HOBERG & DRIESCH

SALES CONDITIONS
OF HOBERG & DRIESCH GMBH & CO. KG RÖHRENGROSSHANDEL, DÜSSELDORF

I. GENERAL

1. All of our deliveries, including future deliveries and including advice, exclusively take place on the basis of the following Conditions of Sale.

2. Counter-confirmations by the purchaser with deviating conditions, particularly purchasing and other General Terms & Conditions of the purchaser, are hereby expressly objected to. The deviating conditions do not apply even if we do not object to them once more after receipt by us. Our Conditions of Sale are deemed to have been acknowledged at the latest upon acceptance of the goods delivered by us or services rendered by us.

II. OFFER/ENTRY INTO CONTRACT

1. Our offers are not binding. All supply contracts and other agreements become valid only as a result of our written confirmation. We can validly make the order confirmation within two weeks after receipt of the order. The order confirmation can also be given in the form of an invoice, a delivery note or the delivery itself.

2. The written contract or our written confirmation is authoritative for the contents of the contracts between us and the purchaser.

III. PRICES

1. Insofar as nothing expressly to the contrary is agreed upon, our prices apply ex warehouse/works. Agreed prices are understood to be excl. delivery costs, travel expenses, expenses, discount, other deductions and VAT.

2. The prices set out in the order confirmation are not fixed prices. Rather, they are based on the manufacturers' list prices which apply as of the order confirmation date, as well as any discount scheme agreed upon with the purchaser. If the list prices change before the delivery data or if the discount system changes, then our prices change in the same ratio. In this context, it is irrelevant whether an earlier or later delivery should have taken place; what is authoritative is the date of the actual delivery. Insofar as the changes to the manufacturers' list prices are not consistent, the change made by the largest manufacturer in the state of North Rhine-Westphalia is authoritative.

3. The purchase price is due and payable within 14 days from invoicing and delivery or acceptance of the goods. In the case of contracts with a delivery value of more than EUR 100,000, however, we are entitled to request an advance payment in the amount of 30% of the purchase price. The advance payment is due and payable within 14 days from invoicing.

IV. DELIVERY PERIOD

1. In the case of supply contracts or successive supply contracts directed towards continuous deliveries, call-ups and type allocations are to be given to us in a timely manner; the total delivery quantity must be allocated and called up within the agreed duration. If individual call-ups by the purchaser exceed the agreed monthly quantities or if these call-ups exceed the usual monthly quantities substantially, we are not entitled, but not obliged, to deliver the additional quantity.

2. Delivery periods and dates always apply as approximate, unless a period or a fixed date has been agreed upon.

3. The following applies in the case of binding delivery periods: if the purchaser still has to provide documents or permits or fulfil other prerequisites for the execution of the transaction or if it has to make an advance payment, then the delivery period is postponed by the period between the dispatch of our order confirmation and the provision of the documents and the advance payment.

4. Insofar as shipment has been agreed upon, the agreed delivery periods and delivery dates pertain to the date of handover to the haulage contractor, freight carrier or other company entrusted with the transport. Otherwise, the delivery periods or delivery dates are complied with if we have notified the purchaser in a timely manner about readiness for dispatch.

5. Part-deliveries are permissible in the scope reasonable for the purchaser. Then every part-delivery is deemed to be an independent transaction.

6. Insofar as we are unable to comply with binding delivery periods for reasons which are not attributable to us (non-availability of performance), we will notify the purchase of the same without undue delay and simultaneously name the probable new delivery period. If performance is unavailable within the new delivery period too, we are entitled to rescind the contract in whole or in part; any consideration already rendered by the purchaser will be refunded by us without undue delay. Cases of unavailability of performance in this sense are particularly (i) lack of timely delivery to us by our suppliers, if we have entered into a congruent hedging transaction, neither we nor our suppliers are at fault, or in the individual case we are not obliged to purchase, as well as (ii) circumstances which are to be regarded as force majeure, such as strike, lock-out, non-culpable business disruptions, including at our suppliers (e.g. tool breakage), supply blockades, business closures, refusal of the import/export licence or other sovereign measures. In addition, the purchaser is entitled to compensation, regardless of what kind, in cases of default in delivery or impossibility of delivery, regardless of the reasons, only in accordance with section IX of these Conditions of Sale.

V. SHIPMENT, TRANSFER OF RISK

1. Delivery is made ex warehouse, where the place of performance is too. At the purchaser's request and expense, the goods will be shipped to another destination (shipment sale). Insofar as nothing to the contrary is agreed upon, we are entitled to determine the type of shipment (particularly transport company, shipment route, packaging) ourselves.

2. The risk of accidental loss and the accidental deterioration of the goods is transferred the purchaser at the latest upon handover to the purchaser. In the case of a shipment sale, however, the risk of the accidental loss and the accidental deterioration of the goods as well as the delay risk are already transferred upon delivery of the goods to the haulage contractor, the freight carrier or the other person or institution entrusted with implementing the dispatch. Insofar as an acceptance is agreed upon, this is authoritative for the transfer of risk. Moreover, the statutory provisions of the law of contracts for services also apply correspondingly for an agreed acceptance. Handover or acceptance shall be deemed to have taken place if the purchaser is in default with acceptance.

VI. PAYMENT

1. If the purchase is in default with a payment to us, if a cheque or bill of exchange submitted by the purchaser is not redeemed, we are entitled to execute still-outstanding deliveries from this or other transactions only in return for advance payment or the rendering of security. If the purchaser does not comply with our request for advance payment or the rendering of security, we are entitled to rescind the contract and demand compensation due to non-performance.

2. Bills of exchange and cheques are only accepted subject to the reservation of receipt, i.e. only as payment pending full discharge of the debt, and without commitment to complying with periods and protests. Cheques are deemed to constitute payment only from the date on which we can dispose of the amount; in the case of bills of exchange, our purchase price claim expires only upon redemption by the purchaser. The purchaser bears the expenses associated with the bills of exchange. Payment through bills of exchange requires our consent in each instance; non-bankable bills of exchange are precluded as payment means.

3. The purchaser is not entitled to withhold the payments due because of counter-claims, or to set off our claims against counter-claims, insofar as the counter-claims are not undisputed or have not been determined in a final and legally-binding manner.

VII. FURTHER PROCESSING

Subject to the provisions in Sections IX and X, we do not give any commitment (risk, liability) that processing which is not done at the seller's supplier will be successful without malfunction. Pipes will be aimed straight as well as possible "by eye", without a guarantee of impact-free spinning on the lathe and of a bare surface after turning.

VIII. RETENTION OF TITLE

1. Until payment of all of our claims, including future claims, under the legal relationship with the purchaser, regardless of the legal reason, and until complete release from contingent liabilities which we have undertaken in the purchaser's interests, particularly those arising from bills of change, our deliveries remain our property even if payments for specially-designated claims have been made. In the case of an ongoing account, the reserved title is deemed to be security for our balance claim.

2. Processing is done - without obligating us - for us, so we acquire ownership directly pursuant to § 950 of the German Civil Code (BGB). In the case of the purchaser processing with other goods which do not belong to us, we are entitled to co-ownership of the new item in the proportion of the value of the reserved goods to the other co-processed goods at the time of the processing. The new item arising as a result of the processing or the co-ownership thereof is deemed to be a reserved good. Insofar as the ownership or the co-ownership does not arise directly for us, this is to be transferred now to us by the purchaser; the purchaser keeps the reserved goods for us.

3. The purchaser may sell our property only in usual business transactions, on its normal terms and conditions, and as long as it is not in default or this permission is not revoked by us. It is only entitled and empowered to sell the reserved goods on with the proviso that the claim arising out of the onward sale is transferred to us pursuant to sections VIII.4 and VIII.5. It is not entitled to make other disposals of the reserved goods.

4. The purchaser's claims arising out of an onward sale of the reserved goods are assigned now to us to secure all of our claims listed in section VIII.1, regardless of whether the reserved goods are sold on without or after agreement and whether they are sold on to one or more customers.

5. If the reserved goods are only co-owned or if they are sold on with goods not belonging to us for a unified price, then the assignment occurs only in the proportion of the fraction owned by us or in the ration of the sales value of the reserved goods to the sales value of the goods not belonging to us.

6. The purchaser is entitled to collect claims arising out of the onward sale until our revocation in the typical business practice, i.e. e.g. not in so-called cheque/bill of exchange procedure. We may not make use of the revocation right as long as the purchaser duly complies with its payment obligations arising out of the business relationship, no application for the initiation of insolvency proceedings concerning the purchaser's assets is filed, and there is no other deficit in its ability to pay. The purchaser is not entitled to dispose of such claims through assignment or in another way in favour of third parties. If the assigned claim is included in an ongoing account (current account), then the purchaser hereby assigns the claim under the current account balance to us in the amount which corresponds to the amount of the claims assigned to us and included in the balance; if interim balances are drawn and if their balance carried forward is agreed, then the claim to which we are entitled pursuant to the foregoing provision per se from the interim balance is to be treated for the next balance as assigned to us. At our request, the purchaser is obliged in the event of revocation to provide the information necessary for collection concerning the assigned claim, particularly to name the customers and to disclose the assignment to its customers.

7. If the realisable value of the securities existing in our favour exceeds our claims by more than 10%, then at the purchaser's request we are obliged to release securities to that extent as we choose.

8. The goods subject to retention of title may not be pledged to third parties before full payment of the secured claims,

nor transferred by way of security. The purchaser is obliged to notify us in writing without undue delay if and insofar as third-party interventions occur concerning the goods belonging to us. The purchaser is obliged to take all of the necessary measures to prevent detriment to or loss of the rights to which we are entitled in the items delivered. The purchaser is obliged upon our request to immediately provide all of the information which is necessary to enforce and pursue our ownership rights. The purchaser bears the costs necessary to cancel the access measure and to reacquire the goods supplied by us, insofar as the intervention against the measure was successful and in the case of the third party a compulsory execution concerning the costs was attempted in vain.

9. In the event of contract-breaching behaviour by the purchaser, particularly in the event of non-payment of our due invoices, we are entitled to rescind the contract pursuant to the statutory provisions and to demand delivery of the goods due to the retention of title and the rescission. If the purchaser does not pay our due claims, we may assert these rights only if we have set the purchaser a reasonable payment period first without success or if setting such a period can be dispensed with pursuant to the statutory provisions.

10. For the duration of the retention of title, the purchaser is obliged to sufficiently insurance the delivered items against fire, break-in, theft, vandalism and water damage, and to treat and store them with care. The purchaser hereby assigns to us the claims to which it is entitled in the event of a damage incident against its insurance company, insofar as these pertain to goods subject to retention of title, in the amount of the invoice value of the goods subject to retention of title.

11. Should the retention of title require further conditions pursuant to the applicable law of the country in which the goods are located, particularly registration with an authority, then the purchaser is obliged to fulfil these conditions at its own expense in order to guarantee the validity of the retention of title. Should a retention of title or a similar security not be possible, then the purchaser is obliged to provide a comparable security.

IX. COMPLAINTS ABOUT DEFECTS/WARRANTY

1. The goods purchased from us are to be checked carefully without undue delay after arrival at the purchaser, and if a defect is discovered, we are to be notified in writing without undue delay. If no such notification is given, the goods are deemed to have been accepted insofar as there is a defect which would have been identifiable if a proper inspection had been carried out. If a defect is discovered later, then this must be complained about without undue delay after discovery. A later complaint about defects is excluded.

2. We must keep within the margins usual in trade with regard to quantities, dimensions and forms. Small deviations in size and design compared to a sample dispatch, small insignificant defects such as sand places, fissures, flash rust and the same are often unavoidable and thus do not justify complaints.

3. If there is a defect which is due to a fact which existed before the transfer of risk and which was complained about in a timely manner, we are obliged and entitled, as we choose, to effect subsequent performance in the form of defect rectification or to deliver a flawless item within a reasonable period.

4. We are entitled to make the subsequent performance owed dependent on the purchaser paying the purchase price due. However, the purchaser is entitled to retain a portion of the purchase price which is proportionate to the defect.

5. The purchaser is obliged to give us the time and opportunity necessary to carry out the subsequent performance owed, particularly to hand the goods complained about over for inspection purposes. In the event of a replacement delivery, the purchaser has to return the defective item to us pursuant to the statutory provisions. Subsequent performance includes neither the disassembly of the defective item nor the reinstallation if we were not obliged to install it originally.

6. The expenditure necessary for the purpose of inspection and subsequent performance, particularly transport, travel expenses, labour and materials costs (not: disassembly and installation costs) is borne by us if there is actually a defect. However, if it transpires that a defect rectification request by the purchaser was unjustified, we can demand that the purchaser compensate us for the costs incurred as a result. Any compensation claims going beyond this section IX.6, particularly with regard to the reimbursement of installation and disassembly costs, are determined pursuant to section X.

7. If the subsequent performance fails or if it is unreasonable for the purchaser, then the purchaser is entitled to rescind the contract or to request reduction of the remuneration (reduction). In the event of an only insignificant contract breach, particularly in the event of only minor defects, the purchaser is not entitled to any rescission right, however. We can refuse subsequent performance if it is associated with disproportionate costs.

X. LIABILITY FOR COMPENSATION

1. Insofar as nothing to the contrary is stipulated in sections IX, X.3 and X.4, claims by the purchaser due to quality defects or defects in title - regardless of the legal reason - are excluded. We are not liable in this respect for damage which has not occurred to the delivered item itself. In particular, we are not liable for lost profit or other pecuniary loss suffered by the purchaser.

2. Insofar as nothing to the contrary is stipulated in sections X.3 and X.4, claims by the purchaser due to breach of an obligation arising out of the contractual relationship are excluded. 3. The foregoing limitations of liability (sections X.1 and X.2) do not apply insofar as we have mandatory liability, for example (1) pursuant to the Product Liability Act, (2) due to loss of life, personal injury or damage to health which is attributable to a negligent or intentional breach of obligation by us or one of our legal representatives or by one of our vicarious agents, (3) insofar as the cause of damage or loss is due to intentional behaviour or gross negligence by us or by one of our legal representatives or by one of our vicarious agents, (4) if the purchaser asserts rights due to a defect under a quality guarantee or the specific duration of a quality, (5) if we negligently breach a fundamental contract obligation whose fulfilment is what makes the due performance of the contract possible at all and on whose compliance the contract partner may usually rely (cardinal obligation), or (6) if recourse claims in the consumer goods supply chain (§ 478 of the BGB) are concerned. 4. Insofar as we negligently breach a cardinal obligation, our compensation obligation is limited to the contract-typical, foreseeable damage or loss, insofar as no intentional behaviour or gross negligence has occurred, or we are liable due to loss of life, personal injury or damage to health.

XI. TIME-BARRING

All of the claims directed against us due to a quality defect or defect in title become time-barred 12 months after the commencement of the statutory warranty, unless the Product Liability Act or other legislation, particularly § 438 paragraph 1, number 2 of the BGB (constructions and items for constructions), § 479.1 of the BGB (recourse claims in the consumer goods supply chain) or § 634a paragraph 1, number 2 of the BGB (construction defects) prescribe longer periods. The time-barring of claims due to liability for damage arising from loss of life, personal injury or damage to health which is due to a negligent or intentional breach of duty by us or by one of our legal representatives or vicarious agents and for other damage or loss which is due to an intentional or grossly negligent breach of duty by us or one of our legal representatives or vicarious agents is determined pursuant to the statutory provisions.

XII. PLACE OF PERFORMANCE

For all of the rights and obligations arising out of the transactions with us, the place of performance is the headquarters of our company for both parties, and in the event that the contract has been entered into by one of our branch offices, the branch office is deemed to be the place of performance for both parties.

XIII. LEGAL VENUE AND APPLICABLE LAW

The legal venue for all of the disputes arising out of the transaction with us is our company's headquarters for both parties. This also applies for lawsuits arising out of bills of exchange and cheques. However, we are entitled to sue also at the court which has jurisdiction over the purchaser's headquarters, or, if the transaction is entered into by one of our branch offices, at the court which has jurisdiction for our branch office's headquarters. The law applicable in the Federal Republic of Germany applies; the UN Convention on Contracts for the International Sale of Goods (CISG) dated 11 April 1980 does not apply.

As of: 1 September 2013