

UK
JOHN CRANE SALES TERMS AND CONDITIONS

JOHN CRANE UK LTD ("SELLER") WILL ACCEPT BUYER'S ORDER REFERRED TO ON THE ACCOMPANYING QUOTATION ON CONDITION THAT BUYER ASSENTS TO THE TERMS AND CONDITIONS SET FORTH BELOW AND ON ANY ACCOMPANYING DOCUMENT(S) AND WAIVES ANY DIFFERING TERMS OR CONDITIONS. SUCH ASSENT AND WAIVER IS EVIDENCED EITHER BY BUYER'S PURCHASE ORDER (ANY CONTRARY TERMS OR CONDITIONS OF WHICH SHALL BE DISREGARDED) OR BY ACCEPTING DELIVERY OF THE FIRST SHIPMENT HEREUNDER.

1. **Payment and Shipping Terms.** Terms are net 30 days, EXW Seller's Facility, unless expressly provided to the contrary on the accompanying quotation. Any amount not timely paid shall bear a late charge of eight percent (8%) per annum above the Bank of England base rate from time to time.
2. **Titles and Risk of Loss.** Legal and beneficial ownership of the products shall not pass to Buyer until: Seller has received payment of the full purchase price of the products in cleared funds; and, all other sums which are or which become due to Seller from the Buyer on any account whatsoever. Until ownership has passed to Buyer, Buyer shall: hold the goods on a fiduciary basis as Seller's bailee; store the products (at no cost to Seller) separately from all other products of Buyer or any third party in such way as they remain readily identifiable as Seller's property; not destroy, deface or obscure any identifying mark or packaging relating to the products; maintain the products in satisfactory condition; and keep the products insured for their full price against all risks to the reasonable satisfaction of Seller. Buyer may use and resell the products in the ordinary course of its business before ownership has passed to it but only: if the sale is at full market value; as a sale of Buyer's property on Buyer's own behalf and with Buyer dealing as principal when making the sale; if Buyer includes a retention of title clause in the form of this Section 2 in its sale contract with its customer. Buyer's right to possession, use and resale of the products shall terminate immediately if Section 4(a) or (b) or 7 apply. Notwithstanding the foregoing, all risk of loss or damage shall be borne by Buyer from the time of delivery of the products by Seller to a public carrier or other manner of transportation.
3. **Tooling.** Charges for tools, dies and other equipment cover only a portion of their cost and ownership and sole right to possession and use thereof shall not pass to Buyer but shall remain in Seller.
4. **Cancellation.** Seller at its option and in addition to its other remedies may without liability cancel this order or refuse shipment, if (a) Buyer is in default in any payments or other performance due to Seller under this or any other agreement (b) Buyer becomes insolvent or a petition in bankruptcy is filed with respect to Buyer or the Buyer is unable to pay its debts as and when they fall due (or similar event) or (c) causes beyond Seller's control (as set forth in Section 6) make it impossible to assure its timely performance. Buyer may cancel the remaining unfilled portion of its order only upon written consent of Seller and payment of the full price for that portion of the order that Seller has substantially completed at time of cancellation plus reasonable cancellation charges which shall include the full profit plus all costs incurred in connection with the canceled portion of the order such as overhead and administrative costs, commitments made by Seller as a consequence of Buyer's order and the cost of all work-in-progress. Cancellation charges shall not exceed the purchase price of the canceled portion of the order.
5. **Price.** Seller reserves the right to correct quantities or prices due to typographical, clerical, or mathematical errors. The price stated in Seller's quotation or acknowledgment is based upon Seller's current costs. If costs increase during the life of this order, Buyer will be notified of any adjustment of the price; provided, however, that no price adjustment will be made without Buyer's agreement on orders for delivery within 30 days of the date of a price quotation. Buyer shall reimburse Seller for any excise, sales, use, VAT or other taxes incident to this transaction for which Seller may be liable or which Seller is required by law to collect.
6. **Delivery and Force Majeure.** Delivery dates are estimates only and time of delivery shall not be of the essence. Supplier will be entitled, at its discretion, to deliver the parts of this order by separate installments. Supplier will be entitled to invoice the price for each installment separately in accordance with Section 1. Each installment will be deemed to be a separate contract and no cancellation or termination of any one contract relating to an installment will give Buyer the right to cancel or terminate any other contract. Seller shall not be liable for any total or partial failure to deliver or for any delay in delivery or production due to causes beyond its reasonable control, including but not limited to acts of God, war or civil unrest, fires, strikes, natural disasters, delays in transportation, or inability to obtain necessary labor or raw materials ("**Force Majeure Event**"). Where the Force Majeure Event is such that Seller is only able partially to fulfil its existing delivery obligations to its customers (including the Buyer), Seller shall be entitled in its discretion to determine how to fulfil its existing delivery obligations. Seller shall not be liable in any event for any costs, including but not limited to direct, special, indirect or consequential damages on account of delay in delivery regardless of the cause including if the delay is the result of Seller's negligence.
7. **Assurance of Performance.** If Buyer is delinquent in payment at any time, or if in Seller's judgment, Buyer's credit becomes impaired or unsatisfactory, Seller may, in addition to its other remedies, cancel Buyer's credit, stop further performance, and demand cash, security or other adequate assurance of payment satisfactory to it.
8. **Limited Warranty.**
 - (a) Seller warrants for a period of one year following original shipment by Seller (or for Type 28 Gas Seals 12 months from installation or 24 months following original shipment by Seller, whichever occurs first) that its products are free from defects in material or workmanship furnished by Seller. Seller will repair or at its option replace free of charge any product found by it within such warranty period to be defective in breach of said warranty upon return thereof transportation prepaid to the location specified by Seller. No returns will be accepted without prior written authorization by Seller.
 - (b) **Subject to Section 8(d), the warranty set out in Section 8(a) is Seller's sole warranty and Buyer's exclusive remedy and IS IN LIEU OF ALL OTHER WARRANTIES, REPRESENTATIONS OR GUARANTEES, EXPRESS OR IMPLIED WHICH ARE HEREBY EXCLUDED, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.**
 - (c) **WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS SECTION 8, IN NO EVENT SHALL SELLER BE LIABLE FOR:**
 - (i) **LOSS OF USE (WHETHER DIRECT OR INDIRECT); OR**
 - (ii) **LOSS OF PROFITS (WHETHER DIRECT OR INDIRECT); OR**
 - (iii) **LOSS OF REVENUE, LOSS OF PRODUCTION OR LOSS OF BUSINESS (IN EACH CASE WHETHER DIRECT OR INDIRECT); OR**
 - (iv) **LOSS OF GOODWILL, LOSS OF REPUTATION OR LOSS OF OPPORTUNITY (IN EACH CASE WHETHER DIRECT OR INDIRECT); OR**
 - (v) **LOSS OF ANTICIPATED SAVINGS OR LOSS OF MARGIN (IN EACH CASE WHETHER DIRECT OR INDIRECT); OR**
 - (vi) **FOR ANY SPECIAL, INDIRECT, CONSEQUENTIAL, PUNITIVE OR OTHER DAMAGES OF ANY KIND, DAMAGES, OR FOR DEFECTS IN DESIGN OR ENGINEERING WHETHER PERFORMED BY IT OR BY OTHERS**

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(vii) FOR ANY AMOUNTS IN EXCESS OF SELLER'S NET PRICE OF THE PRODUCT IN QUESTION, ARISING OUT OF OR IN CONNECTION WITH THESE TERMS AND CONDITIONS, WHETHER IN CONTRACT, TORT, MISREPRESENTATION, UNDER STATUTE OR OTHERWISE, HOWSOEVER CAUSED INCLUDING WITHOUT LIMITATION BY NEGLIGENCE AND/OR ARISING FROM BREACH OF OR DEFECT OR DELAY IN PERFORMANCE OF, ANY OF THE SELLER'S OBLIGATIONS UNDER THESE TERMS AND CONDITIONS .

(d) NOTHING IN THESE TERMS AND CONDITIONS SHALL OPERATE TO EXCLUDE OR RESTRICT SELLER'S LIABILITY (IF ANY): FOR DEATH OR PERSONAL INJURY RESULTING FROM ITS NEGLIGENCE OR THE NEGLIGENCE OF A PERSON FOR WHOM IT IS VICARIOUSLY LIABLE; FOR ITS FRAUD OR FRAUDULENT MISREPRESENTATION OR FOR THE FRAUD OR FRAUDULENT MISREPRESENTATION BY A PERSON FOR WHOM IT IS VICARIOUSLY LIABLE; OR BREACH OF ITS OBLIGATIONS RELATING TO TITLE.

9. **Production Performance Estimates.** Any production or performance standards furnished by Buyer may depend on several variable factors, and as such no results or estimates are guaranteed.

10. **Compliance with Laws and Warnings.** In those instances in which Seller provides health or safety information, warning statements, and/or instructions in connection with the installation, use or maintenance, including preventive maintenance, of its products (and Seller assumes no obligation to do so), Buyer agrees to comply with all such information, warnings and instructions. Buyer further agrees to communicate all such information, warnings and instructions to its employees, agents and subcontractors, and to subsequent buyers and users of those products. Buyer will comply with all applicable laws. Buyer will indemnify and hold Seller harmless for Buyer's breach of these terms and conditions.

11. **Repairs: Job Lapping.** Subject to Section 8, Seller's liability for spoilage or damage to any products, parts or stock furnished for lapping or repair shall be limited to 10% of the net price for lapping or repairing of the product in question arising out of or in connection with these terms and conditions, whether in contract, tort, misrepresentation, under statute or otherwise, howsoever caused including without limitation by negligence and/or arising from breach of or defect or delay in performance of, any of the Seller's obligations under these terms and conditions.

12. **Confidentiality.** All technical and commercial information and ideas which Seller has supplied or shall supply to Buyer, but excluding information in the public domain or properly in Buyer's possession in tangible form before receiving such information from Seller, ("confidential information") is proprietary to Seller and is disclosed to Buyer in confidence for the limited purpose of assisting Buyer in the evaluation or use of Seller's products. Buyer shall not without Seller's prior written consent, disclose or make available such confidential information to any other person or use such confidential information except for such limited purpose or as required by law. All confidential information shall be returned to Seller on demand, and, in any event, when no longer needed by Buyer in connection with Seller's products. In addition to Seller's other remedies, Buyer agrees that any benefit or property derived by Buyer from any unauthorized use of confidential information shall be the sole and exclusive property of Seller.

13. **Claims.** All claims must be made within 14 days after receipt of goods (except for warranty claims, which are governed by Paragraph 8 above).

14. **Patents.** Buyer will protect and indemnify Seller against all claims arising out of patents, designs, trade secrets, copyrights, or trade names with respect to products manufactured wholly or partially to Buyer's designs or specifications, including any costs, expenses, loss, attorneys' fees, settlement payments, or damages.

15. **Government Contracts.** If the items purchased hereunder are to be used in fulfilling a contract with any national government, Seller will comply with all mandatory provisions required by such government applicable to Seller, provided that Buyer gives Seller written notice of such provisions in sufficient time to permit compliance.

16. **Amendments and Survival.** No addition to, modification or revision of the terms and conditions contained herein shall be valid unless in writing, and signed by duly authorized representative of Seller. Sections 3, 4, 6, 8, 10, 11, 12, 14, 16, 17, 18, 19, 20 and 21 shall survive the expiration or termination of these terms and conditions.

17. **Governing Law and Severability.** This agreement is subject to the laws of England and Wales and the Parties hereby submit to the exclusive jurisdiction of the Courts situated in such jurisdiction. If any term or condition hereof is found to be illegal or unenforceable, such term shall be deemed to be severed from the contract and this shall not affect the balance hereof which shall remain in full force and effect. Both Seller and Buyer acknowledge and agree that the UN Convention on Contracts for the International Sale of Goods shall not apply to this order.

18. **Code of Conduct.** Seller is committed to conducting its business ethically and lawfully. To that end the Seller, through its ultimate parent company, Smiths Group plc, maintains a Code of Corporate Responsibility and Business Ethics and mechanisms for reporting unethical or unlawful conduct. The Seller expects that the Buyer will also conduct its business ethically and lawfully. If the Buyer has cause to believe that the Seller or any employee or agent of the Seller has behaved unethically or unlawfully under, or in connection with, these terms and conditions, Buyer is encouraged to report such behavior to the Seller or to Smiths Group plc. Smiths Group plc's Code of Corporate Responsibility and Business Ethics and mechanisms for making such reports are available on www.smiths-group.com.

19. **Export Regulations and Destination Control Statement.** If the commodities, technologies or software sold hereunder are exported from the country where Seller resides, they may only be done so in accordance with the laws and regulations of such jurisdiction, and any diversion contrary to such laws is prohibited. Buyer will not export any technical data, or commodities that are controlled by government regulations in violation thereof, and agrees to defend, indemnify and hold harmless Seller from and against any claim, loss, liability, expense or damage (including liens or legal fees) incurred by Seller with respect to any of Buyer's export or re-export activities contrary to applicable export and import controls.

20. **Intellectual Property.** Notwithstanding delivery of and the passing of title in any product, nothing in these terms and conditions shall have the effect of granting or transferring to, or vesting in, Buyer any intellectual property rights in or to any products.

21. **General.** Buyer may not assign or transfer all or part of its rights or obligations under this order without the prior written consent of Seller. The Seller may assign or transfer all or part of its rights and to sub-contract any of its obligations under the contract. The parties do not intend that any term of the contract shall be enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person other than the parties. These terms and conditions constitute the entire agreement and understanding between Buyer and Seller in connection with the subject matter of this order, and supersede all prior oral or written communications, representations or agreements in relations thereto and neither party has entered into the contract in reliance upon, and shall have no remedy in respect of, any representation or statement (whether made by the other party or any other person) which is not expressly set out in the contract. Nothing in the preceding sentence shall be interpreted or construed as limiting the liability of the Seller for fraud or fraudulent misrepresentation.