

General Conditions of Purchase

1. GENERAL

Only written orders or variations thereto made on Buyer's official printed order forms and these General Purchasing Conditions are binding on Buyer; Buyer will not be bound by Supplier's terms and conditions, unless Buyer expressly agrees to such terms and conditions in writing. In the event of a conflict between the present terms and conditions of purchase and the order form, the latter shall prevail. "Goods" shall mean all materials, items, sub-assemblies, equipment, software, systems and documentation to which this order relates. "Copeland Middle East FZE Group" shall mean Buyer's affiliates for whose benefit the Goods and/or work are being purchased. Buyer enters into the order as principal.

2. VARIATION

Buyer reserves the right at any time to vary the order and if any such variations cause a change to Supplier's costs, an equitable variation shall be made to the price payable to Supplier; any financial claim or request for a change to the due date for delivery/completion must be made in writing within 5 days from the date the variation was advised and in default shall be inadmissible.

3. QUALITY AND WARRANTIES

Supplier warrants (i) that the Goods will be new, unused, of merchantable and satisfactory quality, fit for any purpose made known to Supplier whether expressly or by implication, and free from all defects whether in design, material or workmanship, (ii) that the Goods and any work performed under this order will conform with the specifications, drawings, samples or other descriptions contained or referred to in this order and with all applicable standards, codes, laws and regulations, (iii) that Supplier will exercise all reasonable skill, care and due diligence and shall carry out all work in accordance with good engineering and professional practice, and (iv) good title to and unencumbered use of the Goods. Without prejudice to Buyer's other rights and remedies, Supplier shall at its own cost make good all defects appearing in the Goods and/or work within 24 months from first use or such other period as may be stipulated in the order. The foregoing warranties and any other guarantee(s) given by Supplier or the manufacturer of the Goods and/or performer of the work shall be transferable in full to Buyer's customer and/or the end-user (as applicable).

4. PRICE

The prices stated in this order are fixed, firm and not subject to variation for any reason save as set out in Clause 2; the prices exclude Value Added Tax.

5. PAYMENT

Buyer shall pay Supplier 2 calendar months and 5 days after the month in which both the following conditions have been satisfied:

1. all Goods (including documentation) have been received and work completed; and
2. a correct invoice has been received together with such supporting documentation as Buyer may reasonably require.

All documents must be clearly marked with Buyer's order number. Non-compliance with any of the foregoing by Supplier may result in delays in payment. Payment of any sum by Buyer shall in no circumstance imply acceptance of any Goods or work and shall be without prejudice to any right or remedy of Buyer. Buyer shall be entitled to set-off any sum or sums owed to Buyer by Supplier against any money due from Buyer to Supplier.

6. INSPECTION AND EXPEDITING

Buyer, Buyer's customer and/or, if different, the end-user ("Buyer Group"), and/or any official body concerned shall be entitled to inspect or test the Goods or work and to expedite progress of this order at any reasonable time at Supplier's works or at the works of any of Supplier's sub-contractors or assignees. Supplier will give Buyer adequate notice of Supplier's and its subcontractors' works tests which Buyer Group shall be entitled to attend. Supplier will provide Buyer with such test certificates as Buyer may require. Such inspection, testing and/or attendance by Buyer does not relieve Supplier of any liability nor does it imply acceptance of the Goods or work. Supplier shall promptly inform Buyer of any contact with any customers of the Buyer's Group, the end-user (if different) and/or any official body in connection with this order and shall not act upon any instruction from any of them unless confirmed in writing by Buyer.

7. DELIVERY

The Goods must be delivered FCA (as defined in Incoterms latest edition) to the address(es) detailed in the order. Supplier shall provide separate dispatch notes for each consignment and shall not make partial or advance deliveries without Buyer's prior written consent. All Goods must be adequately protected against damage and deterioration in transit and their packaging must bear the description and quantity of the contents, any special handling or storage requirements, any hazards in relation to the Goods (including but not limited to flammability, toxicity, corrosiveness, etc.) and Buyer's order number. Unless otherwise expressly agreed in writing, all packing materials shall become the property of Buyer; however, Buyer reserves the right to return packing material to Supplier. If Supplier is in default towards Buyer in performance of its obligations, all of the costs involved in obtaining payment out of court will be for Supplier's account. Supplier will be required to compensate all costs incurred by Buyer related to court proceedings in which Supplier is fully or partially unsuccessful. Those costs will in any event include the costs of external experts, bailiffs and attorneys, also in so far as such costs exceed the amount allocated by the court.

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8. RISK

Risk in the Goods will remain with Supplier until they are delivered in accordance with Clause 7.

9. TITLE

Title in the Goods shall pass directly to the Buyer's Group at the earlier of: delivery; appropriation of the Goods to the order; or payment by Buyer of any part of the order price. Upon the passing of title in the Goods (if before delivery), the Goods shall be clearly marked as being the property of "Buyer's Group".

10. TIME

The time stipulated for delivery of the Goods and/or performance of the work shall be of the essence. Supplier shall immediately notify Buyer of any likely delay in delivery or completion.

11. REJECTION

If the Goods do not comply with the order, Buyer shall be entitled to reject the Goods or any part of them at any time up to 6 months after delivery, irrespective of whether Buyer is deemed to have accepted them. Without prejudice to any other right or remedy available to Buyer, Buyer shall be entitled to return any rejected Goods to Supplier at Supplier's risk and expense. The Supplier shall have spare parts available at any time. He shall place the spare parts at the Buyer's disposal or deliver them to the Buyer immediately upon Buyer's request.

12. TERMINATION AND SUSPENSION

If Supplier is in default of any provision of the order (or if, in Buyer's sole discretion, it appears that Supplier will be unable to comply with any such provisions), or if Supplier becomes bankrupt or insolvent, or is made the subject of an administration order, or commences a winding-up by reason of insolvency, then without prejudice to any other remedy available to Buyer, Buyer shall be entitled to terminate the order immediately by notice in writing, purchase equivalent or similar products and/or work from others and recover the additional cost of so doing from Supplier, and/or enter without prior notice any premises where Goods may be, take possession of them and remove them from such premises. In addition to the foregoing, Buyer shall be entitled, without cause and at any time, to (i) suspend delivery of the Goods and/or performance of the work without liability or (ii) cancel the order in whole or in part by notifying Supplier in writing in which event Supplier shall cease performance and Buyer shall pay Supplier its fully documented and properly supported out-of-pocket expenses arising directly from the cancellation. Buyer shall not be liable for damages or claims (including but not limited to claims for lost profits) except as expressly set out in this clause.

13. INDEMNITY

Supplier shall indemnify and hold Buyer and its affiliates fully harmless against all claims, costs, expenses, loss and damage which Buyer and/or its affiliates may suffer howsoever arising (i) from Supplier's breach of any of its obligations under this order; (ii) from the negligence of Supplier, its agents, assignees, employees, representatives or sub-contractors; (iii) from product liability claims arising in connection with the Goods at any time and notwithstanding any time limitations provided by applicable legislation; or (iv) in respect of any infringement of letters patents, registered design, design right, trade mark, copyright or other intellectual property right

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arising out of the sale or use of the Goods supplied or from the performance of work under this order, provided always that Supplier shall not be required to indemnify Buyer to the extent that such infringement is caused by a specific design provided by Buyer.

14. ASSIGNMENT AND SUBCONTRACTING

Supplier shall not assign, transfer or subcontract the whole or any part of this order without the prior written consent of Buyer.

15. SOFTWARE

Unless otherwise agreed in writing, by accepting this order Supplier grants to Buyer Group a non-exclusive, world-wide, perpetual licence to use any software provided by Supplier under this order and to sub-license the use of such software to Buyer's Group's customer and (if different) the end-user, without the payment to Supplier of any additional sum other than that specified in the order. Buyer Group shall have the right to copy the software for back-up/archiving purposes and to reverse engineer, decompile and otherwise use and copy the software as provided by applicable law.

16. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

All dies, moulds, tools, jigs, patterns, materials, drawings, designs, specifications, software and other data provided by Buyer in connection with this order will remain at all times the property of Buyer Group, are to be surrendered to Buyer on completion of the order and are to be used by Supplier solely for the purpose of the order. In addition any patents, copyrights, registered designs, design rights or other intellectual property rights arising from the execution of this order (a) in accordance with Buyer's patterns, drawings, specifications, designs or other data, or (b) at Buyer's expense, shall become the property of Buyer Group and Supplier shall at Buyer's request and expense execute any documents Buyer shall deem necessary to formally vest such intellectual property rights in Buyer Group. Supplier agrees not to supply products made with or based on Buyer Group's dies, tools, moulds, jigs or materials, patterns, specifications, designs, drawings or other data to any third party without Buyer's prior consent in writing. This order, the subject matter thereof and all designs, drawings, specifications, software and other information whether of a technical or commercial nature shall be treated as confidential by Supplier and shall not, without Buyer's prior consent in writing, be disclosed by Supplier to any third party or used by Supplier for advertisement, display or publication or for any purpose other than as necessary for the proper performance of its obligations under this order. When required by Buyer, Supplier shall enter into a separate written confidentiality/secretary agreement.

17. COMPLIANCE WITH LAWS, REGULATIONS ETC

17.1 Supplier, its sub-contractors and assignees and their personnel shall at all times comply with all applicable laws, regulations, codes and standards including but not limited to all health, safety and environmental laws and regulations such as (i) applicable product safety legislation (e.g. EU machinery directive 89/392/EEC, electromagnetic compatibility directive 89/336/EEC, low voltage directive 73/23/EEC); (ii) regulations regarding the provision of information about substances hazardous to health and (iii) all regulations imposed by, and relating to work (including security requirements) at the premises of, Buyer Group, its customer and end user (as applicable).

17.2 Supplier represents and warrants that at the date of formation of the Contract, all Goods are eligible for shipment to the destination, end use and end user as advised by Buyer in accordance with all applicable export control regulations including applicable U.S. regulations and orders, U.N. resolutions, regulations in force in Supplier's country and/or the country from which the Goods will be exported. Supplier further agrees that:

- (i) The Export Compliance Declaration completed by Supplier before formation of the Contract forms part of the Contract;
- (ii) Supplier will advise Buyer as soon as possible if any of the Goods cease to be eligible for shipment to the above destination;
- (i) In the event that further items are added to the Contract, Supplier will evaluate their eligibility for shipment and either provide a new Export Compliance Declaration form or advise Buyer that they are not eligible for shipment.

17.3 Supplier is and remains solely responsible for the full compliance of delivered products or parts of products with the requirements of Directive 2002/95/EC (RoHS) and all further releases as well as all national regulations issued in execution of this Directive. Therefore all delivered products or parts of products must be suitable and fit for RoHS compliant production. Supplier will complete and sign Buyer's standard Declaration of RoHS Compliance at the part number level, use appropriate systems and processes to ensure the accuracy of these determinations and maintain appropriate records to allow traceability of all products or parts of products. Insofar as products or parts of products are not supplied in accordance with the aforementioned requirements, Buyer reserves the right to cancel blanket or single orders at Supplier's expense. Supplier undertakes to duly and immediately inform Buyer of any changes affecting RoHS Compliance. In case of proven violations of national or international RoHS Compliance regulations by the Supplier, Supplier undertakes to exempt and hold Buyer harmless from any claim, liability, loss, damage, judgment and external responsibility, irrespective their legal ground, and to bear any and all harm, loss or damage arising to Buyer's disadvantage in the event of infringement.

17.4 To the extent required by applicable law, Supplier shall be responsible for the collection, treatment, recovery or disposal of (i) the Goods or any part thereof when they are deemed by law to be 'waste' and (ii) any items for which the Goods or any part thereof are replacements. If Supplier is required by applicable law, including waste electrical and electronic equipment legislation, European Directive 2002/96/EC (WEEE) and related legislation in EU Member States, to dispose of 'waste' Goods or any part thereof, Supplier shall dispose of such Goods entirely at its own cost (including all handling and transportation costs).

17.5 Supplier shall comply with all applicable anti-corruption, anti-money laundering and anti-terrorism laws, including but not limited to those of the United States, the Supplier's country, the Buyer's country and the country which is the end-destination of the Goods and/or in which work is to be performed by Supplier, and all intermediate countries ("Relevant Laws") and represents and warrants that it has not and will not in any way breach(ed) any Relevant Laws whether in relation to this order or otherwise. Supplier's acceptance of the order shall be deemed to be certification by Supplier of compliance with all Relevant Laws.

17.6 Supplier shall forthwith implement and maintain an effective program of compliance with Relevant Laws satisfactory to Buyer, that includes:

- a) adoption of a code of conduct or "code of ethics" ("Supplier's Code");
- b) implementation of a system of internal accounting controls and a system designed to enable the making and keeping of accurate books, records and accounts that satisfy the requirements of the Supplier's Code and Relevant Laws;
- c) establishment of procedures to ensure compliance with the Supplier's Code and with Relevant Laws;
- d) implementation of a program of internal review and audit of compliance;
- e) implementation of a system for the reporting of violations of the Supplier's Code and Relevant Laws; and
- f) implementation of a procedure for disciplining employees who violate the Supplier's Code or Relevant Laws

Buyer shall be entitled either itself or by employing a third party, to audit such program of compliance during normal working hours, subject only to reasonable notice having been given and subject to the execution by Buyer or the third party of a suitable non-disclosure agreement.

17.7 Supplier's compliance with the requirements of this Clause 17 shall be of the essence of the order and default under this Clause 17 shall constitute a material breach of the order.

18 LAW

The parties to this order hereby submit to the jurisdiction of the English Courts. English law shall be the proper law of the order excluding, however, any effect on such laws of the 1980 United Nations Convention on Contracts for the International Sale of Goods.