

CONFIDENTIALITY AGREEMENT

Table of Contents

1	§ 1 Confidentiality Obligations of the Parties	3
2	§ 2 Business secrets.....	4
3	§ 3 Employees/Agents.....	4
4	§ 4 Return of Information.....	5
5	§ 5 Term.....	5
6	§ 6 Final Provisions	5

BETWEEN

**WEBER-HYDRAULIK GMBH
HEILBRONNER STR. 30
74363 GÜGLINGEN**

--hereafter called "WEBER-HYDRAULIK" --

AND

-- HEREAFTER DESIGNATED AS "COMPANY "--

WEBER-HYDRAULIK and COMPANY jointly referred to as "Parties"

the following is agreed:

WEBER-HYDRAULIK and COMPANY are planning to discuss potential possibilities of cooperation on the field of hydraulics. For this purpose WEBER-HYDRAULIK and COMPANY provide and share confidential business secrets (information, data and technical know-how) to each other. Therefore the Parties agree as follows:

1 § 1 Confidentiality Obligations of the Parties

- (1) Herewith COMPANY undertakes towards WEBER-HYDRAULIK group (affiliated companies) to keep secret and confidential all business secrets of WEBER-HYDRAULIK which have become known to COMPANY in the course of the cooperation between the Parties and not to use such business secrets for its own commercial purposes outside the frame of the Project described above between WEBER-HYDRAULIK and COMPANY. COMPANY indemnifies WEBER-HYDRAULIK for all damages arising out of the breach of this confidentiality agreement.

- (2) Herewith WEBER-HYDRAULIK undertakes towards COMPANY to keep secret and confidential all business secrets of COMPANY which have become known to WEBER-HYDRAULIK in the course of the cooperation between the Parties and not to use such business secrets for its own commercial purposes outside the frame of the Project described above between WEBER-HYDRAULIK and COMPANY. WEBER-HYDRAULIK indemnifies COMPANY for all damages arising out of the breach of this confidentiality agreement.

- (3) Both parties shall have the right to provide their respective subsidiaries and affiliated companies in the sense of § 15 ff AktG (German Stock Corporation Act) with confidential information received from the other party as far as necessary or useful for the cooperation between the parties. The parties guarantee that their respective subsidiaries and affiliated companies in the sense of § 15 ff AktG (German Stock Corporation Act) shall comply with the secrecy obligations under this agreement.

2 § 2 Business secrets

- (1) Business secrets in the meaning of this agreement are all information relating to the business of either WEBER-HYDRAULIK or COMPANY
 - which are not or do not become publicly known, whereby publicly means all information which is easily available to third parties by using public sources or which either WEBER-HYDRAULIK or COMPANY itself is generally offering to the public.
 - which has not been obtained lawfully by third parties or
 - which has not been developed independently by the other party
- (2) The burden of proof that information relating to the business of one party is not a business secret of this party lays principally with the other party.
- (3) Business secrets in this meaning are especially technical secrets, such as constructions, designs, technical know-how, drawings, electronic data files relating to constructions or design of products and construction manuals. Commercial business secrets are especially customer lists and customer addresses, details of orders or of offers to customers or of negotiations with customers, calculation principles and information related to the financial situation of either WEBER-HYDRAULIK or COMPANY.

3 § 3 Employees/Agents

- (1) WEBER-HYDRAULIK and COMPANY guarantee that their respective directors, officers, employees or agents will not willfully or negligently disclose business secrets of the other parties to this contract to third parties or use them for their own commercial purposes.
- (2) Furthermore the Parties shall not – no matter whether directly or through consultants – approach actively employees of the other party in order to induce them to leave the services of their employer and join the approaching party. This obligation shall be in force for the period of this agreement plus two more years after termination of this agreement.

4 § 4 Return of Information

Within 10 days following termination of this agreement either party shall return to the other party all documents and drawings which they received from the other party and shall not retain copies thereof. Electronic information has to be deleted completely and the deletion has to be confirmed to either WEBER-HYDRAULIK or COMPANY in writing.

5 § 5 Term

This agreement has an indefinite term and can be terminated by either party giving one months' notice to the end of the following month to the other party. The obligations of this confidentiality agreement except those mentioned in second paragraph of § 3 shall remain in force thereafter for a period of 5 years.

6 § 6 Final Provisions

- (1) This agreement shall be subject to German law. For all disputes arising out of this agreement the courts in Heilbronn (Federal Republic of Germany) shall have exclusive jurisdiction provided, however, that each party shall also have the right to file a law-suit with a court which has local jurisdiction for the respective defendant.

- (2) If one provision of this agreement should be or become invalid this does not affect the validity of the agreement as a whole. The invalid provision shall be replaced by a valid regulation which meets as closely as possible the economic purpose of the invalid clause.

Any changes or amendments to this agreement shall be made in writing.

.....
[Place, Date]

.....
[Place, Date]

.....
[WEBER-HYDRAULIK, Position]

.....
[COMPANY, Position]

.....
[Place, Date]

.....
[WEBER-HYDRAULIK, Position]

AFFILIATED COMPANIES

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