

TERMS AND CONDITIONS OF PURCHASE OF JOHN CRANE VENEZUELA C.A.

1. General Agreement: This Purchase Order (hereinafter the "Order" and/or "Contract"), including the terms and conditions listed below, contains the final agreement, complete and exclusive between the Buyer (John Crane Venezuela C.A. and/or the company) and the Seller. No addition, amendment or revision of the terms and conditions contained herein shall be valid unless made in writing and duly signed by an authorized representative of Buyer. Acceptance is limited to the terms of this order.

2. Invoices: Seller shall provide commercial invoices in original and duplicate. Pro-forma invoice and delivery note/packing list for each delivery. The invoices must have the number of the order and show the pending balance. The invoice and delivery note will be issued immediately after delivery of products covered by the purchase order.

3. Packing list: The packing list (or delivery note) must enclose each box or package, indicating the purchase order number and complete description of the content.

4. Shipments/Deliveries: all goods must be properly packaged, identified and shipped according to shipping requirements or instructions defined by the buyer, and there shall be no additional charge to the buyer for loading or unloading unless specifically set in the purchase order. Any excess transportation costs incurred by the failure of the shipping instructions will be charged to the seller. The Seller must identify any package with the purchase order number of the Buyer, and where you have multiple packages for a single shipment, each package must be numbered consecutively. Purchase Order Number and Packing Number, must be displayed on the packing list (or delivery note), shipping manifest and invoices.

5. Delivery: The parties rise to the category of essential deadlines for deliveries of products. The products deliveries will be developed both in quantity and at the right time provided or agreed by the Buyer. The Buyer shall have no liability whatsoever for payment of products delivered to Buyer in excess of the amount requested and specified by the Buyer and the calendar Delivery Program. The Buyer may change deliveries (postpone) or applied directly to a temporary suspension of scheduled deliveries.

6. Prices: If prices are not specified in this order, the Seller Prices may not exceed the amount last quoted or charged to Buyer for similar products, unless otherwise provided in the terms indicated in paragraph 1.

7. Taxes: The products prices will be established on a net basis, is not include taxes of any kind, whether national, state, local, and even IVA. Applicable taxes on each transaction should be identified and accounted for separately in the respective invoice, and must be paid by the Buyer, who may not make a declaration of exemption.

8. Law and Jurisdiction: This Order shall be governed and construed in accordance with Venezuelan law. The parties set their special domicile in the city of Maracaibo, Edo. Zulia, Venezuela and subjected to the jurisdiction of its courts of law. If for any reason, any of the agreements of this Order is considered illegal, invalid, inapplicable or unenforceable, then, in both practical and feasible, other agreements of this Order shall be deemed in full force and effect as if such legal provisions were not contained therein.

9. Guarantee, Inspection and Acceptance of the products: The Seller guarantees:

a) That it is the Only and exclusive owner of all the products covered by this order. b) That all the products covered by this order are tradeable, and are free of defects, liens, prohibition, or seizure. c) That all products and services referred to in this order shall conform to the specifications, drawings/plans, samples or any other description provided, specified and approved by the Buyer. d) That the products covered by this Order are suitable and useful for the purposes specified. The Buyer shall be entitled to inspect the products within a reasonable time of receipt, but the lack of inspection shall not limit or be deemed a waiver of any Rights of the Buyer. e) The payment for the products before the final inspection will not constitute acceptance thereof. In the event that the products and services do not meet the above guarantee, the Buyer shall, within a reasonable time, notify that fact to the Seller. Inside the previous notification, the Buyer shall hold such products at Seller cost. And shall notify the Seller as soon as the form of repair, which may be any of the following: (i) refund the purchase price of the products, plus reimbursement of travel expenses incurred by the Buyer; or (ii) supplied by Seller to Buyer new products and/or services that effectively meet the guarantee offered, all under the Seller exclusively cost.

10. Confidentiality: all technical and commercial information or ideas that the Buyer provides or should provide to Seller, but excluding information in the public domain or in the possession of the seller in tangible form before reaching such information from the Buyer (called "confidential information") is owned by the Buyer and has been supplied in confidence to the Seller for a limited purpose of enabling the Seller to comply with the terms of the purchase order. The Seller must not without the written permission of the Buyer to use or disclose such confidential for any purpose other than to attempt to provide material or products to the Buyer. Such information that is tangible must be returned to the Buyer by the Seller at the time, and in any event no longer required to fulfill the obligations of the Seller to the Buyer. The seller agrees that any benefit or property derived by the vendor of unauthorized use of confidential information is the sole and exclusive property of the buyer.

11. Buyer Property: All materials, including dies, Tools, patterns, gauges, accessories made specifically for Buyer and/or paid by the buyer (hereinafter the "materials"), may be removed by the Buyer at any time upon simple request, without involving an additional cost to Buyer. In turn, these materials may be used only to cover the purchase orders of Buyer, may not be copied, and kept separate from Seller property, and shall be clearly identified as the exclusive property of Buyer. The Seller shall at its own expense, shall maintain all such materials in good condition, and Seller assumes all responsibility for loss or damage, with the exception of normal wear, and it is committed to providing a detailed inventory of such materials, monthly, unless specified otherwise agreed. The costs of changes in the items above mentioned that are requested by the Buyer shall be assumed entirely by the latter.

12. Breach of Seller: Seller shall be responsible for the consequences of breach of its obligations under this order. Buyer expressly reserves all rights provided by law for such violation, and any action by Buyer shall constitute a waiver of such right. The Buyer only has a right to terminate all or part of this Order, and to demand The repayment of advances made in the event that the Seller's failure had led was for a fortuitous event or force mayor force, as failure of Government Action, The Strikes, those unavoidable accidents, delays in transportation, fire, etc., as long as these it has been notified within 10 days of its occurrence, accompanying sufficient evidence of their existence. In the event the Buyer, its own criteria, consider if there are reasonable grounds paragraph Four To Failure: Buyer at the request of the Seller of his obligations hereunder, may be made in writing, that the seller provide sufficient assurance of compliance A WHILE not received such guarantee, Buyer may suspend any Proceedings. If the seller does not offer the guarantee provided in a maximum period of two weeks of written request means that the seller has not complied with this order to all legal effects.

13. Breach of Buyer: in case that the Buyer does not fulfill with any dispositions of the present contract, the Claim by Seller must be made within one year from the date of such non-compliance.

14. Notice of Delay: If at any time Seller considers that there are reasons, whatever the cause, to believe that a delivery is not made within the agreed time, shall notify the Buyer in writing immediately, indicating the estimate of the anticipated delay, and the Buyer shall be entitled invalidate all or part of the terms for delivery of the Order, without prejudice to any other rights contained by law.

15. Changes: While the Purchase Order is in effect, the Buyer reserves the right to make changes in quantities, drawings, specifications, shipping method, or the packaging. If these changes cause an increase or decrease in cost of Seller, this shall promptly notify the Buyer in order to achieve in agreement on the requested changes. In any case, The Seller shall not make changes of any kind without prior written consent of Buyer.

16. Patents: The Seller guarantees that the products related to this Order, and the sale or use thereof, shall not infringe any trademark, patent, licensing, design or trade secrets or intellectual property registered by third parties, and the Seller agrees to assume the cost involving defend, protect and support the Buyer, its successors, assigns, customers and users of their products, against any claim alleging that the products violate trademarks, patents, licenses, designs or trade secrets or intellectual property registered by third parties, taking care of expenses from fees, surveys, compensation, and any other amount for any other concept condemn payable to Buyer, unless the products have been ordered according to Buyer specifications, drawings, or patents, which case this clause does not apply.

17. Waiver of Claim: If the Buyer is demanded for non compliance of guarantee, or for any other obligation for which Seller may have some responsibility, Buyer may give written notice of the notification to Seller.

18. Advertising Guarantee: The Seller shall not, except with the prior written consent of Buyer advertise or publicize in any manner, the quality of customer company products covered by this order. The non compliance of this provision shall entitle the Buyer to immediately terminate this purchase order, without any obligation to accept deliveries after the date of such termination, or make other payments except for products delivered prior to such termination.

19. Early cancellation: The Buyer shall have the right to terminate early all or part of this agreement at any time and without cause, by written notice to Seller. In this case, The Seller shall be entitled to reimbursement from the Buyer direct costs incurred by Seller in connection with the termination of an order already in progress. In no event the Buyer shall reimburse the Seller for costs incurred related with products or services were scheduled for delivery for sixty (60) days from the date the Buyer put term, nor shall indemnify the Seller by way of damages. No Claim for reimbursement will be allowed unless the Buyer has submitted the notice of early termination in writing within sixty (60) days from the date of purchase. This clause does not apply where the termination provisions of government contracts are applicable.

20. Loss Risk: The risk of loss of any products, including losses during transport, will be supported by the Seller until the products have been received in compliance by the Buyer.

21. Compliance with laws (applicable Only to Seller based in USA): The Seller guarantees and certifies that performance of this contract will comply with all applicable laws, rules, regulations and orders of the United States and its political subdivisions, including laws and regulations on labor, salaries, hours, and other employment conditions, and that products supplied shall be produced in accordance with all applicable requirements of the Law of Fair labor Standards. Each invoice of the Seller must contain a certificate that the products covered by the invoice were produced in satisfaction with all applicable requirements of Federal Labor Law, and all regulations and orders issued within the same. (Fair Labor Standards Act, and all regulations and orders).

22. Employment Equity (Only applicable to Seller based in USA): The Seller shall not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, disability, disabled veterans, or veteran of Vietnam. The Seller represented by the acceptance of this purchase order, to comply with the provisions of Section 202 of Executive Order # 11246, and the rules and regulations adopted in accordance with Section 201 and the provisions of Section 503 Disabled and 402 Veterans of regulation incorporated by reference, as amended.

23. Foreign Seller: If the Seller were settled abroad, and if legally appropriate, the Buyer shall retain the tax on foreign earnings of beneficiaries, and / or equivalent and associated taxes, that were in force when making the respective payments, or if the laws so provide. If there are double taxation agreements between countries or reduction of tax burdens, and were applicable, Buyer will cooperate as much as legally appropriate to facilitate the process to be performed by the Seller to qualify for them, delivering all the receipts for deposits made to tax Collection and certificate as may be required. In all cases the Management and procurement of these types of benefits will be only responsibility and risk of the Seller.

24. Supplier Code: The company is committed to conducting Business ethically and legally. For this purpose, the company through its parent company, Smiths Group plc, maintains a Code of Corporate Responsibility and Ethics System to report unethical behavior or illegal. The company also hopes that the Seller in the negotiation is conducted ethically and legally. If the Seller has reason to believe that the Company or any employee or agent of the company has behaved in a dishonest or illegal under or in relation with this agreement, the Seller may report such behavior to the Company or Smiths Group plc following the procedures established by the Code of Corporate Responsibility and Business Code, and are available at the following website of the company: www.smiths-group.com.