

CONDITIONS OF PURCHASE FOR POLAND

ACKNOWLEDGEMENT AND ACCEPTANCE

- 1.1 You shall acknowledge receipt of our Order and any variation without delay.
- 1.2 Acceptance of our Order (whether made by written or oral acknowledgement or shipment of the goods or performance of the services subject to and specified in our Order, or any part thereof) constitutes acceptance by you of these conditions of purchase and it is agreed that these conditions of purchase shall govern relations between us to the exclusion of any other terms even if contained in any documents, which purport to provide that your own terms shall prevail. Any delivery made or work started by you pursuant to our Orders shall constitute acceptance of our Order. No conduct by us shall be deemed to constitute acceptance of any of your terms and conditions.
- 1.3 You acknowledge that except as specifically provided within the Order, the rates and prices therein are sufficient to cover your obligations, whether expressed or implied under the Order. When the work or any part of it is to be performed anywhere other than your premises, you shall be deemed to have satisfied yourself as to all local conditions and other factors as may affect the performance of the work.

SPECIFICATIONS

- 2.1 We are at all times relying on your knowledge and skill. To that extent, you warrant that the quantity, quality and description of the goods and the services shall, subject as provided in these conditions of purchase, be as specified in our Order and/or in any applicable Specification supplied by us to you or agreed in writing by us. The goods and services shall comply with all relevant legislation and any applicable Polish or European standards.
- 2.2 The goods supplied shall be new and shall not have been used previously.
- 2.3 You shall clearly list any exceptions or deviations to requirements to the Specification and all other documents and standards and each deviation shall be serially numbered. The deviations must be supported by strong justification. In the absence of a separate exceptions list, the documents shall be considered accepted by you with no deviations and we can be confident that you comply with such documents in full.
- 2.4 Any Specification supplied by us to you, specifically produced by you for us, in connection with our Order, together with the copyright, design rights or any other intellectual property rights in the Specification, shall be our exclusive property. You shall not disclose to any third party or use any such Specification except to the extent that it is or becomes public knowledge through no fault of yours, or as required for the purpose of our Order.
- 2.5 These warranties shall survive acceptance of these items and are in addition to any warranties of additional scope given to us by you. No implied warranties are excluded.

DOCUMENTS

- 3.1 All documentation provided by you (unless expressly agreed to the contrary) in connection with this Order shall be in the Polish and English language.

PRICES

- 4.1 Prices exclusive of VAT but inclusive of all packaging as stated on our Order shall remain fixed until the delivery and acceptance of all goods and completion of all the services, which are the subject of our Order in accordance with these conditions of purchase.
- 4.2 No invoice will be accepted or processed for payment unless it refers to the Order number, is appropriately addressed and provides sufficient detail with respect to each item invoiced.
- 4.3 In the event that payment is made before delivery of any or all of the Goods you hereby grant to us, and we 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 any money paid by Pall (or its subsidiaries or agents) to you (or on your behalf), which security interest shall attach to the Goods, components and such raw materials immediately upon your receipt of such payment. You also agree to execute and file (or, at our discretion, permit us or our agents to file), or take such other reasonable actions as we deem necessary, in order to evidence such security interest, at your cost.
- 4.4 The making of payment shall not be deemed to constitute acceptance thereof.

PAYMENT

- 5.1 Unless otherwise stated in the Order, we shall pay the price of the goods and the services within sixty days after the date of receipt by us of a proper Advice Note and Invoice.
- 5.2 No invoice will be accepted for payment unless it refers to our order number and we have received the Advice Note in respect of each item invoiced.
- 5.3 A monthly statement of account shall be sent to us not later than the fifth day of the month following the delivery of any goods.
- 5.4 You reserve the right to charge interest on any overdue amounts at the rate of 1% per annum over the Base Reference Rate "Stopa Referencyjna" from time to time of the National Bank of Poland from the due date to the date of payment.
- 5.5 All costs, damages or expenses for which you are liable to us may be deducted from any monies due or becoming due to you, or may be recovered from you by action at law or otherwise

SECURITY FOR PERFORMANCE, DEPOSITS AND STAGE PAYMENTS

- 6.1 If required by us, you shall provide a parent company guarantee, bond or guarantee from a bank for the due performance of the Order. If we have reasonable grounds to believe that any advance payment(s) from us are at risk we

may request a full refund of any amounts paid. If a full refund is not received within seven days of our request, we may call on the parent company or banker's guarantee to cover our payment(s).

- 6.2 You shall arrange for an original copy of the banker's guarantee to be sent to us before we send you any payments, which are to be supported, by a guarantee.

RISK AND PROPERTY

- 7.1 Risk of damage to or loss of the goods shall pass to us when the goods have been delivered and unloaded.
7.2 Where payment for the goods is made prior to delivery the property in the goods shall pass to us once payment has been made and the goods have been appropriated to our Order.

DELIVERY AND IDENTIFICATION OF GOODS

- 8.1 Goods shall not be despatched prior to receipt by you of our written Order.
8.2 The Goods shall be delivered (and all work associated therewith shall be completed) by the date(s) specified in our Order or as otherwise agreed by us in a written document signed by us.
8.3 Time shall be of the essence of your obligations hereunder. If you fail to commence performance of the work on receipt of the Order, or it appears to us that you may not be able to complete the work by the required date, or you fail to do so, we may terminate the Order or any part thereof in accordance with the provisions of Clause 15, Termination for default or Insolvency.
8.4 Without prejudice to any other remedy, if the deliveries are not made on the due date(s), or without certificates, identification or documentation in full compliance with our requirements, we shall be entitled to recover from you, by way of liquidated damages and not as a penalty (either directly or by deduction from any monies due or which become due to you) a sum equivalent to 1% of the Price for each week's delay up to a maximum of 10% of the Price (or such other percentage and /or period as may be specified in the Order).
8.5 Goods delivered in excess of the amount called for in the Order may be refused and returned at your expense.
8.6 To the extent that they do not conflict with the terms and conditions of this order, Incoterms latest edition shall apply to the order.
8.7 Each package or case shall be clearly marked with your Company name and order number and our order reference. Where required in accordance with the relevant EC directive and Polish standards, goods shall be stamped with the CE or/and Polish mark on the product whatever is appropriate, the documentation and the packaging.
8.8 You shall be responsible for proper packaging, loading and tie-down to prevent damage during transportation. No charge will be allowed for packing, crating, loading, or storage without our written permission.
8.9 All goods shall be suitably packed to withstand normal freight handling and to withstand periods of storage and if the goods or any parts of them are damaged due to faulty or inadequate packing the damaged goods or part of them shall be repaired or replaced at your expense whether or not delivery has been accepted.
8.10 Delivery shall not be deemed complete until all Goods and all other related deliverables (including manuals and other documentation) and services have been actually received and accepted by us, notwithstanding any prior payment or agreement by us to pay transportation charges.

INSPECTION

- 9.1 We may, at all reasonable times and upon reasonable notice, perform such inspections and/or audit at your facilities, as we deem necessary to assure ourselves of your compliance with applicable laws and regulations, our Order and these terms and conditions
9.2 If as a result of inspection or testing, we are not satisfied that the goods or the services comply in all respects with our Order, we have the right to reject any work which is considered to be defective or inferior in quality of materials, workmanship, processing or design and not in accordance with our Specification, you shall take such steps as are necessary to ensure compliance. Any work so rejected shall immediately be replaced or corrected at your expense. You shall resubmit the re-performed work for inspection or testing at our sole judgement.
9.3 You shall supply at your own expense, certificates of analysis, tests, and certificates of origin as are required by our Order in connection with the goods or services, or required by law. Such information shall be delivered no later than the work to which they relate and shall be addressed for the attention of the Purchasing Department. Invoices will not be passed for payment unless they are supplied as requested. Strict compliance with the foregoing will facilitate prompt settlement of account.

QUALITY OF PERFORMANCE

- 10.1 The goods or any sample shall be of satisfactory quality and fit for any purpose we specify in the Order or by implication made known that we require at the time the Order is placed and which is also of a standard not less than that of previous supplies (if any) approved by us.
10.2 The goods shall be free from defects in design, material and workmanship.
10.3 Services shall be performed by appropriately qualified and trained personnel, with due care 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 you. We reserve the right to require the replacement of any personnel or tools that do not comply with the foregoing provisions at your cost.
10.4 All processing shall be in accordance with our orders, and is subject to our approval. It is agreed no payment will be made in respect of processing which we subsequently reject.

STATUTORY AND SAFETY OBLIGATIONS

- 11.1 You shall comply with all relevant statutes, laws, regulations, and by-laws and EEC Directives affecting the performance of the order (including but not limited to the Control of Substances Hazardous to Health Regulations (COSSH) and the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) latest edition) and good engineering practice, and when appropriate shall comply with our safety regulations.
- 11.2 You shall provide us in writing with such information as is necessary, relating to any such materials supplied and /or used and its design testing and use relating to any conditions necessary to ensure it will be safe and without risk to health when properly handled, stored, transported and used.
- 11.3 All equipment, fittings, and accessories which may not have been specifically mentioned but which are necessary for the efficient working of the items to be supplied shall be deemed to have been included in the price. All such items shall be complete whether such details are mentioned in the Order or not.
- 11.4 A current safety data sheet shall be supplied with each delivery.

WARRANTIES

- 12.1 You acknowledge that we are at all times relying on your knowledge and skill and on your representations and warranties set forth herein.
- 12.2 You hereby represent and warrant to us that:
 - 12.2.1 The quantity, quality and description of the Goods and all components, raw materials and related work shall be as specified herein, in our Order and/or in any applicable agreement, specification or drawing supplied by us to you or agreed in writing by us (the "Specifications").
 - 12.2.2 The Goods shall comply with and be performed in accordance with all applicable laws, regulations and industry standards, including as to environmental matters and good engineering practices, and when work is performed at our site, our safety regulations.
 - 12.2.3 The Goods shall be new and shall not have been used previously and shall be free from defects in design, material and workmanship, merchantable, fit for any purpose we specify in the Order or by implication make known to you at the time the Order is placed (the "Purpose").
 - 12.2.4 You shall convey to us good title (free and clear from all liens, encumbrances, claims, and other defects in title) to all Goods delivered to us.
 - 12.2.5 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 will not infringe any patent claim or other intellectual property rights of a third party.
 - 12.2.6 All documents including invoices, and all information submitted by you in support of any costs shall constitute a true, accurate and complete description of the Goods, activities and transactions to which they pertain.
 - 12.2.7 All samples provided to us by you 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 us from you without our prior written approval.
 - 12.2.8 All work and services performed in connection with or related to our Order and/or the Goods shall be performed by appropriately qualified and trained personnel, with due care 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 you. We reserve the right to require the replacement of any personnel, tools or equipment that do not comply with the foregoing provisions at your cost.
- 12.3 Where you have the benefit of warranties in relation to components comprised in the Goods, the benefit of such warranties shall be assignable and hereby assigned to us. We may assign warranties provided by you to our customers.
- 12.4 All warranties set forth herein shall survive acceptance of Goods provided hereunder or termination of the Order and are in addition to any warranties of additional scope given to us by you. No implied warranties are excluded.

INDEMNITY/INSURANCE

- 13.1 Acceptance of this Order constitutes an agreement by you to indemnify us and our successors and assigns in respect of, and if we require, to defend us and our successors and assigns against, all liability, loss, damage, injury (involving any person or property and any action, claim or demand) and charge, cost and expense, including reasonable attorneys' fees, internal processing costs, rework and remanufacturing costs, sustained by or incurred by us by reason of failure of the Goods to conform to the warranties contained herein or in our Order or breach by you of any of your obligations hereunder or negligence or wilful misconduct by you, your employees, representatives or agents. Such indemnity shall be in addition to any other remedies afforded by law, contract or equity and shall survive termination of the Order.
- 13.2 You shall also, at your expense, defend any suit or proceeding brought against us, our successors and assigns, based on a claim that the Goods or any component part furnished hereunder infringe any Polish, U.S. or foreign patent (except infringement resulting from adherence to Specifications provided to you by us) or other intellectual property rights of a third party. You shall pay all damages, costs and attorneys' fees awarded in any such suit or proceeding and, at our discretion, either: (i) at your expense obtain through negotiation the right for us to continue to purchase and/or use the Goods; (ii) rework the Goods so as to make them non-infringing while preserving their original functionality; (iii) replace the Goods with functionally equivalent non-infringing Goods; or (iv) refund us the amounts paid hereunder.

- 13.3 You shall maintain, at your own expense and through a carrier with an A.M. Best rating of A- or better, insurance coverage with limits typically purchased by companies of similar size in your industry; provided, however, at a minimum you will maintain Commercial General Liability Insurance including Products/Completed Operations and Contractual Liability with minimum limits of \$2,000,000 for bodily injury/property damage for each occurrence, naming Pall Poland Sp. z o.o. as an additional insured and waiving any rights of subrogation against Pall Poland Sp. Zo.o.. You will provide us with a certificate of insurance evidencing such coverage and will promptly furnish copies of endorsements and/or policies upon request. The limits and insurance policies/coverages identified in this section are minimum requirements, and shall in no way define or limit the obligation of Seller in the event of loss.

DEFECTIVE GOODS OR SERVICES

- 14.1 If goods or services are defective or fail to meet the requirements of our Order we reserve the right to either: -
14.2 require you to remedy at your own expense any defects that may arise in the work related thereto. You shall guarantee for a further 12 months all remedial work carried out under this warranty. Where a defect arises within the aforesaid original warranty period but does not become apparent until that period has expired, your liability does not cease because we have not been able to give notice of the defect.
14.3 return the goods for repair or replacement or require replacement services within the timescale specified by us at your cost; or
14.4 carry out any necessary rectification and then charge your account for such work; or
14.5 require that you refund the full Purchase Price within 30 days of our notice and terminate the Order
14.6 terminate this agreement.
14.7 "Warranty Period" shall mean the period commencing on the later of (i) the date the Goods are received by us and ending 18 months thereafter; or (ii) the date on which 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, "Warranty Period" shall mean the period commencing on the date such defect or non-conformity became apparent and ending 18 months thereafter. In addition, you shall guarantee all remedial work carried out during the Warranty Period for an additional 12 months following completion thereof.

TERMINATION FOR DEFAULT OR INSOLVENCY

- 15.1 In the event of any default by you in the performance of any obligations, including without limitation the attainment of delivery or failing to carry out our reasonable instructions, we may, where such default is capable of remedy give you written notice to rectify such default in a specified time. If you fail to comply with the requirements of the notice, or in our sole opinion your default is incapable of remedy to our satisfaction, we shall be entitled to terminate the Order in whole or in part, immediately serving notice in writing to you to such effect, without prejudice to any other rights under the Order or otherwise, and shall have the right to retain any goods previously supplied under the Order.
15.2 We shall be entitled to terminate our order if:
15.3 you make any voluntary arrangement with your creditors (within the meaning of the Law on Insolvency and Recovery dated February 28, 2003 as amended or (being an
15.4 individual or firm) you become bankrupt or (being a company) become subject to an administration order or into liquidation (otherwise than for the purpose of amalgamation or reconstruction); or
15.5 an encumbrancer takes possession, or a receiver is appointed, of any of your property or assets; or
15.6 you cease, or threaten to cease, to carry on business; or
15.7 we reasonably apprehend that any of the events mentioned above is about to occur and notify you accordingly.
15.8 Our rights and remedies are in addition to and without prejudice to other rights and remedies under the Order including our right to allow you to continue the work and recover from you the loss or damage suffered by us in respect of your defective or delayed performance.

TERMINATION FOR OUR CONVENIENCE

- 16.1 Termination shall not relieve either Party of liability with respect to any breach or with respect to rights and obligations based upon any matter which occurred prior to termination.
16.2 We shall be entitled, at any time, to terminate the Order in whole or in part, by serving notice on you. You shall cease all performance except to the extent provided in the notice of termination. In such event, we shall make payment to you (as full and final settlement of all claims which you may have against us as a result of termination) for all work satisfactorily performed up to the date of termination. This shall include all materials, which have been procured properly by you for incorporation in the work.
16.3 You acknowledge your obligation to take all reasonable steps to mitigate liabilities arising from such termination.

TOOLS

- 17.1 All special dies, tooling, moulds, patterns, jigs, fixtures, and any other property which we furnish to you or specifically pay for, for use in the performance of this Order, shall be and remain our property, shall be subject to removal upon our instruction, shall be for our exclusive use, shall be held at your risk, and shall be kept insured by you at your expense while in your custody or control in an amount equal to the replacement cost, with loss payable by you. You shall indemnify us against all liability, loss, damage and cost, sustained by us arising from a claim by your employees, agents or consultants for bodily injury or death in connection with the operation of such equipment while in your care, custody and control.

FREE ISSUE MATERIALS

18.1 Where we provide free issue material for incorporation into the work, you shall use such materials economically, and any surplus shall be accounted for to us and disposed of in accordance with our instructions. Waste, loss or damage to such materials arising from poor workmanship or your failure to maintain such materials in good order or condition shall be made good at your expense, replacements being of equivalent quality and specification and subject to our approval.

INTELLECTUAL PROPERTY RIGHTS

19.1 Any specification supplied by us to you or specifically produced by you for us, in connection with our Order, together with the copyright, design rights or any other intellectual property rights therein, shall be our exclusive property. You shall not disclose to any third party any such specification except to the extent that it is or becomes public knowledge through no fault of yours; or as required by law, provided that you give us immediate notice of such legal requirement and cooperate with our attempts to acquire a protective order; or for the purpose of fulfilling our Order, to the extent that the third party is under an obligation of confidentiality no less stringent than as stated herein. You shall not use any such specification except to the extent that it is for the purpose of fulfilling our Order.

19.2 If we have commissioned you to produce a design or specification or drawing in our Order, you agree that the commissioned work is a "Work for Hire", and that we, as the entity for which the work is prepared, shall own all right, title and interest in and to the work, and any other intellectual property rights that may arise from the work. You further agree that to the extent that the work is not a "Work for Hire", you will assign to us ownership of all right, title and interest in and to the work, including ownership of the entire copyright or any other intellectual property rights in the work. You agree to execute all papers necessary for us to perfect its ownership of the entire copyright or other intellectual property rights in the work.

19.3 All copyright or other intellectual property rights in the work you produce (other than design rights under 19.1) shall be assigned to us and you undertake to execute all documents and take all steps necessary to secure to us all rights assigned by this clause.

19.4 You represent and warrant that your work will be original and will not infringe upon the rights of any third party and will not have been previously assigned, licensed or otherwise encumbered.

CONFIDENTIAL INFORMATION

20.1 If we disclose or grant you access to any research, development, technical, economic, or other business information or "know-how" of a confidential nature, whether reduced to writing or not, you will not use or disclose any such information to any other person or company at any time, without our prior written consent and at our request, you will execute our standard confidentiality agreement.

20.2 All of our customers' or other vendors' research, development, technical, manufacturing, economic, or other business information or know-how of a confidential nature shall at all times remain our, our customers' or other vendors' property. Unless otherwise agreed to in writing, you 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.

VARIATION

21.1 We may by written notice or change order make any changes to the Order, including changes to the quantities originally ordered, the Specifications, drawings, or delivery date(s). You shall perform all variations to the work required by us without delay. You shall promptly advise us 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 us. Any claim for adjustment must be asserted, and written notice thereof provided by you to us, within 30 days from the date when the change is ordered.

21.2 No variation or qualification of these conditions of purchase shall be valid unless agreed by us in writing. Any action on our part in variance with these terms and conditions shall not be a waiver of them and we shall continue to be entitled to rely upon all the terms and conditions. We shall be entitled to rely on any statement, warranty, or representation made by any of your employees or agents.

21.3 You shall carry out variations which are required, and which have arisen as a result of an act or omission or default of you, at your own cost.

FORCE MAJEURE

22.1 Where either party is unable to perform the Order in the time specified by reason of unforeseen circumstances beyond their reasonable control, and whose effects they could not have avoided and overcome by reasonable diligence or foresight, they shall be entitled to a reasonable extension of time for performance.

22.2 In any such event, the party concerned should immediately notify the other party in writing, and estimate how long these circumstances are likely to continue.

22.3 The party concerned shall take all reasonable steps to avoid further or consequential delay and to proceed with the due performance of the Order.

22.4 We shall have the right to terminate this Order if the delivery of the Order is delayed more than 60 days due to such force majeure, without additional liability to either party.

SUB-CONTRACTING

23.1 Our Order is placed subject to the work being carried out by you and no assignment, sub-contracting or transfer is permissible without specific prior arrangement with us in writing. No assignment or subcontract (even with our consent) shall relieve you of any obligations under the Order. Any purported assignment, transfer, or subcontract without such written consent shall be void and ineffective.

CLAIMS

24.1 All costs, damages or expenses for which you are liable to us may be deducted from any monies due or becoming due to you, or may be recovered from you by action at law or otherwise.

WAIVER

25.1 Our failure to insist on your strict performance of the Order or any provision(s) of these terms and conditions at any time shall not be construed as a waiver by us of performance in the future.

ENTIRETY

26.1 Our Order, these terms and conditions, the Specifications and each agreement(s) signed by you and us in connection with the Order (including any Non-Disclosure or Confidentiality Agreement) constitute our entire agreement. They may not be modified or terminated orally, and no claimed modification, rescission or waiver shall be binding on us unless in writing, signed by our duly authorized representative.

26.2 All provisions of these terms and conditions and the Order setting forth representations, warranties, indemnification obligations, confidentiality, non-solicitation and non-competition obligations by either Party, all obligations which accrued prior to termination of the Order and the general (miscellaneous) provisions herein shall survive the termination, cancellation or expiration of the Order.

26.3 Should any error, omission, deficiency, ambiguity, or contradiction occur within the various parts of the order documentation or between such documentation and any applicable code, law or statutory regulations, you shall immediately and in writing, bring the same to our attention, and shall not proceed or continue with your obligations affected by the ambiguity until written clarification by us has been provided to you. Any and all additional costs incurred by either Party as a result of your failing to so notify us shall be solely for your account.

POLISH LAW

27.1 The construction, validity and performance of this Order shall be governed by Polish law and you agree to submit to the exclusive jurisdiction of the Polish courts appropriate for Pall Poland Sp. z.o.o.