

GENERAL TERMS AND CONDITIONS OF PURCHASE

1 – These general conditions of purchase determine the rules to which provisions of raw materials, material or equipment are subject, as well as services provided at the request of our company. They take priority over all other conditions and in particular over the suppliers' general conditions of sale unless a reservation is expressly accepted by John Crane France.

2 – Our orders must be processed in conformity with the QSE requirements defined in document INS-0701-01.

3 – The supplier must send us an acknowledgement of receipt of the order as soon as possible and inform us whether he accepts the deadlines imposed for delivery. If he does not, he must indicate the deadlines that he requests to us and we will examine whether or not it is appropriate to continue with the order.

4 – The conditions of fulfilment mentioned in our orders must be observed strictly.

5 – No modifications may be made to the specifications, the plan or to any other document which was used as a basis for establishing the order without the prior written agreement of John Crane France. The approval by John Crane France of plans originating from the supplier will not release this latter from his contractual responsibilities in the event of an error.

6 – We reserve the right to refuse all goods which are not dispatched or delivered in conformity with an appropriate order form or which do not comply with the particular specifications of this order form, as well as with these general conditions.

We also reserve the right to cancel the order in the event of receivership or involuntary liquidation of the supplier.

7 – All the technical data and information associated with the purchase orders remains the exclusive property of John Crane France and must be returned on request.

The documents may not in any circumstances be reproduced, transmitted or disclosed in full or in part to third parties not involved in the provision of the goods.

8 – The tools manufactured by the supplier on our request belong to us and must be returned to us at our first request.

Tools which belong to us and which are placed at the disposal of the supplier may only be used for the manufacture of parts or assemblies which we have ordered.

9 – The supplier guarantees that he has free possession of all the patents and licences relating to the materials to be supplied and that John Crane France will not be inconvenienced by a claim by a third party relating to violation of rights arising from patents or licences.

10 – We reserve the right to cancel any order or part order which is not filled within the accepted deadlines, and this without prejudice of the damages that we will be justified in claiming, and/or to demand the payment of delay penalties the amount of which will have been stated on our orders.

11 – Deliveries must be made free of carriage and packing charges, unless a prior special agreement is reached, and must be accompanied by a delivery form in duplicate indicating the order number, the quantities, the JCF references of the products delivered and any other useful indication.

12 – Any delivery or dispatch which does not settle an order in full must bear on the delivery forms the indication "instalment of order N°... Remainder to be delivered...". The last slip settling the order in full will then bear the indication "Delivery in final settlement".

13 – Goods are transported at the supplier's risk.

14 – The packages delivered must bear a special indication on the slips.

15 – The acceptance conditions mentioned on our orders must be observed strictly.

16 – Unless agreements to the contrary are reached in the order, final acceptance of the goods will always take place at our destination warehouse.

17 – Faulty goods or goods which do not conform or which suffer damage during transportation may be returned to the supplier within one month following acceptance. In the case of hidden defects which it would be impossible to detect within one month following acceptance, the deadline for return is extended to four months for normal orders and to twelve months for scheduled stock orders.

18 – All returns will be carriage forward for the province and abroad.

19 – If returned products are to be replaced or reworked this will take place within a maximum deadline of one month. Once this deadline has passed, we reserve the right to deduct from the month end statement the sum corresponding to the value of the returned products.

20 – Any reclaiming of parts which do not conform without our agreement may be considered an act of misconduct with all the consequences that this involves, in particular in the case of an accident on our customers' premises.

21 – When a price is accepted, it may not be increased until the current order or contract has been completed.

22 – The accounts are settled on the last day of each month. Invoices relating to deliveries made after this date must be included in the statement for the following month.

23 – The invoices in duplicate must be addressed to us on the day of delivery or dispatch, with an indication of the order number. Invoices addressed after the 5th day of the month following delivery will be deferred for a month.

24 – Unless a special agreement is reached, all of our purchases are payable 60 days following the 15th day of the following month. Payments are made by wire transfer. Payments in advance will give rise to a discount.

25 – Acceptance of the order form constitutes a guarantee on the part of the supplier protecting us against the consequences of any claims and actions for infringement, ensuring that we will not suffer any prejudice as a result.

26 – Acceptance of the orders includes acceptance without any restriction or reservation of the clauses and conditions applicable to our suppliers. Therefore, these latter may not invoke any other practice or precedent to the contrary and present in opposition any printed or handwritten general clauses which may appear on their commercial paper.

27 – The contractual relations between John Crane France and the supplier will be governed by French law. Any differences which cannot be settled amicably will fall under the exclusive jurisdiction of the Court of Rouen.