended reservation of ownership by the Supplier once the delivery item has been processed, joined or blended with other items, as well as the assignment of our claims arising from the resale of the delivery item, shall be excluded.

Art. 7 Confidentiality

1. The Supplier undertakes towards us to keep any business and trade secrets confidential, and keep strict confidentiality vis-à-vis third parties. Business and trade secrets means any notifications, information, plans, drawings, computations, procedural/technical know-how, construction details, operating data, calculations and customer information, irrespective of on which data carrier the latter are kept, in so far as they are not public and not likely to become public.
2. The Supplier may only pass on business and trade secrets to a third party if we have agreed to it in writing, giving details of the individual at the third party company and the scope of the business and trade secrets which may be divulged.
3. In so far as the business and trade secrets are kept on data carriers, regardless of what type, and they come into the Supplier's possession, they shall nonetheless remain our property. They are to be kept under cover, and are to be handed back without restriction at any time, upon request by us. The right to retain the data carriers shall be excluded.
4. The confidentiality obligation shall also remain in force following termination of our business relationship with the Supplier, and in fact for as long as the business and trade secrets have not become public, for which the Supplier shall bear the burden of proof.

Art. 8 Termination of the agreement

1. Notwithstanding any other rights that we may have, we shall be entitled to terminate the agreement with immediate effect if
 - a) the Supplier has ceased to pay its bills or its liabilities exceed its assets to a significant extent;
 - b) insolvency proceedings have been instituted over its assets or the institution of insolvency proceedings has been declined due to lack of insolvency assets to cover the costs.
2. In the event of termination, we shall be entitled, at our reasonable discretion, to either retain the delivery item already supplied in return for payment of the pro rata consideration or send it back for a refund, at the Supplier's expense, concurrently with the return of any payments already made by us. We shall furthermore be entitled to require compensation for damage due to partial or full non-fulfilment of the contract.

Art. 9 Final provisions

1. The law of the Federal Republic of Germany shall govern our legal relationship with the Supplier, however subject to exclusion of the UN Convention on Contracts for the International Sale of Goods (CISG).
2. The exclusive place of jurisdiction for all disputes directly or indirectly arising from the contractual relationship shall be Neu-Ulm. We shall, however, also be entitled to file a lawsuit before the Court in whose jurisdiction the Supplier has its registered office.
3. Should a provision of these Terms and Conditions of Purchase be invalid, the validity of the remaining provisions shall not be affected thereby. Should a valid, appropriate part be included in the invalid provisions, such part shall be upheld.