

General Conditions of Purchase
John Crane (Ireland) Limited

- 1 **Definitions**
1.1 'Buyer' means John Crane (Ireland) or its authorized representative.
1.2 'Contract' means a Purchase Order and the Seller's acceptance of the Purchase Order.
1.3 'Seller' means the person, firm or company to whom the purchase order is addressed.
1.4 'Goods' means the work, articles, services or things or any part of any of them as described in the Purchase Order.
1.5 'Specification' means technical description of the goods contained or referred to in the Purchase Order and / or any relative schedules, drawings and specifications.
1.6 'Purchase Order' means the Buyer's formal written Purchase Order for the supply of the Goods which incorporates these Conditions.
- 2 **Acknowledgement and Acceptance**
2.1 The Buyer shall be bound by its Purchase Order only if it is placed on its official Purchase Order form and provided by the Buyer to the Seller.
2.2 The Buyer will incur no obligation in respect of any order placed until the Buyer receives the Seller's written confirmation that the Seller accepts the terms and conditions contained in the Purchase Order, which incorporates these Conditions.
2.3 If the Seller shall fail to provide such written confirmation or shall make a counter offer by purposing to accept the offer contained in the Purchase Order on other terms and conditions but never the less delivers the Goods or parts thereof the Buyer shall have the right to either taking the same as if the said offer had been unconditionally accepted or rejecting the same by notice to the Seller in which case the same shall be at the Seller's risk, and disposal as from such rejection.
- 2.4 No terms and conditions endorsed upon, delivered with or contained in the Seller's quotation, acknowledgement or acceptance of order or similar document shall form part of the Contract and the Seller waives any right which it might otherwise have to rely on its conditions.
- 3 **Variations**
3.1 Neither the Buyer nor the Seller shall be bound by and variations, waiver of, or addition to these Conditions except as agreed by both parties in writing and signed on their behalf.
- 4 **Warranty**
4.1 The Seller warrants that the Goods shall:
a) conform in all respects as to quality, quantity and Specification with the particulars stated in the Purchase Order;
b) be of sound materials and workmanship;
c) be capable of any standard or performance specified in the Purchase Order;
d) if the purpose for which they are required is indicated in the Purchase Order either expressly, or by implication, be fit for that purpose;
e) comply in all respects with all relevant requirements of any Statute, Statutory rule or Order, or other instrument having the force of law which may be in force at the time when the same are supplied.
4.2 The Goods shall be clear and free of all liens and encumbrances whatsoever and that the Seller has a good and marketable title to the same.
4.3 The Buyer's rights under this Condition 4 are without prejudice, and in addition, to its statutory rights under the Sale of Goods Act 1893, as amended by the Sale of Goods and Supply of Services Act 1980.
- 5 **Inspection and Testing**
5.1 Before dispatching the Goods the Seller shall where stipulated by the Buyer, carefully inspect and test them for compliance with the Specification. The Seller shall, if instructed by the Buyer, give the Buyer reasonable notice of such tests and the Buyer shall be represented thereby. The Seller shall also, at the request of the Buyer, supply to the Buyer a copy of the Seller's test sheet certified by the Seller to be a true copy.
5.2 It is expressly agreed the Buyer will be entitled to inspect and test the Goods during manufacture and storage or within a reasonable time of delivery, and to reject any goods supplied and / or work executed which may not be to the Buyer's satisfaction under the Condition 9 hereof. If the Buyer exercises the right to inspect and test the Goods under this Condition, the Seller shall, if so requested by the Buyer, provide or procure the provision of all such facilities as may reasonably be required by the Buyer thereof.
5.3 No Goods shall be deemed to have been accepted by the Buyer until any certificate required by it from the Seller that the goods and / or work are satisfactory has been provided.
- 6 **Delivery**
6.1 The Seller shall deliver the Goods at the time specified on the Purchase Order. Time shall be of the essence. If, for any reason, the Seller is unable to deliver the Goods within the specified time the Seller shall give the Buyer notice in writing without delay of its claim an extension of time which the Buyer may grant the Seller at its discretion but without prejudice to its rights.
6.2 If the Goods or any portion thereof are not delivered within the time or times specified in the Purchase Order or any extension of such time or times granted by the Buyer, the Buyer shall be entitled to determine the Purchase Order in respect of the Goods under any other Goods already delivered under the Purchase Order which cannot be effectively and commercially used by reason of the non-delivery of the Goods undelivered. On such determination the Buyer shall be entitled to:
a) return to the Seller at the Seller's expense any of the Goods already delivered but which can not be effectively and commercially used as aforesaid and to recover from the Seller any moneys paid by the Buyer in respect of such Goods; and
b) recover from the Seller any additional expenditure reasonably incurred by the Buyer in obtaining other Goods in replacement of those in respect of which the Purchase Order has been determined.
6.3 The Goods, properly packed and secured in such a manner as to reach their destination in good condition under normal conditions of transport, shall unless otherwise directed by the Buyer be delivered by the Seller to the Buyer's works, carriage paid and in the specified in the Purchase Order.
6.4 Invoices must bear the Buyer's Purchase Order number. A packing note quoting this number must be sent with the Goods to the place of delivery.
6.5 No charge will be allowed for packing materials or containers unless otherwise agreed by the Buyer but empties will be returned at the Seller's expense by the Buyer on request of the Seller.
6.6 The Seller shall be responsible for complying with any legislation or regulations governing the Importation of Goods into the country of destination and the payment of any duties is per agreed with the Buyer.
- 7 **Storage**
7.1 If for any reason the Buyer is unable to accept deliver of the Goods at the time when the Goods are due for delivery the Seller shall at its own cost store the Goods, safeguard them and take all reasonable care steps to prevent their deterioration until the actual
- 8 **Risk and Title**
8.1 Subject to the provisions of Condition 8.2 the title in the Goods shall pass to the Buyer on delivery without prejudice to any right of rejection which may accrue to the Buyer under these Conditions.
8.2 If the Seller postpones delivery at the request of the Buyer pursuant to Condition 7 the title in the Goods shall pass to the Buyer seven days after the date of receipt of notification from the Seller that the Goods are due and ready for delivery or on such other date agreed but the Goods shall nevertheless remain at the Seller's risk until delivery has been completed.
- 9 **Remedies**
9.1 Without prejudice to any other right or remedy which the Buyer may have, if any Goods are not supplied in accordance with, or the Seller fails to comply with, any of the terms of the Contract the Buyer shall be entitled to avail itself of any one or more of the following at its discretion, whether or not any part of the Goods have been accepted by the Buyer:
a) to rescind the Purchase Order;
b) to reject the Goods (in whole or in part) and return them to the Seller at the risk and cost of the Seller on the basis that a full refund for the Goods so returned shall be paid forthwith by the Seller;
c) at the Buyer's option to give the Seller the opportunity at the Seller's expense either to remedy any defect in the Goods or to supply replacement Goods and carry out any other necessary work to ensure that the terms of the Contract are fulfilled;
d) to refuse to accept any further deliveries of the Goods but without incurring any liability to the Seller
e) to carry out at the Seller's expense any work necessary to make the Goods comply with the Contract; and
f) to claim such damages as may have been sustained in consequence of the Seller's breach or breaches of the Contract.
- 10 **Price and Payment**
10.1 All charges at the option of the Buyer to charge at cost all raw material supplied by the Buyer to the Seller for subsequent conversion to components by the Seller. Such charges will be reclaimed by the Seller in the final selling price of the Goods. Title to any raw material supplied by the Buyer to the Seller shall remain with the Buyer until cost charged by the Buyer to the Seller for the raw materials is discharged.
10.2 The Price for the Goods shall be as stated on the purchase Order and shall be exclusive of VAT, where applicable, but inclusive of all other charges unless stated otherwise.
10.3 Payment shall be made in accordance with the terms set out in the Purchase Order.
- 11 **Buyer's Property**
11.1 All patterns, dies, moulds or other tooling or materials, design rights or other forms of intellectual property (together the "Buyer's Property") supplied by the Buyer or prepared or obtained by the Seller for and at the sole cost of the Buyer, shall be marked with the name of the Buyer and shall remain the property of the Buyer returnable in good condition on demand and Seller warrants that it will not take any action that will create doubt as to the true ownership of the Buyer's Property.
11.2 The Seller shall insure any material or property sent to the Seller by the Buyer for any purpose in connection with the Purchase Order and shall maintain all such items in good order and condition and insure them against all risk while in Seller's custody.
11.3 Risk of loss or damage to the Buyer's Property shall remain with the Seller from the time the Buyer's Property is provided to or obtained by the Seller until the Buyer's Property is returned to the Buyer.
11.4 The Seller shall permit the Buyer the right of inspection of the Buyer's Property at any time upon reasonable notice.
11.5 If the Purchase Order calls for the machining, processing or treatment of any material or parts of the property of the Buyer, or for which the Buyer is responsible, the Buyer reserves the right to charge to the Seller the cost of such materials or parts if whilst in the custody they are destroyed or damaged or rendered unfit for the purpose for which they were originally manufactured.
11.6 The Seller shall not, at any time, use such items, nor shall it authorize or knowingly permit them to be used by anyone else for, or in conjunction with, any purpose other than the supply of the Goods to the Buyer unless such use is expressly authorized by the Buyer previously and in writing.
11.7 All ideas, concepts, processes, improvements, discoveries, copyrightable material, inventions, artwork, engravings, printed matter, printers plates, plans, designs, drawings, blueprints, memoranda, tools, dies, computer programs and other material(s) or product nature disclosed, developed, arising or suggested by the Buyer's Property which is provided to or obtained by the Seller under Condition 11.1 shall belong exclusively to the Buyer and the Seller shall have exclusive rights to same throughout the world. To take whatever steps are reasonable required by the Buyer (including without limitation the execution of appropriate written instruments reflecting the Buyer's ownership) to secure the Buyer's rights to same. Upon termination, expiration or fulfillment of the Contract the Seller shall transfer, assign and/or deliver physical possession (as the case may be) of all of same to the Buyer.
- 12 **Confidentiality**
12.1 The Seller will not without first obtaining the written consent of the Buyer in any way whatsoever advertise or publish the fact that the Seller has contracted to supply the Buyer with the Goods.
12.2 The Seller shall keep in strict confidence all technical or commercial know-how, specifications, inventions, processes or initiatives which are of a confidential nature and have been disclosed to the Seller by the Buyer or its agents and any other confidential information concerning the Buyer's business or its products which the Seller may obtain and the Seller shall restrict disclosure of such confidential material to such of its employees, agents or subcontractors as need to know same or the purpose of discharging the Seller's obligations under the Contract and such employees, agents or subcontractors are subject to like obligations of confidentiality as bind the Seller.
- 13 **Indemnity and Insurance**
13.1 The Seller shall indemnify the Buyer on demand against all loss, actions, costs, claims, demands, expenses and liabilities whatsoever (if any) (together with each liability and cost of defining or settling a claim) which the Buyer may incur either at common law or arising in respect of:-
a) defective workmanship, quality or materials;
b) an infringement or alleged infringement of any intellectual property rights caused by the use, manufacture or supply of the Goods; and
c) any claim made against the Buyer in respect of any liability, loss, damage, injury, cost or expense sustained by the Buyer's employees or agents or by any customer or third party to the extent that such liability, loss, damage, injury cost or expense was caused by or arises out of or is directly or indirectly caused by or results from the Seller's negligence or breach of contract or failure to perform the terms of the Contract by the Seller.
13.2 The Seller shall hold satisfactory insurance cover with a reputable insurer to fulfill the Seller's insurance obligations including public liability insurance cover. The Seller shall effect insurance against all those risks arising from the Seller's indemnity in Condition 13.1.
13.3 Satisfactory evidence of such insurance any payment of current premiums shall be shown to the Buyer upon request.
- 14 **Statutory Requirements and Buyers Regulations**
14.1 Where the work is carried out by the Seller at the Buyer's premises, the Seller shall comply with the requirements of any factory rules (including the Safety, Health and Welfare at Work Act 2005 (as amended) any any other health and safety acts or regulations) and regulations laid down by the Buyer.
- 15 **Assignment and Sub-Contracting**
15.1 The Seller shall not without the consent in writing of the Buyer assign or transfer the Purchase Order or any part of it to any other person/entity.
15.2 The Seller shall not without the consent in writing of the Buyer sub-contract the Purchase Order or any part of it to any other person/entity.
15.3 Any subcontracting shall be subject to the Seller's obligation to ensure that the subcontractors, agents, servants, workmen and further the Seller shall ensure the observance by such sub-contractors of the provisions thereof.
- 16 **Code of Conduct**
16.1 The Buyer is committed to conducting its business ethically and lawfully. To that end the Buyer, through its ultimate parent company, Smiths Group plc, maintains a Code of Corporate Responsibility and Business Ethics and mechanisms for reporting unethical conduct. The Buyer expects that the Seller also will conduct its business ethically and lawfully. If the Seller has cause to believe that he or she or any employee or agent of the Buyer has behaved unethically or unlawfully under, or in connection with this Contract or to report such behavior to the Buyer or to Smiths Group plc. Smiths Group plc Code of Corporate Responsibility and Business Ethics and mechanisms for making such reports are available on www.smiths-group.com.
- 17 **Termination**
17.1 The Buyer shall have the right at any time and for any reason to terminate the Contract in whole or in part by giving the Seller written notice whereupon all work on the Contract shall be discontinued and the Buyer shall pay the Seller fair and reasonable compensation for work-in-progress at the time of termination but such compensation shall include loss of anticipated profits or any consequential loss.
17.2 The Buyer shall have the right at any time by giving notice in writing to the Seller to terminate the Contract forthwith if:
a) the Seller commits a material breach of any of the terms and conditions of the Contract; or
b) the Seller has a bankruptcy order made against him or makes an arrangement or composition with his creditors, or otherwise takes the benefit of any statutory provision for the time being in force for the relief of insolvent debtors, or (being a body corporate) a meeting of creditors (whether formal or informal), or enters into liquidation (whether voluntary or compulsory) or a solvent voluntary liquidation for the purpose only of reconstruction or amalgamation, any action is taken to appoint a receiver or manager of the Seller's affairs, or the Seller is appointed administrator or administrative receiver, examiner, trustee or similar officer to the Seller, its subsidiaries or any parts hereof, or a resolution is passed or a petition presented to any court for the winding-up of the Seller or for the granting of administration or examinership order in respect of the Seller, or any proceedings are commenced relating to the insolvency or possible insolvency of the Seller; or
c) the Seller ceases or threatens to cease to carry on its business; or
d) the financial position of the Seller deteriorates to such an extent that in the reasonable opinion of the Buyer the capability of the Seller adequately to fulfill its obligations under the Contract has been placed in jeopardy.
17.3 The termination of the Contract, however arising, shall be without prejudice to the rights and duties of the Buyer accrued prior to termination. The Conditions which expressly or impliedly have effect after termination shall continue to be enforceable notwithstanding termination.
- 18 **Force Majeure**
18.1 The Buyer reserves the right to defer the date of delivery or payment or to cancel the Contract or reduce the volume of the Goods ordered if it is prevented from or delayed in the carrying on of its business due to circumstances beyond the reasonable control of the Buyer, including, without limitation, acts of God, governmental actions, war or national emergency, acts of terrorism, protests, riot, civil commotion, fire, explosion, flood, epidemic, lock-outs, strikes or other labour disputes (whether or not relating to either party's work) or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials.
- 19 **Notices**
19.1 Any notices or other communications to be given by the Buyer or the Seller in connection with the Contract or these Conditions shall be in writing and shall either be delivered by hand or sent by registered post or by facsimile to the other party at its registered or other address as it may notify to the other party to the Contract for this purpose.
19.2 Any notice or other communication shall, unless otherwise provided in the Contract or in these Conditions, be deemed to have been received (if sent by registered post) 48 hours after dispatch and (if delivered personally or sent by facsimile) at the time of delivery or dispatch if during normal business hours in the place of intended receipt on a working day in that place, and otherwise at the opening of business in that place on the next succeeding working day.
- 20 **Dispute Resolution**
20.1 The Buyer and the Seller shall use reasonable endeavors to resolve any dispute or claim arising in connection with the Contract or these Conditions.
20.2 Where the parties fail to resolve any such dispute within 60 days, the parties shall refer the matter in accordance with the provisions of the Arbitration Act 2010 to a single arbitrator to be appointed in default of agreement by the President for the time being of the Inc. Society of Ireland.
- 21 **General**
21.1 Each right or remedy of the Buyer under the Contract is without prejudice to any other right or remedy of the Buyer whether under the Contract or not.
21.2 If any provision of the Contract is found by any court, tribunal or administrative body of competent jurisdiction to be wholly or partly illegal, invalid, void, voidable, unenforceable or unreasonable it shall, to the extent of such illegality, invalidity, voidness, voidability, unenforceability or unreasonableness, be deemed severable and the remaining provisions of the Contract and the remainder of such provision shall continue in full force and effect.
21.3 Failure or delay by the Buyer in enforcing or partially enforcing any provision of the Contract shall not be construed as a waiver of any of its rights under the Contract.
21.4 Any waiver by the Buyer of any breach of, or any default under, any provision of the Contract by the Seller shall not be deemed a waiver of any subsequent breach or default and shall in no way affect the other terms of the Contract.
21.5 The formation, existence, construction, performance, validity and all aspects of the Contract shall be governed by Irish law and the parties submit to the exclusive jurisdiction of the Irish courts.