

GENERAL TERMS AND CONDITIONS OF SALE

ITT Technologies Limited
(Designated Herein As "ITT".)

- 1. GENERAL** These general terms and conditions of sale ("Conditions") shall apply to any agreement under which ITT agrees to supply goods ("Products") to you, the "Buyer" (i.e. the legal entity named in the relevant Order (as defined below) (each being a separate agreement and hereinafter referred to as the "Agreement"). These Conditions supersede any prior written or oral agreements or understandings, or any preprinted or standard terms on any purchase order, invoice, acknowledgement, or similar document exchanged between the parties, and shall not be supplemented by any previous course of dealing, performance, or usage of trade. ITT's acknowledgement of the Buyer's purchase order (the "Order") does not imply ITT's acceptance of any terms and conditions therein, regardless of how they are prefaced or described. All Orders are accepted by ITT subject to these Conditions and each accepted Order shall constitute a separate Agreement. ITT reserves the right to modify these Conditions at any time and, as of the date of modification, all new transactions entered into between ITT and the Buyer shall be governed by the modified document. The paragraph titles in these Conditions are for convenience only and shall not be used to vary the meaning of the text of this Agreement, or interpreted as a complete list of topic referrals.
- 2. PRICES.** The price of the Products (the "Price") are FCA Origin (INCOTERMS 2000) for the specific quantity stated. Prices do not include taxes, duties, or licence fees, nor charges for transportation, engineering documentation, or special testing, marking, or packaging. Buyer agrees to remit to ITT any tax or other government charge, domestic or foreign, upon the production, sales, shipment or use of the Product which ITT is required to pay or collect from Buyer, unless Buyer furnishes a tax exemption certificate to ITT. List prices are in Pounds Sterling and subject to change without notice, provided that such change shall not apply to any Orders already accepted by ITT.
- 3. QUANTITY DISCOUNTS.** When quantity discounts are quoted as part of the Price, they are computed separately for each type of Product, and are based on the quantity of each type and each size ordered at any one time for immediate delivery. If any part of an Order is reduced or cancelled, it is agreed that the Price of the Products for remaining part of the Order will be adjusted accordingly.
- 4. QUANTITY ADD-ONS.** Change to any Orders or additional Orders for identical Products received within seven (7) days of the original Order may be combined for quantity discounts, if any and which will be granted at the sole discretion of ITT.
- 5. ORDER AND SPECIFICATION.** Nothing in this Agreement shall be deemed to place an obligation on ITT to accept an Order from the Buyer. No binding contract shall in any way arise until the Order has been accepted by ITT and confirmed in writing by ITT's authorized representative. The Buyer shall be responsible to ITT for ensuring the accuracy of the terms of any Order (including any applicable specification) submitted by the Buyer and for giving ITT any necessary information relating to the Products within a sufficient time to enable ITT to perform this Agreement in accordance with its terms.
- 6. QUANTITY VARIATIONS.** The normal variation between quantities of Products ordered and those actually delivered is $\pm 2\%$ per type of Product ("Normal Variance"). Delivery of quantities of Products by ITT within the Normal Variance shall be deemed to be a complete delivery and the Buyer shall have no claim as result of the delivered Product being less or more than the Products ordered. Claims against ITT for shortages exceeding the Normal Variance must be made within ten (10) days after arrival of shipment. In no event shall the Buyer have any claim against ITT for delivery of more Products than that ordered and the Buyer shall notify ITT of such over delivery, who may, at its own cost and sole discretion, retrieve such Products from the Buyer.
- 7. ORDER SCHEDULE & PRICES.** Orders shall be scheduled for delivery within twelve (12) months from date of the Order. Products containing precious or volatile price materials are priced for shipment within three (3) months after the date of Order, and thereafter the Price is subject to adjustment in accordance with the then prevailing prices for such materials. ITT reserves the right to refuse, or require additional charges, for Buyer's changes to the delivery schedule.
- 8. ENERGY PRICING AND DELIVERY.** The Price, specifications, and delivery schedules set forth in the Order assume that materials, fuels, and energy supplies will continue to be available at not less than present levels, and that ITT and its subcontractors, suppliers, and transporters will continue to have unimpeded use of their facilities and equipment. Any significant reduction in the availability of any of the foregoing as a result of any situation commonly described as an "Energy Crisis," whether resulting from Governmental action or otherwise, locally or abroad, shall render the Price and delivery schedules of the Order subject to adjustment, so as to reflect the impact thereof.
- 9. MODIFICATIONS.** Unless otherwise provided, ITT reserves the right to modify the Product's specifications, provided that the modification will not materially affect form, fit or function of the Product.
- 10. PAYMENT TERMS:** ITT shall be entitled to invoice the Buyer the Price at any time on or after delivery of the Products. Invoices are payable by the Buyer within thirty (30) days from date of invoice. If for any reason ITT have any doubts concerning the Buyer's creditworthiness, either before or after an Order is accepted, ITT reserves the right to require payment in advance, or to deliver COD (as such term is defined under the INCOTERM 2000), or to otherwise modify credit terms. Pending correction of any unsatisfactory credit situation, ITT may withhold shipments without incurring any liability to Buyer. When partial shipments are made, payment therefor shall become due in accordance with the designated terms of the invoice.

Late Payment. If the Buyer fails to make any payment on the due date then without prejudice to any other right or remedy available to ITT, ITT shall be entitled to:

 - (a) cancel this Agreement or suspend any further deliveries under other agreements to the Buyer;
 - (b) charge the Buyer interest (both before and after any judgment) on the amount unpaid, at the rate of eight per cent (8%) per annum over the base rate for the time being of Bank of England (such interest being deemed to accrue from day to day and being compounded on the last day of each calendar

The quantity, quality and description of, and/or any specification for, the Products shall be those set out in the Order (if accepted by ITT).

month) until payment is made.

11. DELIVERY.

A. All deliveries will be FCA Origin (as such term is defined under the INCOTERM 2000), unless otherwise agreed. In the absence of specific instructions, ITT will select the carrier.

B. All risks in the Products shall pass to the Buyer upon ITT's delivery to the carrier at the point of shipment.

C. Notwithstanding delivery and the passing of risk in the Products, or any other provision of this Agreement, the property in the Products shall not pass to the Buyer until ITT has received in cash or cleared funds payment in full of the Price of the Products and all other goods agreed to be sold by ITT to the Buyer for which payment is then due.

D. Until such time as the property in the Products passes to the Buyer, the Buyer shall (a) hold the Products as the ITT's fiduciary agent and bailee; (b) keep the Products separate from those of the Buyer and third parties and properly stored, protected, insured and identified as the ITT's property.

E. Until such time as the property in the Products passes to the Buyer (and provided that the Products are still in existence and have not been resold) ITT shall be entitled: (a) on ten (10) days notice to enter upon any premises where the Products are stored to inspect them; and (b) at any time to require the Buyer to deliver up the Products to ITT and, if the Buyer fails to do so forthwith, to enter upon any premises of the Buyer or any third party where the Products are stored and repossess the Products.

F. The Buyer shall not be entitled to pledge, or in any way charge by way of security for any indebtedness, any of the Product(s) whilst it remains the property of ITT; but if the Buyer does so, all monies owing by the Buyer to ITT shall (without prejudice to any other right or remedy of ITT) forthwith become due and payable.

12. DELIVERY DATES, FORCE MAJEURE. All acknowledged shipping dates are approximate, based upon known conditions existing at the time the Order is placed. ITT will, in good faith, endeavor to ship by the estimated shipping date, but shall not be responsible for any delay or damages arising therefrom. If the Order does not cite desired delivery date(s) and/or does not expressly prohibit delivery in advance of scheduled date(s), Buyer agrees that immediate delivery is acceptable if conditions arise which prevent compliance with delivery schedules. ITT shall not be liable for any damages or loss, including without limitation, consequential damages or otherwise, arising from delays in delivery, or for failure to give notice of delays, and, further, such delays shall not constitute grounds for cancellation. Without limiting the generality of the foregoing, ITT shall under no circumstances be responsible for any failure to fill an Order when due to failure to obtain export licenses, export controls, fires, floods, earthquakes, riots, strikes, freight embargoes, transportation delays, shortage of labor, inability to secure fuel, material, supplies or power or other energy requirements, or on account of shortages thereof, acts of God or of the public enemy, or any existing or future laws or acts of Government (including specifically, but not exclusively, any orders, rules, or regulations issued by any official of any such government) affecting the conduct of ITT's business which, in its judgment and discretion, ITT deems advisable to comply with either as a legal, or patriotic duty, or to any other cause beyond ITT's reasonable control. In the event ITT is prevented from completing any part of Buyer's order, because of any rule, regulation or order of any local, state or national government, or of any such government's commission, body, or authority having jurisdiction, then

Buyer agrees, upon request and receipt of invoice therefor, to promptly remit to ITT, for any Products which are completed or are in process, an amount proportionate to the stage of completion of the work as reasonably determined by ITT.

13. INSPECTION AND ACCEPTANCE. Unless Buyer notifies ITT in writing within thirty (30) days from the Products' date of shipment that Products are rejected, it will be deemed to have been accepted by Buyer. In order to be effective, the Buyer's notice of rejection must specify in writing the reason(s) why the Products have been rejected.

14. TOOLING: Unless otherwise expressly agreed in a separately executed writing, ITT shall retain title to and possession of any models, patterns, dies, molds, jigs, fixtures, tools, and test equipment made or obtained for the performance of this Agreement.

16. PRODUCT WARRANTY. ITT warrants that at the time of shipment the Products manufactured by ITT and sold hereunder will be free from defects in material and workmanship, and will conform to specification as specified in the Order. Buyer shall notify ITT immediately if any defect within this warranty should appear.

A. **Warranty Adjustment.** (1) If any defect within this warranty appears, Buyer shall notify ITT immediately. (2) ITT agrees to repair or furnish a replacement for, but not install, any Product which within ninety (90) days from the date of shipment by ITT shall upon examination by ITT prove defective within the above warranty. (3) No Product will be accepted for return or replacement without written authorization of ITT. Upon such authorization, and in accordance with instructions by ITT, the product will be returned shipping charges prepaid by Buyer. Replacements made under this warranty will be shipped prepaid by ITT.

B. **Exclusions From Warranty.** (1) This warranty does not extend to Products which have been subjected to misuse, neglect, accident, improper installation or to use in violation of instructions furnished by ITT. (2) This warranty does not extend to or apply to any unit which has been repaired or altered at any place other than at ITT's factory, or by persons not expressly approved by ITT. (3) Components purchased by Buyer from any supplier other than ITT shall bear only the warranty given by the manufacturer of that product, and ITT assumes no responsibility for the interface of the Products with any other product.

C. The foregoing warranty is in lieu of and excludes all other expressed or implied warranties, representations, and terms and conditions, including those relating to quality, fitness for purpose, or otherwise.

17. INDEMNIFICATION. ITT will defend, hold harmless, and indemnify Buyer from and against any liability arising from or in connection with any third party claims or demands to recover for personal injury or death caused by ITT's negligence in the performance of this Agreement (excepting to the extent such injury, damage or loss results from Buyer's specifications as to design or materials, or from alteration, or from improper use, repair, maintenance, or installation by any party other than ITT), provided that each party to bear its own legal fees.

18. PATENT INDEMNITY. A. Patent indemnity by ITT to Buyer. ITT agrees to indemnify and hold harmless the Buyer from and against all legal expenses which may be incurred as well as from damages and costs (excepting all consequential and special damages and costs) which may be finally assessed against the Buyer in any action for infringement of any UK patents by the Products, provided that: (1) Buyer shall give ITT prompt written notice of any action, claim or threat of patent infringement suit, either oral or written, or of the commencement of any patent infringement suit against Buyer relating to the Products;

and (2) Buyer shall give ITT opportunity to elect to take over, settle or defend any such claim, action or suit through counsel of ITT's own choice and under its sole direction, and at its sole expense; and (3) Buyer, in the event ITT elects to take over, defend or settle such, will make available to ITT all defenses known by or available to Buyer, and (4) ITT shall have the right to substitute for the Products, or any part thereof claiming to infringe the patent rights of others, other non-infringing Products which have similar functionalities or properties. In addition, ITT shall have the right at its own expense to take any of the following courses of action: (a) Procure for Buyer the right to continue using the Products; or to (b) Replace the Products (or any relevant infringing part) with a non-infringing Product (or part thereof); or to (c) Modify the Product so that it becomes non-infringing; or to (d) Require the return of the Product and refund the Price and the transportation and installation costs thereof.

B. Limitations. The foregoing provisions as to patent protection by ITT to Buyer shall not apply to any of the following: (1) To any Product manufactured to the design or specifications furnished by the Buyer. (2) To orders for special non-commercial items which ITT has not sold or offered for sale to the public on the open commercial market. (3) To any infringement occasioned by modification by Buyer for the Product without ITT's written consent, or (4) to any infringement arising from the use of the Product with any adjunct or device added by the Buyer.

C. Buyer's Patent Indemnity to ITT. To the extent that the Products delivered hereunder are manufactured pursuant to designs furnished by the Buyer, Buyer agrees to indemnify ITT and hold ITT harmless from all legal expenses which may be incurred as well as all damages and costs which may finally be assessed against ITT in any action for infringement of any patents by such Products delivered hereunder. ITT agrees promptly to inform the Buyer of any claim for liability made against ITT with respect to such Products and ITT agrees to cooperate with the Buyer in every way reasonably available to facilitate the defense against any such claim.

19. LIMITATION OF LIABILITY.

A. The Buyer acknowledges that it has entered into this Agreement in reliance only on the representations, warranties, promises and terms contained in these Conditions and, save as expressly set out in these Conditions. ITT shall have no liability in respect of any other representation, warranty or promise made prior to the date of this Agreement.

B. Except as provided under sub-paragraph D below, in no event will ITT be liable to the Buyer (whether under contract, statute, common law or tort [including negligence]) for any (i) economic loss including without limitation any loss of profits, business opportunities, revenue, damage to goodwill or anticipated savings, or (ii) loss or damage to data, in each case even if advised of their possibility and whether direct or indirect.

C. Except as provided under sub-paragraph D below, in no event will ITT be liable in aggregate to the Buyer (whether under contract, statute, common law or tort [including negligence]) for any amount in excess of an amount equivalent to 125% of the Price.

D. Nothing in this Agreement excludes or limits the liability of ITT: (a) for death or personal injury caused by ITT's negligence; (b) for any matter which it would be illegal for ITT to exclude or attempt to exclude its liability; or (c) for fraud or fraudulent misrepresentation.

20. TERMINATION.

A. Orders may not be modified, terminated, or otherwise rescinded except by mutual written agreement.

B. This sub-paragraph B applies if: (a) the Buyer makes any voluntary arrangement with its creditors or becomes subject to an administration order or (being an individual or firm) becomes bankrupt or goes into

liquidation (otherwise than for the purpose of a solvent amalgamation or reconstruction); (b) an encumbrancer takes possession, or a receiver is appointed, over any of the property or assets of the Buyer; (c) the Buyer ceases, or threatens to cease, to carry on business; or (d) ITT reasonably apprehends that any of the events mentioned above is about to occur in relation to the Buyer and notifies the Buyer accordingly.

If this sub-paragraph B applies then, without prejudice to any other right or remedy available to ITT, ITT shall be entitled to cancel this Agreement or suspend any further deliveries under this Agreement without liability to the Buyer; and if the Products have been delivered but not paid for the Price shall become immediately due and payable notwithstanding any previous agreement or arrangement to the contrary.

C. If all or part of this Agreement is terminated by such modification or rescission, Buyer, absent a signed written agreement to the contrary, shall pay termination charges to ITT of costs, as determined by accepted accounting and production principles, plus a reasonable profit (which in any event shall not be less than 15 per cent of the ITT's costs); except that any Product scheduled for completion within 60 days of Buyer's request for termination or rescheduling will be accepted and paid for in full by Buyer. ITT reserves the right to pre-purchase material and to begin production in time to meet Buyer's delivery date based on conditions in its plant and lead time required by ITT's suppliers. In the event of Buyer's default, breach, or cancellation for any cause including failure to obtain an export license for any reason, Buyer shall be responsible for any losses resulting there from.

21. NEGOTIATION, MEDIATION, ARBITRATION. Any dispute arising out of or relating to this Agreement shall be resolved per the procedures specified by the International Institute for Conflict Prevention & Resolution (CPR) (www.cpradr.org).

A. Negotiation Between Executives. The parties shall first attempt to resolve any dispute arising out of this contract by prompt negotiation between executives who have authority to settle the matter.

B. Mediation. If not resolved by negotiation, the parties agree to submit the dispute to mediation under CPR rules. The mediation shall be held in London, UK, and if one party has failed to participate in negotiation the other party may initiate mediation immediately. Unless otherwise agreed, the parties will select a mediator from the CPR's panel of neutrals.

C. Binding Arbitration. Any dispute arising from this Agreement not resolved within forty-five (45) days after initiation of such mediation, shall be finally resolved by arbitration in accordance with CPR Rules for Non-Administered Arbitration then currently in effect, conducted in English, by a sole arbitrator, in London, UK. The United Nations Convention on the International Sale of Goods, shall not apply. Judgment upon an arbitration award may be entered in any court having jurisdiction, or application may be made for judicial acceptance of the arbitration award or an order of enforcement, as may be the case.

D. Interim Relief. Nothing herein shall affect either Party's right to apply to a court of appropriate jurisdiction for interim relief.

E. Service. The Parties hereto irrevocably agree to accept service of process by registered mail, postage prepaid, or by personal service, on an officer or registered agent of the Party, or in any other manner permitted by law.

F. Governing law and jurisdiction. This Agreement shall be governed by and construed in accordance with English law. Each of the Parties irrevocably submits for all purposes in connection with this Agreement to the exclusive jurisdiction of the courts of England.

22. SUPPLEMENTAL CLAUSES FOR EXPORT ORDERS.

A. Proof of Export. If the Products are to be purchased solely for export, then the Buyer agrees to furnish ITT with proof of exportation of all or any part of the Products within five (5) months from the date of the ITT invoices therefor. Or, if exportation of any part has not occurred within the aforementioned period, the Buyer agrees to pay ITT, immediately upon demand, the amount of any value added tax or other sale or consumption tax applicable.

B. License and Permit Requirements. (1) ITT will attempt to secure all export licenses and permits required by the United Kingdom and Buyer will furnish reasonable cooperation in acquiring such licenses and permits. If such licenses and permits are not paid for by Buyer such payments will be added to the Price. (2) Buyer will secure all licenses and permits required by the foreign government and ITT will furnish reasonable cooperation in acquiring such licenses and permits. The delivery schedule is contingent upon securing all necessary licenses and permits. (3) Failure to obtain a required license or permit in sufficient time to permit delivery within the time set forth in the contract and without fault or negligence of the Parties, shall occasion an equitable adjustment in the delivery schedule.

C. Export Controls. Buyer acknowledges that the Products purchased, licensed, or sold hereunder, and the transaction contemplated by this Agreement, are subject to the customs and export control laws and regulations of the United States or United Kingdom, and may also be subject to the customs, regulations, and export laws of the receiving country. Buyer and ITT agree that all exchange of data and information pursuant to this Agreement shall strictly comply with all laws, rules, and regulations of the United States or the United Kingdom regarding exportation and re-exportation of the Products sold under this Agreement. Under U.S. or UK law, certain products shipped under this Agreement may not be sold, leased or otherwise transferred to restricted countries, or used by restricted end-users. Buyer agrees that it is Buyer's sole responsibility to know and comply with all such laws and regulations. ITT shall not be liable for any delays, or refusals by the government bodies to approve the export of the requirements under this Agreement.

24. OTHER

A. Either party may, in whole or in part, release, compound, compromise, waive or postpone, in its absolute discretion, any liability owed to it or right granted to it under this Agreement by the other party without in any way prejudicing or affecting its rights in respect of any other liability or right not so released, compounded, compromised, waived or postponed.

B. No single or partial exercise or failure or delay in exercising any right, power or remedy by either party shall constitute a waiver by that party of, or impair or preclude any further exercise of that or any right, power or remedy arising under this Agreement or otherwise.

C. To the extent that any provision of these Conditions are found by any court or competent authority to be invalid, unlawful or unenforceable in any jurisdiction, that provision shall be deemed not to be a part of this Agreement, it shall not affect the enforceability of the remainder of this Agreement nor shall it affect the validity, lawfulness or enforceability of that provision in any other jurisdiction.

D. Unless expressly provided in this Agreement, no term of this Agreement is enforceable pursuant to the Contracts (Rights of Third Parties) Act 1999 by any person who is not a party to it.

25. CONFIDENTIAL OR PROPRIETARY INFORMATION AND PROPERTY

A. " Confidential Information" shall mean all information or items identified by ITT as confidential and disclosed by ITT to Buyer, relating to this Agreement.

B. If a separate confidentiality nondisclosure, or proprietary information agreement exists between ITT and Buyer which relates to the subject matter of this Order, then confidential or proprietary information furnished by one (1) party to the other party shall be protected pursuant to such agreement, and paragraphs (C) through (F) below of this clause shall not apply.

C. Buyer agrees to keep confidential and protect from disclosure to any third party all Confidential Information obtained from ITT regardless of form, including but not limited to, drawings, specifications, requirements documents, and samples obtained from ITT in connection with this Order.

D. Buyer further agrees that such Confidential Information shall be distributed internally on a need to know basis and shall not be used, except to perform obligations pursuant to this Order, without prior written permission of ITT.

E. Buyer shall be liable to ITT for any loss of the Confidential Information.

F. Upon the request of ITT, Buyer will, at its own expense, return to ITT or confirm the destruction of all Confidential Information.

26. ASSIGNMENT OF AGREEMENT

Buyer shall not assign this Agreement or any of its rights, benefits, duties or obligations under this Agreement to a third party without the written consent of ITT.