

**PALL FILTER (BEIJING) CO., LTD
PURCHASE ORDER TERMS AND CONDITIONS**

[BETWEEN PALL BEIJING AND SUPPLIER LOCATED OUTSIDE PRC]

1. ACKNOWLEDGEMENT AND ACCEPTANCE

- 1.1 Supplier shall acknowledge receipt of Pall Filter (Beijing) Co., Ltd's ("**Pall Beijing**") purchase order (the "**Purchase Order**") without delay.
- 1.2 Acceptance of the Purchase Order (whether made by written or oral acknowledgment or shipment of the goods or performance (whether in whole or in part) of the services subject to and specified in the Purchase Order constitutes acceptance by supplier of these terms and conditions. Such goods, services and parts are collectively referred to as the "**Goods**". Before acceptance of a Pall Beijing's Purchaser Order, Supplier shall carefully review the Purchase Order and these Purchase Order Terms and Conditions (the "**Terms and Conditions of Purchase**"). Although these Terms and Conditions of Purchase are prepared by Pall Beijing in advance for repeated use with all suppliers, any supplier has the right to negotiate these Terms and Conditions of Purchase with Pall Beijing. Acceptance of the Purchase Order constitutes acceptance by Supplier of these Terms and Conditions after it carefully reviews it and it is agreed that these Terms and Conditions shall govern relations between Pall Beijing and the Supplier to the exclusion of any other terms even if contained in any documents, which purport to provide that Supplier's own terms shall prevail. Any delivery made or service started by Supplier pursuant to the Purchase Orders shall constitute acceptance of the Purchase Order. No conduct by Pall Beijing shall be deemed to constitute acceptance of any of Supplier's terms and conditions. Supplier clearly understands and acknowledges that it has no right to claim any of the Purchase Orders and these Terms and Conditions of Purchase invalid in whole or in part with the cause of violation of the principle of fairness under the General Principles of Civil Law of China and the Contract Law of China after it accepts the Purchase Order, or makes delivery or starts services pursuant to the Purchase Orders.
- 1.3 Pall Beijing's purchase from Supplier is subject to the terms of the Purchase Order, these Terms and Conditions of Purchase, the Specifications (as defined in Clause 2.1 below) and any other written agreement signed by Pall Beijing and Supplier in connection with the Purchase Order. No conduct by Pall Beijing shall be deemed to constitute acceptance of any other terms or conditions including the Supplier's terms and conditions and Pall Beijing expressly object to and exclude any additional or different terms in any quotation, acknowledgment or other document of Supplier.

2. WARRANTIES & REPRESENTATIONS

- 2.1 Supplier acknowledges that Pall Beijing is at all times relying on Supplier's knowledge and skill. To that extent, Supplier represents and warrants to Pall Beijing that the quantity, quality and description of the Goods (including without limitation all components, raw materials and related work) shall, subject as provided in these Terms and Conditions of Purchase, be as specified in the Purchase Order and/or in any applicable specification supplied by Pall Beijing to Supplier or agreed in writing (the "**Specification**").
- 2.2 The Supplier shall ensure that:
- (a) the Goods shall comply with and be performed in accordance with all relevant laws, regulations and industry standards, including as to environmental matters and good engineering practices, and when services are performed at Pall Beijing's site, Pall Beijing's health and safety regulations;
 - (b) the Goods supplied shall be new and shall not have been used previously and shall be free from defects in design, material and workmanship, and must be of merchantable quality, and fit for any purpose as specified in the Purchase Order or by implication made known to Supplier at the time the Purchase Order is placed (the "**Purpose**");
 - (c) it shall convey to Pall Beijing good title (free and clear from all encumbrances, claims and other defects in title) to all Goods delivered to Pall Beijing or to which Pall Beijing is entitled to;
 - (d) the Goods, the process of their manufacture and the use of the Goods for the Purpose and any purpose for which they are customarily intended under this sale will not infringe any patent claims or other intellectual property rights of a third party;
 - (e) all documents, including invoices, and all information submitted by it in support of any costs shall constitute a true, accurate and complete description of the Goods, activities and transactions to which they pertain;
 - (f) all samples provided to Pall Beijing by Supplier shall be free from defects in design, material and workmanship, and no Goods delivered hereunder shall be of a lesser quality or standard than the corresponding samples or previous supplies received by Pall Beijing from Supplier without Pall Beijing's prior written approval; and

(g) all work and services performed in connection with or related to the Purchase Order and/or the Goods shall be performed by appropriately qualified and trained personnel, with due care, skill and diligence and to such high standard of quality as is reasonable and all equipment and tools provided will at all times be maintained in first class condition by Supplier. Pall Beijing reserves the right to require the replacement of any personnel, tools or equipment that do not comply with the foregoing provisions at Supplier's cost.

2.3 Where Supplier has the benefit of warranties in relation to components comprised in the Goods, the benefit of such warranties shall be assignable and hereby assigned to Pall Beijing. Pall Beijing may assign warranties provided by Supplier to Pall Beijing's customers and the Supplier shall do all things required by Pall Beijing to enable such assignment to be effected.

2.4 Supplier will guarantee that the warranty period will be honoured in the event that the Supplier is acquired by a third party.

2.5 These representations, undertakings and warranties set out in this Clause 2 shall survive acceptance of the Goods provided hereunder or termination of the Purchase Order and are in addition to any rights of Pall Beijing under any applicable law (including statute) and undertakings of additional scope given to Pall Beijing by Supplier. No implied undertakings or warranties are excluded.

3. PRICES

3.1 The purchase price set out in the Purchase Order ("**Purchase Price**") is inclusive of VAT and all packaging, delivery charges and other costs, except as specifically excepted on Pall Beijing's Purchase Order. The Purchase Price shall remain fixed until the delivery and acceptance of all Goods and required documentation and the completion of performance of all related work hereunder in accordance with these Terms and Conditions of Purchase, notwithstanding that Pall Beijing may extend the date for delivery of the Goods or temporarily suspend performance of the obligations under the Purchase Order.

3.2 Payment shall not be deemed to constitute acceptance by Pall Beijing of any defective Goods.

4. PAYMENT

4.1 Unless otherwise stated in the Purchase Order, Pall Beijing shall pay that amount of the Purchase Price of the Goods properly due to the Supplier, less any amount Pall Beijing is entitled to withhold, within sixty (60) days after the date of receipt by Pall Beijing of a proper invoice for them (respectively).

4.2 No invoice will be accepted for payment and Pall Beijing shall have no obligations to pay it, unless it refers to the Purchase Order number, is appropriately addressed and provides sufficient detail with respect to the Goods invoiced.

4.3 In the event that payment is made before delivery for any or all of the Goods, Supplier grants to Pall Beijing, and Pall Beijing shall have, a security interest in the Goods, components and/or raw materials used in or purchased or designated for the manufacture of the Goods or purchased using money paid by Pall Beijing to Supplier (or on Supplier's behalf), which security interest shall attach to the Goods, components and such raw materials immediately upon such payment. Supplier agrees to execute and file (or, at Pall Beijing's discretion, permit Pall Beijing or its agents to file), or to take such other reasonable actions as Pall Beijing deems necessary, in order to evidence such security interest, at Supplier's cost.

4.4 In the event that the Supplier becomes insolvent or bankrupt during the period of supply, Pall Beijing will have an unlimited right to claim access to the Goods in progress where Pall Beijing has made payment prior to delivery.

4.5 Pall Beijing may set off from any amount due to the Supplier under these terms and conditions or Purchase Order, any amount claimed to be due to Pall Beijing from the Supplier, whether under the Purchase Order, or otherwise.

5. SECURITY FOR PERFORMANCE, DEPOSITS AND STAGE PAYMENTS

5.1 If required, Supplier shall provide Pall Beijing an on demand parent company guarantee, or an on demand bond or guarantee from a bank, for the due performance of the Purchase Order. The guarantee or bond must have an expiry date and be otherwise in a form satisfactory to Pall Beijing.

5.2 If Pall Beijing has reasonable grounds to believe that Pall Beijing's payment(s) are or are likely to be at risk, Pall Beijing may request a full refund of any amounts paid by Pall Beijing to Supplier. If a full refund is not received within seven days of Pall Beijing's request, Pall Beijing may call on the guarantee or bond to cover Pall Beijing's payment(s).

6. RISK AND PROPERTY

- 6.1 Without limiting any rights of Pall Beijing with respect to damaged, defective or non-complying Goods, including under Clause 7.5, risk of damage to or loss of the Goods shall pass to Pall Beijing when the Goods have been delivered and unloaded at Pall Beijing's designated shipment point and delivery acknowledged by Pall Beijing.

7. DELIVERY AND IDENTIFICATION OF GOODS

- 7.1 Goods shall not be despatched prior to receipt by Supplier of Pall Beijing's written Purchase Order. If the Supplier procures raw materials, components or engages in hire labour prior to the receipt of the Purchase Order, the Supplier proceeds at its own risk.
- 7.2 The delivery of the Goods (and all work associated with the Goods) shall be completed by the date(s) specified in the Purchase Order or as otherwise agreed by Pall Beijing in a written document signed by Pall Beijing (or an exchange of emails between Pall Beijing and the Supplier).
- 7.3 Time shall be of the essence in the performance of Supplier's obligations under the Terms and Conditions of Purchase. The Supplier agrees that as soon as it becomes evident, the Supplier will immediately provide written notice to Pall Beijing of any material delays in its inability to meet the delivery date. If Supplier fails to commence work on the Goods on receipt of the Purchase Order, or it appears to Pall Beijing that Supplier is not proceeding diligently with performance, or that it may not be able to complete the delivery of the Goods by the required date, or Supplier fails to do so, Pall Beijing may terminate the Purchase Order or any part thereof in accordance with the termination provisions of these Terms and Conditions of Purchase.
- 7.4 Without prejudice to any other right or remedy, if the Goods are not delivered on the required due date(s), or without certificates, identification or documentation in full compliance with Pall Beijing's requirements, Pall Beijing shall be entitled to recover from Supplier, by way of liquidated damages and not as a penalty (either directly or by deduction from any monies due or which become due to Supplier) a sum equivalent to 1% of the Price for each week's delay up to a maximum of 10% of the Purchase Price (or such other amount as may be specified in the Purchase Order). Pall Beijing may, in its absolute sole discretion and under no obligation to do so, extend the delivery due date(s) by notice in writing given to Supplier.
- 7.5 Delivery shall not be deemed complete until all Goods and all other related deliverables (including manuals and all other documentation) and services have actually been received and accepted by Pall Beijing, notwithstanding any prior payment or agreement by Pall Beijing to pay transportation charges.
- 7.6 Goods delivered in excess of the amount specified in the Purchase Order or incorrectly delivered against the Purchase Order may be refused and returned at Supplier's expense. Pall Beijing shall have no obligations to pay for any Goods (including any services) performed in excess of that called for or required by the Purchase Order.
- 7.7 Unless otherwise specified in the Purchase Order, delivery terms shall be Ex-Works (EXW Incoterms 2000). Supplier shall notify Pall Beijing once all obligations set out in the Purchase order are complete and Goods available for collection.
- 7.8 All equipment, fittings, accessories and documentation which may not have been specifically stated in these terms and conditions, the Purchase Order or the Specification, but which are necessary for the efficient working of the Goods to be supplied shall be deemed to have been included in the Purchase Price. All such items shall be completed and delivered to Pall Beijing with the Goods, whether such details are mentioned in the Purchase Order, terms and conditions or Specification or not.
- 7.9 Each package or case shall be clearly marked with Supplier's name and the Purchase Order number and reference (if any), delivery address, Supplier's address, packing list of case content and any other details required by Pall Beijing.
- 7.10 Supplier shall be responsible for proper packaging, loading and tie-down of Goods to be delivered to prevent damage during transportation. No charge will be allowed for packing, crating, loading, or storage without Pall Beijing's written authorisation prior to the charge being incurred.
- 7.11 All Goods shall be suitably packed with regard to the nature of the Goods, to withstand normal freight handling and to withstand extended periods of storage. If the Goods or any parts thereof are damaged due to faulty or inadequate packing, the damaged Goods or part thereof shall be repaired or replaced at Supplier's expense whether or not delivery has been accepted. The risk of loss or damage in transit shall always remain with the Supplier.

8. INSPECTION

8.1 Pall Beijing may, at reasonable times, upon reasonable notice, perform such inspections and/or audit of Supplier's facilities, as Pall Beijing deems necessary to satisfy itself that the work on the Goods and/or the performance of the services meets the requirements of the Purchase Order and of Supplier's compliance with applicable laws and regulations and these Terms and Conditions of Purchase.

9. DEFECTIVE GOODS OR SERVICES

9.1 If any Goods are defective or fail to meet the requirements of the Purchase Order or the warranties set out in these Terms and Conditions of Purchase during the Warranty Period (as defined below), Pall Beijing reserves the right, at its sole discretion, to either:

- (a) require Supplier to remedy, at Supplier's own expense, any defects that may arise in the Goods and any related work; or
- (b) return the Goods for repair or replacement or require replacement services within a period of time specified by Pall Beijing at Supplier's cost; or
- (c) carry out any necessary rectification and then charge Supplier's account for such work; or
- (d) require the Supplier to refund the Purchase Price in full within 30 days of Pall Beijing's notice and terminate the Purchase Order. Pall Beijing will not be liable to Supplier for any consequential losses or damages as a result of termination under this Clause 9.1(d).

9.2 "**Warranty Period**" shall mean the longer of: (i) 18 months after the date the Goods are received by Pall Beijing; or (ii) 12 months after the date that the Goods have been put into service for their specified use; provided, however, that in the event a defect or non-conformity to the applicable specifications arises within such period but does not become apparent until such period has expired, the term Warranty Period shall mean the period commencing on the date such defect or non-conformity became apparent and ending 12 months thereafter. The Warranty Period in respect of any repaired, replaced or corrected Goods shall recommence for a further period of 12 months from the date of completion of the repair, replacement or correction of the defect or damage.

9.3 Pall Beijing's rights under Clause 9.1 are, where permitted, in addition to any other right or remedy available under statute or at law including with respect to any claim for damages for any defective, non-complying Goods (including services) which Pall Beijing becomes aware of, notwithstanding the expiration of the Warranty Period.

10. STATUTORY AND SAFETY OBLIGATIONS

10.1 Supplier shall comply with all relevant statutes, laws, regulations, and by-laws affecting making or delivery of the Goods under the Purchase Order.

10.2 Supplier shall provide Pall Beijing with all information as is necessary to assist Pall Beijing in using, handling, storing and distributing the Goods in compliance with all applicable laws and regulations, including but not limited to a completed Material Safety Data Sheet in a form which meets or exceeds the requirements of the Workplace Safety Use Chemicals Regulations. Supplier agrees to hold Pall Beijing harmless from and against all liabilities, claims, fines and penalties that may arise out of the transportation, delivery, use, handling, storing and/or distribution of the Goods resulting from any such information that does not meet the foregoing requirements.

10.3 Without limiting the generality of Clause 10.2, Supplier shall provide Pall Beijing in writing, with such information relating to any materials supplied and /or used by Supplier in connection with the Goods and the Purchase Order and its design, testing, condition and use as is necessary to ensure it will be safe and without risk to health when properly handled, stored, transported and used. Supplier shall supply at Supplier's own expense, certificates of analysis, tests, and certificates of origin as are required by the Purchase Order in connection with the goods or services, or otherwise required by law or by Pall Beijing. Such information shall be delivered no later than the Goods to which it relates and shall be addressed for the attention of the Purchasing Department. Invoices will not be processed for payment unless such information is supplied as requested.

11. INDEMNITY & INSURANCE

11.1 Supplier shall indemnify Pall Beijing (and its successors and assigns) in respect of all loss, damage, liability or injury whatsoever involving any person or property (including third parties and property) and against any action, claim, demand, damages, cost, charge or expenses (including reasonable legal fees, internal processing costs, rework and remanufacturing costs) arising out of or in connection with the Purchase Order, to the extent that the same shall have been caused or contributed to by any breach by Supplier of Supplier's obligations under these Terms and Conditions of Purchase or by the negligence or wilful misconduct of Supplier, or its directors, employees or agents, including (without limitation) Supplier's obligations under clause 19 (Anti-Bribery Certification). Such indemnity shall be in addition to any other remedies afforded by law, contract or equity and shall survive termination of the Purchase Order.

- 11.2 Supplier shall also hold Pall Beijing indemnified from and against all actions, claims, demands, damages, costs, charges and expenses suffered or incurred by Pall Beijing in respect of any patents or other intellectual property rights of a third party, which may be infringed (or claim to be infringed) by the Goods, or services supplied under the Purchase Order (except infringement resulting from adherence to Specifications provided by Pall Beijing to Supplier). Supplier shall pay all damages, costs, charges, expenses and legal fees incurred by Pall Beijing (including without limitation those awarded against Pall Beijing in any such suit or proceedings) and, at Pall Beijing's discretion, either (i) at Supplier's expense, obtain through negotiation the right for Pall Beijing to purchase and/or use the Goods, or (ii) rework the Goods so as to make them non-infringing while preserving their original functionality, or (iii) replace the Goods with functionally equivalent non-infringing Goods; or (iv) refund Pall Beijing the amounts hereunder.
- 11.3 Supplier shall maintain insurance cover, at Supplier's expense, acceptable to Pall Beijing in respect of:
- (a) such liabilities as are envisaged in Clause 11.1;
 - (b) liability at law or statute for any person employed by the Supplier in or about the performance of the Supplier's obligations hereunder, including for workers compensation, work cover or similar liabilities of Supplier (who shall be liable to its employees for such matters even if they undertake performance of services or delivery of Goods on or about Pall Beijing's property or premises); and
 - (c) any liability it may have to Pall Beijing arising out of the transportation and delivery of the Goods.
- 11.4 In the event the Supplier has design obligations, Supplier agrees to obtain and maintain all requisite insurances, from a registered insurance company, deemed appropriate given the nature of the services to be provided by the Supplier, and which are typically held by other suppliers providing similar services. If such insurances are mandatory under existing legislation or become mandatory due to any legislation enacted after the date of the Purchase Order, the Supplier agrees to immediately obtain the required insurances during the course of providing the services to Pall Beijing. It is understood by the Supplier that obtaining and maintaining of such insurances is the Supplier's sole responsibility, and shall be maintained for the duration of the Supplier's performance of its obligations and thereafter for a period of 6 years.
- 11.5 Supplier agrees to provide Pall Beijing on request valid certificates of insurance in respect of such insurances required to be effected by the Supplier pursuant to this Clause 11.
- 12. DISPUTES AND TERMINATION**
- 12.1 In the event of any default by Supplier in the performance of any obligations, including without limitation the making of delivery of Goods or failing to carry out Pall Beijing's reasonable instructions, Pall Beijing may, where such default is capable of remedy give Supplier written notice to rectify such default in a specified time. If Supplier fails to comply with the requirements of the notice, or in Pall Beijing's sole opinion Supplier's default is incapable of remedy to Pall Beijing's satisfaction, Pall Beijing shall be entitled to terminate the Purchase Order in whole or in part, immediately serving notice in writing to Supplier to such effect, without prejudice to any other rights under the Purchase Order or otherwise, and shall have the right to retain any Goods previously supplied or the benefit of services supplied (as applicable) under the Purchase Order.
- 12.2 Without limiting any of Pall Beijing's rights under law, Pall Beijing shall be entitled to terminate its Purchase Order, with immediate effect, if:
- (a) Supplier makes any voluntary arrangement with its creditors or (being an individual or firm) Supplier becomes bankrupt or (being a company) becomes subject to an administration order or enters into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
 - (b) an encumbrancer takes possession; or a receiver or receiver and manager or administrator, or official manager is appointed, of any of Supplier's property or assets; or
 - (c) Supplier ceases, or threatens to cease, to carry on business; or
 - (d) Pall Beijing reasonably apprehends that any of the events mentioned above is about to occur and notifies Supplier accordingly; or
 - (e) Supplier repudiates the Purchase Order;
 - (f) Supplier is in default of this Purchase Order and such default is, in the opinion of Pall Beijing, incapable of remedy; or
 - (g) Pall Beijing concludes (in its sole discretion) that Supplier has failed to meet its obligations under clause 19 (Anti-Bribery Certification).
- 12.3 Pall Beijing's rights and remedies are in addition to and without prejudice to other rights and remedies under the Purchase Order including Pall Beijing's right to allow Supplier to continue with and recover from Supplier the loss or damage suffered by Pall Beijing in respect of Supplier's defective or delayed performance.

- 12.4 Pall Beijing shall be entitled, at any time, to terminate the Purchase Order in whole or in part for its sole convenience, by serving notice on Supplier. Supplier shall cease all performance except to the extent provided in the notice of termination. In such event, Pall Beijing shall make payment to Supplier (as full and final settlement of all claims which Supplier may have against Pall Beijing as a result of termination) for all work satisfactorily performed up to the date of termination. This shall include the repurchase by Pall Beijing at cost of all materials, which have been irrevocably purchased by Supplier for incorporation in the Goods, except to the extent that such materials are:
- (a) damaged or not in their original packaging, or
 - (b) capable of being used by Supplier for other customers, or
 - (c) able to be returned by the Supplier to their seller or re-sold to a third party.

In no event will Pall Beijing be required to reimburse Supplier for indirect, consequential, incidental or special damages, including prospective profit or overheads arising out of or in connection with termination of the Purchase Order.

- 12.5 Supplier acknowledges its obligation to take all reasonable steps to mitigate liabilities arising from such termination.
- 12.6 Termination shall not relieve either party of liability with respect to any prior breach or with respect to rights and obligations based upon any matter which occurred prior to termination.
- 12.7 If the Supplier has a claim or dispute against Pall Beijing in connection with the Purchase Order (other than a variation to be dealt with under Clause 16), the Supplier must give written notice thereof to Pall Beijing, setting out particulars of the claim or dispute. Thereafter representatives of the Supplier and Pall Beijing must meet in an attempt to resolve the dispute.

13. TOOLS AND MATERIALS

- 13.1 All special dies, tooling, moulds, patterns, jigs, fixtures, and any other property which Pall Beijing furnishes to Supplier or specifically pays for, for use in the performance of this Purchase Order (the “**Equipment**”), shall be and remain Pall Beijing’s property, and shall be
- (a) kept separate and marked to reflect it is the property of Pall Beijing;
 - (b) subject to removal upon Pall Beijing’s instruction;
 - (c) shall be for Pall Beijing’s exclusive use;
 - (d) held at Supplier’s risk; and
 - (e) kept insured by Supplier at Supplier’s expense while in Supplier’s custody or control in an amount equal to the replacement cost, with loss payable by Supplier.

Supplier shall indemnify Pall Beijing against all actions, claims, demands, damage, liabilities, costs, charges or expenses suffered or incurred by Pall Beijing arising from a claim by Supplier’s employees, agents or consultants for bodily injury or death in connection with the operation of such Equipment while in Supplier’s care, custody and control.

- 13.2 Where Pall Beijing provides free issue material for incorporation into the work, Supplier shall use such materials economically, and any surplus shall be accounted for to Pall Beijing and disposed of in accordance with Pall Beijing’s instructions. Waste, loss or damage to such materials arising from poor workmanship or Supplier’s failure to maintain such materials in good order or condition shall be made good at Supplier’s expense, replacements being of equivalent quality and Specification and subject to Pall Beijing’s approval.

14. INTELLECTUAL PROPERTY RIGHTS

- 14.1 Any Specification supplied by Pall Beijing to Supplier, or specifically produced by Supplier for Pall Beijing, in connection with the Purchase Order, together with the copyright, design rights or any other intellectual property rights in the Specification or anything made, delivered or performed by Supplier in which intellectual property rights may subsist, shall be Pall Beijing’s exclusive property. Supplier shall not disclose to any third party any such Specification or other proprietary information except to the extent:
- (a) that it is or becomes public knowledge through no fault of Supplier,
 - (b) as required by law, provided that Supplier gives Pall Beijing immediate notice of such legal requirement and cooperate with Pall Beijing’s attempts to acquire an injunctive or protective order, or
 - (c) for the purpose of fulfilling the Purchase Order provided that the third party is under an obligation of confidentiality no less stringent than stated herein.

Supplier shall not use any Specification or proprietary information except to the extent that it is required for the purpose of fulfilling the Purchase Order.

- 14.2 Where Pall Beijing commissions Supplier to produce a design in accordance with the Purchase Order, the design supplied by Supplier shall be capable of being implemented to achieve the purpose(s) specified in the Purchase Order. Copyright, design rights or any other intellectual property rights in the design shall be Pall Beijing’s exclusive property.

14.3 All copyright or other intellectual property rights in the work produced by Supplier (other than design rights under Clause 14.2) shall be assigned to Pall Beijing and Supplier undertakes to execute all documents and take all steps necessary to secure to Pall Beijing all rights assigned by this clause. Moral rights must vest in accordance with Clause 14.2.

14.4 Supplier warrants that the Supplier's performance under the Purchase Order will not infringe the rights of any third party and will not have been previously assigned, licensed or otherwise encumbered.

15. CONFIDENTIAL INFORMATION

15.1 If Pall Beijing discloses or grants Supplier access to any research, development, technical, financial, or other commercial information or "know-how" of a confidential nature, including but not limited to Pall Beijing's products, technology, equipment, manufacturing processes, inventions, patent applications, designs, design applications, computer hardware and software or any other technical or commercial information which is personal to Pall Beijing and is not common knowledge among competitors to whom it may be useful and which may give Pall Beijing an advantage over its existing and prospective competitors, whether reduced to writing or not, Supplier will not use or disclose any such information to any other person or company at any time, without Pall Beijing's prior written consent, and at Pall Beijing's request, Supplier shall execute Pall Beijing's standard Confidentiality Agreement unless otherwise agreed in writing.

15.2 All of Pall Beijing's designs, drawings, memoranda and data provided by Pall Beijing shall at all times remain Pall Beijing's property and shall be returned to Pall Beijing on request. Unless otherwise agreed in writing, Supplier shall not be entitled to use such information to develop or apply for any intellectual property rights, whether rights to patents, designs, trade secrets, copyrights, databases, know-how or otherwise, registered or unregistered, including applications or forms of protection equivalent or similar in effect to any of such rights anywhere in the world.

16. VARIATIONS

16.1 Pall Beijing may by written notice or change order make any changes to the Purchase Order, including changes to the quantities originally ordered, the Specifications, drawings or delivery dates. Supplier shall perform all variations to the work required by Pall Beijing without delay. Supplier shall promptly advise Pall Beijing in writing of the reasonable effect of the change on price and delivery and an equitable adjustment shall be made, to the extent deemed necessary by Pall Beijing. Any claim for adjustment must be asserted and written notice thereof provided by Supplier to Pall Beijing within 30 days from the date the variation is ordered. Unless Pall Beijing disputes the notice (which Pall Beijing may do so at any time), Pall Beijing will accept the effect on price and delivery (without affecting the rest of these Terms and Conditions of Purchase). If Pall Beijing does dispute the effect, and if the parties cannot resolve the dispute by agreement between the contract managers for each party, the parties must meet and agree the effect and if they cannot agree, then it is to be determined by an independent engineering expert acting as an expert and not as an arbitrator appointed by Pall Beijing whose costs are borne by Pall Beijing and Supplier equally. The rules of the expert determination process shall be the China International Economic and Trade Arbitration Commission rules. The independent engineering expert's decision, after receipt of submissions by the parties, will be binding on the parties.

16.2 No variation or qualification of the Purchase Order, these Terms and Conditions of Purchase or the Specifications shall be valid unless agreed by Pall Beijing in writing. Any action on Pall Beijing's part in variance with these Terms and Conditions of Purchase shall not be a waiver of them and Pall Beijing shall continue to be entitled to rely upon all these Terms and Conditions of Purchase. Pall Beijing shall be entitled to rely on any statement, warranty, or representation made by any of Supplier's employees or agents.

16.3 Supplier shall carry out variations which are required, and which have arisen as a result of an act or omission or default of Supplier, at Supplier's own cost.

17. FORCE MAJEURE

17.1 Neither Pall Beijing or Supplier (each a "**Party**") shall be liable for delays or defaults caused by unavoidable or inevitable event which could not have been prevented by prudence, diligence or care by such party, such as acts of God, acts of government, fires, floods, natural disasters, wars, riots or acts of civil or military authorities, provided that the party affected by such event (i) promptly notifies the other in writing of the event and how long it anticipates the circumstances to continue and (ii) takes all reasonable steps to avoid further delay and to proceed with the due performance of its obligations under the Purchase Order.

17.2 Notwithstanding the foregoing, Pall Beijing shall have the right to terminate this Purchase Order if the delivery of Goods is delayed more than 60 days due to such force majeure, without additional liability to either party.

18. SUB-CONTRACTING

18.1 The Purchase Order is placed subject to the work being carried out by Supplier and no assignment, sub-contracting or transfer is permissible without specific prior arrangement with Pall Beijing in writing. No assignment or subcontract (even with Pall Beijing's consent) shall relieve Supplier of any obligations under the Purchase Order. Any purpose assignment, transfer or subcontract without such written consent shall be void and ineffective.

19. ANTI-BRIBERY CERTIFICATION

19.1 Supplier certifies that (i) it shall comply with all applicable anti-corruption and anti-bribery laws and regulations, including without limitation, the UK Bribery Act, U.S Foreign Corrupt Practices Act and any local anti-bribery legislation, and (ii) all information provided by Supplier to Pall Beijing during Pall Beijing's pre-contractual due diligence process (including any due diligence documentation, if any) is complete, truthful and accurate.

19.2 The Supplier has not and will not (either directly or indirectly) offer to pay, or authorise such offer or payment, of any money or anything of value to improperly or corruptly influence any government official or any other person or third party in order to gain an improper business advantage and has not accepted, and will not accept in the future, such a payment.

20. CLAIMS

20.1 All losses, damages, liabilities, claims, demands, costs, charges or expenses for which Supplier is liable to Pall Beijing may be deducted from any monies due or becoming due to Supplier, or may be recovered from Supplier by action at law or otherwise.

21. WAIVER

21.1 No waiver or forbearance by Pall Beijing of any of its rights under the Purchase Order or any other Agreement with Supplier shall preclude Pall Beijing from enforcing any of its legal rights whatsoever.

21.2 If anything in these terms or conditions or Purchase Order is unenforceable, illegal or void, then it is severed and the rest of the terms and conditions or Purchase Order remains in force.

21.3 No rule of construction shall apply to the disadvantage of any party on the basis that the terms and conditions or Purchase Order was drafted by that party.

22. GOVERNING LAW

22.1 The construction, validity and performance of the Purchase Order and these Terms and Conditions shall be governed by Chinese law and Supplier agrees to submit to the jurisdiction of a competent Chinese court.

23. ENTIRETY

23.1 The Purchase Order, these Terms and Conditions of Purchase, the Specification and confidentiality agreement (the "**Purchase Order Documentation**"), if applicable, constitute the entire agreement between Pall Beijing and Supplier and supersede all prior understandings and agreements written or oral. Should any error, omission, deficiency, ambiguity, or contradiction occur within the various parts of the Purchase Order Documentation or between the Purchase Order Documentation and any applicable code, law or statutory regulations, Supplier shall immediately and in writing, bring the same to Pall Beijing's attention, and shall not proceed or continue with those obligations affected until written clarification by Pall Beijing has been received. Any and all additional costs incurred by either party as a result of Supplier failing to notify Pall Beijing shall solely be to Supplier's account.